

International VIEWPOINT

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compromise
and war***

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Between compromise and war

TOWARDS the end of October intensive political manoeuvring took place around the Gulf Crisis. These manoeuvres involve a search for a compromise solution — an outcome that Washington is working to prevent.

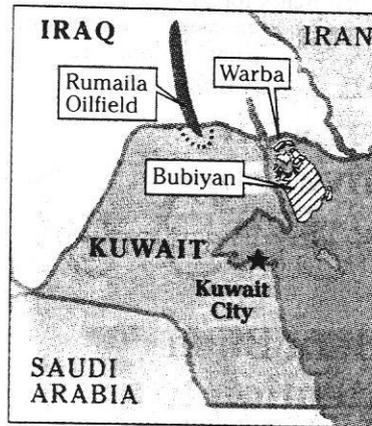
SALAH JABER

THE aim of the manoeuvres is to find a compromise which would allow Iraq to withdraw from Kuwait, but keep the islands of Bubiyan and Warba that command access to the Gulf. Baghdad has been demanding these islands from the emir of Kuwait for a long time, even proposing to rent them on a long lease. There are several factors working for a solution of this type — on the one hand, the blockade is beginning to seriously affect Iraq, and on the other, the supporters of compromise reckon that the overall political context of the crisis requires a negotiated solution.

On the Iraqi side, Saddam Hussein is sending out an increasing number of signals that he is ready for a deal. The most obvious means he has, of course, is to free the Western hostages that he holds. The freeing of hostages to the Spanish state, of British hostages to the ex-Prime Minister Edward Heath, of Americans to a representative of the Iraqi-American friendship association, up to the decision confirmed on October 23 to free all the remaining French hostages, are all signs of the current Iraqi posture.

French hostages freed

The praise for the French position employed by the Iraqi Foreign Minister Tarek Aziz to explain the freeing of his French "guests" is another signal of the Iraqi search for a compromise. Baghdad wants to get out of Kuwait without losing face; this means that Iraq must achieve some territorial gain — thus the islands — and produce some sort of prize to show to the Arab public opinion that has supported it. This last requirement could be met by a demand from several quarters, including Iraq, for a conference to resolve the Israeli-Palestinian conflict, a demand that Washington would find difficult to



reject after having promised itself to act on this question after the Kuwait issue is settled.

Among the great powers it is France that is most interested in such a compromise. The reason is simple enough. Over the past 15 years of privileged relations with Saddam Hussein France has built up a considerable stake in Iraq. French imperialism fears a military explosion that could destroy Iraqi industrial potential, wipe out French hopes of getting back the credits they have granted that country, and bury any hope of keeping Iraq as a favoured client of France. Aziz' praise for French diplomacy is, from this point of view, music to French ears, even if it is causing some embarrassments with the other imperialist powers.

De Gaulle and the Arabs

The Iraqi Foreign Minister's eulogy draws on the tradition of friendly relations with Arab nationalism established by De Gaulle. This was a useful rampart for the General in confronting his Anglo-Saxon competitors in this part of the world. The secret French approaches concerning a peaceful solution to the crisis, referred to by Tarek Aziz, are, furthermore, supported by most Arab regimes, terrified of the prospect of an armed conflagration.

The only Arab rulers opposed to a compromise are — besides the Kuwaiti emir himself — the Saudi King Fahd and the Egyptian and Syrian presidents. These three share the common feature of being direct rivals of Iraq for regional hegemony, and the first two are deeply implicated in the American intervention, the Syrian leader being involved in a wide-ranging deal with the Saudis and Americans. All the other Arab governments are vigorously in favour of compromise, above all because they are

rightly fearful of the disastrous political consequences of an armed conflict. This fear has been there since the beginning of the crisis, and was much intensified after the October 8 Zionist massacre in Jerusalem.

The inability of the US administration to step out of its habitual role as the guardian of Israel in the United Nations even in such delicate and exceptional circumstances has exasperated even Washington's traditional Arab allies. Since October 8 the *Intifada*/Zionist repression cycle has resumed with increased intensity and the overall political conditions for an American assault on Iraq are about as bad as they could be in the eyes of the Arab rulers. Furthermore these latter do not on the whole feel any particular sympathy for the Kuwaiti ruling family, renowned for its arrogance and stinginess. They are thus perfectly willing to contemplate the idea of compensating an Iraqi withdrawal with territorial concessions.

An important faction within the ruling family/class of Saudi Arabia has taken the same line, expressed by Prince Sultan. He called a press conference during which he made proposals of a very conciliatory nature towards Iraq, where he went as far as to recommend that Kuwait grant Iraq access to the sea.

Bush repeats himself

Such statements, along with the behind the scenes diplomacy that is going on, have annoyed the American administration intolerably. As we have explained in previous articles (see *IV* 190, 191), this latter wants to settle accounts with Saddam Hussein and neutralize Iraqi military potential, aims which require the unconditional capitulation of Baghdad. Bush's reaction has been immediate — on October 23 he repeated himself in comparing the Iraqi dictator to Hitler and stating that there could be no question of a compromise. He described the invasion of Kuwait as the worst outrage in the second half of this century, an assessment of such self-serving hypocrisy that it defies further comment.

The US president went even further, upping the ante by making new demands on the Iraqi regime. Washington will no longer be satisfied with Iraqi withdrawal from Kuwait — Iraq must now pay war reparations. A new UN Security Council resolution has been passed to this effect — with the support of the Kremlin, so that this extra demand too can claim the force of "international law". This escalation means, more or less, that the White House has closed off every option except war.

The race is on between Washington and the forces of compromise. This contest is a temptation to the American government to go into action as soon as possible, perhaps after the November legislative elections in the US. The antiwar mobilization must be maintained and stepped up. ★

Anti-war mobilizations intensify

GERMANY

A SMALL rally against the Gulf war took place on October 20, 1990 in Berlin, called by the Group of Revolutionary Socialists (East German members of the Fourth International), the United Left, certain sectors of the Party of Democratic Socialism (PDS) and other organizations.

The organizers have published a common declaration which states, amongst other things; "The conservatives of the Christian Democratic Party (the CDU) wish to change the constitution so as to permit German troops to participate in the invasion. Thanks to their "logic of war", they wish to justify an imminent reduction of social and democratic rights and also to encourage racism. Every one of us will be affected — in the first place, foreigners and women, but also all democratic opposition to the unity of the German state. With this "logic of war" the government can justify an increase in taxes, even if, for the moment, it claims that this will not take place. As usual, the costs of the war will fall on the shoulders of the workers. This is not our war! If Kohl wants to wage war, let him go and do it by himself!" ★

FRANCE

AT the instigation of a collective of 75 personalities and numerous political parties and trade unions, including the French Communist Party (PCF), the CGT trade union federation (linked to the PCF), organizations close to the PCF, the Greens and the far left organizations (among them the Ligue Communiste Révolutionnaire, French section of the Fourth International), a demonstration of more than 12,000 people demanding the withdrawal of French troops from the Gulf took place in Paris on October 20, 1990.

A dynamic and colorful cortege passed through the streets of the capital to cries of "Oil is not worth a drop of blood", "No to the war", "We won't die for Esso", and so on. Other unitary actions of the same type took place in the principal French towns, with notably around 1,000 people at Rouen and Lyon, and more than 700 at Lille.

These mobilizations, despite their importance, represent only the tip of the iceberg — indeed, according to the latest surveys, French public opinion is increasingly hostile to the presence of its troops in Saudi Arabia, and, even more so, to the launching of a war. The announcement by

that this expedition would cost "at least" 3 billion francs for 1990 could reinforce their anti-war sentiment, at a time when mobilizations against austerity are multiplying in the public sector. ★

ITALY

THE traditional international "peace march" between Perugia and Assisi, organized every year by the Italian pacifist organizations, was bigger than anybody had predicted this year — more than 100,000 people marched on October 7, 1990 to protest against the "logic of war" that the Italian government wishes to impose.

Alongside numerous pacifist committees and religious organizations, the members of the Italian Communist Party (PCI) were there in great numbers (behind their leaders Achille Occhetto and Aldo Tortorella) to demonstrate their opposition to the bellicose preparations in the Gulf.

The organizing committee demanded a peaceful and negotiated solution to the conflict, the withdrawal of Iraq from Kuwait and a genuine and efficient action on the part of the UN to resolve the crisis in the Gulf, but also the Palestinian question.

Numerous foreign personalities were also present and spoke, including a deputy of the German Social Democratic Party (SPD), a representative of the Palestine

Liberation Organization (PLO) in Italy, a US conscientious objector, and others. ★

UNITED STATES

THE streets of New York, Washington, Atlanta, Boston, San Francisco, Chicago, Los Angeles, and other cities reverberated to anti-war slogans on October 20, 1990, in response to the call of trade unions, veterans' associations and religious organizations. In all, demonstrations against the US military intervention in the Gulf were held in 18 cities.

Around 20,000 people (among them veterans of the Vietnam war and activists in the solidarity movement with Central America) demonstrated in New York to cries of "Hell, no, we won't go, we won't die for Texaco!". Around 8,000 demonstrators in San Francisco and 1,000 in Boston also responded to the appeal of the coalition "Against a new Vietnam", demanding the withdrawal of the 200,000 US soldiers stationed in the Saudi Arabian deserts. ★

JAPAN

MORE than 23,000 people formed a human chain around a US base in Tokyo on October 21, 1990, to protest against the prospect of Japanese troops being sent to the Gulf. The demonstrators demanded that the bill to modify the Constitution to allow the sending of Japanese troops abroad should be withdrawn. ★

SOLDIERS AGAINST WAR

OPPOSITION to war in the Gulf is beginning to find an echo inside the western armies engaged in the conflict.

In Washington, Patrick Colclough, aged 21, and Matthew Brown, aged 20, announced their refusal of the call-up for active service in the symbolic context of the memorial inscribed with the names of the 57,000 US soldiers who died in Vietnam. Patrick explained, "I hope that my action will help, in one way or another, to stop a new Vietnam. My generation does not want another 'President's war'. We do not want another memorial for the victims of our disaster".

In Paris, Pascal Bidaux and Frédéric Poncet, soldiers on military service, led the march against the war on October 20, 1990. They have, by their example, shown their opposition to a war against the Arab peoples of the Middle East on behalf of the interests of feudal sheikhs and multinational oil companies.

The exemplary attitude of these young soldiers, which has already met an important echo, should inspire all opponents of the war to build a campaign of active solidarity with soldiers who refuse the imperialist butchery. This has already been taken up by the forces who called for the Paris demonstration. In the United States, the coordinators of the anti-war movement have made the same commitment. Already, the Bush and Mitterand governments have dealt out harsh punishments to those young soldiers who have opposed their war drive — Pascal and Frédéric have been confined to their units whilst another US soldier, Jeffrey Patterson, who refused to leave with his unit for Saudi Arabia, is in prison in Pearl Harbour and will be court martialled. ★

Egypt in the Gulf Crisis

Interview with Egyptian Marxist

EGYPT has sent 20,000 troops and 150 tanks to Saudi Arabia as part of the US-led crusade against Iraq. In return, Egypt will see some of its massive debts cancelled. However this is unlikely to resolve the grave economic crisis afflicting the country. IV spoke to Egyptian revolutionary militant Ahmed Shafei about the situation. The interview was carried out on October 10 by Luiza Maria.

VIEWED from Europe, Egypt seems to have given its support to the US in the Gulf crisis almost automatically. Is this accurate?

In fact, there was a delay of two days before the Ministry of Foreign Affairs came up with a statement demanding the resolution of the Iraq-Kuwait conflict in an Arab framework and calling for the Kuwaiti people to have the right to choose their government. This position — which does not imply support for the emir of Kuwait — was considerably modified after the Congress of the Arab League in August 1990, where Egypt aligned itself with the Gulf countries and condemned the Iraqi actions¹. This decision was followed up by a series of concrete measures, most importantly the sending of Egyptian armed forces to Saudi Arabia and the United Arab Emirates (UAE).

This position needs to be understood in the light of the economic crisis facing Egypt and the pressure of international financial institutions which restrict the Egyptian government's room for manoeuvre. The Egyptian regime is compelled to accept everything the imperialists do to protect their interests in the region, in the hope of seeing the cancellation of some of its debts, or at least the postponement of interest repayments.

Egypt owes a lot of money to Kuwait, which from the lending point of view operates like one of the big imperialist institutions. Iraq offered to cancel Egypt's debt to Kuwait in return for support, but Egypt is too dependent on imperialism to take such a course. The US supports the Egyptian economy with loans and grain deliveries — between 75% and 80% of the staple food of the population comes from the US.

■ How can the apparent popular

support for the Egyptian government's position be explained?

The regime is able to touch a specific chord in the Egyptian people to gain at least tacit connivance — the relations between Egyptian workers and the Iraqi regime. Despite the Arab nationalist demagoguery of Saddam Hussein, Iraq has been undergoing an unprecedented economic crisis after the eight year long war with Iran.

After the hostilities ended, the Iraqi regime exploited the competition between Egyptian and Iraqi workers for its own ends. The Egyptians found themselves subjected to various forms of administrative persecution as well as hostility from Iraqis. The result was repeated attacks on Egyptian immigrants, including dozens of killings. Thus, it is easy enough for the Egyptian government to reawaken resentment against Iraq to justify its alignment in the Gulf crisis.

Certainly nothing has been seen in Egypt to compare with the massive popular displays of support for Iraq in, for example, Yemen, Sudan or Tunisia.

■ Is that the only factor at work?

No. The extent of the economic crisis is everyone's main preoccupation and pushes everything else into the background. The Egyptians are in the grip of austerity and mounting poverty. Each year they await the budget vote. Today, the Mubarak government is holding out the hope that his pro-imperialist position will offer some sort of alleviation of the crisis. Even though outbreaks of popular anger at the regime's anti-Arab posture cannot be ruled out, the expectations of economic relief make for their postponement.

■ Egypt has a large and concentrated working class. What is going on

there?

The Egyptian workers have a long tradition of struggle. Although these were suppressed under Nasser, they have since been rapidly rediscovered. There are frequent spontaneous explosions, which have not led to the creation of powerful workers' organizations — whether unions or parties.

In general these movements have economic motives, but direct clashes with the state are inevitable given that the state is the main owner of the means of production. Thus economic demands give way rapidly to political demands and the government-controlled unions are swept aside to be replaced by "workers' committees". Struggles also imply democratic demands, since in Egypt it is forbidden to strike or demonstrate. Often such movements end up in bloody confrontations between the strikers and the forces of order, as at Helwan in 1989 (see IV 174).

This class consciousness can also be found amongst the Egyptian emigres, who, unlike their Europe-bound North African cousins, are mainly to be found in the neighboring Arab countries, such as Libya, Jordan, Iraq or the UAE. The Egyptian emigrant workers confront their new employers, be they Libyan, Jordanian or Iraqi, as their bosses rather than their Arab brothers. Thus class consciousness replaces Arab national consciousness.

Having being expelled in their thousands by Libya, exploited in Jordan or murdered in Iraq, the Egyptian workers do not feel an urgent need to denounce imperialist attacks on Libya's Qadhafi, support the Palestinian *Intifada* or the Iraqi regime. While this does not explain everything, the anti-worker outlook of the Arab nationalist regimes only reinforces the failure of nationalism after the defeat of Nasser.

Furthermore, the working class lacks a political framework. The left has not managed to implant itself. On the other hand the present combative mood offers enormous possibilities to the left, especially in a situation where the economic opening threatens the interests of layers of the petty bourgeoisie, poor peasants and sections tied to the state apparatus.

The Communist Party is torn by internal problems, weakened by clandestinity and has been sent into a spin by the events in Eastern Europe. It is currently updating its propaganda, not from any concern for theoretical rigor, but in order to justify Gorbachev's policies. Its contortions over the

1. The transfer of the seat of the Arab League from Tunis to Cairo was more than a coincidence. Egypt ceased to be the home of the League due to the boycott of Egypt by Arab countries after the visit by Sadat to Jerusalem and the Camp David accords with Israel in 1978. The boycott was broken by Yasser Arafat's visit to Cairo in 1983. Subsequently Egypt re-established relations with the League. The fact that the League is again to be centred in Egypt is a victory for the Egyptian bourgeoisie and a demonstration of the failure of Arab nationalist demagoguery.

Gulf issue are in the same style as at the time of the Camp David accords, when the CP contrived to support the Egypt-Israeli agreements, the PLO, the international conference proposal and so on all at the same time.

■ What about other political forces?

The liberal opposition is going ever further in the direction of support for imperialism. The left forces remain marginal except in the universities, where, indeed, they were the dominant force in the 1970s. Since then they have been overtaken by the fundamentalists, although

the left has been able to regain ground recently through mobilizations on anti-imperialist themes.

The fundamentalists have been embarrassed by the imperialist intervention in the Gulf. They are in a very uncomfortable position, since they have traditionally been both anti-Western and tied politically and financially to Saudi Arabia, where the Constitution is the Koran. They are unable to justify the "Western" presence in that country. They have adopted a three-point position: condemnation of the Iraqi invasion of Kuwait; defence of Saudi Arabia; and condemnation of the American presence. ★

Each to their own market

THE WORST aspect, in a way, of the market orientation Gorbachov proposed to the plenum of the Communist Party of the Soviet Union (CPSU) in the second week of October was the pragmatic argument he used to defend it. "Worldwide experience shows the vitality and effectiveness of the market economy." The market is, thus, the best of all possible worlds for the chief of the Soviet bureaucracy, as for Margaret Thatcher.

GERRY FOLEY

DESPITE the fact that marketism has become the received wisdom in the Communist Party, as well as most of the opposition, in the USSR, more and more misgivings are being expressed in the Soviet press about its actual and prospective effects. It is becoming harder to cover up the ruthless logic of the market and socio-economic relations based on competition. At the CC plenum, the first secretary of the Leningrad district organization, B. V. Gidaspov, was brutally definite.

"We have become more and more convinced that the market is possible only with the attributes that belong to it, including the exploitation of wage labor. All this terminology about a regulated socialist market is only verbal acrobatics.

There are going to be poor people and there are going to be rich people. Therefore, we must clearly determine the least painful mechanisms for transition to the market — they will be painful — and most important a mechanism for protecting the population from its negative effects. Of course, it would be nice if this side of the market did not affect our per-

spectives and those close to us, first of all children and pensioners, which seems, unfortunately, problematic."

Gidaspov was also categorical on another basic point: "It would be wrong to start any moves to the market without adopting a Treaty of Union. It must consider drawing four clear dividing lines between the prerogatives of the center and the republics, the republics and the autonomous republics and the regions and even among the regions themselves, within the regions themselves, between the regional and district soviets, and it could even go lower."

Differences in pricing policy among the republics, which are beginning to try to exercise rights of economic sovereignty, have already created sharp conflicts. For example, the Russian republic government under Yeltsin raised food prices unilaterally. The higher Russian prices threatened to pull such products out of Ukraine, which then took protectionist measures. On October 15, the Estonian government raised the price of basic food products by 250 per cent. In order to prevent the trafficking that could be expected to result from the drastic differ-

ence of its prices from those in the neighboring republics, the Estonians moved to set up a customs service on their frontiers.

Given the weakness of the "sovereign republics'" state machinery, such internal customs services create the threat of political clashes without offering any real economic protection. After all, even the heavily militarized border between the two parts of Ireland has never been made proof against smuggling.

There is no aspect of the debate over marketizing that is so contradictory as the relation of the market to the national question. In presenting the economic policy decided on by the plenum (*Pravda*, October 20), Gorbachev said: "The market makes it possible to unite peoples not by the dangerous force of weapons but by solid economic interest." This parallels his policy of trying to maintain the rule of the bureaucracy through a stacked-deck parliamentarianism rather than totalitarianism. In this case as well, he has read his capitalist examples too superficially.

Who is strengthened by the market?

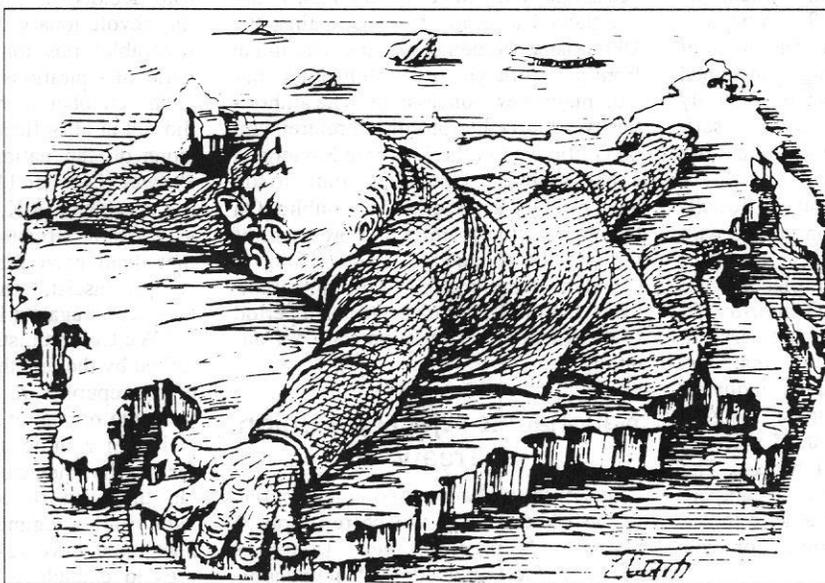
Paradoxically, while both Moscow and the national-democratic fronts agree about the market, they draw opposite conclusions about its results. The Baltic front leaders think that it will strengthen them against Moscow, that is, that they are economically stronger relative to it than they are politically, because their level of productivity is higher. What Moscow sees is that the Baltic cannot do without petroleum produced in the Russian federation. Actually, the strength of the Baltic movements up until now has been political, since they have provided an example and leadership for the national movements of far more numerous and potentially powerful oppressed nationalities.

The more the Baltic front governments try to apply the policy of marketization, the more divisions and disenchantment appear, as indicated by the protests of the cultural unions in Estonia (see *International Viewpoint*, No. 192, October 15, 1990).

Communist party leaders in the Central Asian republics protest that the market can govern their relations with other parts of the Soviet Union when their income and productivity are a fraction of those in more developed regions. Furthermore, private property in land is an unattractive prospect in areas where land is scarce and where its value depends largely or entirely on irrigation.

At the October CC plenum, L. V. Potapov, first secretary of the Buriat Mongol Autonomous Republic Party Committee, said: "For Buryatia and many other regions of Siberia and the Far East, transition to market relations is a problem of unprecedented complexity, bordering on the danger of a social-economic earth-

quake, if special supplementary measures are not taken. For a number of reasons, Buryatia, like other regions of our country, lags considerably behind the average Soviet and average Russian level of development, in particular in the area of social infrastructure....Today, Buryatia, with respect to many of the most important indicators, occupies the sixtieth or seventieth place in the Russian federation. Moreover, more than half of the industrial enterprises are unprofitable or barely profitable."



No private ownership of the land

V. Kh. Bambaev, secretary of the Kalmyk Autonomous Republic Committee, reported that practically all livestock and arable land in his republic had been leased or turned over to cooperatives, but that "the only thing that cannot be private property is land." At the same time, he said that the republic would soon go on a system of rationing for necessities and that the prevailing opinion was that "in the context of sovereignty" the republic should be declared "a free enterprise zone."

The population of Kalmykia is about 322,000, of which 135,000 are Kalmyks and 138,000 Russians. The Kalmyks were one of the peoples driven from their homeland by Stalin during the second world war. Their territory borders on the Caspian Sea. Kalmykia is one of the growing number of autonomous republics within the Russian federation that have declared themselves independent.

The most important is probably the Volga Tatar republic, which has a population of 3,640,000, of which 1,736,000 are Tartars. Important sections of the Volga Tatar people (which altogether numbers about 6 million) live in other republics. The Tartars historically were the most developed of the Muslim peoples in the Russian empire, and played a leading role in the rise of nationalism among the peoples of Islamic tradition. More and more, a demand is being expressed for a greater Tataria, setting off alarm signals in the Soviet central press.

The Russian federation includes a large number of small peoples that were engulfed by the spread of the Russian empire. The justification for granting the Tartars only autonomy, when they are six times as numerous as the Estonians, was

that their lands are entirely surrounded by Russia. The concept at the formation of the USSR was that in order to enjoy the formal independence of a Union republic, it was necessary to have a sea or foreign border. This position may have been a vestige of the idea that nations were a bourgeois category and therefore they have to be able to defend themselves in the same way as a bourgeois nation state. In line with this, the expression has appeared in the Soviet press that if the Tartars want to be independent, they will have to dig into the earth or fly up into the sky.

Tactical alliances with pro-independentists

In fact, the Russian federation is a sort of half-way Union of Soviet Socialist Republics. But while the Yeltsin government is making tactical alliances with the independence-minded republics, *Pravda* of October 11 claimed that the Russian legislature was taking a tough line against those seeking more independence within the Russian Federation. E. Sorotkin wrote that the debate on a bill on relations among the Soviets of People's Deputies during the period of economic reform "shows that the deputies are beginning to understand that the threat to the state sovereignty of Russia comes not just from above but from below. It would be a good thing if only the autonomous republics were declaring 'sovereignty in the framework of the Russian Federation.' But even regions are now grasping for sovereignty.

"Thus, the Kemerovo regional soviet has decided to conduct its own tax policy, independent of the Union and Russia....In essence, what is going on is the tearing up of the Russian state into principalities and counties. The deputies quite correctly remarked that in these conditions there cannot even be any talk about a market. Democracy requires dis-

cipline, and therefore the bill quite rightly proposed the supremacy of all-Russian laws over the laws of the subjects of the Federation. This shows that the Russian deputies are deeply disturbed by separatist moods in localities."

The Kemerovo district (the Kuzbass) precisely is a center of the miners' movement. The attitude of the Russian parliament, if accurately reported in *Pravda*, raises the question about whether the aspirations expressed by a delegation of Kuzbass people's deputies that

visited the Latvian front in August are now being dashed.

The August 28 issue of the main publication of the Latvian front, *Atmoda*, quoted the leader of the delegation, Alexander Aslamidi, as saying: "Business is the locomotive of progress. Our task as deputies is to offer secure conditions for business. Boris Yeltsin has already signed a document granting economic self-management to our district, providing for its transformation into an economic free zone. Important other steps have been taken. The package gives the district soviet almost the same powers as US states. Boris Yeltsin has agreed in principle to consider this document in the near future. In a word, *we will have our own miners' republic.*" (My emphasis.)

Privatization prospects sweetened

In fact, the Gorbachev regime has sweetened the prospect of privatization with various suggestions that it would open up the way for self-management. Now it seems to be feeling the need to argue specifically against self-management. Thus in *Pravda* of October 6, A. Nekilepov, deputy director of the Institute of International Economic and Political Research of the Academy of Sciences of the USSR, writes:

"Many failures in the 'launching' of market mechanisms in this stage have gradually led to the conclusion that the solution should be sought in changing the property relations. In this connection, the idea of self-managed socialism based on group forms of property has become quite widespread. For example, S. Alekseev sees the transfer of ownership of work collectives as 'the true way of solving nearly all our crucial problems.' (*Sovetskaya Kul'tura*, July 21, 1990)....

"Unfortunately, there is more than enough confirmation of the unworkability of an economic system based on self-

management (precisely of the system and not individual enterprises). The most telling example is Yugoslavia. The crisis of this system is now not being questioned in practice, and the solution is generally seen in privatization. Elements of self-management in Hungary and Poland are being energetically dismantled."

Further on, Nekilepov wrote: "The self-management system is incompatible with a real market."

Actually, at the October plenum, the Soviet minister of the metal industry, S. V. Kolpakov, cited an important perverse effect of the marketization that has already taken place on heavy industry. "In the last few years, the metal industry has fallen from second or third place as regards wage levels to seventh place. The enterprises have not been able to compete in wages with cooperatives able to use the great bulk of their incomes for payment to labor.

Labor shortage in basic industries

"The departure of skilled workers from basic industry, where working conditions are hard, especially to the cooperatives, where for equal or lighter work they can earn two or three times more, has stripped many enterprises." The reason the enterprises could not pay as much as the cooperatives was that the latter did not have to invest. But one of the major factors in the crisis of the bureaucratic economies, alongside the ineffectiveness of investment, is that the rate of investment has declined owing to continuing low productivity and increasing pressure from the workers.

Kolpakov also cited national unrest as a factor disrupting the metal industry. This, among other things, reflects the fact, cited by some representative of the Central Asian republics, that an outsize proportion of primary industry is located in the peripheral republics, especially in Central Asia.

A difficulty with Gorbachev's idea of using economic power to bring the rebellious territories to heel is that for this you have to have a favorable political relationship of forces. Moscow holds decisive economic cards in the confrontation with Lithuania, but its political weakness has made it impossible to play them effectively, and in fact further undermined its authority.

Certainly, the fact is that there are no signs of recentralization in the USSR, and least of all of any cooling of nationalist ardors by chilly winds of "economic reality." In fact, the national movements have continued to spread and radicalize, as shown in particular by the campaign by Ukrainian front, Rukh, to force the resignation of the Kiev government, still in the hands of the Communist Party.

While *Pravda* has reduced its attacks on the other national movements to an

occasional barb in recent months, it has maintained a steady barrage against the Ukrainians. Nonetheless, the Ukrainian front's campaign of mobilization has won major new concessions. The authorities were forced to promise a referendum on confidence in the Supreme Soviet and a law allowing Ukrainian youth to do their military service in the republic. On October 23, the premier and president of the republic resigned. *Le Monde's* correspondent commented: "Everything indicates that the Ukraine is entering a period of intense political agitation and confrontation."

Nationalists reject new Union Treaty

One of the slogans raised in the actions in the Ukraine seems to be rejection of Gorbachev's proposed new Treaty of Union. In fact, Rukh adopted an unequivocal call for independence at its congress at the end of October. The October 25 issue of *Literaturna Ukraina*, a writers' weekly close to Rukh, includes an open letter from Ukrainians in Moscow urging the Ukrainian Supreme Soviet not to accept any new treaty of union but to strike for independence while the iron is hot.

Curiously, the letter singles out Trotsky, of all people, as an opponent of Ukrainian independence. "We remember that Ukraine has more than once been lulled to sleep by words about federalism and sovereignty. A convinced federalist was Trotsky — the inspirer and ideologue of the destruction of Ukrainian statehood." Actually, in his last writings Trotsky argued for an independent Ukraine, and this position is not unknown in the Ukrainian movement. This passage suggests deliberate disinformation by rightist ideologues who want to discredit all socialists in the eyes of Ukrainian national democrats, and there-

fore decided to concentrate their fire on the revolutionary leader with the most favorable positions toward Ukrainian national aspirations.

The October plenum of the Soviet CP did not at all reflect any lessening of tensions on the national question. In fact, *Pravda* (October 11) printed a long ranting speech by A.K. Morkunas, identified as a kolkhoz tractor driver in Lithuania, that denounced the Sajudis government as "pro-fascist," and demanded Moscow take action against it:

"We Communists in Lithuania are disturbed by the fact that the present leaders of the republic are meeting no resistance from the organs of Soviet power and are acting in a more and more naked way, feeling that they can do what they please. On the road of building a pro-fascist authoritarian regime, Landsbergis and his henchmen have resorted to legal measures to exclude the [Communist] Party from political life, to direct repression against the Communists defending the socialist gains of the working people of the republic."

Lithuanian government makes major error

Makunas referred to a law passed on September 25 declaring that legitimate political parties could not be directed from abroad. In a situation of sharp confrontation between Lithuania and Moscow, the Moscow loyalist party plays a provocative role. But the attempt to deal with this problem by legal and therefore implicitly repressive methods was a major error. The Lithuanian government does not have the means for this. Its only strength is its democratic example.

Morkunas went on to accuse the Lithuanian government of expansionism, displaying a map including a part of Byelorussia in Lithuania. In fact, it is the neo-Stalinist government of Byelorussia,





opposed by the Byelorussian front, that has formally claimed Lithuanian territory. Furthermore, Gorbachev intervened to reinforce Morkunas.

"Comrade Morkunas, show me the map. It is not just drawn by hand. It is printed....(Commotion in the hall). The first edition, they told me was done on orders from Lithuania in New York or Washington, and now is published in Kaunas [the second city of Lithuania]."

A delegate from Ukraine, R. I. Savina, also denounced the "passivity" of the Soviet authorities toward the nationalist movement, and warned that "blood will flow." Blood will certainly flow if Moscow tries to break the national democratic movements by force. They have developed too much strength and dynamism for that. But they can still suffer defeats, if they make major political errors, as the recent elections in Azerbaijan have illustrated.

Banner of anti-Armenian chauvinism

The Azeri front tried to ride the bandwagon of anti-Armenian chauvinism. As a result, it found itself isolated when the confrontation came with Moscow in January. The Soviet authorities were able to largely dismantle it and prepare the way for a CP victory in the recent elections. The banner of anti-Armenian chauvinism is now firmly in the grasp of the Communist Party, and the sinister party boss of the Brezhnev era, Gaidar Aliev, got himself reelected with more than 90 per cent of the vote.

With the front in tatters, the blockade of Armenia to which it gave impetus continues and remains an open sore. Even the representative of the normalized Armenian CP, Yu. I. Mkrtumian, felt compelled to deplore the fact that it was ignored at the October plenum.

In the tangle of contradictions in the USSR, two things are clear. None of the major political forces in the USSR, either the CP or the national democratic movements, has a coherent economic policy or general political perspective. The market cannot long continue to be all things to all people. ★

WE publish below an open letter of the Moscow Initiative Group of the Movement of Left Forces, "For National Self-government." The signatories represent very small forces; the new Socialist Party, for example, has some 300 to 500 members. Nonetheless this appeal, which was produced in Moscow at the end of September, represents a first attempt to group together forces opposed to the current trend, promoted both by Gorbachev and his rival Boris Yeltsin, towards the transformation of the USSR into a vast bureaucratic/capitalist chaos in hock to foreign capital.

DOCUMENT

THE SIGNATORIES of this document hold different political points of view, belong to different organizations and place themselves in different intellectual currents. But the situation developing in this country has impelled us to come out with a common statement and make clear our place in the sharpening social struggles.

Deliberately manipulating public opinion, the "perestroikizing" part of the party apparatus and the liberal intelligentsia are preparing a new social experiment, which is intended to preserve power and property in the hands of the party-state and economic-administrative bureaucracies, along with the actors in the "black economy", in a new form. The overlords of the period of stagnation now want to change the forms of rule.

Two groups but one layer

The interests of these layers are embodied now in different reform programmes. Despite the apparent contradictions between these programmes, they reflect essentially the positions of two groupings within one and the same social layer. Both programmes envisage more or less swift privatization (the passing of ownership into private hands), which means in reality the seizure of ownership by the party *nomenklatura*, black-marketeers and foreign capital, since it is these groups which dispose of the greater monetary means and power. The cost of each stage of the transformation will be borne by the popular masses.

The end result of such reforms will be to establish a system of "bureaucratic capitalism", meaning:

● **The further impoverishment of the majority of the population:** through rising prices or the freezing of incomes accompanied by an intensification of

Against bureaucratic-capitalist chaos

work, and a vertiginous rise in unemployment.

● **An ineffective economy.** The alienation of the workers from the means of production will not only be maintained, but increased — the passing into private control of the already extremely monopolistic industries offers the possibility of new super-profits to new owners, through speculation with the products rather than an increase in their quality. Inevitably the introduction of such a reform will mean defensive strikes by workers, bringing further harm to the economy.

● **The undermining of national sovereignty.** The free sale of shares in a situation where the national bourgeoisie is weak means that a decisive proportion will end up in the hands of foreign companies, and those parts of the national bureaucracy tied to them. As has been seen in the countries of the Third World, this will mean the transfer to our country of harmful production, resource wasting enterprises and obsolescent productive plant.

● **The curtailment of democracy.** Insofar as the programmes imply the introduction of a series of "unpopular" measures, their enforcement will require the strengthening of the authoritarian regime, and further incursions on the democratic rights of the workers. Already today we see urgent demands for the introduction of a regime of presidential dictatorship, the curtailing the powers of the lower-level soviets and workers' collective undertakings, the promulgation of anti-strike laws, the neutralization of strikes, and the strengthening of control over the mass media.

This course could lead to the establishment of an out and out military dictatorship, enjoying the support of the "democratic" West, on the lines of Franco's Spain, Pinochet's Chile or the regime in South Korea.

There is a re-assessment of values in the liberal democratic camp. Yesterday's

implacable fighters for party privilege have shown themselves today ready to abandon this same *nomenklatura* power, as long as the price is right. At the same time, the "supporters of democratic values" now coming to power have not only kept the anti-strike legislation, as well as the laws against meetings and demonstrations, but have called for these measures to be reinforced. The slogans about justice, humanism and charity under which the democratic movement of the *perestroika* period began have changed into appeals for tough economic discipline, generalized selling and a strong hand.

Under these conditions we feel it our duty to express our disagreement in principle with the positions of a section of the "democratic" organizations, who are imposing on the country an agreement between the bureaucracy and proponents of an uncritical copying of the Western social model.

Monopoly capitalism

It is necessary to overcome the false alternative between totalitarianism and monopoly capitalism. It is necessary to take a third way, shaped by the creativity of people at the base and their social unity. For this end, our sympathies lie with social, productive and territorial self-management, but this cannot be imposed from above. A series of immediate practical steps are needed which can guarantee self-management:

1. The right of workers' collectives to independently determine the forms of property, management and self-management in their enterprises, as well as the order of changes in these forms.

2. The right of local soviets to organize the lands and natural resources under the control of social organizations and under conditions of full *glasnost*.

3. The right of the republics, autonomous and other territorial units to independently determine their status and what degree of power they are prepared to voluntarily surrender to larger entities.

4. A repudiation of the institution of presidential power.

5. Democratic opposition to the creation of authoritarian national governments. Establishment of normal diplomatic and economic relations with republics that cede from the Union only in conditions where the social and political rights of national minorities are assured, in line with the UN Declaration of Human Rights.

6. Consistent and full implementation of the civil rights contained in the Declaration of Human Rights, including the abolition of the death penalty, repeal of the anti-strike legislation, and laws restricting meetings and demonstrations, abolition of all forms of forced labour and the internal passport system. Liquidation of the political police.

7. Right of veto for local soviets and referenda on the establishment of enterprises

on their territory. Banning of the construction of new plants with ecological indicators below world standards.

8. Priority financing for resource-saving technology and small, ecologically acceptable energy sources. Freezing of construction of atomic power stations and the gradual phasing out of nuclear power and other industries which irreversibly harm nature.

9. An inventory of the property of the CPSU and other organizations involved in the administrative-command system, and the transfer of illegally acquired property to people who have been victims of the tyranny of the state and party apparatus and to socially disadvantaged groups.

Economic culture of West

We support the assimilation of the advanced aspects of the economic culture of the West, but are against the copying of all forms of Western society. If we today copy what the West came up with yesterday, then tomorrow we will find ourselves once again in civilization's backyard. We must avert the recurrence of a half-feudal, authoritarian, monopolistic and uncivilized Russian capitalism. We consider essential the most rapid possible coming together of all those people, whose thinking is near to ours. Tomorrow will be too late.

Signed by:

N. M. Abovin-Yegides PhD (member of Central Committee of the Socialist Party and a dissident from the sixties).

V. V. Bezuglov (candidate of chemical sciences, member of the Organizing Committee of the Democratic Platform in the CPSU.)

V. V. Dam'ye (candidate of historical studies, co-chair of the Moscow organization of the Green Party).

A. K. Isaev (member of the management team of the Information and Consultation Centre for Problems of the Workers Movement).

V. V. Pshenikov (member of the Coordinating Council of the Marxist Platform in the CPSU, teacher).

G. Ya. Rakitskaya (member of the leadership of the Russian Social Democratic Party and member of the committee for aid to the workers' movement and for workers' self-management).

B. V. Rakitsky (member of the leadership of the SDP for Russia).

V. S. Savel'ev (member of the CC of the Marxist Platform in the CPSU, worker).

O. V. Sokolov (candidate of historical studies, member of the OB of the Democratic Platform in the CPSU).

A. M. Khaykin (member of the council of the Socialist Party, manager).

A. V. Shubin (co-chair of the Moscow organization of the Green Party, historian).

S. B. Sheboldayev (Co-president of Moscow Memorial and people's deputy in the Supreme Soviet of the Russian Federation and the Moscow City Soviet). ★

The name of the thing

THE crisis of the Italian Communist Party (PCI) entered a new phase at the meeting of its leadership which took place October 10-12, 1990. The meeting saw party general secretary Achille Occhetto present a "declaration of intent" which explained why it had become necessary to build a new party. And at last, the Thing¹ was given a name.

LIVIO MAITAN

THIS meeting of the PCI leadership drew exceptional attention from the media. Occhetto's declaration was transmitted direct by the party's radio, so that militants assembled in the party's offices could listen to it. The commentators were especially absorbed by Occhetto's proposed new title for the party. The PCI is to be re-baptized the "Democratic Left Party". Its symbol will be an oak, and — both a concession to nostalgia for the past and an electoral subterfuge — the old emblem, inscribed PCI, will be found at the foot of the tree.

The political content of the speech held no surprises, reiterating themes elaborated by Occhetto after the fall of the Berlin Wall and contained in the resolution of the recent party congress.

According to the "Declaration of Intent", in 1989 "the history of the world changed." It has thus become necessary for the party to change its spots and go beyond all the traditional approaches and conceptions, not only of the Communist movement, but of the workers' movement in general.

"The fundamental contradictions of our epoch — between the need for a broader prospect for development involving all of humanity and defence of nature and the ecological equilibrium of the planet; between technology and employment; between internationalization of the productive process and centralization of the centres of decision making; and that between the political, social and cultural expression of supranationality and the

emergence of particularisms and national, ethnic, and religious conflicts — all these contradictions taken together can only be resolved by a policy capable of realizing a qualitative transformation of the model of development, in order to found a new economic and social world order. Such a policy today constitutes the essential objective for a new world left and marks the division between conservatives and progressives.” This gives the general flavor of the declaration.

Coming down to earth a little, Occhetto proposes “a government for a different development”, which cannot be realized by the elimination of the market and centralized planning.

In this context, “the historic task of the left is to direct economic and social forces towards social and human objectives.” To do this, the formation of a “world and democratic pro-development government” is a central question. The United Nations, according to Occhetto, is a first anticipation of what such a government would be like.

A renovated left

As far as Italy is concerned, the idea of “democracy as the way to socialism” gives rise to the idea of “a renovated left; a left which gets to work to stimulate — without provoking fragmentation — a higher synthesis of the ideas and experiences of Italian Communism, of liberal and socialist reformism and of social and democratic Catholicism; a left open to discussion with all the currents and all forces of renewal on a world scale and which has the will thereby to contribute to the realization of the great project of human liberation”.

It is self evident for Occhetto that a party with such conceptions must reject any form of democratic centralism.

Occhetto's ideas have been most favorably received by political leaders, journalists, bourgeois pundits and intellectuals.

On the other hand, the critical reaction of some members of the party leadership, who belonged to the majority at the last party congress, and are thus supporters of a change in the nature and name of their organization, has been a surprise. What one could call the “right of the majority” have not hidden their discontent. This current, whose best known spokesperson is Napolitano, hoped to give the party an explicitly social democratic character with a perspective of converging in the end with the Italian Socialist Party. On the “left” of the PCI Bassolino in particular has expressed his reservations, pointing out that Occhetto's text completely does away with any anti-capitalist perspective.

Those who were opposed to Occhetto's project from the start have not changed their attitude. Rather, their criticisms have become sharper, putting the party leader in a difficult position. He has responded by attempting to blackmail his own majority



with threats of resignation if they don't support him. This has got results — the majority has signed a common declaration reaffirming its confidence in Occhetto and its support for his objectives. The notion floated by Cossutta and others and at one point taken up by Occhetto himself, that the question of the party's name should be dealt with by a party referendum, has now been finally abandoned².

Outside of the particular vicissitudes of this leadership meeting, the situation inside the party remains exceedingly complicated. The next CC will surely reveal the state of play in the runup to the party congress scheduled for the end of January 1991. Even now, however, it is possible to discern at least six tendencies, currents and “sensibilities”.

Rejection front

According to declarations made in recent days, it is possible that the “right”, while supporting Occhetto on the name change, will put forward its own motion. Bassolino from the “left” may do the same. What has been labelled the “No front” has hardened its opposition to the majority. In October 1990 it held a study session which revealed a definite radicalization of positions, to the detriment of its historic leader Pietro Ingrao. Nonetheless it seems likely that Occhetto will maintain his majority.

In this case it seems that old leaders such as Ingrao, Tortorella and their supporters will decide to stay in the party. Others belonging to the Cossutta current, which is rather too simplistically characterized as “pro-Soviet”, seem, on the contrary, to be determined to break away, with the perspective of politically and organizationally refounding the PCI. Finally, a large number of militants are hesitating, including those from the *Il Manifesto* current³. Rossana Rossanda, who, unlike many of his former allies, did not rejoin the PCI, seems to be leaning

towards Ingrao.

It would be premature to hazard a prediction as to the outcome. However, internal tensions in the PCI are getting fiercer. Factionalism is in full flood and is expressed quite publicly. A split is therefore possible, although neither its size nor its leading actors can be foreseen.

Craxi's curious pleasure

The Socialist Party has not been looking on passively. Its main leader, Bettino Craxi, has allowed himself the curious pleasure of criticizing Occhetto from the left. If, says Craxi, the new party has the idea of joining the Socialist International — which is what Occhetto has repeatedly said — then why has it broken with the traditions of the workers' movement and given up appealing to any form of “socialism” whatsoever? Craxi, of course, is hoping to be the principal beneficiary of the PCI's crisis, above all if there is a split.

In that case he could push for the elections scheduled for April-May to be brought forward, so as not to allow the new party to consolidate itself, and thus effect a major shift in the electoral relation of forces. This seems furthermore a realistic project.

The PCI's crisis has already had an impact on the major far left organization, Democrazia Proletaria (DP). Two different approaches to this PCI's crisis were expressed at the last congress of DP in December 1989. Now DP is discussing who among the PCI's oppositionists to choose as privileged interlocutor and what position to take should a new party emerge.

Most people in DP seem to share the idea that if there is a break from the PCI, there is a possibility of a convergence of militants coming from this party and the DP in a new organization, whatever the differences on the conditions for this⁴. ★

1. Since it formally dropped its self-designation as the Communist Party of Italy earlier this year, without deciding on a new name, the PCI has been referred to as “La Cosa” or “The Thing”.

2. Some oppositionists were ready to support the referendum idea on the condition that the result would only be valid if there was 50% participation — a figure that would be extremely hard to attain.

3. The *Il Manifesto* current — a left current which split from the PCI in 1969 under pressure of the social movements and the far left. It was later reintegrated into the PCI.

4. Different points of view were put forward at the meeting of the DP leadership on October 13-14, during a discussion on a text put forward by Giancarlo Saccoman, in the name of the DP Secretariat, and a contribution from Elettra Deiana, on the differences which remain with the “No front”. A motion was finally voted which, after repeating the main axes of the Secretariat's text, traced the lines of orientation and intervention. On the proposal of Livio Maitan there was a separate vote on the introduction concerning the acceptance of the Secretariat's text — this received 30 votes for and 10 against, while the rest was adopted unanimously. The DP congress is to be held at the start of next year.

East German regional elections: Big rise in abstentions

THE ELECTION RESULTS in the five new länder (regions) of the ex-GDR have been interpreted in most of the media as a victory for the conservative Christian Democrats and Liberals, and therefore as a victory for Chancellor Kohl and his policy of breakneck *Anschluss*.

MANUEL KELLNER

THE Christian Democrats came out of the elections as the largest party in all the Länder apart from Brandenburg. In Saxony they gained an absolute majority. However, a closer look at the vote will lead us to introduce certain nuances into our assessment of these results. Some 30% of the electorate did not participate, while the March 18 elections to the East German *Volkskammer* (people's chamber) saw a 90% turnout. Even in the local elections in May the turnout was far higher.

The CDU was the main loser from the abstentions, which reflected the erosion of popular confidence in the political agents of big capital. For example, in Thuringen, the CDU, which gained 45.5% in place of 52.5% in March, lost 400,000 votes in absolute terms.

But, if no signs of a continued right-wing trend can be observed, there is, equally, no clear movement leftward. If we add together the parties of big capital, the CDU, DSU (a creation of the Bavarian CSU, which came nowhere in these elections) and the liberals of the FDP, and the Social Democrats (SPD), all of whom represent the new greater German consensus, we find a total loss of 2 million votes since March.

Social democrats' thin excuses

The SPD has gained slightly since March, with 19.1%, 22.8%, 26% and 27% in four of the new Länder, and a winning 38.3% in Brandenburg. On the other hand, this party had explained away its poor showing in the GDR in March with the argument that it had a far weaker organization than the conservatives and liberals, who had taken over wholesale parties from the ruling bloc of the Stalinist state.

It is now clear that the reasons for the SPD's poor showing go deeper. These include the fact that it did not demarcate

itself clearly from the parties of the West German coalition government and the fact that, in the West, the SPD is closely tied to powerful trade union bureaucracies, which is not the case in the East.

The Party of Democratic Socialism (previously the ruling Communist Party) kept its position as the third political force in the new Länder with the exception of Saxe-Anhalt, where it fell behind the liberals. In Thuringen the PDS got 9.7% and in

Mecklenburg-Vorpommern its best score, 15.7%. The party's position declined in comparison with March. The Greens, on the other hand, got over the 5% barrier in an alliance with "Bundnis '90" which brings together civic movements from three Länder. In Mecklenburg-Vorpommern, the Greens and Bundnis '90 stood separately, and neither got over 5%. In Brandenburg, however, in the same situation, Bundnis '90 got 6.4% and the Greens 2.8%.

The fascist Republicans made no impact — their best score was 1.2% in Brandenburg.

Political void appears and grows

Jakob Moneta, a member of the VSP and a candidate on the PDS/Left List slate for the forthcoming all-German elections on December 2, commented on the results in *SoZ*, the VSP paper. He concluded that there seemed to be a political void which could well develop in the way seen in Hungary. After one or two free elections, people start to abstain en masse and the enchantment of the capitalist "free market" wanes.

This gives some grounds for optimism. The waters will be tested on November 3, when there will be an international demonstration against German nationalism, racism and imperialism in Berlin. United support for this demonstration has been growing over the last few

weeks and the appeal, tens of thousands of copies of which have been distributed, has been reprinted several times.

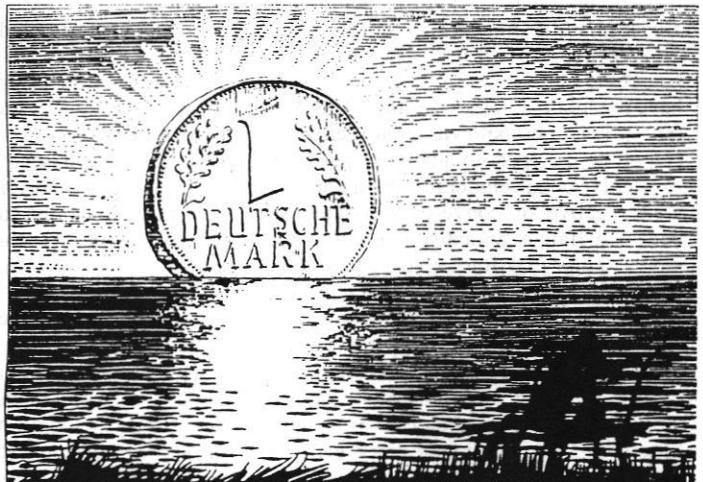
At the same time as the East German elections, regional elections took place in Bavaria. Here the Christian Socials kept their absolute majority with 54.9% of the vote (55.8% in 1986). The SPD got only 26% (27.5% in 1986) and the Greens fell from 7.5% to 6.4%. The liberals on the other hand got 5.2% and entered the regional assembly. The Republicans came within a whisker of getting representation with 4.9% as against 3% in 1986. This latter result is all the more worrying in that the *Anschluss* has removed one of their favourite propaganda themes.

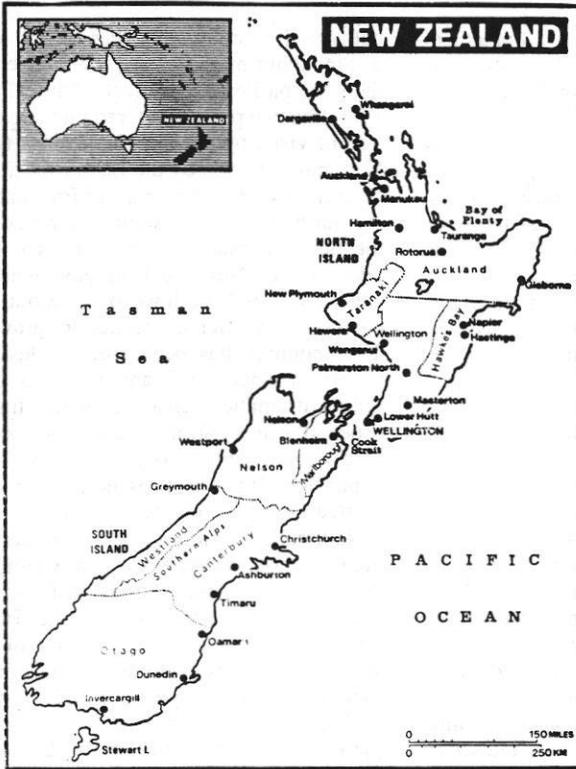
In the last couple of weeks, the PDS has, for the first time, got relatively favourable commentaries from the Western bourgeois press, after its offices were attacked by 150 police without any official warrant.

Proofs of illegal transfers sought

This action clearly violated the parliamentary immunity of the PDS leader Gregor Gysi, whose office was ransacked. The person responsible for this attack was the SPD senator for security affairs in Berlin. He was hoping to find proofs of illegal transfers of some of the millions of D-Marks held by the PDS. However afterwards it had to be admitted that the PDS' operations had been legal.

The majority of establishment politicians criticized the police action as a major tactical error, which had allowed the PDS to look like a martyr and denounce the democratic state as a state whose principles are selectively applied. The PDS' electoral campaigns in the ex-GDR were not especially exciting — the PDS has shown itself to be more or less integrated into the bourgeois democratic consensus, while at the same time appealing to the historic regionalism of the five new Länder. ★





All over for hard Labour down under

THE Labour Party was annihilated in the New Zealand general elections held on October 27, 1990. In the last election in 1987 Labour won 58 out of 96 seats; a majority of 20 over the rival National Party (conservative). Between the elections, it lost one seat when Jim Anderton quit to form the breakaway New Labour party. So, Labour had a healthy lead coming into the 1990 election.

GEOFF PEARCE

HOWEVER, in the biggest parliamentary shake-up since 1935, the National Party (NP) has obtained 68 seats, a majority of some 40 seats over Labour's 28. The New Labour Party (NLP) held onto its seat and the difference between the number of seats held by the ruling party and opposition parties is now greater than it has ever been since party politics emerged in the 1890s. Clearly an unprecedented change has occurred in the political climate.

Out of a Labour cabinet of 18 ministers, eight have lost their seats. The Speaker of the House, representing the West Coast electorate, also lost his seat. This is significant, because the West Coast is the birthplace of the New Zealand labour movement and the seat has been held by Labour since 1928. At least one more cabinet minister is also likely to lose her seat when the special votes have been counted.

These results were not unexpected either by the pollsters or the parties. In August, the polls already indicated almost exactly these results were in the pipeline. It began to dawn on the ministers that even they stood to lose their seats. So, in August, they ousted the prime minister Geoff Palmer, and replaced him with foreign trade minister Mike Moore. They blamed Palmer for their low ratings in the polls. Whatever else the election shows, clearly not all the fault lay with Palmer.

If you didn't know anything about the New Zealand Labour government, you might conclude from these results that the 1990 election was a huge political victory for the National party and the bosses. That would be wrong for two reasons. Firstly, the NP only gained about 4% more votes than it did in 1987, an increase which dis-

appears when the growth of the voting population is taken into account. On current figures, National won 48% of the vote while Labour's share fell by 13% to 34%. The minor parties scored in total 18%, of which the lion's share went to the Greens (with 6.7%) and the NLP (with 5.2%). Taken overall, this election signifies the defeat of the Labour Party rather than a clear win for National.

Secondly, the New Zealand Labour Party cannot be described in any sense as a mass workers party, bourgeois or otherwise — whether in terms of membership, social composition, programme or leadership. Up to the fall of the third Labour government in 1975, the Labour Party was still in the vanguard of international social democracy. Back then, it championed the cause of the trade union movement and had about 70,000 branch members. But today the party is funded mainly by big business and has barely 5,000 members — about the same as New Labour.

Muldoon's fine-tuning

The disaffection of workers, farmers and small business people with Labour is a straightforward response to the radical free market "reforms" pursued since 1984. When Labour swept into power in 1984, wages, prices, rents and interest rates were frozen. This in turn had been the culmination of ten years of finetuning under National's economic wizard Rob Muldoon, during which the economy grew by less than 1% a year. Labour's 1984 victory signified popular rejection of Muldoon's "authoritarian" interventionist policies, which were pursued with increasing intensity but did not seem to work. With the stated aim of defeating Muldoon, millionaire property developer

Bob Jones arranged a party specifically for yuppies, the New Zealand Party (NZP). The NZP took 10% away from the National vote and thereby lifted Labour into power.

On taking power, the Labour government under David Lange "opened the books" on the economy. Finance minister Roger Douglas, the sorcerer's apprentice, not only abandoned the freeze, but also began to dismember the framework of protection and regulation that had been in place since the great depression of the 1930s. Initially the policy seemed to work, as the economy experienced a short burst of growth. To be sure not everybody was happy with Labour since real buying power (especially for low income owners) fell sharply while profits soared. Bob Jones abandoned his own political creation, arguing that if it continued it might lose Labour the election. Indeed, in 1987 Labour actually increased its majority by picking up the yuppie vote.

Yuppie bubble bursts

That was in August 1987 — but in October the stock market crashed, and the yuppie bubble burst. Ever since that time, Labour have been in trouble. The free market experiment had gone further than anywhere else in the world, and yet the results, as indicated by the level of unemployment, investment, trade, debt and so on, were no better than under Muldoon. Unfazed by the evidence that restructuring was not delivering, Labour decided to deepen the experiment by restructuring the state sector as well.

Thatcher and Reagan could only have dreamed of going as far as the fourth Labour government. For us it has been a nightmare. In the past six years, the financial system has been completely deregulated and the state-owned Bank of New Zealand sold. The result was that billions of dollars of savings went down the tube.

Farm subsidies were virtually eliminated, forcing thousands of small farmers off the land. Major state assets were sold to private buyers, ostensibly to pay off the country's foreign debt; coal mines, forest plantations, steel works, shipping lines, petrochemical plants, airports, harbours, the national airline, telecommunications, the Post Office, state insurance, the Government Printing Office, the Tourist and Hotel Corporation and so on.

To date more than NZ\$10bn has been realized through the sale of state assets — yet the state debt is now twice as large as in 1984. Unemployment, too, has doubled under Labour and new investment, despite the addition of a 12.5% consumption tax (GST) and the adoption of a two-tier income tax, which raised taxes for low income earners and cut the maximum rate from 60% to 33%, has shrunk to one-fifth of its 1980 level.

The lack of success of Labour's policies and declining popularity ate away at the Party itself. In 1988 Prime Minister Lange sacked his finance minister after a public squabble about introducing a single income tax rate. In 1989, when former party president Jim Anderton split to form the New Labour Party, many key national and branch officials went with him. Not long afterwards Lange succumbed to a coup which put Palmer into the top job. When Moore replaced Palmer there had been three prime ministers in just 13 months.

Unconditional union support

Given the failure of its policies, it is hardly any wonder that Labour alienated 13% of its supporters and lost the 1990 election. Indeed, without the unconditional support of the NZ Council of Trade Unions (NZCTU), Labour would have fared even worse. In August, the new PM Mike Moore negotiated a "growth agreement" with the unions, which entailed wage restraint (2% maximum limit) without any price, interest or rent controls. Moore also promised government funding for 40,000 jobs in the 100 largest companies. Not surprisingly, the biggest companies supported the growth agreement and thereby the Labour government. The firms have funded the Labour government and the unions have tried to muster electoral support for it. Despite this assistance, it has failed.

The top trade union leaders supported Labour through thick and thin because Labour promised to maintain compulsory unionism — where, state sector apart, all employees must belong to the union which covers the type of work — a sort of national closed shop system. Compulsory unionism means that dues are paid to unions irrespective of whether or not union officials ever visit their members or obtain what their members want in national Award negotiations. National, on the other hand, will make it possible for

employees to hold ballots to opt out of unions or to choose some other agency to bargain for their pay and conditions.

For this same reason the central union bureaucracy has been hostile to the New Labour Party. The NLP has a programme of social democratic reforms which should make it the favourite of the trade union movement. But the NZCTU sees the NLP as a dangerous adventure; New Labour cannot win an election, but it can weaken Labour's chances against the National Party. By tying itself to the LP, the NZCTU has alienated large number of worker who were opposed to Labour's policies, and it will, undoubtedly, share in Labour's defeat.

To be sure, other parties did unseat some Labour politicians in the 1990 election, but just as important were the people who did not vote at all. Some 93% of eligible voters turned out in 1984; 89% in 1987 and 75% this year. In all probability and over six years Labour lost as many votes to "voter apathy" as it did to the NLP. The inability of either a "free" or a "managed" programme of economic reform to produce growth, jobs and security has, especially for workers and low income earners, eroded their confidence in politics and politicians. A week before the elections, 35% of people said that they either would not vote or they had not decided who they should support.

Green surprise

The surprise of the elections was the Green Party. Although there has been a tradition of concern about environmental issues in New Zealand for some time (the Values Party which stood candidates in the early 1970s was probably the world's first Green party), the Green Party was formed only one year before the elections. Apart from environmental issues they have no identifiable policies, no real structure, no leaders and waged only a minimal campaign. Yet they won more than 6% of the vote, although they did not stand in all areas. They were most successful in Auckland and Wellington, where they contributed to a 13% swing against Labour and where they helped to unseat quite a few cabinet ministers.

There were left wing candidates: the Communist League (an organization linked to the US Socialist Workers party) stood 10 candidates on a platform of selling the *Militant* newspaper, support for Cuba and opposition to imperialist aggression in Iraq. Such campaigns, by little groups from all parts of the political spectrum, and individuals, gathered in a total of 3% of the vote.

At the time of writing it is not yet possible to fully analyze the 1990 election results and make firm predictions. But some things are obvious and other suggest themselves.

The new National government will push in the same direction and along the same

paths as its Labour predecessor. Reform of the labour market apart, the policies of the two parties are almost identical. In 1987, the two parties differed on the question of visits by nuclear ships, since then National has adopted the Labour position — that these should be banned from entering our harbours. The stumbling block for the new National government, as it has been for all New Zealand governments since 1973, will be how to share out the costs of insufficient economic growth. The economy has been more or less in recession since 1987 and it seems that only a dramatic increase in world trade, especially in wool, meat and dairy products, could shock our economy into expansion. But this does not, to say the least, appear to be on the horizon.

National's enormous majority in parliament is not matched by overwhelming voter support. And National will not be able to rely on support from the Trade Union Movement to help it out of its sticky situations. These things taken together, we expect more extra-parliamentary activity during the next period. This especially since Labour's poor standing will make it difficult for its functionaries to channel opposition through the Party and into parliament.

Two wings

Traditionally, the New Zealand labour movement has divided into two wings: the political, that is the Labour Party, and the industrial, that is the unions. That relationship is breaking down and may well fly apart.

The LP is mainly a machine for aspiring MPs and the now proven inability of the NZCTU to deliver them the votes they need will mean they will push for more independence from the unions. Voluntary unionism and the right of workers to elect what union they want to join will force unions to become a more aggressive and effective fighting force simply to maintain a membership — which will probably push them closer to the New rather than the old Labour Party.

It may even be that the LP cannot survive. After all, if it has lost the vast bulk of its grassroots membership when it was in government what will happen now? The main momentum of the party has been to service the MPs, with only 28 MPs to service perhaps the momentum will stop. Also, the most staunch NZLP members were converted during the period of the first Labour government (1935-49), and they will stay through thick and thin, but they are now quite old. And, unless it can give the impression that it might one day regain the treasury benches, it is almost certain that Labour's funding from business will dry up as well.

But all that is speculation; all that is certain today is that in New Zealand the work of revolutionary socialists is more urgent than ever. ★

Bush's financial Vietnam

THE "third oil shock" is approaching. A ready made explanation for the chill in the world economy has been found. In the Saudi Arabian deserts, some have caught a cold, and others bronchitis. The following article on the recession now underway in the United States is taken from the October 19, 1990, number of *La Brèche*, the French-language journal of the Swiss section of the Fourth International.

CHARLES-ANDRE UDRY

IT IS being called the "third shock" because of two previous dramatic increases in the oil price. In 1973, in Kuwait, OPEC (the Organization of Petroleum Exporting Countries) decided to break the old agreements with the big oil companies. The price per barrel (159 litres) of oil was increased to \$10. The generalized recession of the imperialist economies — brought about by a fall off in demand, an increase in surplus production capacity (under-utilization of the means of production) and a decline in profits — followed in 1974-75. The "oil crisis" accentuated, but did not provoke, this recession.

The second shock came in 1979 and lasted until 1981 — the price per barrel reached \$34. Three years after, in 1981-82, a second recession developed in the imperialist countries, which also engulfed the dependent countries (through the debt crisis primarily) and a certain number of countries in Eastern Europe (Poland, Rumania, Yugoslavia). It came after a very lukewarm period of upturn, marked by a high rate of unemployment and a persistent depression in some third world countries. The explosion of oil prices deepened the crisis.

Since 1985, the price of oil has fallen — along with the exchange rate of the dollar in relation to other currencies (oil is paid for in dollars) — and this has favoured an economic upturn. In 1990, the "third shock" (see box) has come, at a time when the US economy has already been in a phase of downturn for some months. The same is true, to varying degrees, of Canada, Great Britain, Australia, Spain and very probably Italy. The economies of a united Germany and of Japan are still buoyant, albeit with question marks.

The current shock comes after the financial crashes of October 1987 and October 1989, and the long slide, since February

1990, of the Tokyo stock exchange (which has now lost 42% of its value since the beginning of the year). It comes in the middle of a "financial Vietnam" in the United States, symbolized by the collapse of the Savings and Loans associations, of property giants, and so on. That is what explains the bronchitis, more than the simple increase — partly speculative and thus perhaps temporary — in oil prices.

The *Wall Street Journal* sums up the picture thus; "George Bush has a problem which is bigger than Saddam Hussein; the

economy — slowing up well before the Iraqi oil shock — which is now staggering towards recession"¹. Lester Thurow, a well-known economist who lectures at the Massachusetts Institute of Technology, evokes in these terms the gravity of the possible repercussions of a recession for the United States; "Because of the debts and banking problems accumulated during the 1980s, any kind of recession in the 1990s will produce a volume of bankruptcies never seen since the Great Depression. Even without a recession, the savings of the middle class will melt away when house prices collapse in a great part of the United States, in reaction to the excess of indebtedness in the 1980s"².

The recession has undoubtedly arrived in the United States and the real debate is about its depth and its duration, as the

New York Times of September 2 headlined³, and on its impact on the rest of the world economy.

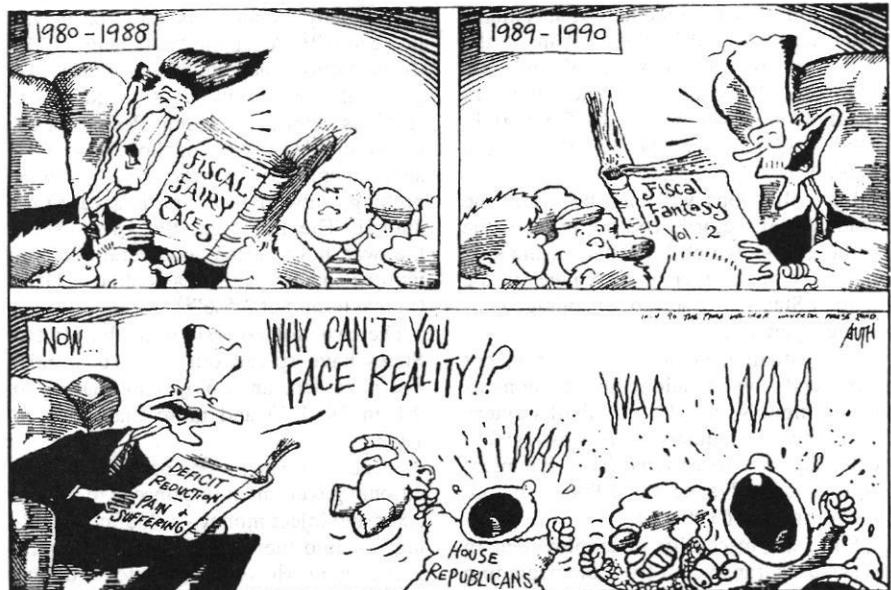
The unadmitted recession

For several quarters, there has been a striking fall in the profits of the principal US companies. It is this that explained (and explains) the pronounced sluggishness of Wall Street and of productive investment. In March, *Business Week* (BW) introduced thus its quarterly analysis of the results of 900 key enterprises in the US for the fourth quarter of 1989; "the American economy is not in recession, yet you would not know it by examining the results of the companies [they] have fallen by 19% in relation to the preceding year"⁴.

In August 1990, BW made nearly the same remark for the second quarter of 1990, under the headline, "Are we in recession?"⁵. The weekly noted that economists still answered no to this question, but added, wisely, "But call any company boss, and he will certainly say yes". This impression was borne out by the *New York Times* in July 1990, in a survey that showed that states (of the USA) covering a third of the population were in recession or on the point of being so (according to the official definition of three consecutive quarters of negative growth).

The survey revealed that nine out of ten households had the "feeling" that their incomes were being squeezed by insurance premiums, taxes and other fixed

1. *The Wall Street Journal* (TWSJ), August 17-18, 1990.
2. *International Herald Tribune* (IHT), October 9, 1990, "How Supply-Side Myths Warp the Political Process".
3. *New York Times*, September 2, 1990, debate between F.H. Schott, Allen Sinai and H.D. Ranson, p. F9.
4. *Business Week* (BW), March 19, 1990.
5. BW, August 6 and 13, 1990.



costs which are growing more quickly than their salaries. The author of the survey drew the conclusion "this is not a recession peopled by the unemployed It is a recession affecting people who have a job, but whose income is ever more squeezed"⁶.

Company profit figures for the second quarter of 1990 and the beginning of the third confirmed the tendency⁷, sharply felt by Wall Street. But from June, unemployment has begun to be a feature of the emerging recession.

It passed from 5.2% of the active population in June 1990 to 5.7% in September 1990 (figures which underestimate the reality, according to the statisticians of the Department of Labor themselves). Those who lose their job are taking very much more time to find another. Only 44% of the 356 industries examined by the Department of Labor took on new workers in September. The number of industrial jobs lost since the beginning of the year rose to 520,000 — of which 114,000 have been pruned in the last two months (48,000 in August and 66,000 in September).

Rise in unemployment

In construction, since February, 194,000 jobs have gone, 20,000 in September alone. Jobs in services, which generated around 80% of new jobs in the post-1983 upturn, are falling more than in the course of six of the eight recessions since the war⁸. The initial rise in unemployment and above all the decrease in overtime (so important in the United States to "complete" income), linked with the price rises, lead to a reduction in purchasing power (demand).

The figures for distribution (trade) for September confirm the depression of the buyers, despite the discounts and credits so plentifully available in the pre-Xmas period. The relation of total consumer debt to disposable income (what remains after taxes) is 20% higher than at the beginning of the recession of 1981-82. "Personal bankruptcies" (incapacity to meet debts), which rose to 500,000 in 1987, will pass well beyond the million mark in 1990⁹.

Logically, jobs will also be cut in the commercial sector¹⁰. The fall in the value of houses — which form part of the savings of a large layer of employees in the United States — does not encourage consumer spending.

This situation demolishes an argument advanced by fashionable economists according to which the growth of services — relative to industry — acts as a safety catch against recessions. This argument was in fact advanced in 1979 — before the recession of 1981-82.

First, the insecurity of employment in services is transparent from the beginning of the slowdown. Then, bankruptcies hit firms in the service sector much harder.

Finally, as underlined already in July by Joseph Carson, a former economist for the Department of Commerce and General Motors and one of the best analysts of the US conjuncture, "I think that people should remember that in the service sector you will not necessarily lose jobs as much as in the manufacturing sector, but you will lose income"¹¹. In other words, salaries decline during a slowing up of the economy (accompanied by an inflation rate of over 6%). Moreover, a considerable proportion of incomes in services are linked to various bonuses and commissions. These form an important part of the revenue of employees or independent operators in insurance, property, banking, and so on. They go up in smoke when things turn bad. All this depresses demand.

Economic pseudo-science

Another argument advanced by "economic science" to explain the reduction of economic cycles is also coming to grief. Industrial strategy, it is said, has led to a reduction of stocks with high "maintenance" costs. From this it has been concluded that, should there be a fall in demand, industries will not be weighed down with stocks and will avoid massive production cuts and lay offs while waiting to get rid of them.

This description is not false, with the exception of the part about lay offs. The problem is that it is not the stocks which unleash a depression. This time, as before, it has been provoked by a series of factors leading to a fall off in demand for durable goods, production goods (investment), and to an "excess" of building (villas, hotels, offices, shops) which leads to a collapse of property prices and to a fall in construction.

As little as five months ago, it was still fashionable enough to denounce the Casandras who predicted recession. Today "very many (economists) say that it will be severe"¹². After the "soft landing" of the economy proclaimed over the last two years, the possibility of a "mild recession" is admitted. Karen Pennar notes correctly, "However, for those who have short memories or who simply know nothing, a dwarf recession is a very rare animal. The last eight recessions since the war have lasted an average of 11 months and have meant a decline in GNP (in real terms) of 2.5%"¹³.

The two last recessions in the United States have spread out over 16 months and have sent unemployment soaring to 9% in 1974-75 and more than 11% in 1982.

Faced with such a perspective, the traditional government response is to reduce taxes and inject money — "deficit spending" — into the circuit to get the engine going again. However, the budget deficit is such that the very opposite — the reduction of the deficit and increases in

taxes — is being discussed. In more than one state, such increases have already been imposed. They do not stimulate demand.

This Reaganite budget deficit — stimulated by the combination of growth of arms expenditure, cuts in social expenditure and tax breaks for the rich and the companies — has important repercussions on the national and international economy. The payment of interest on the federal debt forms a decisive component of the budget. For the fiscal year 1990-91, it was equal to the total of expenditure on social security. Or again, it equalled half of revenue from taxes on the incomes of private persons. The servicing of the debt is growing rapidly — it should reach \$259.8 billion this year, more than the budget deficit envisaged for the year to come¹⁴.

The argument according to which this public debt is no higher than at the end of the 1940s is not very convincing. On the one hand, the place of the US economy in the world economy was different then. On the other, the cost of the servicing of the debt measured by relation to GNP was less (lower interest rates, growth, and so on). This recession will diminish incomes (thus revenues) and increase more or less unavoidable social expenditures, above all unemployment benefits. This could be neutralized by taxes, but, above all, the deficit will remain a problem even after the recession, all the more so if the federal government finds itself compelled to guarantee unsafe loans through various federal funds, as in the Savings & Loans affair.

Massive private debt

Moreover, it is the total sum of public and private indebtedness (of individuals and companies) which is more "worrying" — it is more than 2.5 times the GNP (the national production of goods and services), the highest ratio since the middle of the 1930s.

Some economists argue that the upturn will take place thanks to arms expenditure¹⁵. This hypothesis seems far-fetched. Certainly, the arms firms "could have reasons to thank Saddam for the moment chosen for his attack", as the *Financial Times* put it¹⁶. It is obvious that the government, while reducing the costs of the general functioning of the US Army, is maintaining and in some sectors increas-

6. Published in *International Herald Tribune*, July 17, 1990.

7. *BW*, October 22, 1990 and *Tribune de l'Expansion*, October 16, 1990 (IBM) and October 15, 1990 (ALCOA).

8. *BW*, October 15 and 22, 1990.

9. *BW*, August 20, 1990.

10. *USA Today*, October 13-15, 1990.

11. *Barron's*, July 2, 1990.

12. *TWSJ*, October 11, 1990.

13. *BW*, October 15, 1990.

14. *The Washington Post*, reproduced in *The Guardian Weekly*, October 14, 1990.

ing arms orders. This was evident even before the Gulf crisis¹⁷. Nonetheless, even if a part of the "credits" allocated to the arms industry come from the recycling of the petrodollars of Saudi Arabia and the Emirates, their effects on the conjuncture will be fairly limited, unless there is a long war. They will stabilize, at best, the current level of arms expenditure, which has not stopped the recession, but on the contrary stimulated inflation. They will also be allocated in part to the more "technologised" industries which employ less workers, like Raytheon, Martin Marietta or E-Systems¹⁸.

Financial fragility

Private company debt has not diminished during the long period of expansion. The debt of firms is as high as 46% of their capital — ten years ago the threshold was at 36%. Indeed, the particular characteristic of this US recession resides in the interconnection between the fall of production, demand and profits, and the financial fragility of the industrial firms, the big property developers and certain banks and insurance companies.

Other bankruptcies will follow the Savings & Loans disaster. The property and insurance sectors are likely to be hard hit¹⁹. The banks are not being spared. Chase Manhattan announced some weeks ago that it had written off \$350 million swallowed up in the collapse of the property market.

It has placed in reserves a sum of \$650 million for insurance "non-performing" property loans. Analysts consider that the City Bank has \$2.3 billion of virtually worthless property commitments on its books, as against \$1.8 billion for Chase (or for both an average of 17% of their total portfolio in property). For Manufacturer Hanover's, the percentage is 16%²⁰.

The upturn of these last years has been symbolized by a property boom — the collapse of this sector now will be on the same scale. Empty offices, an image reminiscent of the 1930s, indicate the severity of the recession.

The phase of upturn in 1983-89 in the United States was largely financed through an inflow of European and Japanese capital²¹. The decisive question today is whether this flow can continue.

This is another element, as important, if not more so, than the direct effects of the oil shock. The recycling of petrodollars,

A sense of shock

THE fluctuations in the price of crude oil (until 1986, the spot reference price was that of Arabian light — since then, it has been Brent crude from the North Sea) are not strictly linked to the relation between supply and demand. The International Energy Agency indicates that an increase in production by Saudi Arabia, the Emirates, Venezuela, Mexico, Nigeria, and so on would be able to replace the two million barrels taken off the market by the embargo against Iraq and Kuwait. A part of the increase is due then to speculation, precipitated by the low stocks of the big companies.

However, a specific problem does exist — refining facilities are used to near full capacity and certain replacement oils cannot be refined in the same installations. Moreover, disposable stocks have been frozen for the use of US armed forces in the Gulf. Finally the Japanese, who are very dependent on Gulf oil, are ready to accept the price rises in order to obtain new suppliers.

The evolution of the price of crude will depend in great part on politico-military events. If a long conflict with considerable destruction of oil wells can be avoided, the oil supply problem will not be acute and refining can be reorganized in time. In real terms — taking account of inflation and the fall in value of the dollar in relation to other currencies — a barrel at \$35 would be equivalent to the price *before* the crisis of 1979 and half of that attained in 1980-81. The "shock" is in some sense a readjustment — which becomes even more apparent if one compares it to the evolution of the prices of manufactured products imported by the "Third World" oil producing countries. If the more efficient use of fuel effected by the Imperialist economies since 1974-75 is added, the intrinsic effect of the oil shock should not be exaggerated.

The increase in oil prices accentuates existing recessionary tendencies. There is an increase in the "cost of production" (oil can be compared to an element of constant capital), and thus the anticipated profit has to be revised down. This discourages investment, with repercussions on production goods. The stock exchange fall has already registered this.

As the price increase is passed on to consumer goods, pressure is exercised on consumption, all the more so when the crisis leads to the immediate revival of austerity policies which deepen the recessive tendencies at work.

The transfer of surplus value from the Imperialist countries to the producer countries, through an increased "oil bill", is a complex operation. It has nothing in common with the transfers from the countries of the periphery to the centre through the servicing of the debt. Indeed, a great part of this "bill" returns to the Imperialist countries, under the form of orders (recycling) to industries and to the civil construction giants, who export manufactured goods and build infrastructures in the oil producing countries. There could be a transfer of surplus values between different branches inside the industrialized countries. Great Britain and Norway will profit also from a price rise; the Soviet Union could do the same, if it is capable of increasing its production.

The big oil companies (Exxon, Royal Dutch, Mobil, BP, Texaco, Chevron, Amoco, and so on) will make gigantic gains, all the more so because they have direct access to crude oil. BP draws 54% of its operational profits from extraction (see the *Financial Times* of October 26, 1990, or *Fortune*, September 10, 1990). Big dealers, like Mark Rich of Zouq, who operate on forward contracts, have obtained "absolutely staggering returns" (*L'AGEFI*, October 13, 1990).

The car industry, which has for some years put the emphasis on the bigger, more profitable, cars, will be amongst the sectors most affected by a lasting rise in the price of oil. But the car groups are often diversified and they also benefit from arms orders (Mercedes, Fiat, General Motors, Renault, and so on). The Japanese use oil more efficiently, but are dependent on imports for 99% of it. Their car sector will be the most affected, even more so because their biggest market, the United States, is in recession.

In the final instance, the oil shock is paid for in several forms — taxes, inflation, wage freezes — and by the workers above all. The embargo does not affect Saddam Hussein alone. ★

15. Sophie Gherardi in *Le Monde*, October 16, 1990, p.29.

16. *Financial Times*, August 11-12, 1990.

17. *La Brèche*, no. 454, June 29, 1990.

18. *Barron's*, October 15, 1990, "Targeting Defense Stock" and *US News and World Report*, October 15, 1990, "War gains in the Gulf".

19. See in this respect the survey done in *Barron's*, October 1, 1990 and the *IHT*, October 12, 1990, "Real Estate Slide Threatens Insurers".

20. *US News and World Report*, October 1, 1990, "Rotten to the Core".

21. See *La Brèche*, no. 396, November 13, 1987.

imposed by the US presence in the Gulf, assures a certain flow of funds. However, the rise of interest rates in Japan and the losses suffered on the Tokyo stock exchange are impelling the Japanese to invest their surplus on the domestic market, while the approach of 1992 leads them to direct their investments towards Europe.

As very many Japanese investors have borrowed on the Japanese market at floating interest rates, they tend to return their capital to Japan, because the returns are too low in the United States in relation to Japan, where the rates are rising. Finally Japanese and European investments, the source of numerous industrial jobs in the United States, are going to be reduced.

Since the beginning of this year, Japanese investors have bought only 10 billion US treasury bonds — the lowest total since 1984. They have repatriated some \$8.9 billion during the first six months²². If the dollar declines in relation to the yen the withdrawal of Japanese capital could be dramatic, despite the "solidarity" which Washington will demand from Japan in the fight against Saddam Hussein. Without the Japanese lending machine and with Germany pre-occupied by its own process of unification — and more generally, with its projects in Eastern Europe — the US economy must submit itself to a brutal slimming down.

Music of the future

Certainly, the ruling circles will demand international support — in this the struggle against the "Hitler of the Middle East" has a role — and attempt to accelerate the Canada-USA-Mexico integration. But this is the music of the future. There is a more pressing problem — to attract capital, in case of a Japanese withdrawal, the Fed (the US central bank) must raise interest rates (all the more so if the dollar is weak). The effects of such an operation are predictable; accentuation of the recession (the cost of loans for consumption and investment is higher, the charges on the debts also) and the risk of a financial crash, given the differential of return between shares (in free fall) and more interesting investments.

Obviously, there remain exports to countries which are not yet in recession. But, while a lower dollar benefits exports, are US industries competitive? It is far from certain. And, above all, exports cannot compensate for the weakness of the internal sectors in difficulty. The recession will be serious. ★

22. *TWSJ*, October 11, 1990; *Journal de Genève*, October 9, 1990; *AGEFI*, October 12, 1990; *US News and World Report*, September 17, 1990.

How united is Europe?

AS EVERYONE will tell you, the Cold War is over. This implies that the Western defence system must be transformed. The Gulf crisis has arrived at the right moment to stimulate this debate. Where does the new danger lie for the civilized world, where the universal democratic values find their embodiment?

Now that the Reds are not what they once were, the Third World, ravaged by a social and economic crisis, appears all the more dangerous. Everything is being done to depict the Third World as a mysterious and enigmatic region, located somewhere outside the boundaries. This picture is the result of racism, but also of a method of political thinking that tends to see every issue through the prism of a Manichean conflict between good and evil. We can expect many poor countries to bring forth new "Hitlers".

CLAUDE GABRIEL

EASTERN EUROPE has been easily absorbed into this Manichean framework, which prepares the ground for war, due to the dangers of "Third Worldization" there. The West knows that if a viable economic system is not rapidly established in that region, there will be an increasing danger of social chaos, civil wars and racial and national clashes.

As a result two debates intertwine. First of all there is a debate about the type of armament required. Nuclear war between Washington and Moscow is no longer on the cards, and, as a consequence, military systems must be readjusted to face the mounting dangers in the Third World. Confronted with increasing instability — not to speak of social explosions — it is necessary to reinforce the capacity for rapid intervention. Arms, means of transports and suitably trained personnel are needed which can respond to a variety of situations. After today's oil war, tomorrow there can be a coffee or a coca war. The cocaine war in South America directed by the United States is one specific example. In the last few months imperialist troops have gone into action in Panama, Gabon, Liberia, Saudi Arabia and Rwanda, which may be a record.

The second debate is about the future of the North Atlantic Treaty Organization (NATO) which, under US hegemony, has been at the centre of much of Western military doctrine for the past 40 years. One possibility is that NATO will change into a common security body in the face of chaos in the East of Europe. Another is that it could change into a new institution,

essentially directed towards the Third World.

All these issues are not only to do with military policy as such. Political and economic considerations also enter into the debate. In fact, behind the façade of unity on the defence of the democratic West there are tensions which reflect the relative decline of American power and the rise of Japan and Germany. Bush's policy on the Gulf should be seen in this light. At a moment when the whole Western defence doctrine has been thrown into question by the collapse of the regimes in Eastern Europe, American leadership of the West is looking increasingly like an anachronism, at least at the economic and political levels. It is the convergence of these two great changes in international politics that makes the issue of European defence so sensitive.

Industrial interests and military decisions

These questions can be approached from a number of angles. But one approach that leads nowhere is to view defence solely from the military angle. Huge industrial lobbies stand behind the generals and defence ministries. One aspect of the new debates on defence is the global industrial restructuring that also involves arms industries. This "branch" of industry obeys the same rules as industry as a whole. Indeed for many of the firms arms are only one part, if a substantial one, of their business. The subsidiary firms are inter-connected, and face the same financial, technological and commercial chal-

enges. These restructurings are taking place both on a European and world scale, and the alliances obey laws which go beyond purely political criteria.

What are the new constraints?

● The production costs for the latest ultra-sophisticated armaments are truly vast. Research and development account now for

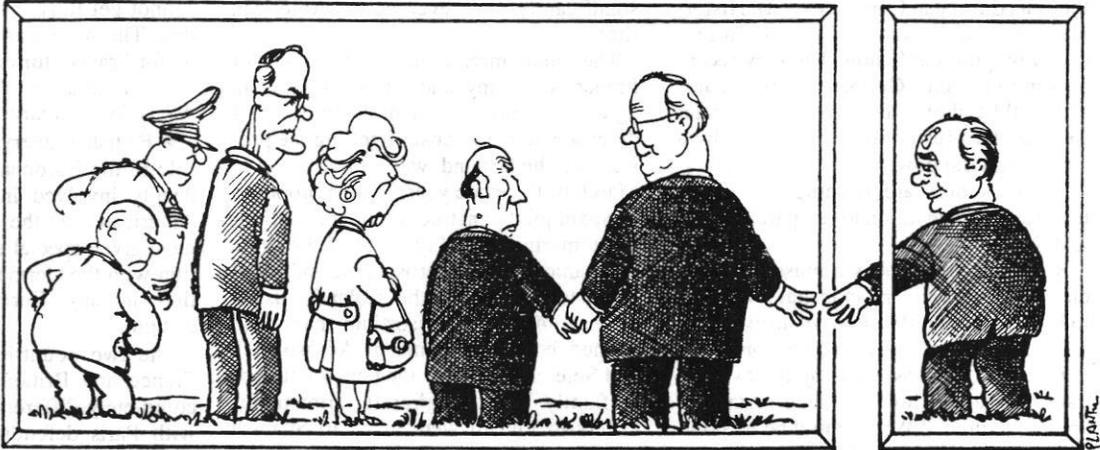
some 30% of these costs. The risk is considerable, and this provides an impulse towards alliances and marriages of convenience. The search for economies of scale leads beyond any national framework. Here, as in other industries, it is necessary to be among the top few world leaders to keep in the race.

The United States has tried to provide a systematic answer to this problem, both to reduce the risks of competition and maintain their relative hegemony. They have produced the notion of "families of arms" with the idea of establishing a division of labour between Americans and Europeans. This rationalization of the armaments' systems favours the monopolies and tends to guarantee long-term markets for US firms.

● The market is saturated. The fall in the oil price before the Gulf war limited the income of the producing countries, who were big purchasers of arms. At the same time, new competitors have appeared for a whole range of types of equipment, notably in some Third World states. The main market for European arms manufacturers is the South, and this makes the issue of the solvency of these states all the more urgent. The Iraqi debt resulting from arms purchases is a good example of the contradictions that can appear. In 1989, French arms exports fell by 40% due to the financial difficulties of the Third World. Belgium exported more than FB25bn worth of arms in 1981, a figure that had fallen to less than 10bn a decade later.

● The reduction in state budgets due to state debt has imposed a partial rationalization of the public arms market. In the US for example 1990 will be the fifth year in succession in which the budget has been cut in real terms. This will combine with a change in the type of arms produced — less cost, but also more precisely designed for the new-style conflicts.

All this leads to an increase in the tempo of the reorganization of the international arms industry. And this must be borne in mind because in some respects it cuts across efforts to establish a strictly European integrated defence system, given that military policy cannot be conducted inde-



pendently from industrial resources and technical and commercial alliances.

Several considerations weigh on the debate on European defence. First of all there are the economic and financial stakes involved in a vital industrial branch. In this branch, as in others, two major tendencies combine, and sometimes come into conflict. The first is that firms want to be able to freely establish alliances and international cooperation. For "European" defence firms, Europe is not, in fact, necessarily the main consideration. They are going to fight to defend their part of the world market, even if this means linking up with an American or Japanese partner.

Political will plays economic role

The second tendency is to look to the European political institutions, above all the EC, to assist in the competition with the US. In France for example, where a significant proportion of production is performed by nationalized enterprises, "political will" plays a significant role. It is also a reason why the French are the most enthusiastic partisans of "European" defence, which would provide them with a new form of protectionism.

Given that state orders are the crucial thing for arms sales, and that exports are inseparable from the course of diplomacy, arms subsidiaries are particularly sensitive to political-strategic issues. *Le Monde* on September 29, 1990, points out that "British and French arms exporters are fearful of being pushed out by the Americans" who may saturate the Saudi market in the course of the Gulf expedition. The troop withdrawals from Europe will also mean that there will be an abundant supply of American and Soviet secondhand material at knockdown prices. Egypt and Morocco are already said to have been flooded with M60 tanks¹.

However, this does not give the governments total freedom as regards strictly industrial decisions. Technological and commercial imperatives affect the political sphere owing to the size of investments required, so that often the wishes of

governments can have little impact on the choice of commercial alliances or on the possibilities for defending a "national" defence sector. The case of the French Rafal fighter aircraft is an example of such constraints. The notion that a new type of aircraft can be produced on a purely French scale but in agreement with the American competition, as in the good old days with the Mirages, is a delusion. The world market has moved on.

Restructuring and international cooperation

What is no longer possible at a national level is hardly more feasible on the European scale. Even so, it has to be accepted that in the arms sector politics enters in more than elsewhere even as far as restructuring and international cooperation are concerned.

In the course of a press conference on the conflict with Iraq, French President François Mitterrand declared: "We have already known for a long time that no European defence system exists properly speaking, since it is this we have been working on... On the other hand, this doesn't mean that Europe is so divided, since the members of the Western European Union, including the observers, work together and I have not heard divergent voices there. Thus, there is progress, but it is still true that European defence comes behind the existing alliances for the moment²".

At this level decisions are not purely industrial. "European construction" is a long-term strategy. It obeys the demands of world restructuring — opening up of markets and globalization of production — but it is also determined by the specific policies of Europe, which, even if it is overall more productive than the United States, feels itself threatened by Japanese performance levels. European integration is thus being promoted by some big industrial and financial sectors — in opposition to others — and by the governments.

The aim now is economic and monetary union (EMU) with a common currency,

1. *Le Monde*, June 26, 1990.

2. *Le Monde*, August 23, 1990.

the ecu (European Currency Unit). Historically, fusions of this kind have been preceded by political fusion. The very recent absorption of East Germany by the Federal Republic shows that it remains normal for monetary fusion to be backed up by a single political power. This is why Mitterrand and others are pushing for moves towards political union to run parallel with EMU.

But this project faces a mass of obstacles. Everyone understands that it is going to be extremely difficult to set up ex-nihilo a European state enjoying a portion of the legitimacy now possessed by the existing national states. How can such a state be "manufactured"? What would be its powers and objectives? And finally, what are the common global commercial, diplomatic and military interests of "European" capitalism?

The establishment of a European defence doctrine in this context is a means rather than an end. It involves a certain number of industrial and strategic decisions which tend to favour political integration. This is thus a very risky operation, although a number of factors speak in its favour.

Common arms market created

● In February 1990, an agreement was struck between nine European countries to establish a common arms market. This accord offered arms firms the opportunity to tender for contracts from the signatory countries.

● On June 29, 1989, the defence ministers ratified a common arms project ("Euclid"), a sort of lesser version of the Eureka European military programme. A first instalment of 845 million French francs was handed out, to the profit of the firms concerned.

The definition of independent European defence is thus tied up with technological and industrial independence from the United States in the sphere of the new generation of weapons³. European governments are looking for openings for cooperative ventures that can enhance European military cohesion. At the start of the 1970s, Aérospatiale of France and MBB from Germany cooperated to produce anti-tank and ground-to-air missiles. British Aerospace, MBB and Aeritalia cooperated on the Tornado aircraft. In October 1989 the French Thomson group and British Aerospace proposed to their governments a jointly conceived project for missile production (the Eurodynamics Consortium). In November 1989, France's Matra bought 20% of BGT, the leading German air-air missiles manufacturers. Aérospatiale and MBB reaffirmed their cooperation at the start of 1990 to launch a Franco-German helicopter project⁴. The estimated costs of the project is 6.8bn francs. This partnership is to be enlarged to include Italian, Dutch and —

significantly — eventually American firms.

The same month the governments of France, Germany and Britain signed an agreement on the manufacture of a defense radar. The cost of getting the project off the ground was 1bn francs. In March of the same year, France proposed to Spain joint construction of conventional submarines. In May some of the same companies, Matra, Aérospatiale and MBB came together over the Roland missile project. Another consortium has been formed between Thomson, Aérospatiale and Selenia (Italy) for the construction of a family of anti-aircraft armaments. Offers to join in were made to Spanish and British firms.

Finally, European cooperation on satellite construction and development has its military dimension. The European Ariane space firm links in with a number of military markets.

Besides the production agreements, a number of big European trusts are being formed which will play an essential role in the eventual development of an independent European defence system. An example of this was the takeover of the British Plessey firm by Germany's Daimler, at a time when the latter enterprise was amalgamating with MBB Messerschmidt. The new DM-MBB group is involved with some 20 lines of military production in cooperation both with other European firms and American and Canadian firms⁵. The new group is worth 7bn D-Marks in the military sector, of which 60% are orders from the German defence ministry.⁶

At a national level, concentration is also taking place. This is the case, for example, with the amalgamation of Aeritalia and Selenia in Italy, which has given birth to the world's seventh largest aeronautical firms, employing 26,000 people. The same thing can be seen with the formation in France of the Industrial Group for Land Armaments (GIAT) which brings together state enterprises within a regulatory framework that permits them to make foreign alliances.

Despite this general tendency to the formation of a vast European military-industrial lobby, a certain number of obstacles remain in the way of a strictly European defence system.

● Industrial cooperation is not exclusively inter-European. This was shown for example in June 1989 when the British chose the American SRAM air-to-ground missile rather than French. This was also the case when Daimler decided on a vast plan of cooperation with the Japanese Mitsubishi notably for aeronautics, and there are many other examples⁷.

● The notion of "weapons' families" has favoured a high degree of interdependence between the Europeans and Americans. American industry maintains considerable weight, insofar as, for historical reasons, the Japanese and Germans

cannot get fully involved in the competition. The American strength also sets limits for France, for example in air transport or surveillance (dependence on the AWACS radar aircraft).

● British industry, which plays a leading role in the European military network, is deeply involved in joint work with the Americans. At the same time the French have given special emphasis to collaboration with the Germans, creating a dislocation in any European military grand design.

The two countries with nuclear arms, France and Britain, have been pursuing completely different policies in this field, with Paris defending the principle of a nuclear force independent of NATO control. An integrated European military force could only be created by sorting this question out. The French have for some years now been proposing a common European "deterrent"⁸. But this raises the question of where Germany would fit in.

German constitution obstacle to Intervention

● The German constitution forbids the federal army from deploying troops outside the NATO framework. At a time when attention is being shifted to the Third World, this acts as an additional obstacle, as has been underlined by the Gulf crisis. German chancellor Helmut Kohl is probably not too unhappy that he cannot send troops to the Gulf, but he has nonetheless already announced that the German constitution must be changed so that Germany can play the global military role that corresponds to its economic strength.

● NATO and the Atlantic Alliance continue to exist, although their future is being discussed. The US is using the delay to hold up the European defence project. The Europeans are in any case themselves facing the difficult dilemma of whether they can do without American forces in Europe. They are asking themselves whether it is really time to "definitively turn the NATO page, when tomorrow anarchy and disorder can be at our doors, in Eastern Europe and the Mediterranean?"⁹ The future of NATO is one of the issues at stake in the European disarmament negotiations — the CFE process for conventional armed forces and START for strategic arms.

The Europeans want to keep two irons in the fire — their own integration project

3. The Pentagon budget remains two and a half times as great as the military budget of the EC states.

4. *Le Monde*, February 22, 1990.

5. *Libération*, September 18, 1990.

6. See *Memento Défense-désarmement*, 1990, GRIP, Brussels.

7. *Financial Times*, March 28, 1990.

8. See also the French Prime Minister Michel Rocard in *Le Monde*, October 23, 1990.

9. See the interview with NATO Secretary-General Manfred Wömer in *Libération*, October 17, 1990. Gorbachev himself has talked of the "Lebanonization" of the USSR.

and cooperation with the Americans — for more than purely diplomatic reasons. We have seen how, in the negotiations over German unification, the issue of NATO membership for a united state was the corner stone of the bargaining with the Kremlin. The hand-wringings of some European leaders is a good illustration of their restricted room for manoeuvre, despite the relative weakening of the Americans. Thus the Belgian foreign minister Marc Eyskens explained on November 23, 1989: "I am a partisan of a European pillar in NATO. I am a Euro-Atlanticist. Detente and the establishment of a heartfelt peace could easily lead to a sort of American-Soviet condominium if Europe dilutes itself."

The Americans meanwhile are looking for a new role for NATO that will prevent it from becoming irrelevant. In his speech in Berlin on December 12, 1989, American Secretary of State James Baker reminded us that it was necessary "to remember that American security — from the political, military, and economic points of view — remains tied to the security of Europe" so that the elaboration of "common Western approaches" must continue, in the face of all kinds of dangers.

Despite this, the debate continues to rage to the point where the leader writer for *Le Monde diplomatique*, Claude Julien felt able to describe the American military role with the phrase "the gendarme is finished"¹⁰.

At the centre of the controversy is the problem of the West European Union (WEU), which has until now been little more than a talking shop, and above all of the Conference on Security and Cooperation in Europe (CSCE).

The CSCE came into being in Helsinki in 1975. Every European country except Albania is involved, along with the US and Canada. Some Europeans see the CSCE as a point of support for a security framework under the sole control of the European states — a project that would tie in with Mitterrand's scheme for a European Confederation. Thus the aforementioned Marc Eyskens has proposed to provide the CSCE with a "security council" reserved for Europeans¹¹. Last September, the Council of Europe proposed the setting up of an Assembly bringing together the European countries involved in CSCE.

All this is not to Washington's taste. The US wants to retain NATO as the crucial defence framework and keep it the preserve of the "West". This, in fact, was what finally came out of a meeting of the foreign ministers of the 35 European countries, the US, Canada and the USSR in the United States in September. The

scheme launched there was for a body drawing together all the existing alliances, with its headquarters perhaps in Prague. Until then NATO would remain the basic Western defence structure.

So, "new Atlanticism" or not? Manfred Wörner, the NATO secretary general replied: "The CSCE can be very useful for preventing crises — or resolving them in a peaceful manner. But could it replace NATO? With 34 very different states, each disposing of a right of veto, what would CSCE do if a real conflict exploded?"¹²

In reality it is no longer American economic power that is the obstacle to the working out of an independent European defence system. It is the lack of cohesion in European diplomatic and commercial interests which allows the Americans to



keep relative hegemony. Over the Gulf crisis for example there have been significant differences between the policies of the leading EC states.

West European Union marginalized

The WEU for its part, which brings together nine states — the EC states except for Denmark, Greece and Ireland — has hardly played any role. In the Gulf affair it did not meet until August 23, that is two weeks after the American decision to intervene, and even then restricted itself to statements of principle. Only the French made use of the occasion to try to give the impression that a new step had been taken towards European unity. Even so, it could be a useful stepping stone for the partisans of swift political integration. The WEU has the advantage of to some extent overlapping with the EC¹³. On the other hand it is not yet adapted to the demand for adherence to the EC of neutral countries such as Austria.

Some real steps have been taken, nonetheless. Thus the Franco-German brigade is a first attempt at integration. It is under the control of a Franco-German cooperation group which is the executive body of the Franco-German Defence and Security Council. This is a very limited experiment, but the Germans are proposing to repeat it with other European countries. There is thus already a military dimension to the complex and difficult process of integration in a situation where no federal state exists.

The existence of this military dimen-

sion must be taken into account in the perspectives of the European workers' movement. The traditional parties — the Social Democrats and recycled ex-Stalinists — are virtually certain to come out in support of European military integration. Their unconditional support for national and European industrial interests will lead them directly to this new surrender.

However what is involved is not simply some reconversion to peaceful ends of the old defence systems of the cold war era. On the contrary, what is to be created is a new integrated system that can supply new imperialist appetites and which would be capable of acting in the Third World as much as in Europe in case of social disturbances. The armed forces will continue to change taking into account the new European dimension. The "missions"

they will have to fulfill in the new world situation push in the direction of increased professionalization. Conscription will tend to lose importance for the state.

A high level of training for military personnel that can meet the needs of increasingly sophisticated weapons is no guarantee of respectability or "democratization" of the social body that is the army. It is significant that at the very moment when voices are beginning to be heard questioning the secretive and undemocratic procedures involved in European construction, the governments are establishing an increasingly integrated European military framework, and one increasingly linked to an international industrial lobby, which more and more escapes the influence of the society.¹⁴

Thus, European anti-militarism must learn to take the continent wide dimension into account. It also needs to find the means for joint action. Real anti-militarism in Europe can only exist if it takes into account the overall European framework.

This is yet another argument against notions of self-sufficient national struggles and organizations and in favour of a new internationalism. Civil disobedience, the refusal to pay for all the dirty wars that are happening or are coming, solidarity with the Third World under attack, the untiring struggle against social militarization, are all essential themes around which a new European anti-militarist movement can be created. ★

10. *Le Monde diplomatique*, October, 1990.

11. *Nouvelles Atlantiques*, March 2, 1990.

12. *Libération*, October 17, 1990.

13. See the Boesman report adopted by the Institutional Commission of the European Parliament, March 2, 1989.

14. It has recently come to light that a secret "anti-subversion" operation, named "Operation Sword", was mounted in Italy in the 1960s in connection with NATO.

The war is not over

THE negotiations between the Salvadoran government and the revolutionary opposition of the Farabundo Marti Liberation Front (FMLN) are at a stalemate, since President Alfredo Cristiani is refusing to discuss the issue of the army. While the FMLN has stated that it wants to continue the negotiations, it has also maintained its military pressure. Thus, on October 17, 1990 it launched attacks on the capital, attacking a barracks and shelling the airport.

SERGIO RODRIGUEZ

A FIRST balance sheet of the various meetings between the Cristiani government and the FMLN shows that the revolutionaries have manoeuvred capably in this difficult situation.

The far-right Salvadoran government of Cristiani's Alliance for National Renewal (ARENA) has tried to take advantage of the new international situation. But its objectives have proved illusory. According to the FMLN: "the schema according to which the Salvadoran problem is an integral part of the East/West conflict can no longer be defended in the light of present developments. A year has passed since the events in Eastern Europe and the FMLN remains in good health, both politically and militarily"¹.

Divergent views on how to end war

Throughout the negotiations, two divergent views on the way to finish the war have confronted each other. On the one side, the Cristiani government and his North American advisers have wanted to impose a plan for a transition on the Colombian model, that is to say a surrender disguised as "integration"². On the other, the FMLN has tried to oblige its rival to reply to the urgent questions facing the country.

22 The government has been trying to get the revolutionaries into difficulties with

the aim of imposing its own logic. It wants above all to resolve questions which do not affect the state apparatus of the dictatorship — that is to say the army and repressive forces. Cristiani has shown himself ready to discuss human rights and accept the formation of a United Nations commission of enquiry on this theme. It even prepared a flexible proposal for holding elections to be put forward at the last Costa Rica meeting — which did not in the end take place.

The government is thus trying to get partial agreements and leave the problem of the armed forces to one side, and thus neutralize the FMLN. The aim of these manoeuvres is simple. Concessions are to be made on questions that are not central and thus make the FMLN's position — of not accepting a unilateral cease fire until the question of the army is resolved — seem incomprehensible. The revolutionaries would then be forced to participate in elections while the government retains intact its military apparatus. At the very moment when Cristiani was signing the accord on human rights he named General Ponce — chief of the most ultra-rightwing section of the Tandonas³ — as minister of defence.

FMLN signs human rights agreement

As for the FMLN, while it had agreed to sign the agreement on human rights, it now seems to have reverted to its initial conception of the negotiations. It did not agree to discuss elections at the last Costa Rica meeting, and has put the question of militarization back on the table, as the key to the negotiations.

The FMLN's demilitarization proposals are in fact very popular. The population, including some sections of the employers, is tired of the war. The Tandonas's role in the war has become clear, along with that of the death squads and the profiteering of a small group of officers from the situation. By demanding the demilitarization of the institutions, the FMLN has once again struck the keynote of popular concerns in El Salvador.

The Cristiani government has also understood this, at a time when a new debate on military credits is about to open in the United States. The current of opinion in the US Congress and even more amongst the US public opposed to more military aid is growing. The present conflict with Iraq has if anything accentuated this sentiment, given the widespread preoccupation with the economic consequences of this action. Furthermore if the



whole world has rightly welcomed the end of the East German secret police, similar enthusiasm should be aroused by the prospect of the downfall of this notorious army.

In such a context US aid to the El Salvador government death squads and army — responsible for the death of a large part of the population over the past years, apart from the much publicized murders of Archbishop Romero⁴, dozens of journalists and six Jesuit priests⁵ — becomes ever more incomprehensible to many Americans.

Cristiani attitude justifies military offensive

Nobody knows if the FMLN is planning to launch new military offensives. But they would find their justification in the immovable attitude of Cristiani, flowing from his need to defend the army's control over the country.

This war is not finished. Nobody can know what the next battle will be or how it will take place — whether around the negotiating table, in a general strike or a military offensive, but the FMLN has clearly maintained its ability to address the democratic sentiments of the population. ★

1. Schafick Jorge Handal, press conference at the United Nations, September 20, 1990.

2. On March 9, 1990, the guerrillas of M-19 in Colombia laid down their arms in exchange for the organization's participation in the electoral process. Its candidate for the presidency, Antonio Navarro Wolf, has in addition accepted the post of minister of health in the current Gaviria government.

3. The "Tandonas" is the name given to the military class from which many of the current leaders of the Salvadoran army emerged.

4. Monsignor Oscar Arnulfo Romero was assassinated on March 24, 1980, whilst celebrating mass in San Salvador cathedral. His assassins were the death squads led by major d'Aubuisson, leader of the party currently in power, ARENA.

5. During the offensive launched by the FMLN in November 1989, the army savagely murdered Father Ignacio Ellacuria and five other Jesuit priests from the Central American University. Nobody has been arrested for the murders and the only witness has "disappeared" — under the pretext of protecting him, the FBI has hidden him in the United States.

A government of terrorists

COMMANDANTE Joaquin Villalobos is a member of the leadership of the Farabundo Marti Liberation Front (FMLN). In the text published below, written in August 1990, he explains the concessions that the FMLN is ready to make in the negotiations.

DOCUMENT

THE government of Alfredo Cristiani and the Bush administration operate in these negotiations on the basis of a geopolitical analysis of the situation inside El Salvador. In their view, the problems in the Soviet Union and the changes underway in Eastern Europe will progressively weaken the FMLN.

But the FMLN has never been either materially or politically dependent on the USSR. The Salvadoran government and the United States hope to do now with the help of the geopolitical situation what they have been unable to do for the past ten years.

Time and reality will prove them wrong. On the basis of this analysis, the government is offering negotiations without content, which offer no major changes. It proposes merely to change the names of some military units and move them. In return, the FMLN must call a ceasefire and disarm.

Historically, the FMLN is a national force, with international recognition and wholly independent of any ideological bloc. It is guided by national and popular interests. Nothing and nobody can change our will to carry through a national and democratic revolution in El Salvador.

The USSR may disappear, but as long as there are militarist governments and social injustice in El Salvador, the struggle will continue and the FMLN will lead it.

End of Cold War does not affect struggle

The end of the Cold War does not affect us. On the contrary, nobody can now say that the FMLN is the fruit of the East/West conflict. In El Salva-

dor, neither side has yet won nor defeated the other. It is thus simply illogical for one of the two parties to demand that the other disarm itself, on the basis of a prediction of bad days for international reasons.

In Salvador, there is one army in power and another that is fighting it. But Cristiani's army cannot govern or stabilize the country. The FMLN's power of veto is the most powerful instrument for the demilitarization of Salvador and the construction of democracy.

Three options for our country exist: either the two armies disappear; they continue to exist and become institutionalized; or, finally, one disarms the other.

The two first possibilities belong to the political domain, with the second being the most difficult to realize. The third can

only take place on the military level. The most sensible and reasonable course would seem to be the disappearance of both armies and the total victory of civil society. It is ridiculous to imagine that in the framework of negotiations, the FMLN will put down its arms and the government's armed forces will remain. The FMLN retains all its ability to attack, which the army has lost. The High Command recognizes this, and is maintaining the state of emergency. It is accusing the

FMLN's surrender at the negotiating table, this should be stated clearly, as was done by Roberto d'Aubuisson and Elliott Abrahams, an ex-functionary of Reagan. If this is what they want, they will be obliged to openly escalate the war, increase military aid and become yet further embroiled in the conflict, while dishonestly pretending that it is the FMLN who is responsible for the war continuing.

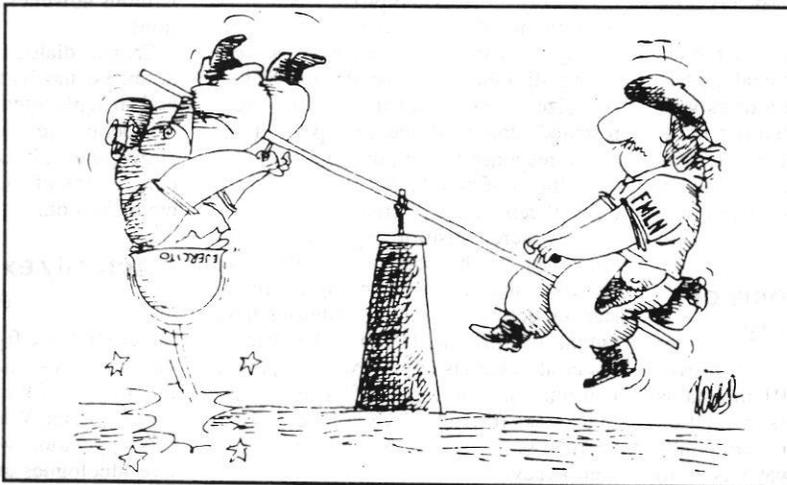
FMLN will continue to negotiate

The FMLN will continue to participate in the negotiations, whatever the military and political situation, since these discussions and the Geneva agreement on human rights represent a victory for the Salvadoran people and the FMLN.

We have forced the government and the US to give us this. We will continue to fight for a ceasefire, and for an end to the immunity of members of the armed forces and for

real democratic openings. We will struggle for the end of the war to coincide with the disappearance of militarism and social injustice in our country. The FMLN knows that the negotiations will be difficult, because we are not sitting opposite choirboys but the deathsquads. We are not deceived by Cristiani's "good manners". We know the crimes he was involved with when he was a colleague of d'Aubuisson.

We know what he means when he says that it will be the Salvadoran people who will suffer rather than the army from a new FMLN offensive. He is threatening to kill the innocent, as [during the FMLN offensive] in November 1989, if he feels in danger. We are dealing with a terrorist government, and this is what we must call it. ★



FMLN of preparing an offensive for the near future, and even advising us that this would be a serious mistake on our part.

No rundown of FMLN military forces

We state clearly that there has been no discussion about the run down of the FMLN military forces, while the government army is not ready to dissolve.

We are never going to negotiate a ceasefire in exchange for a change in the names of certain army units composed of murderers, and we will not disarm while the criminal and corrupt armed force which terrorizes the people remains in place. If the Salvadoran government and the Bush administration wish to obtain the

Brazilian PT outlines vision of socialism

THE PT WAS BORN with profoundly democratic objectives. For the PT, democracy has a strategic meaning. It is both a means and an end, an instrument for transformation and an objective. We have learned from our own experience that the bourgeoisie has no historical commitment to democracy. It uses it in a strictly tactical, pragmatic way. Primarily, it is the working people and the poor masses that have a stake in democracy. Today, they need it to widen their social and political gains. Tomorrow, they will need it to go beyond the unjust and alienating society in which we live. In the future, it will be necessary to establish a qualitatively superior democracy, so that the social majority can really govern the socialist society that we are fighting for.

In its internal organization also the PT concretely fulfills its commitment to democracy. Its leadership and its ranks seek to make the party a free society, in which all participate, as the precondition for creating the larger free society that they want to install in Brazil.

Rejecting the monolithism and hierarchical structure of the traditional parties — and of many left organizations as well — the PT strives to put internal democracy into practice. This is a precondition for guaranteeing its democratic attitude in social life and in its exercise of political power.

PT respects autonomy of mass movements

Having come out of the mass movements and trade unions, the PT maintains close links with them, takes its inspiration from them, and seeks to offer them political leadership. The PT in no way wishes to stifle the autonomy of these movements and still less to have clientelist relations with them or use them as transmission belts.

Ideological and cultural pluralism are characteristic of the PT. We are the product of a synthesis of different currents devoted to freedom, united in their diversity — social Christians, various sorts of Marxists, socialists who do not claim to be Marxists, radical democrats, secular democrats and so on. But the party program is not the prerogative of any of these currents. The PT has no "official" philosophy. Different positions coexist within it in a dialectical relationship, which does not predetermine the dynamic syntheses that may emerge in the elaboration of concrete policies. What unites these various political cultures of freedom is the com-

THE NEED for a fight for socialist democracy East and West was discussed at the recent national meeting of the Brazilian Workers' Party. This is the theme of the following document, which has been abridged only slightly for space reasons.

DOCUMENT

mon project of creating a new society favorable to ending exploitation and oppression.

Our commitment to democracy makes us anti-capitalist militants. This choice has profoundly marked our struggle for democracy. The discovery (which for many of us was empirical before it became theoretical) of the structural perversity of capitalism has been a very strong stimulus for most PT activists to organize in a political party. We have represented, and continue to represent, an angry response to the pointless suffering of millions of people that flows from the logic of capitalist barbarism.

Our concrete historic experience — the other side of the coin of the "Brazilian miracle," and many other tragic circumstances here and in other countries have taught us that capitalism, whatever its material power, is unjust by nature, that it marginalizes millions of people and blocks a fraternal division of social wealth, which is a mainspring for any real democracy.

Overthrow of capitalism essential

The founding documents of the PT — the Manifesto and Founding Program — already explained that the end of Brazilian capitalism was an essential precondition for genuine democratization of Brazilian life. Even if these first documents made little progress in defining an alternative society, the PT's historical project was already clearly socialist. The ten years

since the founding of the party — years of bitter but inspiring struggle — have confirmed our anticapitalist options and redoubled our determination to transform society.

This anticapitalist conviction, generated by the bitter experience of Brazilian society, also impels us to take our distance from the projects of the social democracy, which historically have not led toward disengaging from capitalist society.

The past social democratic experiences prove that even if you get into the government or the institutions of the state — notably, the parliament — without a mass mobilization at the grassroots it is impossible to reach socialism.

The social democrats believed in the neutrality of the state apparatus and thought that capitalist efficiency was compatible with a peaceful transition toward a different economic and social logic. Over time, this current abandoned the perspective of a parliamentary transition to socialism and even the aspiration of socialism, without however leaving the state institutions.

Critical dialogue with social democrats doubtless has its usefulness for the workers' struggle internationally. But the social democrats' ideological project does not correspond either to the anti-capitalist convictions of the PT or its objectives of emancipation.

"Actually existing socialism" rejected

Our strategic fight for democracy — our very identity — has also led us to rejecting the models of the so-called actually existing socialism. We have always known that this appellation was false. The conservative ideologues are using the crisis in the East to combat any project that might run counter to capitalist domination. Accord-



ing to its detractors, socialism is in fact incompatible with the ideals of progress and freedom. We challenge this reactionary conception.

The abstract term, "actually existing socialism," does not take account of the special features of countries, of different revolutionary processes nor of economic and political differences. It equates experiences of social transformation that are by their nature heterogeneous. It minimizes certain historic gains that are definitely important for the peoples that have won them.

Some so-called socialist regimes came out of popular revolutions. Others were engendered by the defeat of Nazi Germany and the Soviet army's occupation of a series of East European countries. In some of these processes, the masses managed to exert an influence on the national life. A foremost and special place has to be reserved for the Sandinista experience in Nicaragua, despite its difficulties. The Sandinistas were able to establish and maintain a political and civic equality that the people never knew before.

The PT supports the struggle of the workers and the peoples for the liberation. It defends genuine revolutionary processes, while maintaining an independent attitude and reserving the right to make criticisms. Since its founding, the PT has known that the theory and practice of the experiences of so-called actually existing socialism are incompatible with the project of liberating socialism that it proclaims. We reject the lack of political, economic and social democracy; the monopoly of power by a single party, even when there is formal acceptance of multi-partyism; domination by the bureaucracy, transformed into a privileged layer or caste; open or veiled repression of ideological and cultural pluralism; and the management of production by top-down, authoritarian and inefficient planning.

Consistent criticism of bureaucratic regimes

We have always criticized these regimes from the standpoint of revolutionary struggle and in the light of the various international socialist processes. The PT was the first Brazilian party to support the democratic struggle of Solidarnosc in Poland, even though it had no other ideological affinities with this union movement. We have denounced the violations of trade-union, political and religious freedoms that have occurred in the so-called socialist countries in the same way as we have fought for public freedoms in Brazil. We have denounced the crimes against humanity committed in Bucharest or elsewhere, such as the premeditated murder of agricultural workers in Brazil. For the PT, there can be no socialism that is not genuinely democratic.

The movements that have led to reforms in the Eastern countries have rightly

PT delegates discuss party strategy

SIX HUNDRED DELEGATES representing 600,000 members of the Brazilian Workers' Party (PT) met June 1-4 in the organization's Seventh National Meeting. This assembly launched the discussion on the tactics and strategy to be adopted by the party at its first congress (scheduled for the second half of 1991). This meeting did take some essential steps toward defining the PT's program, for example in reaffirming its socialist program (as attested by the accompanying document) and its democratic internal practices and reorganizing its national leadership. As much cannot be said for its tactical and strategic orientations, which are fundamental in the context of the economic crisis and the austerity offensive being waged by President Collor.

The thinking that has begun is of great importance. The PT has to be able to offer a democratic and radical solution adapted to the level of popular consciousness and organization in the country. Furthermore, in its ten years of existence it has become an essential reference point for all revolutionary movements in Latin America and elsewhere. It should be recalled that it was on the initiative of the PT that a meeting was held in São Paulo this July that brought together most of the left organizations on the continent. (See *International Viewpoint*, No 193, October 29, 1990.)

Moreover, legislative elections were held in Brazil on October 3 for 2,144 state deputies and senators. This vote was marked by a high abstention rate for the country (15% of voters did not go to the polls). A quarter of those who did vote cast invalid or blank ballots.

While it would be wrong to compare these elections with the presidential elections in 1989, a feeling of frustration does seem to be affecting large sections of the population. Thus, in the absence of a united, effective social response able to counter the economic measures adopted by the government, the people may take their distance from political participation.

According to the information available, the PT got 10% of the vote (in the last elections of state governments in 1986, the PT got 6.5%). The PT has 35 state deputies (it had 17), 80 national deputies, and if the second round elections on November 25 confirm this trend, it will have two governors.

rebelled against totalitarianism and economic paralysis, seeking to establish democratic regimes and to end the bureaucratic, ultra-centralized management of the economy. The outcome of these changes is not yet determined. Political and social struggle will mould these new regimes.

The PT is convinced that the upsets that have occurred in the East and are continuing in the countries of so-called actually existing socialism have a positive historic portent, even if reactionary currents favorable to capitalist restoration are in the majority today.

These movements — even if they do not put forward a project for renewing socialism — are breaking the political ice and bringing the various political and social forces back to the front of the stage. By encouraging democratic gains, they can offer new possibilities for socialism. The political energy that has been liberated by social mobilization will not be easily tamed by the recipes of the International Monetary Fund (IMF) or the false paradises of capitalist propaganda.

Our democratic and anticapitalist politics has solid foundations. We have chosen to struggle for a concrete utopia, for a socialist society. We have also wanted to avoid the abstract ideology, the elit-

ism of the traditional Brazilian left and the naked pragmatism that characterizes many parties.

Leadership armed through struggle

Any thinking at the top of the PT would be useless if the party's ranks and various social sectors did not share in it. In the beginning, our leaderships lacked experience. The patient and continuous democratic mass struggle has armed them. The strategic outlines of any socialist project have to be based on a profoundly democratic conviction affecting broad popular strata. The pedagogy based on the self-education of the masses through participation in civic life has proven correct.

Moreover, the PT recognizes the existence of democratic, popular, liberation and socialist forces throughout the world that have a different identity. It maintains special relations with them.

Today, we have to face up to new challenges. We can only do that if we demonstrate a greater political and ideological creativity. The new historic period here and internationally demands from the PT, as from other socialist and democratic forces, a bolder and more rigorous elaboration of policy.

The restructuring of the Brazilian econo-

my and the recomposition of bourgeois domination flowing from it are shifting the political battle onto the terrain of general projects, with strong ideological connotations.

Over and above the "stabilization" and "adjustment" plans that the government wants to impose, what is at stake is Brazil's strategic place on the international scene, in the ideological and economic realm.

Inasmuch as the PT influences broad sectors of Brazilian society and is becoming a credible political alternative, it has to define its proposals more clearly. Many of the apparently structural problems — reform of the state, democratization of land ownership, etc — can only be dealt with and resolved through deepgoing strategic definitions.

In the same way, the failure of the experiments of so-called actually existing socialism and the temporary reinforcement of capitalist ideology — reflected even in a country like ours, which suffers from the system's most sharpest and most destructive contradictions — challenges us to redouble our critical efforts and thinking in order to give a new substance to the perspective of socialist democracy in the historical and ethical realm.

What sort of socialism do we want to build? What sort of society? What sort of state? How is the productive structure to be organized and what will be its institutions? How concretely can we exorcize the spectre of authoritarianism?

We can also offer certain answers to these questions, on the basis of our practical experience and our thinking, which have emerged dialectically from the forms of domination we are fighting or which flow from our strategic convictions forged in the struggle.

Radical political change necessary

The Fifth National Meeting of the PT has cleared the ground for this discussion. In order to topple capitalism and begin to build a socialist society, a radical political change is necessary. The workers have to become the dominant class in civil society and hold state power.

Other aspects of our socialist project are still in the form of open questions, and it would be pretentious or wrong to offer an immediate answer to them.

In any case, we have to demonstrate an intense political imagination and a great practical creativity, founded not only on our ideological options but also on the

aspiration of the oppressed masses for a better life.

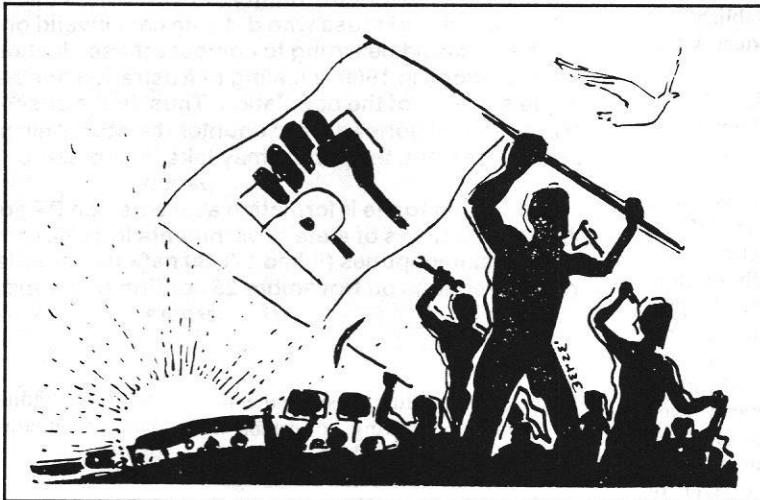
The PT does not think that socialism is an inevitable future, the result of the economic laws of capitalism.

For us, socialism is a human project whose achievement is inconceivable without a conscious struggle of the exploited and oppressed.

This project will only be a liberating one to the extent that we envisage it in that way, as a need and ideal of exploited masses capable of developing a truly liberating consciousness and movement. That is why it is necessary to recover the ethical function of politics.

That is the precondition sine qua non for reestablishing the links between socialism and humanism.

The movement we want to build takes its inspiration concretely from the rich tradition of mass struggles in the history of Brazil. It must base itself on solidarity



among human beings and be a sum of specific aptitudes for solving collective problems. It will have to be a collective democratic subject, without negating the rich and necessary individual specificities.

It will have to perfect the fundamental equality among citizens, while jealously safeguarding the right of political, religious, cultural and other differences.

This society will fight for women's liberation, against racism and all forms of oppression, and foster the emergence of an integrating and universalist democracy.

Pluralism and self-organization will not only be permitted but encouraged at all levels of social life. They will be an antidote to the bureaucratization of government, minds and wills.

While affirming national identities and independence, the new society will reject any imperial pretention and foster cooperative relations among the peoples of the world.

As we defend Cuba or Grenada against US imperialist aggression, we defend the right of self-determination of the peoples,

and we encourage internationalist action. Democratic, socialist internationalism will be a constant source of inspiration.

The socialism that we want to build will only be achieved if it establishes an authentic economic democracy.

Social ownership of means of production

It will have to be organized therefore around social ownership of the means of production — which cannot be confused with state ownership — that will take forms democratically decided upon by the society (individual, cooperative, nationalized, and so on).

Such economic democracy must overcome the perverse logic of the capitalist economy as well as that of the autocratic state commandism that prevails in many so-called socialist economies.

Its priorities and objectives will have to be subject to the will of the society and not to any supposed strategic interests of the state.

It will have to combine — and that is the greatest of the challenges it will face — increasing productivity and satisfying material needs with a new organization of work that will end the present alienation.

It must strengthen the management of the units of production — factory councils are an essential reference point — and the entire system through strategic planning under social supervision.

In the political field, socialism will have to preserve the democratic freedoms won with such difficulty in capitalist society but also broaden and radicalize them (freedom of opinion, freedom to demonstrate, freedom of civic and political organization for the parties).

Such freedoms concern all citizens, being limited only by the democratic framework.

Instruments of direct democracy that preserve the participation of the masses at the various levels of political leadership and economic management will have to coexist with the instruments of representative democracy and flexible mechanisms for consulting the people that can express collective interests without the interference of the capitalists.

In its fight for socialism, the PT does not minimize the theoretical and practical obstacles it will have to overcome.

It knows that it has to make an enormous effort in the field of program and social struggle.

It is more than ever ready to undertake this, along with all of the forces striving for democracy and transformation in Brazil. ★

AROUND THE WORLD



EUROPE

Helsinki Citizens' Assembly

AROUND a thousand delegates from nearly every country in Europe met in Prague October 19-21 for the constitutive session of the European Assembly of Citizens/Helsinki Citizen's Assembly (HCA). Convoked at the initiative of the independent peace movements, the Assembly originated in the first Prague Appeal addressed by the Czechoslovak dissidents of Charter 77 (notably Vaclav Havel, Jiri Dienstbier, Jaroslav Sabata, and Petr Uhl) to the Perugia conference of the European Nuclear Disarmament (END) movement in 1986.

"Civil society is henceforth in power", declared Vaclav Havel in his inaugural speech to the Assembly, and, added the Czech president, in order to counteract the deformations which inevitably accompany the exercise of power, "it must rely on its own moral conscience".

The solution proposed could leave something to be desired, but this theme of civil society was at the heart of the Assembly's debates and was the occasion for its most heated controversies.

For Thomas Mastnak, of Slovenia, rather than speaking of the accession to power of civil society — which is in any case a contradiction in terms — it was better to recognize that civil society had not been able to seize the occasion which had been offered to it to transform the exercise of power.

All that had happened was that only certain of its representatives — self-proclaimed for the most part, as minister of state Jaroslav Sabata stressed with justice and without self-satisfaction — have been sucked in by the state apparatus.

This "rank and fileism" on the part of a good number of the delegates, particularly those from Slovenia, yielded some of the best and worst aspects of the Assembly. The best, as in the very live questioning of the presence of German SPD leader Oskar Lafontaine at the inaugural session by some German delegates, but also the most woolly — for example Thomas Mastnak defending a conception of the HCA as an "institution of civil society" from which all representatives of political power (parliamentary representatives and so on) would be completely excluded.

This also raises the issue of the nature of the HCA and of its relations with the "actually existing institutions", namely the state.

As regards the situation of the three Baltic countries, warmly evoked by the very numerous delegates from these countries, a proposition was put to the "Civil Society and European Integration" commission seeking to link the recognition by the HCA of the European Conference on Security and Co-operation to the recognition by the latter of the Baltic states as sovereign and independent nations.

Finally another motion from the Baltic delegates themselves was adopted, demanding that the agenda of the Paris conference of the ECSC should include the question of the independence and demilitarization of the Baltic states and that the delegations of these countries participate at the summit.

During the debate, a Ukrainian delegate had to moreover recall that, important as it is, the Baltic question is not the only national question on the agenda

Other speakers, like Miet Jan Faber, a leader of Pax Christi in Holland and copresident of the HCA or the French sociologist Edgar Morin, attempted to link the question of the stateless nations in the East to similar cases in the West (Corsica, Euzkadi, and so on).

One of the public debates was devoted to the three questions of the North of Ireland, Kosovo and Transylvania.

The question, certainly very central, of the notion of "civil society" did not stop other controversies from surging forward.

Some of these were attributable to inevitable cultural differences. For example, in the commission on "minority rights", after Peter Tatchell, an activist in

the British gay movement, and Ron Clarke, secretary general of the International Lesbian and Gay Association (ILGA), had introduced on the question of lesbian and gay rights, a Hungarian delegate from Rumania asked if "having wasted an hour talking about homosexuals, it would be possible to deal with the question of Transylvania"!

The third world was, happily, not forgotten — Pakistani filmmaker Roshan Dhunjiboy spoke of the responsibilities of the northern countries to those of the south at the inaugural session, and his contribution was the most applauded. A public debate was organized on the question of the Gulf, which regrettably was dominated by the preoccupations and problematics of the French left. Going by the applause, the values of "the left" were dominant. The British pacifist Mary Kaldor made a long speech in the closing session against the "dictatorship of the market" which was warmly applauded, but a good deal of wooliness prevailed on this question. Thus the "economy and ecology" session pronounced itself in its provisional conclusions in favour of a "democratic market economy which takes account of ecological balance and respects the rights of workers and women" without the concept of "democratic economy" being in any way explained.

Despite this, and even if the role and functioning of the HCA and its national sections, which are now to be established and structured, will become clear only in time, it represents an important framework for dialogue between militants of east and west. ★

Obituary — I. B. Tabata

International Viewpoint records with sadness the death on October 15 of Isaac Bangani Tabata, in Harare, Zimbabwe. Mr. Tabata was 80 years old. He went into exile from South Africa in 1963 and was president of the New Unity Movement. He was the first person to be served with a five-year banning order. He was the author of several books, including "Education for Barbarism" and "The Awakening of Our People".

Together with other outstanding political leaders of his time such as Dr. Goolam Gool, Jane Gool and others, he pioneered as early as the 1930s and 40s a historical materialist and class analysis of South African society. He was a founder member of the Workers' Party of South Africa (linked to the Fourth International), the All African Convention, the Cape African Teachers Association, the Society of Young Africa, and the African People's Democratic Union of Southern Africa.

He was an outstanding organizer and a powerful orator capable of rallying all layers of the oppressed. He was particularly prominent in organizing the rural poor and made a rich contribution to many seminal historical documents. ★

SWITZERLAND

Immigrant workers demonstration

A BIG demonstration of immigrant workers — Yugoslav, Portuguese, Italian, Spanish and Turkish — took place in Berne on September 15, 1990, at the initiative of the Swiss construction trade union. About 30,000 people demonstrated for the suppression of the status of seasonal laborer and for the rights of immigrant workers. The status of seasonal laborer affects 120,000 workers in building, tourism, and the agricultural sector whose permission to stay in Switzerland is limited to nine months, with important restrictions; they can change neither their job nor their place of residence — that is, move from one canton to another — and they are not allowed to bring their families with them. Leaders of Spanish and Italian trade union confederations addressed the demonstrators and demanded the ending of what the Swiss trades unionists call "our Berlin Wall". ★

TROTSKY

Commemorations

FIFTY years after his death, the legacy of Leon Trotsky is the subject of increasingly keen debate, especially in the context of the global crisis of Stalinism.

A group of East German sympathizers of the Fourth International organized a commemoration of the 50th anniversary of Trotsky's assassination on September 22 in East Berlin, which was attended by more than 200 people (see IV 192)

Meanwhile, in Paris, nearly 500 people attended a commemoration of Trotsky's legacy organized at the Sorbonne on October 13, at the initiative of Pierre Broué (director of the Leon Trotsky Institute). Two round table discussions took place, one on Trotsky's fight against Stalinism and the other on the relevance of Trotsky in the era of *perestroika*. Ernest Mandel, Maurice Nadeau (writer and editor), Vladimir Billik (Leningrad historian), Catherine Samary (economist),

Vladimir Ragovin (sociologist and CPSU militant from Moscow) and Didier Motchane (vice-president of the Modern Republic club of the French Socialist Party).

Finally, the University of Sao Paulo in Brazil organized an international symposium September 10-14 under the title "Past and Present of Socialism". Over 3,000 people participated. Among the foreign guests at the colloquium were Alexander Potchekoldin of the Moscow Institute of Marxism-Leninism, Valery Pisigin of the Moscow Bukharin Club, Miklos Kun of Budapest University, Pierre Broué, and Michael Lowy of the French National Centre for Scientific Research. Guest of honour was Sieva Volkov, Trotsky's grandson. Numerous academics and leaders of the Brazilian left also participated. Debate centred on the thought of Trotsky, the history of the Trotskyist movement in Brazil, the links between Trotskyism and surrealism, the role of Trotskyist currents within the Brazilian Workers' Party, and Trotsky and *perestroika*. ★

**Workers of all lands...
Travailleurs de tous les pays ...
Proletarios de todos los países...**

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SINCE July 1990 a video film has been available on the history and struggle of the Fourth International and its sections. The film is available in English, French and Spanish. The film provides a good overview of the activities of the Fourth International and is an ideal introduction for those new to the organization. It is available for \$40/200F, or \$60/300FF for institutions, from PEC, 2 Rue Richard Lenoir, 93108 Montreuil, France. Cheques should be made payable to PEC. Postal transfers to PEC, CCP No 2 322 42T Paris.

4 NEWS FROM THE FOURTH INTERNATIONAL

Youth summer camp

FOR THE first time, more than 100 young people from Eastern Europe (Poland, Czechoslovakia, East Germany and Hungary) attended the 7th summer camp of European youth organizations in solidarity with the Fourth International, which took place July 21-28 near Louvain, in Belgium. In total, 700 young people from throughout Europe attended the camp. As is now usual, the political discussions at the camp were organized through central forums and commissions on the main issues facing radicalizing youth today (ecology, racism, antimilitarism, exploitation of the third world, international solidarity, the upheavals in Eastern Europe, and so on).

The debates were for the most part introduced by members of the European youth organizations in solidarity with the Fourth International, but representatives of the Mexican Revolutionary Workers' Party (PRT), Sinn Fein, the FMLN of El Salvador and the Workers' Organization for Socialist Action (WOSA) of South Africa also introduced discussions on the struggles in their countries.

Beyond the political activity, a range of leisure activities (pop concerts, cinema, discos) allowed the various delegations to mix and communicate beyond national and linguistic barriers. The presence of youth from Eastern Europe added a new experience to this year's youth camp. It is hoped that they will return in even greater numbers next year. ★