

International VIEWPOINT

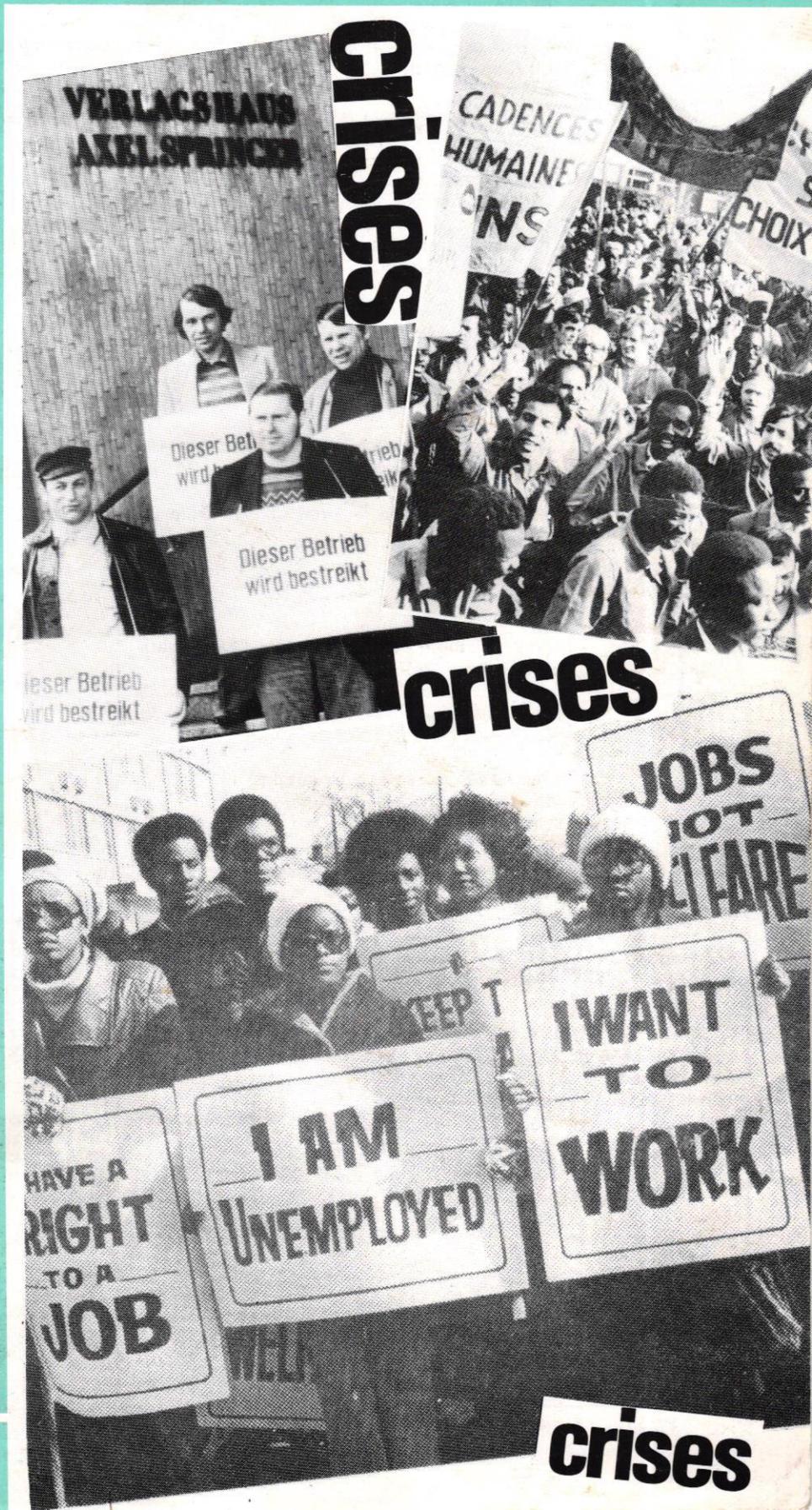
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The long shadows of the 1980-82 recession

US steps up
war against
Nicaragua

Women in the
economic crisis



International Viewpoint

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Nicaraguan revolutionary government beneath portrait of Sandino' (DR)

Four years after the fall of Somoza

With the more and more direct intervention of Honduran troops alongside the Somocistas, and the increasing number of statements from Washington on the possibility of an intervention by North American troops, a further stepping up in the Central American conflict has taken place.

It is true that the aggression directed against Nicaragua is not aimed at an immediate overthrow of the Sandinista regime, which would mean a crushing military defeat of an entire mobilized people. The objective rather is to weaken the revolution by military threats and an economic boycott. The imperialists hope that then they could force Nicaragua to accept an overall framework of negotiations for stabilizing the region. This would involve in particular the Sandinistas reducing their practical aid to the Salvadoran people.

In fact, imperialism is opposing the extension of the revolution in Central America, knowing that it could then more easily crush Nicaragua. Although the imperialist offensive is focused on Nicaragua, the aim is first to isolate the struggle of the Farabundo Marti National Liberation Front in El Salvador (FMLN) in order to cut it down afterwards.

Thus, what is at stake in the Central American conflict is what happens in the region as a whole. Every increase in participation of American forces in the fighting is aimed both at Nicaragua and at the people's forces of the FMLN in Salvador.

For the imperialists, a serious weakening of the Salvadoran revolution would only be the prelude to new attacks on Nicaragua. Washington is certainly not going to give up its attempts to overthrow the Sandinista government, after having made inroads in Nicaragua through its first counter-revolutionary attacks.

In this article we analyse the effects of imperialist aggression on Nicaragua. In a future issue of International Viewpoint we will look at the present stage of the imperialist operation in El Salvador.

Claude DEVILLIERS

Nicaragua is now a country at war. The former Somocista guards who have taken refuge in Honduras, aided by Honduran regular troops and financed by the United States, are attacking from the north. Eden Pastora's troops are attacking from the south.

The immediate objectives of the counter-revolutionary actions directed by the

United States are to maintain a zone of insecurity in the north, and promote a feeling of dissatisfaction among certain layers of the population. Washington hopes that discontent in these sections of the population can be stoked by the impact of the economic and social problems arising from the Somocista aggression and the imperialist boycott.

There have already been more than 500 civilian and militia victims of this

aggression in the first four months of 1983 according to the Nicaraguan authorities. In the same period there has been more than 58 million US dollars-worth of material damage, which is equivalent to 2 per cent of the Gross Domestic Product.

About 4 million dollars-worth of building material has been destroyed. This is the result of the conscious policy of the counter-revolutionaries. They avoid direct confrontations with the Sandinista army, confining themselves to raids and ambushes.

THE SOCIAL COST OF IMPERIALIST AGGRESSION

On May 4 Daniel Ortega gave a detailed breakdown of the social and economic cost of imperialist aggression. In this he noted the destruction of 40,000 hectares of forest by fire, which had a value of 20 million dollars, and the loss of tobacco, coffee and meat to the value of 4 million dollars.

In order to keep down the price of certain essential foodstuffs, the government has had to increase state subsidies, which meant a supplementary cost of 120 million dollars in 1982. The economic results of this in the 1982 financial year were that the Gross Domestic Product dropped 1.4 per cent, inflation reached 24.8 per cent, unemployment rose noticeably by 4 per cent, affecting 19.8 per cent of the economically active population.

The social cost of the aggression is also increased by the fact that a good part of the economically active population are engaged in defence rather than production. The main part of the defence operations are assigned to the militias. And these forces are organised on the basis of volunteers, who come mainly from the nationalised or co-operative sector, either in industry or agriculture.

A large part of the social and investment budgets have also had to be shifted towards defence needs. For example, one third of the health budget is allotted to needs arising directly from the aggression — sending doctors into the combat zones, setting up field hospitals, etc.

To all this still has to be added all the measures taken by the imperialists to try and stifle the country economically. The most telling of these is the recent suppression of the quota for the import of Nicaraguan sugar to the United States. But the recent expulsion of all the staff of the Nicaraguan consulates from six or seven major cities is also a severe blow to the economic plan.

It was these consulates, which are now closed, that authorised the import of spare parts. A good number of these commercial operations are going to be blocked or delayed for several months. And that is without taking into account the fact that it will make it more difficult for American tourists to go to Nicaragua.

Finally, there is more and more pressure on banking organisations to place draconian conditions on loans to Nicar-

agua — particularly high rates of interest and insurance for example — while the debt-bill of the country is already considerable.

At the end of June the US even decided to blackball all Nicaragua's requests for credit to the international banks. Daniel Ortega explained that, 'the negative influence of the United States on the allocation of credit to Nicaragua has produced a reduction of credits granted from 213 million dollars in 1979 to only 21.8 million dollars today'. (1)

To this panoply of measures should also be added the pressure put on American multinationals in other Central American countries to reduce and limit their deliveries to Nicaragua, in order to stimulate speculation.

THE TACTICS OF THE CONTRAS

Estimates agree that there are about 7,000 counter-revolutionaries based in Honduras, most of whom are former Somocista National Guards. Half of them have already taken part in actions inside Nicaragua, while a smaller proportion are permanently stationed there. Overall, however, the incursions of the Somocistas have been contained by the Sandinista militia. Nevertheless, the fact that some counter-revolutionary nuclei can maintain themselves in certain regions indicates that they have a real, although modest, social base.

This is the case in the backward and traditionally marginal areas in the north, where the weight of the Somoza dictatorship was less direct. For example, it was in the region of Jalapa that Somoza recruited his National Guards. They took refuge in Honduras in 1979, but kept up personal and family ties in the region. Moreover, in four years of the revolution, the social situation in these regions has not changed markedly.

The Sandinista authorities estimate that some 20 per cent of the 2,000 Somocistas operating in Nicaragua are peasants that they have recruited. Some have been captured by the Somocistas, but others have been attracted by the pay that is

Celebration of the revolution (DR)



offered to them, or even enrolled on the basis of anti-Communist propaganda.

The vice-minister for the interior, Luis Carrion, stated on June 18 that, 'The counterrevolution has been carrying out a propaganda campaign to create a base of support for itself within the country.'

'The social class to which the counter-revolutionaries have been directing their propaganda is the peasantry. They are trying to win the peasants over, in this they can take advantage of a lot of factors, including the fact that the revolution cannot reach every area of the country with its ideas and its practice.'

'They can also exploit the concrete problems that the peasants confront. The two principal problems are shortages (that is the difficulties of obtaining certain basic products like soap and milk) and the problems the peasants have with the banking system.' The contras tell the peasants that 'because of their debts the banks are going to take their land from them'. (2)

The peasants' debts are between 25 and 35 million dollars, and thus cause severe problems for the small and medium-sized landowners who were victims of the floods last year, and only have a low rate of productivity.

For these reasons, despite the difficult financial situation of the country, the Sandinista leaders are presently studying the demand put forward by the National Union of Farmers and Cattle Breeders (UNAG), which proposes that, 'all the debts contracted by the small and middle peasants before December 31, 1982, and still not settled, should be cancelled by the revolutionary government'.

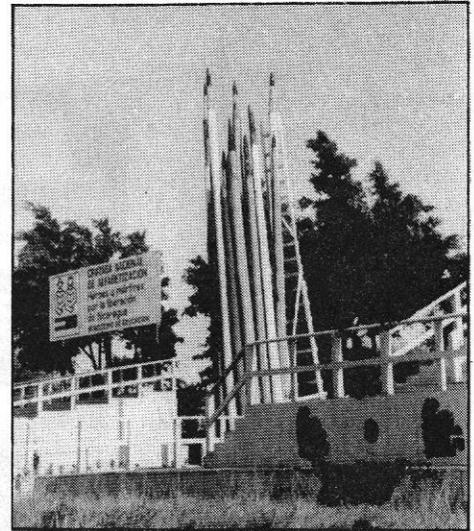
While talking of the influence of the counter-revolutionaries in certain backward regions of the country, particularly on the Atlantic Coast, the FSLN representative on the Council of State recently stated that 'the main aim of the counter-revolutionary propaganda today is to awaken the anti-popular potential of these social layers. They represent an unconscious reserve for their own class enemies.' (3)

Through using such a social base the contras would like to occupy 'a portion of Nicaraguan territory and proclaim a government to gain recognition' as Tomas Borge, Sandinista minister of the interior, explained. This would probably be in the Jalapa region. (4)

THE DANGER OF WAR WITH HONDURAS

A new factor has come to the fore in the last few weeks with the more and more direct involvement of the Honduran armed forces in acts of aggression against the Sandinista revolution.

For example, the Honduran artillery took part in a recent offensive by 600 contras near the town of Teotecacinte in the north of the country. What is involved is no longer simply tactical support to the Somocista aggressors, but conscious and deliberate provocation, designed to start a war between the two countries,



Literacy campaign (DR)

which would serve as a pretext for direct American intervention.

At the end of June Tomas Borge denounced a meeting that had been held between Somocista leaders, the commander of the Honduran army, and the CIA to perfect a plan for 'a quick war to occupy a part of Nicaraguan territory'.

According to the Agencia Nueva Nicaragua (ANN) dispatch dated June 30, which gave an account of this plan, 'The intervention could be supported, according to the evaluation made during this meeting, by the Organisation of American States and by the Chilean government, which would send naval support units to support the invaders.'

'The former Sandinista Eden Pastora and his counter-revolutionary group would be integrated into the plans of aggression. This explains his final decision to continue the struggle, taken after the tripartite meeting was held in Honduras.'

Moreover, this confirms the role given to Pastora in the overall strategy of US imperialism even though he still does not inspire complete confidence in the Washington strategists. The situation on the southern front, on the border with Costa Rica, is not however as serious as that in the north.

Despite the official neutrality of the government in San Jose, Costa Rica, Pastora has the open support of the local authorities and part of the bourgeoisie in the border zone with Nicaragua. A report published in the Nicaraguan daily newspaper *Nuevo Diario* on June 14, gave proof of the existence of permanent counter-revolutionary military bases in Costa Rican territory, notably in the region of Ciudad Qesada, and the collaboration of the Costa Rican rural guard with Pastora's troops in this area.

On the northern front the situation was made still worse at the end of June by the announcement by the Honduran armed forces that they were sending

1. Agencia Nueva Nicaragua (ANN) Managua July 2, 1983.
2. *The Militant*, New York, July 8, 1983.
3. *Perspectiva Mundial*, New York July 11, 1983.
4. *Le Monde*, Paris July 7, 1983.
5. ANN, June 30, 1983.

1,500 supplementary Honduran soldiers to the border zone. (6) In conjunction with the recently undertaken project of building roads along the border on the Honduran side, and the arrival of 150 American marines in Honduras to train Honduran and Salvadoran troops, this constitutes a further stepping up of imperialist aggression in Central America.

PREPARATION FOR US INTERVENTION

At the same time official circles in the United States are undertaking an intensive ideological preparation of public opinion for the prospect of sending American troops to Central America. General E. C. Meyer, the former American army chief of staff, recently state that if Nicaragua invades Honduras, I don't see how we could not go in there, along with representatives of the Organisation of American States, to re-establish the borders'.

The general recalled, drawing the lessons from Vietnam, that to win it was necessary to strike at the enemy's heart. When asked if this meant attacks against Managua he replied 'this is not excluded'. (7) The American defence secretary Caspar Weinberger, although he rejected the idea of an imminent American intervention in Central America, nevertheless made it clear that the Pentagon had 'considered all the possible ways of responding to any crisis situation'.

Finally, on June 28 the president Ronald Reagan himself answered a question on the possibility of sending US troops to Central America with this remark, 'You should never say 'never'. You know that they blew up the Maine.' The reference to this historic episode — in 1898 the Americans accused the Spanish of blowing up their warship Maine in the port of Havana — is very significant. The outcome of war, for which the sinking of the Maine served as the pretext, was that the Americans took control of Puerto Rico and Cuba.

The growth of imperialist aggression has brought about a widening and deepening of the mass mobilisation in Nicaragua, which is preparing for an even greater increase of counter-revolutionary manoeuvres.

This situation has even created a division within the Nicaraguan bourgeoisie, one section of which, although it is opposed to the Sandinistas politically, does not support the imperialist aggression and the actions of the former Somocista guards.

Numerous articles in *La Prensa*, the bourgeois journal that has been censured many times in the past for its campaigns against the government, reflect this feeling. Certain sectors of the bourgeoisie go even further, taking a position for the defence of national unity against the aggression and denouncing the present imperialist tactic of strangling Nicaragua. The clerical hierarchy also find themselves confronted with this problem.



The most visible form of the latest upsurge in the mass mobilisation is the growth and activity of the people's militias. Emphasis is also put on the seriousness of military training for the militia. The militia are responsible for the bulk of the fighting in the north, in coordination with the groups of peasants won to the revolution, and mobilised and armed in the framework of a local self-defence plan. Overall, the Sandinista People's Army (ERP) has remained in the background.

The defence policy of the government therefore is being based deliberately on mass mobilisation, and it seeks to avoid a direct involving of the army, so as not to disperse it ineffectively. So, the role of the Sandinista people's militias is quite central, and cannot be reduced to its strictly military aspect. This is a much more profound social and political phenomenon, which begins with the way this mobilisation is built in the workplaces.

The mobilisation is an important factor in the anti-imperialist education and politicisation of the working masses. It also takes the form of revolutionary vigilante groups set up in the local neighbourhoods by the Sandinista Defence Committees (CDS) to oppose the activity of the counter-revolutionaries in the towns. This popular mobilisation should also be looked at in relation to the adoption of governmental measures that, although they are not spectacular, nevertheless help to deepen the revolutionary process.

New nationalisations have taken place, of those enterprises where the owners were speculating with government loans, and preparing to flee abroad. These sanction-nationalisations go hand in hand with the reaffirmation of the framework of a mixed economy for the Sandinista leaders. They are none the less blows against representatives of the bourgeoisie, as was the case with two chemical plants, one of the bosses of which was the former president of the Chamber of Commerce in Managua.

To celebrate the fourth anniversary of the July 1979 revolution a new parcel of uncultivated and abandoned landholdings will be distributed to about 8,000 families which is an increase in scope of the land reforms already made. Finally, a law on housing has been adopted that will legalise and systematise the seizure of

rented apartments. This will have its effects on the standard of living of former tenants, by sharply reining in real estate speculation.

Despite the imperialist aggression that Nicaragua is suffering, the fundamental democratic rights of the popular masses are being extended. The process of trade-union unification that has been in progress for two years, since the formation of the Trade-Union Coordination of Nicaragua, is increasing in scope. This on-going liaison committee includes — with the exception of the two organisations led by bourgeois forces, the Nicaraguan Confederation of Labour (CNT) and the Committee for Trade-Union Unity (CUS) which hold themselves aloof — all the other unions, the Sandinista Confederation of Workers (CST), and the Association of Workers of the Countryside (ATC), the 'CGT-Independiente' controlled by the pro-Soviet Nicaragua Socialist Party, the Action Committee for Trade-Union Unification (CAUS) led by the Nicaraguan Communist Party, another Stalinist faction, and the 'Frente Obrero' (Workers Front) of the Movement of Popular Action (MAP).

At the political and institutional level the last few weeks have been marked by the close of the discussion on the status of political parties in the Council of State, some weeks after the adoption of decrees on the role and place of trade unions in the revolutionary process. This discussion made two key points clear: 1985 is being maintained for general legislative elections, and the fundamental democratic liberties are being guaranteed in the context of a country under siege.

The details of the rights given to recognised parties — today about a dozen of them — are in Article 6 of the law on parties, and are not without interest. All the more so as there was a real debate on this law. Political parties are authorised to carry on propaganda and recruitment work continuously throughout the country, to 'hold private meetings and public demonstrations', to have access to the media during electoral campaigns, to 'criticise the public administration and propose constructive solutions', to make alliances between themselves to 'accredit representatives to [what will be called] the National Assembly of Political Parties, to ask for their integration into the Council of State, to compete in the elections and present their own candidates, to have their own resources and offices throughout the country', and to 'collect the funds necessary for their functioning'. (8)

Solidarity with a living revolution that at the fourth anniversary of the fall of Somoza, is faced with imperialist aggression, is, therefore, a task of the greatest importance for anti-imperialist activists throughout the world.

6. See *International Herald Tribune*, July 2-3, 1983.

7. Interview given to the *Washington Post*, June 20, 1983.

8. *Barricada*, Managua, June 16, 1983.

The Workers Party and the deepening crisis in Brazil

Social tensions have been rising very rapidly in Brazil since the start of the year, when the government, under pressure from the International Monetary Fund, launched a new austerity offensive.

In April, the desperation of masses of people condemned to long unemployment and deepening hopelessness, exploded in Sao Paulo.

A crowd tried to break into the mansion of the state governor, ironically a representative of the "liberal" bourgeois opposition to the dictatorship. Furious crowds smashed store windows and clashed with police for three days running.

In May, the IMF refused to grant Brazil a 400 million dollar instalment on a loan that the country was counting on to pay back short-term credits. The refinancing of the massive Brazilian foreign debt of around 90 billion dollars seemed to be getting shakier and shakier. Throughout the following months the international financial booids have threatened repeatedly to withhold loan payments unless the Brazilian government squeezed harder to get the money owing to the imperialist banks.

In early July strikes of engineering workers started to grow in Sao Paulo against the government's austerity plans. The walkouts started with a strike by workers at three state-owned refineries who feared that the government would order big layoffs as part of its program for cutting state expenses, as demanded by the IMF.

The leadership of the Brazilian Workers Party (PT), a class-struggle formation that came out of the rise of militant workers' struggles, is centered in Sao Paulo, the country's key industrial center.

The rise of tensions and polarization is a crucial test for the Workers Party and the trade-union leaders who are its principal figures.

Elements in the Workers Party, particularly among its elected representatives, have shown signs of wanting to pursue a parliamentarist course and follow in the footsteps of the liberal bourgeois oppositionists who are becoming so quickly discredited by their complicity with the government's austerity policies.

These tendencies have been opposed by the historic leadership of the PT, which argues that the party should take the lead in the growing mass struggles against austerity.

The following article describes the rise of social and political tensions in Brazil and the debate in the Workers Party.

Daniel JEBRAC

The results of the November 1982 elections ended up giving cause for satisfaction in a lot of quarters. (1) The bourgeois liberal opposition could rejoice because it won a clear victory in terms of the number of votes it got. Moreover, it gained control of the governments of the country's most important states (with the exception of Rio Grande do Sul and Pernambuco).

The regime, on the other hand, could take comfort in the fact that it had avoided the electoral rout it so much feared, and thus retained the means for designating the next president in 1985.

What is more, despite the electoral defeat of the government party, the Democratic and Social Party (PDS), the regime gained an appearance of legitimacy that it very much needed at a time when it had to face difficult international negotiations.

In fact, with a foreign debt now exceeding 90 billion dollars, of which nearly one fifth is in short-term credits, and with its foreign currency reserves vanishing, the Brazilian government had to recognize that it was in a situation of insolvency and turn to the International Monetary Fund to negotiate new credits

and a rescheduling of payments on its debt. In the press, this unavoidable move by the chairman of the Brazilian central bank, Carlos Langoni, was portrayed as national humiliation.

In December 1982, the IMF granted a whiff of oxygen and a respite for Brazilian finance. The most cynical, or the most frank, of the Brazilian bankers did not make any bones about saying that their American colleagues scarcely had any choice. Given the volume of the debt to American banks, a financial crash in Brazil would threaten to set off a chain reaction, to say nothing of the political repercussions in the region.

In exchange for its concessions, the IMF put on pressure to get the regime to reconsider the system of semiannual wage adjustments and to tighten up on public spending. State expenditures were immediately cut by 20 percent. Thus, in early January 1983, the government announced that it was suspending indefinitely the construction of the Iguape I and II nuclear reactors on the coast near Sao Paulo. The wage adjustment system became the target of several attacks aimed at imposing an outright wage freeze.

Several state governments arbitrarily set the annual wage increases for public

employees on the basis of the expected rate of inflation. At the same time, the cost-of-living indexes began to be doctored by taking out certain items whose prices had risen particularly sharply. This was to justify a slowdown in wage increases and cover up the decline in buying power, which has been quite spectacular since the early 1970s.

Finally, on February 18, the government announced a major devaluation of the cruzeiro against the dollar, cutting the exchange value of the Brazilian currency by 30 percent. This had the effect immediately of increasing the cost of service on the debt, which had been 12.5 billion dollars. The economics bosses, on the other hand, estimated that there would be a trade surplus of 6 billion dollars in the current year instead of 1 billion last year.

Nonetheless, by March and April, it was becoming clear that the steps taken were insufficient and that the government would have to go back into negotiations with the representatives of imperialist finance.

For the first time, President Joao Baptista Figueiredo admitted publicly that the perspective for this year is a 3 to 4 percent recession. In March the inflation rate was 10 percent and created fears that the annual inflation rate would exceed 150 percent. What is more, an official of the Brazilian Institute for Economic and Statistic Analysis presented a scarcely optimistic outlook for the Brazilian financial situation.

"Supposing that we achieve a 6 billion dollar trade surplus this year, we will need 15 billion dollars in credits to meet the obligations falling due. But as of now only 11 billion are assured....If the missing 4 billion are made up by revolving credits, we will find ourselves facing the same problem next year." (2)

But, in the first quarter of 1983, the foreign trade surplus was only half what it would have to be to reach the 6 billion dollar surplus for the year that the Brazilians are counting on.

At the very time when the failure of the measures taken at the beginning of the year started to become clear, the rebellions of unemployed people in the Santo Amaro neighborhood in Sao Paulo in early April started ringing alarm bells for the government.

According to a poll taken in the first quarter of the year among the bosses organizations in 620 companies, Sao Paulo lost close to 4 percent of its industrial jobs in that period of time and 19 percent in the last 27 months.

In order to promote exports, average per capita beef consumption was cut from 17 kilos per year to 12. And finally the withdrawal of subsidies from cer-

1. The November 14, 1982 Brazilian elections brought a clear defeat of the governmental party, the PDS, which won only about a dozen state governorships, while the governorships of the more important states fell to the liberal opposition parties, the PMDB and the PDT. As for the PT, it got relatively modest scores, a national average of 3 percent, except in Sao Paulo, where it got 10 percent.

2. *Le Monde*, May 3, 1983.

tain agricultural products (such as cereals and sugar) is going to lead to an increase in the price of bread.

So, the government and the governors of the big states are living in dread of a social explosion. For the moment, they are putting through more and more little "packages" of measures, the famous "pacotes," on a week to week basis trying to meet the demands of the creditors without driving the mass movement to desperation. But there is less and less room for maneuvering.

In this situation, it only took a few months for the bourgeois opposition parties, which head such state governments as Rio de Janeiro, Sao Paulo, and Minas Gerais, to show their true face.

When President Figueiredo appealed for a national truce in March, they all fell into line. The Brazilian Labor Party (PTB), led by Iveta Vargas, daughter of the former dictator Getulio Vargas; and by former president Janio Quadros, went so far as to make an open parliamentary pact with the PDS.

With the 13 PTB deputies providing the margin, this coalition has a majority of 248 seats out of a total of 479, as against 231 for the opposition as a whole.

The PMDB, the main liberal opposition party, ducked its head and put the wraps on its demand for direct election of the president. Tancredo Neves, one of its main leaders and governor of the state of Minas Gerais, talked about the imperative needs of dealing with the crisis: "The crisis today is graver than the one in 1964 [when the dictatorship was established]. In 1964, there was a crisis of government and not of the system. There were economic problems. But we did not have the sort of international context filled with apprehension that we do today."

Brizola himself, who, on the eve of his election as governor of Rio, was being portrayed as a wild-eyed trouble maker, declared after a meeting with Figueiredo: "The important thing now is not to look for differences but to look for what can unite us."

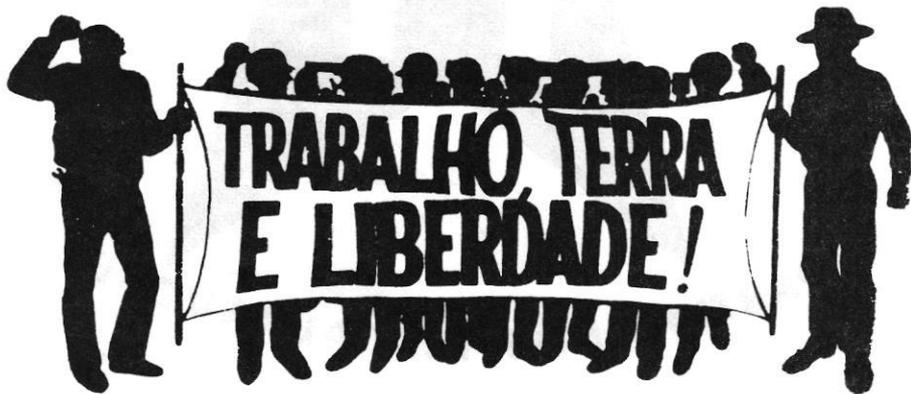
Brizola's party, the Democratic Labor Party (PDT), voted with the PDS in Rio Grande do Sul and concluded a national pact with it. This was not without ulterior motives. Brizola has presidential ambitions and is favored in the polls, but he thinks it would be premature to make his move in the 1985 presidential elections. So, he has proposed prolonging Figueiredo's mandate by two years (until 1987). In exchange for that, he wants direct election of the president at that time on the basis of universal suffrage.

If the form and date of the election is not changed, the next president will be chosen in 1985 by the vote of an electoral college, which would assure an automatic majority for the PDS, unless this organization goes into such a deep crisis that it starts to break up, which cannot be excluded.

More concretely than the conciliation at the top, the policy of the opposition parties in the states they govern is unmasking them in the eyes of the workers.

The state of Sao Paulo alone has a public debt of 4 billion dollars. In Sao Paulo, as in Rio, the promises of social reform made in the election campaign, the promises to create jobs, are being put on the long finger, while the governors of these states — Franco Montoro and Leonel Brizola — are working hand in glove with the big employers organizations. In Sao Paulo, Montoro sent the cops against the rebelling unemployed in Santo Amaro.

Only the Workers Party (PT), in conformity with its basic options, firmly rejected the proposal for a truce made by Figueiredo, just as it refused (although this was not without hesitations on the part of some of its deputies) to participate in the "opposition" governments in Rio and Sao Paulo.



'Jobs, Land and Liberty' (DR)

The PT was formed during an upsurge of the mass movement, based on the big strikes of engineering workers in 1979 and 1980 in the Sao Paulo suburbs. This momentum enabled it to win legal status in 1981 and to build its membership to more than 300,000. At that point, it went directly into an election campaign without having been able to consolidate itself as an activists party nor to root itself in real mass work.

The November 1982 election results put an end to this period of euphoria. Outside its birthplace, the state of Sao Paulo, where it got 10 percent of the vote, the PT remained a small party. The disappointment did not fail to have an effect. In certain states where the party was least well established, it has practically disappeared. Even in Sao Paulo, the local units have had problems in functioning, and the congresses held in recent months have indicated a general difficulty in assembling a quorum for the meetings preparatory to these congresses. Only roughly half the local units were able to do this.

There is an obvious danger that the PT may be reduced to the currents and activists already organized in the far-left groups and lose its mass character. While this threat is real, it has been used mainly as a pretext in the recent period for an offensive by the moderate right in the party, which is aiming to transform the PT into a mere parliamentary machine.

This offensive has come, mainly, from certain PT deputies who are tempted by the idea of coalition with the bourgeois parties and participation in the "opposition" state governments, especially in Rio.

This operation is reflected in the proposal that in the future votes at PT congresses should be calculated not on the basis of the number of members but of votes won in elections! When you realize how much the electoral system promotes patronage relationships and how unequal the means of the candidates are, it is clear that accepting such a proposal would put the PT into the mould of the organic law decreed by the dictatorship to control the political parties.

This attempt seems, however, to have been stopped by resistance from two quarters — from the activist base of the

party, which made its feelings known the congresses in the big states such as Sao Paulo, Rio, and Minas Gerais; and from the historic leading nucleus of the PT, trade union leaders such as the chairperson, Luis Inacio Da Silva "Lula," and the general secretary, Jaco Bittar.

At a meeting of the national leadership of the party on April 16, "Lula" said, in fact: "Our party cannot be content to trail after the church and the trade-union movement and wave its colorful banners in demonstrations. We have to reach directly into the masses, without any intermediaries and organize and lead the struggles. We have to organize nuclei in the neighborhoods and in the various categories of workers. We also need to put forward our own proposals for action and get out of the role of bystander that we have fallen into at the moment."

This reaction against a parliamentarist drift has been reflected in real steps forward in organizing the party's trade-union activity around the perspective of a general strike against the government's measures. A circular from the party secretary reminding the elected representatives of their obligations with respect to party discipline raised a big furor. ("Lula" explains his view of it in the following interview). It even got its author, Jaco Bittar, denounced in the bourgeois press as a Stalinist. So finally, the PT managed, despite the temptations of some of its elected representatives, to



maintain its independence from the bourgeois "opposition" governments.

However, in the course of this healthy defense of the party's original principles, the leading nucleus tended to elevate itself into a faction above the battle. Certain signs give cause for concern that a false balancing between the various trends in the PT could lead to a restriction of democratic life inside the party to the disadvantage of the left currents that have helped actively to build it.

The first such sign was the heavy-handed operation of the national leader-

ship in the municipality of Diademe. Winning control of the government in this working-class city of 300,000 inhabitants was the PT's major electoral success. What is more, the PT leadership in Diademe was known to be combative and radical, in the image of the new mayor, Gilson Luis Correia de Menezes, an engineering worker who pledged to organize a broad network of people's councils to support the new municipal council.

When it came time to name the new municipal executive, however, Gilson

pulled a slate of designates out of his hat, who had been backed behind the scenes by the PT national leadership against the will of the local majority. Since the January 4 operation, the conflict has not died down, and Gilson was again outvoted in the recent local congress of the party.

The second sign was the launching in early June of a manifesto signed by 113 PT personalities from Sao Paulo, including "Lula," Djalma Bom (a federal deputy), Irma Passoni (a state deputy), and Gilson. This manifesto had the merit of reaffirming the fidelity of the PT to its origins and its program ("Jobs, Land, and Liberty"). (3)

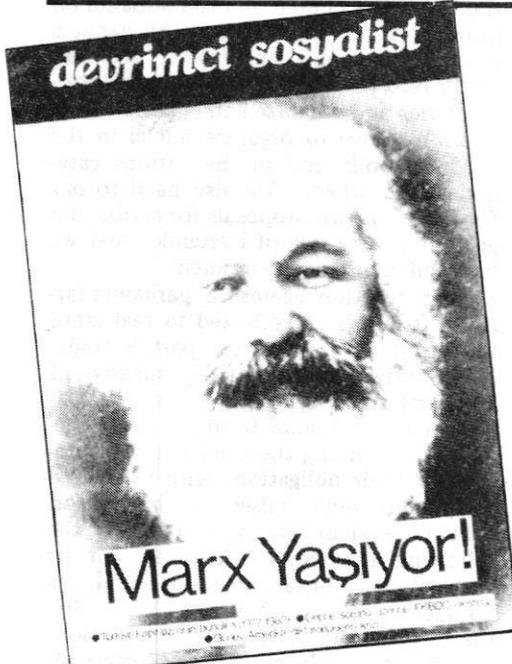
The statement also confirmed the decision that the party is to be an activist party, a fighting party, and a class party, and thereby rebuffed any parliamentarist temptations. But it made a dangerous equation between the "individualist behavior" of some deputies and activists who "subordinate themselves to parallel leaderships and give priority to propagating their own political proposals over those of the party."

This was not the most convincing accusation coming from leaders who often function themselves as an informal network, parallel to the elected leading bodies, and who backed an operation running roughshod over the regular local bodies. But this manifesto indicates, nonetheless, the desire to consolidate a leadership nucleus differentiated on the right from the deputies who are making googoo eyes at Brizola and on its left from the politically more clearly defined revolutionary currents on the local and national levels.

The weakness of this organizational operation lies precisely in its lack of political perspectives. While it reaffirms the past gains of the PT, the manifesto is notable for the weaknesses of the proposals it offers.

However, once you go deeper than the combinations at the top to real choices in action, you find the active force of the whole body of components that make up the richness and vitality of the PT. The unfolding of the PT congresses in every state tend to show that it would be difficult to divert this force by any kind of an apparatus operation, as long as the party remains rooted in mass mobilization, in the unions, and in the fightback against the government's measures.

In fact, under the impact of the crisis, unemployment, and the attempts to freeze wages, the process of recomposition is continuing in the unions, and a strong campaign is taking form against the various moves to impose wage freezes. It is by remaining faithful to its origins that the PT will be able to gather new forces and move on to a higher stage in building a party of the working class. ■



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3. This was the electoral platform of the PT for the November 1982 elections. It has since become the programmatic reference point for the PT.

Program for fighting rightist Danish government

In September, the Danish Social Democrats allowed the bourgeois parties to form a minority government under Paul Schlueter in order to do the dirty work of carrying the austerity policy further.

The installation of the new government, known popularly as the "Toilet-Seat Cabinet" since the names of the parties involved spell out those words in Danish, was followed by a general offensive against working people both on the economic level and the level of democratic rights.

One of the first targets were the dock workers, since they are employed on a casual basis. The government wanted to cut their unemployment benefits for the days they did not get work. This touched off a hard-fought strike, in which they government used police extensively and brutally to defeat the dockers.

One of the dock workers leaders, Karl Joergensen, was jailed arbitrarily on vague charges related to a fire that took place in a warehouse. He suffered a nervous breakdown as a result and is still being held in a guarded hospital room. A campaign for his release has been started up by the dockers.

Following the strike, the government introduced a bill calling for special powers to jail persons accused of conspiracy to cause violence or of being a danger to "public order."

Bearing the brunt of the rightist government's onslaught, the dockers have taken the lead in trying to work out a political answer to the government. The following article from the June 30 issue of Klassekampen, the paper of the Danish section of the Fourth International, discusses the alternative put forward by the dockers union.

The program calls for a workers government, among other things, to stop the attacks on unemployment benefits; enact a 35-hour week with no cut in pay; stop attempts to introduce large-scale part-time work (shorter hours for the ill or handicapped should be negotiated by the unions); restoration of cost-of-living raises and increases in pensions to keep up with the rising cost of living; a rescinding of the cuts in health insurance; 26-week maternity leaves; stepped up construction of public housing (40,000 homes a year and a halt to the rise of mortgage costs); state-financed retraining of laid-off workers; Danish rejection of US nuclear missiles and support for a nuclear-free zone, especially in Scandinavia; and a general reduction of military expenditures.

Kim TVERSKOR

"It's important that the workers have something that they can fight for, something that seems realistic, that could get them to take their hands out of their pockets."

That was "Lydia" talking, who is sometimes also called Kjartan Gudmundsson. He is a Copenhagen dock worker and one of the leaders of the month-long dock strike last winter.

Along with a fellow docker, Gudmundsson has proposed a working-class program. It was intended to be a policy that the workers movement could unite around and which would inspire tens of thousands of workers to fight the Schlueter government.

That is, it was intended to offer the first outline of a political alternative to the austerity policy that has been being implemented for many years now.

At a general assembly of the Copenhagen district of the dock workers union, Gudmundsson's proposal was accepted unanimously. He explained why he presented it:

"This was something we discussed both before and after the strike. We thought that maybe one of the reasons that our strike did not get broader sup-

port was that the basis was too narrow — just maintaining the full employment payments for the days we did not get work on the docks.

"The fact of the matter was that Schlueter was attacking the entire working class. He threatened a lot of other people. Our strike did not take up the many other problems caused by this. One of the things we talked about was the need for attacking the government more broadly.

Lydia relates that the proposal was drawn up on an afternoon, the last day for handing in proposals to be voted on in the general assembly. They first took a proposal that the Danish Communist Party published in its newspaper, Land og Folk. But it was impossible to get the other workers parties to consider this.

"We discussed how much should be put into the proposal. And it is easy for me to explain why we did not include more radical demands. One example is the question of import regulation. That is a question on which there is no agreement on the left. The Socialist People's Party has its model, and the Communist Party has its. The Left Socialists (VS) are not for import controls at all, if I re-

member right, and the same is true of the small groups. So, we left out the question of import regulation, since including it would have made it impossible to act together."

I asked why they took out the demand for nationalizations from the DKP proposal. Lydia said:

"I personally have nothing in principle against nationalizations, and I don't think that I would have anything in principle against import controls either. But that is also a tactical question, that is, it is a tactical question how far we can go in that respect now. And it is important to get broad support for the proposal if it is to have a chance at all. We might come to a situation five years from now where nationalization would suddenly become the main demand. But that is not the case now."

I asked about how the debate on the proposal was proceeding:

"The first discussion is in the union leadership. The Communist Party members raised the question of whether we should make a direct attack on capitalism. The Social Democrats said they would not go along with that. So, the CPers backed off. They could see the tactical wisdom in supporting such a proposal and uniting around it, so that we could get a proposal on which there would be unity in the leadership. The leadership put the proposal to the general assembly, and it was adopted unanimously.

"Wasn't there a lot of discussion," I asked.

"Yes, there was," Lydia said. "I explained why we had put the proposal and laid out openly what the tactical considerations were. That is, it had to get broad support without being toothless, and I do not think that it is that."

I asked: "Can you explain the importance of this program. Isn't direct actions and strikes that are important if anything is going to be changed?"

Lydia replied: "There is a need for something the working class can unite around. It is not enough to say: 'Dump Schlueter!' Because unless Anker and the Social Democrats are put under pressure, they will not be very different from Schlueter. That is what held a lot of people back from supporting the dock strike, because they could not see a difference between the policies that the Social Democrats and the bourgeois parties have been following in the context of the economic crisis. The conflict could have led to the fall of the government. Then we would have gotten a Social Democratic government back but without any real change in policy. If, on the other hand, the workers parties could stand together on a basic platform, then they would represent a more credible alternative."

"Can your proposal solve the economic crisis in Denmark?"

"No. I am quite clear that it cannot. But if the working class can force the workers parties to try to carry out such a platform or at least some of the more

important points, that by itself would be a victory. And that is something that the workers very much need. We need a fighting working class, and the precondition for that is that the various gurus in the workers movement begin to say the same thing. As long as they don't do that, the confusion continues.

I asked, finally, "Who do you think will form the government after Schlueter falls?"

Lydia said: "The decisive thing is that it will be the Social Democrats one way or another that will form the govern-

ment, and they will have a majority. It doesn't amount to a damn whether the other workers parties are in the government. Why should we get involved in an argument whether the Socialist People's Party should be in or not? Let them worry about that. Whether Gert Petersen is foreign minister, or the chairperson of a party backing the government, or whatever the devil he is, what does that matter to me? What is important is that they meet our demands and that the working class is itself active. Otherwise, they'll forget about our demands." ■

of labor laid it on the line when he presented the National Development Plan, from his point of view there are no possibilities in the short run of improving the standard of living of the population.

There was too much pressure, therefore, even for the leaders who have always made rotten deals and betrayed the workers like the CTM tops. The maneuvering room for conciliators is vanishing. Class struggle is opening up, as Romo recognizes, and a polarization is developing between proletarian methods and the proletarian solution for the crisis and the solution sought by the bosses and De la Madrid's government.

Caught as they are in this blind alley, it remains to be seen what the trade-union bureaucracy, the top echelon of the CTM, and the Congress of Labor will do. In the Congress of Labor, differences are already beginning to come out into the open between the poles represented by the CTM on the one hand and the Confederacion Revolucionaria de Obreros y Campesinos (CROC — Revolutionary Confederation of Workers and Peasants) on the other. However, despite everything, Fidel Velazquez had to leave the country rather than stay here during the negotiations over the following on-going and postponed strikes.

It would be foolish to think that the battle that has opened up between the trade-union bureaucracy and the government does not concern us. For some, who look at things from a position of petty bourgeois aloofness and moral indignation against the undemocratic practices of the bureaucracy, the defeat of the CTM is even cause for jubilation. Reflecting this attitude, in recent days the well-known editorial writer Miguel Angel Granados Chapa wrote:

"The CTM has been an obstacle to the development of the workers movement. Its position most recently shows clearly that its rhetoric is empty. Nobody is going to lament over its loss of strength... unless the result is, as it appears it will be, a reinforcement of the anti-popular tendencies in the government's orientation. Since the CTM puts its own interest above that of the nation, it's a good thing that it got its comeuppance." This is not the time for administering lessons to the CTM. What is necessary now is to understand what it represents socially.

The smashing of the minimum resistance put up by the CTM bureaucracy would certainly involve either the loss or the limitation of the only instruments the workers movement has for defending itself against the offensive of the bosses, the unions. What is at stake is not the bureaucracy. In any case, it is condemned to die a natural death relatively soon. What De la Madrid wants is not Fidel Velazquez's head; the president's rebuff to the CTM leadership is only the manifestation of a deeper conflict. He wants to destroy the capacity of the workers movement to resist.

Pursuing this objective, the government is not prepared to rely even on

Mexican government slaps the hand offered by the union bureaucrats

Mexico, the second largest country in Latin America, is running neck and neck with Brazil, the largest, for first place among the world's debtor countries. It has one of the biggest and most industrialized economies in the colonial and semi-colonial world. But in the context of the world economic crisis, the growth of a large-scale economy threatens to lead now to a massive disaster.

Because of the gains of the Mexican revolution, the relative development of the economy, and an elaborate policy of patronage to buy off the leaderships of the mass organizations, Mexico has been one of the most stable countries in Latin America. Now that relative political and social stability is also threatened, since there are no longer the resources to buy off or pacify even the privileged sectors.

The following articles from the June 20 issue of *Bandera Socialist*, weekly paper of the Revolutionary Workers Party, Mexican section of the Fourth International, describe the rising tensions in the Mexican trade-union movement.

On June 14, Arturo Romo, a senator and leader of the Confederacion de Trabajadores de Mexico (CTM — Mexican Confederation of Workers) announced that the confederation had decided to withdraw the offer of a social pact made by Fidel Velazquez on May 31.

Romo explained that the reason for these actions was the "lack of interest on the part of the government and management" in such a pact. He added that the CTM would not continue to push the question, although if the Labor Congress considered it worth talking about, "we may take another look at it." However, the Congress of Labor, which was supposed to convene that day, was postponed for lack of a quorum. Romo declared that without a pact nothing would hold back the "class struggle."

The rude rejection of this proposal by the president, Miguel de la Madrid, is unprecedented in the relations between the government and the CTM. It raises some interesting points.

In the first place, the government's rebuff came in the midst of a wave of thousands of strikes that were stimulated by the strike notices filed by the CTM leadership. When Fidel Velazquez proposed social pacts on May 31, he was not just trying to gain time so as not to have to actually call strikes but he was also offering his services to the government.

While the social pacts have been denounced as unacceptable by the left, they can be a face-saving way of getting out of the conflicts created by the filing of strike notices.

De la Madrid, nonetheless, rejected the offer. And he rejected it despite the strikes. He wanted thereby to show that he was taking the hardest possible line against the demands put forward by the striking trade-unionists.

Secondly, De la Madrid's answer proved what we on the left have been pointing out — the utopian nature of such social pacts. By calling those who proposed this solution "demagogues," the president was pouring cold water on all the dreams of the reformists and conciliators. De la Madrid was declaring war on them too. He is not going to accept the compromise solution proposed by the usual conciliators.

But thirdly De la Madrid's harsh rejection of Fidel Velazquez's proposal in the midst of thousands of strikes also gives an indication of the sort of austerity policy he wants to keep pushing. He was not satisfied even by the CTM's offer, which Romo presented as "a magnificent opportunity to resolve the economic crisis in a way that would avert the dangers of a resurgence of class struggle." Quite simply they are out to smash the workers movement. The secretary

leaders such as Fidel Velazquez. The proof of the problems the CTM poses for the government and the bosses is that finally some of the CTM strikes are being negotiated and settled while Fidel is out of the country. They are being settled in poor conditions but they are being settled. On the other hand, those strikes led by independent trade unionists are being dealt with in a more arrogant and intransigent way. These strikers do not even get any offers.

To recognize this fact does not mean having illusions in the bureaucratic leaders nor forgetting their betrayals. We

are not proposing some new form of political conciliation with them. What it does mean is that together with the unions the bureaucrats are threatened. They feed off the unions. Without the unions they cannot maintain their privileges. In the last analysis, they have to defend the unions, even if only to maintain their benefits.

We can work with them to some extent now in defending the unions if they are prepared to mobilize and fight. If they are not prepared to do that, they are only digging their own graves faster. ■

made the point that a strike wave is a natural phenomenon in a democratic society, but simultaneously confirmed the scope of the strikes, in general terms, when it noted that 35 per cent of the strike notices led to actual strikes, another 35 per cent were postponed, and the remaining 30 per cent ended with a settlement.

While it might lead to exaggeration to calculate the number of strikes that actually broke out on the basis of these figures and the 170,000 notices originally issued — which would lead us to a figure of 60,000 actual strikers — what is certain is that thousands, or even tens of thousands of people went out on strike. And their numbers were further increased by those who struck afterwards, on June 17 and 18.

We are living through one of the most important moments of the process of recovery and reorganization of the Mexican workers' movement. The government and bosses succeeded in keeping the wage increases minute, and in postponing them into the future, so as to meet the commitments they made to the International Monetary Fund. But even so, these days of struggle, preparing for strikes, and actually striking, have greatly increased the confidence and organization of the workers, and they indicate that a general fightback is beginning against the austerity plans.

In the heat of the struggle, the isolated strikes at DINA at the start of the year led in a few days to joint actions, to coordinated strikes, and culminated in the formation of regional trade-union coordinating bodies and workers-unity pacts.

These are the most valuable fruits of the struggle, and they must be preserved and developed. Such achievements were won in opposition to the bosses, the government and also to the trade-union bureaucrats, who tried to hold back the struggle.

The alternative that has arisen to the social pacts between bosses and workers proposed by the Mexican Labor Confederation (CTM) and rudely rejected by the government are unity pacts between trade unions engaged in struggle.

The postponements have given way to more and more actual strikes. And the traditional division of the Mexican labor movement into innumerable trade union confederations has given way to joint mobilizations, such as the large June 9 demonstration which involved independent trade unions, unions affiliated to the CTM and to other confederations, as well as democratic trade union currents that are becoming stronger and stronger in all the trade-union structures.

Unity and mobilization have been both the instruments and the result of these days of struggle; they have also laid the guidelines for future struggles. Scarcely six months after its term began, this government finds itself facing an alternative to its project. It is the alternative represented by the workers who will keep on moving forward in unity and action. ■



PRT demonstrates against austerity (DR)

Mexican workers forge unity in rising strike wave

While frictions between the government and the labor bureaucracy have reached a level unmatched in recent years, the strike wave that began May 31, and broadened June 9, has continued its irresistible spread across the country.

Although various sources have issued different and contradictory statements on the number of strikes that have actually broken out, one thing is undeniable: this time, we are not dealing with isolated movements; but thousands of strikes and tens of thousands of strikers who have expressed their discontent and their demand for a wage raise despite delaying

tactics, demobilizing policies and even repression.

At this point, not a single institution — neither the conciliation and arbitration boards, nor the employers' organizations, nor the labor bureaucracy — can downplay the scope of the disputes. While both federal and local conciliation and arbitration boards emphasized the possibility of arriving at settlements and therefore, the number of notices of intentional to strike that were postponed, they have had to admit that at least every other dispute led to a strike.

The employers' side demagogically

The Basque country after the PSOE victory

Interview with LKI leader

The following interview describes the situation that has developed in the Basque country since the victory of the Spanish Social Democratic Party, the PSOE, in the October 27 general elections. It was given to Gerry Foley in Paris in early May by Bikila, one of the leaders of the Liga Komunista Iraultzailea, the Basque affiliate of the Liga Komunista Revolucionaria, the section of the Fourth International for the Spanish state.

Question. What sort of impact did the PSOE victory in the October 1982 general elections have in the Basque country?

Answer. This was a massive victory not just in the Spanish state as a whole but also in Euzkadi [the Basque country]. The PSOE moved from being the third biggest party to being the first. That is, it got the biggest vote in all of southern Euzkadi (1), including both the area under the autonomous Basque parliament (2) and the province of Navarra.

In the area under the Basque parliament, it is the second largest party, behind the Partido Nacionalista Vasco (PNV — Basque Nationalist Party, the bourgeois nationalist party).

The PSOE government has a legitimacy in the eyes of working people that no government has had up till now. Because of its promises of change, it gets more support in most places, including in the Basque country.

Q. What are the special problems facing the PSOE in the Basque country?

A. In the Basque country, the radical nationalist current is very large. It pushes the issues of national sovereignty for the Basque people, the elimination of repression, and a series of radical demands around cultural and social questions. The focus of this mass current in particular is the campaign for an amnesty for political prisoners.

The moderate nationalists, the majority in the autonomous area, also have a lot of bones to pick with the central government. They want the new government to respect the Statute of Guernika, which gave birth to the autonomous institutions. This pact was signed in 1979 by the PNV, the PSOE, and the former rightist government of the Democratic Center Union (UCD).

But after the attempted military coup of February 23, 1980, this settlement was revised in favor of centralism by the LOAPA, the law for "harmonizing" the powers of autonomous governments. The Basque government is against the LOAPA, which it regards as a blow to autonomy, and is demanding that the Madrid government change it.

But the PSOE government has responded that it cannot alter the LOAPA, nor does it want to. The most it would offer was the statement that it was prepared to accept a renegotiation of the autonomy settlement. This gave no indication of what, if anything, it was willing to give. The PNV grudgingly accepted this framework of discussion, at least at first. It wasn't at all happy, but as a good bourgeois party it always prefers talking to confrontation.

Facing the demands of the radical nationalists, the PSOE offered only vague promises. It indicated that it would reduce police activity, end torture in police stations. It promised that it would study the question of at least pardoning certain political prisoners if not actually of an amnesty. That is, it would pardon these prisoners if they gave a pledge to renounce violence. The PSOE has made lots of vague promises but no concrete commitments. Fundamentally, it approaches all these questions from the standpoint of maintaining public order, as was done by the previous governments, and it flatly rejects self-determination.

Q. How did the radical nationalists respond to the new situation?

A. The main radical nationalist armed organization, Euzkadi ta Askatasuna (ETA — Basque Nation and Liberty) said to the government in effect, "O.K., you promised change. We're not saying that a left government is the same thing as a rightist one. But you have to offer something concrete."

So, through Herri Batasuna, which is the political party that reflects its outlook, the ETA proposed negotiations with the government. But at the same time, they launched a series of ambitious guerrilla strikes. A few days after the PSOE victory, they assassinated General Lago in Madrid. He was commander of the Brunete elite armored division stationed in Madrid, which is one of the places the section of the officer corps that favors a coup is putting on the most pressure.

Apparently, ETA's idea was that while proposing negotiations they wanted to

show the PSOE that they were prepared to step up the military struggle and that they had operational capacities. That is, their idea was to base themselves on a military relationship of forces.

It is true that these actions put on a certain pressure, as armed struggle does. But their political effects were counterproductive. They enabled the government to mount a political campaign against making any concessions to ETA's demands.

The government's campaign had two sides. On the one hand, they argued the defense of law and order is not negotiable. "So, we have to hit them. We have to turn the police on them." At the same time, it opened up a political operation against ETA, since the PSOE has always said that the Basque problem is not just a problem for the police but a political question. It opened up a demagogic campaign in the working class claiming that ETA wanted to increase the sort of tensions that were preparing the way for a coup.

The situation is further complicated by the fact that we have other armed organizations in Euzkadi. ETA-Militar, the main ETA, is by far the strongest. But there is also ETA-Politico-Militar, an old split from ETA, linked to Euzkadiko Ezkerra (the Basque Left, which in moving to "mass politics" adopted a Communist Party-type approach).

This group has a general political line not so different from the PNV but it tries to give its military actions a "social" content. So, it has carried out a series of kidnappings of industrialists. For example, it kidnapped Orbeago. Now these actions in general have tended to stimulate antiterrorist mobilizations. And specifically, in the case of Orbeago, the workers at his factory mobilized to demand his release. So these actions have not exactly attracted mass support for the armed struggle or increased the class independence of the workers.

In the same period, there were a series of military strikes, attacks on police stations and that sort of thing. In the Christmas period, the military strikes by ETA-Militar and ETA-Politico-Militar's kidnappings had created some rather strong tensions.

Of course, the radical nationalists also did some effective things. ETA-Militar kept up a strong campaign for amnesty for political prisoners. In Bilbao, it managed to build a demonstration of fifteen to twenty thousand persons, which was an important success.

At the same time, the PSOE was rapidly disillusioning people. The new government was setting up even more police posts, sending in even more police. A polarization started to develop rapidly.

1. The southern part of the Basque country is in the Spanish state; the northern part is in the French state.
2. The area under the Basque parliament including the three provinces that are usually called the Basque provinces — Alava, Guipuzcoa, and Vizcaya. Navarra is a more hispanized area, although Basque is spoken in parts of it. It is historically part of the Basque country.

Q. What did the moderate Basque nationalists do in this situation?

A. The Basque government could see that it was getting squeezed. So, it launched what was called the "Front for Peace Offensive." The chairman of the Basque autonomous parliament proposed negotiations with Herri Batasuna and the PSOE government on the basis of the Five Points of the KAS (a radical nationalist coordinating group that became the leading nucleus of Herri Batasuna). These five points are the following:

1. Amnesty for political prisoners.
2. An autonomy statute offering greater sovereignty than the present one.
3. Legalization of the Basque political forces that are for independence.
4. Incorporation of Navarra in the Basque country.
5. Phased withdrawal of the Spanish forces of public order, and subordination of the army units in Euzkadi to the autonomous institutions.

What the chairman of the Basque parliament proposed was a more moderate version of these five points. Instead of amnesty, for example, he called on the government to consider setting up an autonomous Basque police force. In the case of Navarra, he proposed negotiations between the Basque autonomous government and the autonomous government that has been set up for Navarra.

In effect, the PNV was saying to the PSOE, "You can't continue the same old centralist policy that the previous governments carried out. You have to offer some signs that you are prepared to understand the Basque problem." That is, the PNV took the stance of a nationalist organization talking to a Spanish centralist one but one that was nonetheless left and favorable to a democratic solution.

At the same time, the PNV said to Herri Batasuna: "You offer an alternative. There are some things we can agree about. But you have to recognize that some tactical flexibility is necessary. We have to find a focus that the majority of the Basque people can be united around.

"The demands you are making are too tough. On the other hand, the Madrid government is still the Madrid government. It says that it is not going to sit down to negotiations until the ETA declares a truce. On the other hand, ETA says it's not going to sit down to negotiations until the government meets a series of demands. Obviously, something has to give. It's not necessary to have a truce before negotiations but a truce can be the result of negotiations."

Q. Did the PNV have any success with its negotiations proposal?

A. Right about this time, there was the Banco de Vizcaya disaster. Over the past year, ETA has been carrying out a lot of attacks on banks. First, they say that the banks are a key section of the oligarchy that favors a military coup. Secondly, this may have something to do

with the banks not paying the revolutionary tax.

At the Banco de Vizcaya they apparently tried to carry out a psychological operation. That is, the idea seems to have been that you go in, plant a bomb, then phone in an alarm, and then once the area is cleared explode the bomb to show that it wasn't a joke. The Banco de Vizcaya building is huge, and thousands of people go in and around it in a day. That is, a few bombings and you could create a real climate of fear in the banking centers.

So what happens, the operation goes wrong. Two bank workers were killed. This is the first time that workers have died in an attack by ETA where this was the result of the choice of the target. There were some workers killed at the

rightist party, Fraga's Accion Popular was involved, as well as Euzkadiko Ezkerra and other small reformist and rightist parties. It tended to take the form of an antiterrorist demonstration.

The demonstrations of the bank workers themselves were rather different. They were careful to keep them from being turned into antiterrorist actions, that is actions favorable to state repression.

Q. Concretely, what position did the LCR and the LKI take toward the Banco de Vizcaya bombing?

A. Both in Euzkadi and in the rest of the state, we said that this was not an attack on the working class but that it was a violation of the rights of the bank workers because it was an indiscriminate attack and because it was carried out de-



Young Basque activists (DR)

Lemoniz nuclear plant, but there the plant itself was clearly the target, since the aim was to shut it down.

Of course, the action at the Banco de Vizcaya was not directed against the workers but against the bank. But since the ETA planted the bomb in a place that was not a nerve center in a way calculated to create terror, it was understood by the working class as adventurist action directed against them.

This was just the chance that the Madrid government needed to break off any attempt to start negotiations. This action forced the PNV to make a long retreat. It even created tensions in the radical nationalist current itself. For example, the union confederation LAB (the Patriotic Workers Association), which is linked to Herri Batasuna, has a base among the bank workers. And it was obliged to support their call for a protest strike. Of course, it differentiated the protest against the killing of the two workers and the political manipulation of this incident.

On the evening of the bombing, there was a demonstration of ten thousand persons called by the political parties, including the PSOE and the CP. The main

spite the fact that the risks of something like that happening were high. We also criticized the disregard for the political context that it showed.

We supported the mobilizations of the bank workers. This is the first time in Euzkadi that the party has supported an action against ETA. But it has to be remembered that even the Herri Batasuna-dominated union itself, the LAB, was forced to participate.

We supported only the bank workers mobilizations. We were against those called by the political parties. We refused to participate in antiterrorist mobilizations, because these have always opened up the way for more police repression. Our comrades who play leading roles in the bank workers union made harsh criticisms of ETA. At the same time, a comrade who plays an important role in the Madrid bank workers union had a decisive influence in keeping the demonstration there from being converted into an anti-ETA, anti-Basque demonstration.

I think that the political situation has deteriorated a bit for Herri Batasuna since the bombing. Already in the elections in October it was clear that it was losing



'No NATO bases, for a referendum' (DR)

momentum. It did not suffer losses but it did not make any gains either.

So, now there is a fairly intense debate going on in Herri Batasuna about participating in governmental institutions. It does not participate now except in the municipalities, which they say offer a certain connection with the people. It does not participate in the Spanish parliament, and there is no argument about that. But there has been a debate over participating in the Basque and Navarran parliaments. Just recently, they decided not to.

Q. What has the effect of this been on the moderate nationalists, the Basque government and the PNV?

A. They are being squeezed tighter. The Madrid government has taken a much harder position since the Banco de Vizcaya incident. It is sending in more police, refusing to make any concessions to the radical nationalists, and even maintaining a hostile attitude toward the Basque government.

The position of the Basque government, in fact, is a difficult one. You have to remember that the powers of the new autonomous parliaments have not yet been defined. There is still a large area of conflict with the central government. At the same time, the Basque government now has control over a Basque police and the educational system and in these areas it has begun coming into serious conflict with the radical nationalists.

Now we have just had an important teachers strike, which was directed against the Basque government. The Basque government totally refused to meet the demands of the teachers, and at the same time it is following a line favorable to private schools. That in particular is because of the long-standing link between the PNV and the Basque clergy.

In this case, the Basque police, which were set up just a short time ago, were sent into repress the teachers. This is the first time we have seen the autonomous police involved in repression. It shows that when the Basque government is confronted with social struggles, it uses police, like any capitalist government. The myth had existed that the Spanish police were the only bad guys, and that

the Basque police were going to bring a peaceful solution.

Q. How has the Basque government done on the question of the Basque language in education?

A. Before the teachers strike, there was a struggle for public Basque education and against privatization. It involved demands for the inclusion of the Basque language in education. Before the Basque language was used only in private schools, which were created as a form of cultural resistance to Francoism.

Two types of Basque schools were created in the past. One was the *ikastolas*, which are for children, and are organized by groups of parents. The other type is run by the Basque language revival movement. They are designed to teach Basque to those who do not know it or to teach native speakers who are illiterate in Basque to read and write it. This network covers all the towns in Euzkai and involves about 20,000 people.

So, what is the Basque government doing? So far it has not recognized these schools as socially important institutions. It has created another network of Basque language schools but on an elitist basis, without any control by the teachers and students. It is not giving the institutions of the mass movement for the Basque language any state support. So, we have been seeing demonstrations of ten to twenty thousand people demanding full official support for Basque.

Q. What is the position of the LKI on the question of restoring the Basque language?

A. I don't think there is an easy solution to the linguistic problem. The Basque parliament has come out for official status for the language. But this just involves some steps toward giving it formal equality with Spanish, which is insufficient when a language has been oppressed.

In any case, although this law only gave formal status to Basque and was supported by the PSOE deputies in the Basque parliament, the PSOE central government has declared three articles of this law unconstitutional because they re-

quire certain types of officials to know Basque.

Imagine what would happen if the Basque parliament tried to pass a more Basque law.

So, in this situation, the Basque revival organizations have been radicalizing. They demand that Basque be the sole official language. The supporters of these groups are beginning to refuse to talk to immigrants from other parts of the Spanish state in Spanish.

Obviously, a broader policy is necessary to effectively revive Basque as a means of communication through Euzkadi. It requires good, effective, Basque public education. It requires good TV programming in Basque. This is the painless way to extend the use of the language.

Our last congress adopted a position on the language question, calling for "genuine bilingualism." Our policy for our press is that 30 percent of it should be in Euskera, but for technical reasons we have had a hard time living up to that. In the party, comrades are encouraged to learn Euskera. But the process of "Basquization" has been slow. Most of the comrades who are teachers and do not know Euskera are learning it. But it's harder for worker comrades active in the trade-union organizations.

The LKI is very proletarian. The percentage of industrial workers is over 40 percent. In Guipuzcoa, it is probably around 70 percent.

My personal position is that even real bilingualism is not enough. I think that in at least three provinces Basque should be the basic official language. I think that every citizen of Euzkadi should be obliged to learn Euskera, that the recovery of Euskera requires such a policy.

When we conduct campaigns, we insist that the rallies be bilingual, and in Basque-speaking areas, we run them entirely in Basque. In the October general election campaign, for example, the Basque revival organizations did a survey of all the political parties and published the results. Only the LKI and Herri Batasuna used Basque 50 percent or more. The percentage fell to 40-odd for Euzkadiko Ezkerra.

For the PSOE, the percentage was around zero. That shows what its attitude is to the national feelings of the Basque people.

Q. Nonetheless, the PSOE got the votes of a lot of Basque workers and claims to defend the common interests of working people. Has its antagonism to the Basque national struggle divided workers or set immigrants against the older Basque population?

A. Under Francoism, because of the predominance of democratic questions, and their interrelation with social struggles, the majority of the working class in the Basque country identified with Basque nationalism. Of course, there were a lot of shades of this. And that time there was no differentiation among those who supported the various options from

autonomy to independence. Today the differences are coming out more sharply. But I don't think that there would be any conflict in the working class about the democratic rights of Basque working people if the SP and PSOE supported self-determination.

But now the PSOE is carrying out a Spanish nationalist policy everywhere. For example, four years ago in Navarra the PSOE was in favor of incorporating the province in Euzkadi. Now it has lined up with the right against this. It has gone so far that it has gotten involved in the offensive to remove Basque flags from city halls.

The PSOE is showing signs that it has a policy to create two different national communities in Euzkadi. But it has not yet achieved this. An indication is that a lot of immigrants vote for the PNV and a lot of them are in Herri Batasuna. As for the youth of immigrant origins, or who come here as youth, they are in the orbit of Basque nationalism, even attracted by the perspective of independence. Almost 45 percent of them are for independence. And the percentage who favor Basque sovereignty and self-determination is a lot higher.

That doesn't mean that there aren't conflicts because the PSOE uses the mistakes of the radical nationalists to create tensions. But the radical nationalists seem to be aware of this danger. And in the recent election campaign they focused a lot on the theme that everyone who lives and works in Euzkadi is Basque.

Q. What about the PNV?

A. Today, unlike in the 1930s, it is very careful not to look anti-immigrant. It is more the PSOE, in an attempt to maintain its electoral base, that is trying to create this division.

Q. What impact has the economic crisis had on the general political situation and the national struggle in Euzkadi?

A. The working class in Euzkadi, as in the rest of the state, has suffered very serious setbacks as a result of social pacts made by the reformist leaderships. One result is that union membership is dropping. That does not mean that the unions are losing votes in the factory elections but they are losing effective membership.

Unemployment is reaching catastrophic levels. For example, in Guipuzcoa, there is a whole industrial complex with a certain technological capacity — machinery, tools, shipbuilding — which is on the verge of collapse. A whole number of towns that depend on the production of specific parts or tools are on the brink of disaster. Shipbuilding and steel are centered in Bilbao. The steel industry requires very extensive conversion and shipbuilding is in crisis world wide.

Traditionally, the Basque provinces bordering the Bay of Biscay have been one of the most prosperous industrial areas in the state. Now the province of Vizcaya has the second highest unemployment rate in the country, after Andalusia, traditionally the poorest.

In the last year and a half, there have been some very hard struggles against plant closures. But the workers have been steadily losing ground.

We have seen the phenomenon developing in Euzkadi and elsewhere of community strikes and strikes by workers in groups of threatened plants. Likewise, there is an increase in occupations. There have been three occupations in Guipuzcoa. The first was in Bajo Deva. The LKI is the major force in the Workers Commissions, one of the two big national confederations, in this area. On the basis of an accord with the UGT, the other major national confederation, and the PNV union, the ELA, they built a general strike against the elimination of jobs. Another such strike occurred in Hernani. In Renteria, which is the most militant area in the Basque country, there was a hard general strike.

In Renteria, the group that called the general strike was the Coordinating Committee of Plants in Crisis, which included people from LAB and individuals from the Workers Commissions. But the unions did not dominate. This strike had the special feature that it was carried out not against the opposition of the unions but without their support. All the small plants in this area, up to a thousand workers are in crisis. Most of them are electrical plants, and it looks as if the company wants to take its capital out of the region.

The basic problem is how do you stop the running down of whole industries

when the capitalists tell you that they cannot do anything, that there is a worldwide crisis and they are going to have to shut down.

So, there is a basic problem of strategy. The union tops have always had the policy of accepting this logic and trying to negotiate to get a few less laid off. In theory, the revolutionary position is very clear. The workers should not pay the costs of the crisis. But concretely what do you answer when the workers say what are we going to do if the boss closes the factory. We have to be able to find solutions for this or that plant or region. In this connection, the community strikes are interesting.

Another effect of the crisis is that the youth, who are largely unemployed, tend to radicalize in the framework of radical nationalism. The unions are not offering them much at the moment. But we are very much a working class organization with a lot of activity in the unions.

Our position is a bit complicated. We are with the radical nationalists in the fight against repression and for national rights. On these questions there is no possibility of a united front with the PSOE and the CP. On the other hand, on specific questions, such as the fight against a military coup, we have a common basis with the sections of the working class influenced by the PSOE and the CP.

But the radical nationalists are very sectarian with respect to the PSOE. They see it simply as a Spanish state repressive

ETA press conference (DR)



party.

The fact of the matter is that even the bourgeois nationalist party, the PNV, often has a better attitude on democratic questions than the PSOE.

The question of armed struggle is a very delicate one. Despite all the problems, we have defended the right of a radical national current to resort to violence. We think that that cannot be denied in the case of an oppressed nationality, especially when there is mass support for it.

We are not in favor of the sort of armed struggle the radical nationalists are carrying out, however. One reason is strategic. Although there is a mass current that supports this, what it in fact involves is the activity of a small group trying to substitute itself for the masses, to take armed struggle out of the hands of the working class. The radical nationalists see ETA as the embryo of the future Basque national liberation army. We do not share this view of an army growing out of an armed organization. This is not a third world country, where the conditions might favor guerrilla warfare.

Secondly, we are against this type of armed struggle for tactical reasons, among other things because it leads to equating the PSOE and the state and creates confusion in the minds of the workers themselves about violence and the state.

We are in favor of self-defense. In fact, in Euzkadi, there have been experiences of mass self-defense growing out of strikes and community mobilizations, in which the LKI has participated.

Nonetheless, the radical nationalists regard our proposals as "moderate."

Q. How do you find working with the radical nationalists in other respects?

A. Their nationalist outlook creates certain problems. Herri Batasuna, as its name, "The People United," indicates, considers itself as a bloc of all the vital national forces, the bloc of the nation militant. So, they create their own mass front for every issue. They even tried to do this for women and the antinuclear struggle, but they failed there because of the strong concept of nonexclusive unity in those movements. They look at anybody who is not part of the family as an outsider, outside the struggling nation.

This also leads internationally to a concept of blocs. That is, "we are the bloc of the Basque people. When we are ready to fight, who will help us. Only the Soviet Union. So we are in its camp." On this basis Herri Batasuna took a very primitive Stalinist position toward Solidarnosc, for example, and attacked us in the most violent way. Despite all their social radicalism and identification with Marxism, they are still very much limited by a nationalist framework. They have no understanding of broad political processes or of proletarian internationalism. Their concept of internationalism is simply solidarity among fighting peoples, each fighting its own corner. ■

Liege - workers pay for city bankruptcy

The economic crisis in Belgium is starkly illustrated by the fate of the employees of the city of Liege in the Walloon country, the French-speaking part of Belgium. In April the city council declared itself bankrupt and stopped paying salaries to the 17,000 city employees, teachers, public service workers, etc.

The extent of the crisis is also pointed up by the fact that the government of Wilfried Martens has had to ask for 'special powers' to cope with it.

The Liege employees have been taking action since April, and are now on an indefinite general strike. Workers at the nearby Cockerill Sambre steel mill are also fighting to defend their jobs.

The following article from the July 1 issue of *La Gauche*, paper of the Belgian section of the Fourth International, gives an account of the combativity of the workers and their attempts to build unity with the steel workers.

For several weeks the town of Liege has been on the verge of a general strike. At the centre of the movement are the city employees and the steelworkers of Cockerill Sambre. The city workers are on an indefinite strike against the loss of jobs and lowering of salaries. The government is trying to wear them down and prevent their struggle coming together with that of the steelworkers.

This is the reason why the decisions about Cockerill Sambre have been systematically put off. The local government group of the Socialist Party, the Walloon Rally, the Walloon People's Rally and the Ecologists, which had first of all repudiated the first financial rehabilitation plan accepted by the Burgomaster (mayor) Close have just reformed their unity at the expense of the workers.

The new proposal is as follows: Salaries below 28,000 Belgian francs net (about £355 sterling) will be reduced by at least 3.5 per cent. That amounts to about 1,000 BF, without taking into account the elimination of allowances for a diploma or for housing. This will concern about 1,500 employees. As for the vast majority of city employees, those who earn between 28,000 and 35,000 BF net, they will see their wages reduced by 10 to 15 per cent.

The PS-RW-RPW-Ecolo council that the Liege workers set up to stop the right have also chosen to stand with the prime minister, Martens, against the workers. But the city employees have not given up! As the report below demonstrates they remain extremely combative.

6.30 a.m. The dustbinmen have been requisitioned. So they have to be prevented from going out on their rounds. Several hundred workers are discussing in the courtyard: There is no question of going back to work if the Burgomaster does not lift the requisition orders. This morning everyone has received a letter from the king's prosecutors outlining the risks of not obeying the order.

Towards 8 a.m. the union official calls together the workers and the pickets to give them the orders for the day, 'today it would be better to make a pretence of obeying, to go out and work slowly, doing the popular neighbourhoods for example'. There is muttering around the room, 'why go out when our condition hasn't been met?' Nothing is said clearly in the meeting, but there is passive resistance when they return to the courtyard. A first truck makes a pretence of leaving and stops right in the middle of the entrance so as not to 'crush' workmates. One does not know how it happens but a tyre bursts! Isn't that a shame? The last five trucks ready are blocked in the garage.

During this period the army is out in the sun collecting the rubbish in the smart areas...but three days later Edouard Close will lift the requisition order.

IN COCKERILL

Monday June 20 5.15 a.m. Some hundred city employees leave for Cockerill. They are going to the LD steelworks, Tolamatil and Ferblatil, Jemeppe-Kessalles, Valfil, the mechanical construction, or Chertal.

Contacts are made as soon as the workers arrive. The atmosphere is friendly. We don't block their passage. We simply discuss with them and propose that they demand a mass meeting where we can talk to them. Some officials accept that easily.

Then we explain that we have not come to beg for solidarity but to call on them to join a common struggle against a common enemy - the government and its special powers. In several places the workers decide to stop work for a few hours.

Most of the time we have to be content with discussing in the courtyards. They understand the problem well. They also fought alone for six weeks last year! They know that they are soon going to

have to start another struggle and this time they want it to be extended to other sectors, and demonstrate this to their shop stewards rather aggressively.

But the stewards keep us hanging about and use all their authority to prevent or curtail the work stoppages. However, many of them have been militant activists. They know very well that the government will do everything it can to make the two workers bastions in the region fight separately. But there is a total blockage in the leadership of the metalworkers.

If the delegates take the responsibility for stopping work in order to go with us to other factories they run the risk of receiving straightaway the letter of resignation that they signed blank the day they were nominated as stewards. Everybody still remembers what happened ten years ago when 30 stewards from the hot section at Cockerill continued a strike with massive support from their base. They were suspended by the federation, and after this seven of them, including some officials, were sacked for grave misdemeanour.

THE STRUGGLE CONTINUES

Tuesday June 21. We are beginning to feel our isolation. The two demonstrations at Brussels resolved nothing. They were not part of an overall plan of action against the government and its special powers. The pickets are still ready to fight but aren't given anything else to do but block the streets or the buildings, or collect the dustbins in the popular neighbourhoods. As flying pickets they could go out to call for the extension of the strike. The ALR [metalworkers union] leadership has had orders not to cross over into the territory of the CGSP [city workers union]. So the city workers have to stay cooped up in the town.

This is the point at which Pierre Horne head of the regional Walloon ALR spoke to the Liege workers called together by the CGSP in the congress palace for the first time. His first words gave the flavour of his speech. 'Comrades, you have waged a formidable struggle...' The use of the past tense provoked mounting dissatisfaction in the room. The speaker was interrupted several times, and finally had to give up after seven minutes when the gathering rose as one person to sing the 'Internationale'.

"If I have understood you, the struggle continues," the chairperson of the meeting said, drawing applause. Andre Mordant, obliged to adopt a fighting tone, insisted on the need for a cross-sectoral struggle. Most contributors to the debate emphasised the barrier to be lifted — the block on action from the metalworkers leadership. They demanded rank and file contact with Cockerill and the big ALR concentrations (Charleroi, Brussels, Antwerp).



Joint union demonstration in Belgium (DR)

CSC-FGTB THE SAME STRUGGLE

Since the beginning of the struggle red and green flags have hung together over Liege. Although the Nassogne congress decided by a majority of 52 per cent not to participate in the cross-sectoral demonstration of the CGSP, and despite the opinion of their official, Jacques Laurent, the CSC (Catholic-dominated union federation) workers in the town, unanimously save two abstentions, decided to be on the Brussels demonstration. They had to produce makeshift badges and flags as the official banners had been locked away.

Everybody gathered on the square to hear that the council have reformed their

unity at the cost of the workers — salary reductions of 12 to 19 per cent. Once more the city employees are confronted with the council as their enemy, and their anger breaks through. Dustbins are emptied on the town hall steps and windows broken. The Burgomaster is not happy. He will only restart a 'dialogue' if the unions officially condemn the acts of the angry workers.

'Personally, I quite understand,' said a vegetable seller on his stall, 'they've been strung along for months without being paid.'

The workers know that their acts will change nothing but they are fed up. ■

TO OUR READERS

After this special 36 page issue of International Viewpoint we will be taking our summer break. The next issue of IV will be published on September 19, 1983.

We would like to apologise to our readers for the late arrival of the previous issue, No 34. This was a result of machine failure on our side, which led to scheduling delays at the printers. Because of our continuing technical problems, which were beyond our control, the production of this issue was delayed by one week. We hope that the increased size will compensate for this.

We hope that these problems will be resolved when we restart production. In the meantime we wish all those of you who will be having holidays during August a good time, and good reading!

Correction

In our report of the practical solidarity given to the people of El Salvador by the council of Zug in Switzerland (IV No 33, June 27, 1983) we underestimated the amount of their support.

The sum donated was 60,000 Swiss francs, i.e. 24,000 US dollars, ten times greater than we reported! Our apologies to the people of Zug and our readers.

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The Akali agitation in Punjab

Since the dismissal of the Akali Dal government in the Punjab state of India in 1980 the Sikhs, who form a large part of the state population, have been increasingly active in pursuance of their demands for increased political and religious rights.

The Akali Dal Party is the political expression of the Sikh population in Punjab. Its political programme is based on the 'Anandpur Sahib' resolution which was formulated in 1973, and subsequently endorsed by the Akali Dal in 1977 and an All-India Akali Conference in 1978.

The general aims of the resolution are:

— Propagation of the Sikh way of life and removal of atheism and un-Sikh thinking,

— Maintaining the feeling of a separate independent identity of the Sikh Panth and creation of an environment in which the 'National Expression' of the Sikhs can be full and satisfactory.

— Banishing illiteracy, untouchability, social inequities and caste-based discrimination which are contrary to the teachings of the great Gurus. (*India Today* November 15, 1982)

The further religious and political aims include for the uniformity of the Sikh religious practices and for Sikhs to control access to their holy places, for the re-integration into Punjab of Sikh areas in other states and wider powers for the local government.

Over the last few months this agitation has become increasingly violent, with gun battles between Sikhs and Hindus, armed attacks and the killing of the chief of police. Talks between the Akali leaders and the Indira Gandhi government have failed to reach any agreement.

The following article from the May-June issue of *Proletarian Politics*, journal of the Communist League, Indian section of the Fourth International, summarises the position of the Indian Fourth Internationalists in response to this agitation, and the demand for an independent Sikh state, a 'Khalistan'.

Inder SINGH

The last few months have seen a sharp increase in the tempo of the Akali agitation. The bourgeois press has quickly linked it with the Assam agitation. Sections of the left have done the same. But there is no serious basis for making this link. The Assam movement, for all its contradictions and problems, reflects the struggle of an oppressed nationality. The same cannot be said of the Akali movement.

The Akali movement is not new. Even in 1947, when India won independence, the Akalis wanted to be a separate party in the negotiations over the transfer of power. But at that time their base was too weak, they essentially represented the Sikh commercial bourgeoisie, and depended upon the urban petty bourgeoisie.

However, the 'green revolution' brought a powerful Jat-Sikh lobby to the fore. The Sikh kulaks rallied behind the Akali Dal. The Dal also changed tactics. It put forward slogans that seemed beneficial to all sections of the landowning Sikh peasantry. In this way the Sikh kulaks mobilised almost the entire Sikh peasantry behind them.

A second, and at times much more powerful, weapon the Akalis possess is the weapon of religion. In fact it would be wrong to say that the Akalis represent a nationalist current. Their appeal is

chiefly to Punjabi Sikhs, not to Punjabis as a whole. But this is also their strength. Particularly since Haryana was separated from Punjab, religious appeals have made renewed headway in the province.

The Akali movement has therefore raised diverse types of demands. Religious demands have been put forward, including a special radio centre and so on.

However, political demands are at the heart of the present agitation. A false 'theory' of the 'Sikh nation' is being erected. The Anandpur Sahib resolution spelled out the reasons. This 'Sikh nation' is to get wide provincial autonomy. The central government is to have charge of Defence, Foreign Affairs, Communications and Currency, the rest must go to the provincial government.

At bottom this is an attempt by the Sikh bourgeoisie to gain power vis-a-vis the more powerful sections of the ruling class.

In order to ensure that this slogan does not in any way play into the hands of the toiling masses some further demands are being raised. Tohra (an Akali leader and supporter of the extremist Bhindranwale), in a statement published in October 1982, stated that voting rights should be restricted to property owners. It is worth mentioning that in the Punjab 43 per cent of the population live below the poverty line.

Similarly, it is ever more stridently being demanded that a Sikh majority must be assured in Punjab. One can

easily find a parallel with the Zionist slogan of a Jewish majority in the state of Israel, even if it means driving out the Palestinians.

For revolutionary Marxists the issue is not and cannot be academic. What role is the working class to play in this movement — this is the key question facing them.

The (pro-Soviet) Communist Party of India, and the Communist Party of India (Marxist) have come up with solutions that are in line with the basic nature of these parties. The CPI(M)'s longstanding link with the Akali Dal is well known. The CPI(M) leader Surjeet even acts as a go-between for the Akalis and the central government.

The CPI stand is more ambiguous. In some respects, especially regarding the overt communalist tones of the Akalis, it has put up some resistance. This reflects the mixed social base of the CPI in the Punjab. The CPI(M) and the Akalis have more or less the same social base, while the CPI has rather stronger links with the working class and the 'Harijans' (untouchables). But even so, the CPI leader Satyapal Dang came up with the slogan that what is needed for Punjab and India is a dialogue between the Akalis and the central government. So, the task of the proletariat is to act as negotiator between two sectors of the Indian bourgeoisie.

As long as such misleaders continue to dominate the working class they will serve as cannon fodder for the bourgeoisie. The only way to combat the Akalis is to put forward in practical terms the unity of Punjabi culture, the unity of interest among the Punjabi workers, agricultural labourers and poor peasants (both Hindu and Sikh) against the bourgeoisie — whether industrial, commercial or rural, whether Hindu or Sikh. It is equally necessary to struggle for the protection of the democratic economic rights of migrant labourers.

Finally, it is necessary to explain how the accepted definition of secularism, by giving equal state patronage to all religions, bolsters communalism. In fact, it is to be noted that while a large part of the Akali leadership knows that to gain power at the provincial level they require a good number of non-Sikh votes, and thus behaves cautiously at times, the Congress(I) is busy fanning the flames of communalism.

The intensification of communal disharmony is, in fact, part and parcel of bourgeois strategy. At the level of political parties it is not only open religious/communal organisations like Akali Dal that are responsible. The Congress(I) must be seen as the party that is involved in communalism all over the country.

The left, especially the revolutionary left, must join together to resist communalism, while recognising clearly that the political basis of communalism today is bourgeois strategy. In Punjab, to fight the Akalis, it is not enough to explain their class basis. It is necessary to hit at the religious ideology with which they cement their multi-class Sikh bloc. ■

The role of women in the workers fight against the crisis

The present economic crisis is hitting all sections of the working class. But those sectors that are weakest, and less able to defend themselves, such as women, young people and immigrant workers, often suffer the effects most severely.

Jacqueline Allio of the United Secretariat of the Fourth International spoke to Rienke Schutte of *Klassenstrijd* (newspaper of the Dutch section of the Fourth International) about the situation of women in Europe today, and the way in which women are fighting back, often as the vanguard of the working class.

Question. In discussing the problems confronting women in West Europe today, obviously the effects of the economic crisis come first. Measures such as the EEC guidelines for equal treatment of men and women are coming into sharper and sharper contrast with the reality that faces women today.

Answer. That's not something new. At the moment, it's clear that the bosses are trying to grab everything they can. The cuts in real wages and mass layoffs are not something that has dropped out of the blue. But in an earlier phase, when people were not talking about the crisis the way they do now, women workers were already being hit hard.

The first big wave of layoffs came a few years back in the more backward sectors — in textiles, the food industry, and others in which there is a high percentage of women workers. At that time automation and restructuring already meant a crisis for women workers. But that stage did not rouse any alarms.

At that time, moreover, we were also confronted with social cutbacks. They hit women particularly hard. This impact was further increased by discriminatory measures such as the "breadwinner" rule for payment of unemployment benefits, as well as limitations on pregnancy leaves. Day-care centers and other social services were cut back.

In Italy, for example, overnight the municipalities cut their appropriations for day-care centers by 50 percent. Wo-

men were obliged again to take on the full burden of child care and had to do things such as take sick leave to care for their own children or those of their workmates. Needless to say, these women could not come in line for promotion and were locked into unskilled jobs. In this way, moreover, other women were forced to accept part-time jobs.

Q. In the Netherlands, such social services were never very advanced, since relatively few women worked outside the home. Probably that has something to do with the fact that a lot of women here have part-time jobs. They hardly have any choice. More than 80 percent of the part-time jobs in the Netherlands are held by women. In the last ten years more and more married women have begun working outside the home and they account for three quarters of the part-time workers.

A. In every industry now, the bosses are trying to replace full-time workers with part-time ones. In particular, they are trying to force women and youth into a marginal position.

A fight has been waged against this in Belgium, which has brought out very clearly what sort of problems women are facing now. At the Galerie Anspacht in Brussels, the management tried to introduce part-time work. The women who work there waged a long struggle against it. But they were not supported by the trade unions. The strike was

finally lost because the unions stupidly backed the management in its attempt to bring in part-time work.

Another example is the fight of the women workers at the Bekaert-Cockerill steel fabrication plant in Fontain l'Eveque near Liege. In August 1982, the workers, both men and women started a strike against the threatened layoff of ninety people. The strike lasted nine weeks. Finally, the management and the trade-union leadership came up with a "compromise." Those workers who were not their families' breadwinners would have to accept part-time work, otherwise the management would have to close the plant.

Of the 240 people who worked there, thirty were women, and 27 of these were not breadwinners. They had to accept half-time. The women refused. They went on strike and lost. Thirteen women were fired. They lost because they were totally abandoned by the union leadership. The men did not follow the women out on strike. They went along with the deal the union leaders worked out. So, you can see how the policy of the union leaders plays into the hands of the bosses' divide-and-rule game.

Q. Not just the union leadership but the Social Democratic parties are leaving women in the lurch. For example, they aren't taking a clear stand against part-time work, and are even saying that male workers should be the ones to pay women for the work they do rather than the bosses. In France, the Socialist and Communist parties are in the government. How is the situation there different for women than in countries where the right is in power?

A. There is, of course, a difference. It's right-wing governments like Reagan's or Thatcher's or Kohl's in West Germany that are leading the attack on the working class. Women are one of the main targets of this offensive. Thus, for example, Reagan openly supports the U.S. anti-abortion movement, and Kohl has announced that he is for making the already restrictive German abortion law still more so. Moreover, he has accepted a 3 percent increase in arms spending, which the Social Democrats in West Germany always rejected. There is a difference between this sort and the policy Mitterrand is conducting in France.

Under Mitterrand, a series of measures have been introduced that are in the interest of the working class. For example, the public health insurance system reimburses the cost of abortions. But this is strictly the result of mobilizations by women and the trade unions. The government had been clearly yielding to pressure from the bosses and was hesitating to make good on its election promises with respect to abortion. But under the pressure of the mobilization in November, it gave in to the women's demands, which is something Thatcher certainly would not have done.

Other advances have also been made. The French government has introduced



retirement at sixty. This is a gain comparable to the achievement of the eight-hour workday. But there is a catch. To collect retirement benefits at sixty, you have to have worked for 37 years. That represents serious discrimination against women. Women are much more likely to have taken a few years off to look after children or elderly members of the family, thus decreasing their work lives. The fact was simply ignored that this provision has a special effect on women.

You can't say that the left government in practice has really concerned itself with the situation of women. For example, before the elections, Mitterrand promised that 400,000 day-care places would be set up and now, two years later, they have only created 10,000 new places. The special women's rights ministry that was set up produces a lot of nice resolutions, but it has no money to spend.

The government's overall program has a lot of progressive points, but they always say they don't have the money to carry them out, since they completely accept the logic of the system. "Because of the crisis," they are going back on their earlier promises. The government has no definite program for getting the money from where it is — in the pockets of the bosses.

Q. In what areas do you think gains can be made, then?

A. There are important examples of initiatives and struggles in which women are playing an important role and which are promoting the unity of the working class as a whole.

To give another example from Belgium: Since 1980 there has been a group called "Women Against the Crisis" which represents a common front of unions, left organizations, and women's groups.

Women Against the Crisis takes as its first principle achieving as broad a unity as possible. They wanted to get both the Socialist-dominated union and the Catholic-dominated union confederation (the ACV) to join in the struggle for a drastic shortening of the workweek, against part-time work, and for maintaining the automatic cost-of-living allowance. To this end, they left the abortion question out of their platform. They thought that unity was more important than nice-sounding demands. A lot of working women are organized in the Catholic union confederation, and they have problems with the abortion question. And Women Against the Crisis did not want to drive them away.

At the moment, a big discussion is going on in the Catholic union confederation about abortion, and this year the right to abortion was the central theme of the big demonstration by Women Against the Crisis on March 6. The Catholic union confederation agreed to let the abortion committee officially participate in the demonstration, and at the moment the majority of its Women's Commission are for the right to abortion.

Since the unions and the traditional workers organizations (CP and SP) participate in Women Against the Crisis, it is harder for the leaderships of these organizations to back off from their rejection of part-time work or their defense of the cost-of-living increases. This reduces their maneuvering room.

Another example of how women can play the leading role in defending the gains of the working class is the fact that it was women in Sweden who started up the fight for the six-hour day. This demand was raised years ago by women in the Social Democratic Party. A few years ago it was still possible to discuss whether the six-hour day should be just for women. But they came to the conclusion that a six-hour day for women alone would only reinforce the traditional position of women.

Now Social Democratic and other women in various cities have decided to set up committees and to strive to win the entire workers movement to the fight for a six-hour day for all workers. That is a good example of a step in the direction of a common struggle by the workers movement for a common goal that was initiated by women.

Another example of the vanguard role women can play is on the international scale. Contacts exist between women in various countries. In the past, we saw excellent examples of international solidarity in the abortion struggle. For example, victory in the Bilbao trials was won mainly thanks to international actions.

Now working women are taking up this tradition. In Scotland, women at Lee Jeans waged a long struggle against the closing of the factory. Thanks to the support they got from the union in the area and the women's movement, they won this fight.

This was a significant example of the fight against restructuring and factory closings for other parts of Great Britain

Spanish women demonstrate against discriminatory, sexist laws (DR)



but also for other countries. So, women workers from Lee Jeans were asked to do a tour through Sweden. This inspired Swedish women textile workers to strike for higher wages.

These examples are important because at the moment there is not enough international solidarity in the European workers movement in the fight to defend wages and jobs. This means that women are not only in the forefront in defending their own rights but that, overall, in the struggle of the working class, women are playing a vanguard role.

The examples of the defense of the automatic cost-of-living increases in Belgium and the fight for a shorter workweek in Sweden can be spread.

In Switzerland, for example, things are on a lower level. But the women's conference of the country's biggest trade-union confederation has passed a resolution calling for a drastic shortening of the workweek without any cut in pay.

On a broader political level, women have also taken far-reaching positions. At the women's conference of the Labour Party in England last June, advanced demands were adopted to be put to the annual Labour congress. The women's conference called for British withdrawal from NATO, withdrawal of British troops from the Malvinas. The women were against the war, and they adopted a resolution calling for support to the Salvadoran revolution.

Q. You have brought up a relatively new phenomenon. More and more women are playing a role in the peace struggle, and as the Greenham Common example shows, a not inconsiderable one. In the Netherlands women have been organizing in the peace movement for some years. The effect of this could be seen, for example, after the big November 21, 1981, demonstration in Amsterdam. The Hague demonstration called by

Appeal for solidarity with the women workers of Bekaert-Cokerill

LAUNCHED BY THE FLORA TRISTAN CLUB, PARIS

Thirteen women workers from the Bekaert-Cokerill steel fabrication plant were sacked on November 1, 1982 because they refused to accept the parttime work that the management wished to impose on women who were not 'heads of family'.

The management obviously wanted to make women pay for the economic crisis. This flows from an overall policy of sending women back to the home. The proof of this is that today 23 men in the factory are replacing the women at a higher hourly rate.

The women workers of Bekaert-Cokerill have said 'no' to this intolerable discrimination, which challenges the right of women to work, and has been accepted by the trade-union branch.

The women went on strike by themselves, and the most militant were sacked.

But they have continued their action, calling on the labour tribunal and the European Community, with the support of the Belgian feminist organisations. We are in total solidarity with the struggle of these courageous women.

Their struggle is ours. The statements by the bosses and others on the necessity of 'work sharing' makes us fear that the right of women to work — a principle which is already challenged — could also be put in danger in France, and in Europe.

To support the struggle of the women workers of Bekaert Cokerill, to defend the full right of women to work, we ask you to send motions and telegrams, as we have done, to:

*The Ministry of Labour and Employment
1040 Brussels, Belgium.*

*The President of the European Parliament
Strasbourg, France.*



For women's abortion and contraception rights, against forced sterilisation (DR)

Vrouwen voor Vrede (Women for Peace) brought out more than 10,000 women. For most of these women, it was the first time they participated in a demonstration. How do you assess this development?

A. That is an entirely new aspect of the women's radicalization. Consider the fact that in a country like England more than 30,000 women not only participate in the fight for peace but organize special initiatives to stress women's rejection of atomic weapons.

A lot of women have responded to these initiatives. A lot of women who were never active in a union or in the feminist movement have been brought into action out of fear of what nuclear armament means for themselves and their children. These women respond with slogans that call for defending life.

As revolutionists, we have to be careful not to take a sectarian attitude toward these women's level of political consciousness. We can't say, as a whole number of ultraleft groups in England have done, that this is a reactionary movement because the Greenham Common women have gotten involved in order to protect the lives of their children. What they are doing is totally normal!



MANIFESTATION FEMMES CONTRE LA CRISE

- Droit au travail
- Droit aux allocations de chômage
- maintien du pouvoir d'achat
- indépendance économique de la femme

We have to see the great importance of the activity of these women. We have to try to show that it is necessary to see what their opposition to nuclear arms means in the broader sense. No change in the present situation that they, and we, fear without a basic change in the system.

Women who come into action for the first time naturally are not going to come to a socialist understanding overnight. But we fully support their specific actions, and we should ourselves propose actions that women can carry out as women, either in their workplaces or in the neighborhoods where they live.

We have to offer proposals for specific activities by women in the unions and other mass organizations. That is all the more important because such mobilizations are getting off the ground not just in England and the Netherlands. In other countries as well, the organization of women in the peace movement is beginning to take off. Sometimes there is talk about the influence of the Communist Parties or the pacifists. But the women are active. They take part in actions. That is decisive. The participation of women in struggle is a very important first step. We have to base ourselves on this if we want to raise the struggle to a higher level.

The present state of the working class in China

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Zhang KAI

Since the foundation of the new China the Chinese Communist Party has always claimed that the proletariat is the leading class. In fact it is the party that rules while the working class is totally powerless.

In order to develop industrial production, to counter imperialism and the bourgeoisie with the strength of the working class and to avoid opposition developing between the working class and the party, the CCP has been forced to give the working class better material conditions than the peasants.

The strength and importance of the working class increased significantly with the development of industry. According to the official statistics the number of workers in China in 1952 was 16.03 million. This increased almost sixfold by 1981 to 109.4 million. The number of industrial workers rose from about 5 million in 1952 to 46 million in 1981, almost eight times as many.

The value of industrial production represented only 41.47 per cent of the total value of industrial and agricultural production in 1952, whereas by 1981 it was about 70 per cent. Thus, the working class assumes an increasingly favourable position in the balance of social forces.

The living standards of the working class improved relatively significantly during the period of the first five-year plan (1953-57), but did not improve very much during the next two decades, as is shown in the table.

i. From the frenetic Great Leap Forward in 1958 until the Foreign Leap Forward in 1978 average industrial wages for 21 years had in fact decreased.

ii. The increase in recent years is more rapid, partly due to various kinds of bonuses (generally around 10 per cent), and living allowances (10 to 14 per cent).

iii. Average industrial wages increased by 65 per cent between 1952 and 1981, but the actual increase was only 15 per cent.

Our experience is that cost of living indexes compiled by those in power are always far below reality. It is doubtful that prices only increased by 50 per cent

in 30 years. And the increase in workers wages is minimal if compared to the official figures on the increase in value of industrial output. This was 18 times greater in 1981 than in 1952, and 47 times greater than in 1949. This stark contrast between the increase in productivity and the increase in wages obviously causes resentment and loss of the motivation to work among the workers.

The generalised phenomenon of 'no one taking responsibility', in the words of Deng Xiaoping, in the factories, and the general indifference and passivity of the workers, have forced the regime to adopt material incentives, to raise the wages of the majority of workers to a certain degree. But inflation in the past few years has offset the increase in wages. Housing is another acute problem. Thus workers tend to pursue more income to improve their living standards. This is what the regime describes as 'individualism' and 'egoism'.

A NEW GENERATION OF WORKERS

From 1949 to 1969 the average annual increase in the number of workers was 2 million. From 1970 to 1981 the figure was nearer 4 million. The proportion of young workers below 35 is thus increasing, reaching 60 million at the end of 1981 — about 60 per cent of all workers.

AVERAGE ANNUAL WAGE OF STAFF & WORKERS IN THE STATE SECTOR OF THE NATIONAL ECONOMY

(in renminbi yuan,
2 RM equals 1 US dollar)

| YEAR | ALL SECTORS | INDUSTRIAL SECTOR |
|------|-------------|-------------------|
| 1952 | 446 | 515 |
| 1953 | 496 | 576 |
| 1956 | 610 | 674 |
| 1958 | 550 | 526 |
| 1959 | 524 | 514 |
| 1962 | 592 | 652 |
| 1964 | 661 | 741 |
| 1966 | 636 | 689 |
| 1969 | 618 | 683 |
| 1970 | 609 | 661 |
| 1973 | 614 | 640 |
| 1974 | 622 | 648 |
| 1977 | 602 | 632 |
| 1978 | 644 | 683 |
| 1979 | 705 | 758 |
| 1980 | 803 | 854 |
| 1981 | 812 | 852 |

(Note: The 1981 average wage for all sectors increased by 80% compared with that for 1952. The actual increase was 29.4% after adjustment for increases in the cost of living.

This new generation of workers has some specific characteristics. Firstly, the great majority come from the cities. Among new workers entering the factories since 1966, 80 per cent have been from workers families, thus carrying the tradition of workers struggles.

Many of them have also received senior or junior secondary school education. The better education they have received, compared to that of the older workers, allows them a wider perspective, more active thinking, a greater sensitivity to social problems, and stronger desire for changes.

Finally, many of this generation participated in or witnessed the struggles during the Cultural Revolution, thus being able to learn from the lessons of these struggles.

In recent years many young workers have devoted themselves to fighting for democracy. They have published samizdat journals, or participated in local elections. The most active have been arrested. Among the dozens of leaders of the democracy movement arrested in April 1981 were a majority of young workers.

In conditions of severe repression workers in general have not actively fought for better working conditions and democratic rights. Still, local slowdowns or strikes have occasionally occurred. The outright removal of the workers right to strike from the Constitution reflects the ruling team's fear of this.

The CCP organ *Red Flag* carried a series of six articles by Yu Yannan on the Chinese working class. These articles revealed a 'different understanding' of the young generation of workers among the CCP cadres. Some think that the 'basic situation of the young workers is very bad', some that 'the political quality of this generation of workers has much deteriorated', and some even that they have 'lost the class nature of the working class'.

Yu Yannan represents the official view. He considers that 'the class concepts of today's working class are fading', and that 'bourgeois and other non-proletarian ideas have quite seriously eroded the ranks of the working class'.

If this is true, then the primary responsibility lies with the CCP and its rightist policies in recent years, and the extravagant lives of the bureaucrats. In any event, such comments reveal the mutual lack of confidence between the bureaucracy and the workers.

OPPOSITION BETWEEN THE WORKERS AND THE CHINESE COMMUNIST PARTY

This mutual lack of confidence is rooted in the opposition between the ruler and the ruled, the privileged and the oppressed. This expresses itself in many material ways.

Yu Yannan's article 'Strengthen the links with the worker masses' outlines three ways in which the party cadres 'on a national scale' have 'departed' from the worker masses. These are:

1. 'Some party cadres exploit their influence for their own self interest'; 'at present, incorrect practices in the arrangement of work for the children of cadres or in the distribution of staff housing are quite general and the worker masses are resentful of this.'

2. 'Some party members give a bad example, they opt for easy jobs and avoid difficult ones, scramble for benefits, and misbehave in their jobs...some young workers remark that "if such people are admitted into the Party, I will not enter the Party".'

3. 'There are too few party members on the frontline of production. More party members go into the management sectors, causing a relative concentration of party members there. The more arduous labour the work requires, the fewer the party members. This is a serious question related to the class nature and mass base of our party.' (2)

Party cadres in the factories and enterprises, by faithfully implementing the CCP's orders and supervising the workers, are given special powers and interests. Large numbers of opportunists strive to become party cadres. Workers that join the party are either assimilated into the bureaucracy, or become frustrated and demoralised.

There are many examples of the divide between the CCP and the workers. Inheriting the Stalinist tradition, the CCP has launched campaigns to produce model workers to serve as an example in hard work and support for the regime in the factories. But these campaigns have not achieved the expected results. In fact, many model workers are isolated by the masses. Yu's article gives some illustration of this.

According to investigations by the authorities, 66 of the 126 model weavers in the country have met with ridicule and censure. 'Large numbers of facts show that the malpractice of isolating and attacking progressive workers exists to different extents in many regions and units, and they have a certain universality.'

The article recommends that 'intermediate and backward workers must be educated to treat progressive workers correctly'. Yu explains that 'the majority of the progressive deeds are overtime work, overfulfilment of the production quota, willingness to suffer austerity, etc.' (3)

To supplement the campaign to learn from model workers the CCP has recently used bonuses to create division and competition among workers. However, the unrewarding outcome for them has been that most bonuses are shared collectively among the workers, without the original aim of increasing production being achieved.

In order to alleviate the tension, and to better implement its policies, the CCP has been compelled to introduce the system of workers congresses. (4)

Yu's article explains that, 'Investigations show that, at present, a rather tense relationship between the cadres and the masses exists in some enterprises. The workers lack their rightful democratic rights, and this has become one of the main factors directly affecting the political enthusiasm of the masses. In the enterprises, the so-called relationship between the cadres and the masses is to a large extent the question of the relationship between the party and the masses.'

The ordinance on the workers congresses was promulgated less than a year after the formation of Solidarnosc in Poland, indicating the fear among the bureaucracy of Polish-type developments in China.

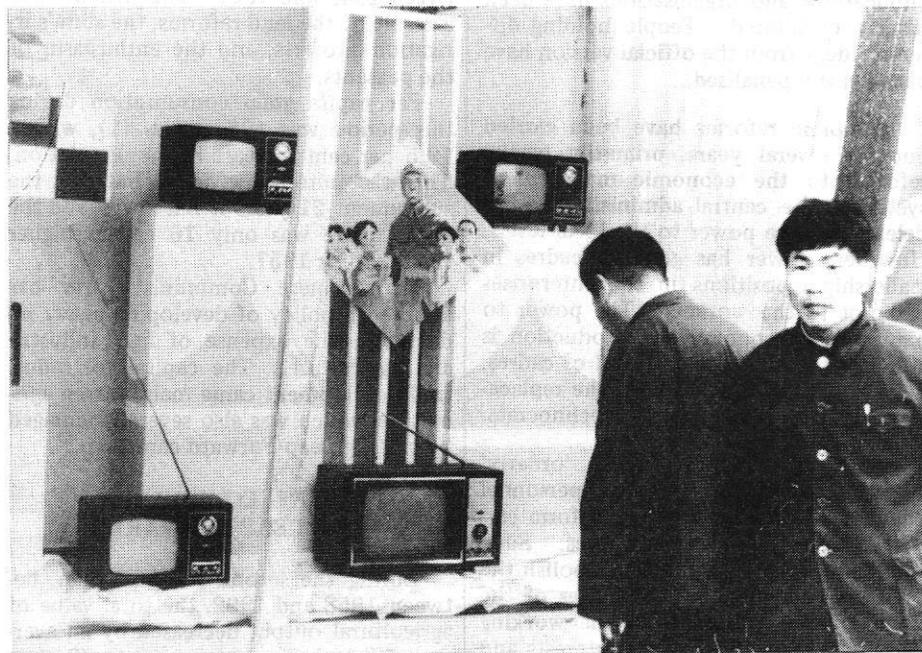
Reports indicate that at the end of 1981 about 0.1 million enterprises (about 26 per cent of all the enterprises in China) had established workers congresses. Yu's article reveals the effectiveness of the present system, 'at present only a minority of workers' congresses

ers have no right to join the management.' (5)

These words draw a vivid picture of bureaucrats clinging to power and using the workers congresses only as an instrument through which to exercise their power. However, the workers are also using the rights they are given under this system. Even though the ordinance did not state that the workers congresses would have the power to elect factory managers this has been done on an increasing scale, dealing a blow to the bureaucratic privileges of the nomenklatura system.

CONTRADICTIONS IN IDEOLOGICAL WORK

In January 1983 the CCP propaganda department and six other units convened a working conference on ideological and political work among the staff and workers of the whole country, with the aim of 'mobilising the whole working class...to



Chinese workers look at luxury items in shop window (DR)

operate well, a considerable majority of units show varying degrees of formalism, or simply making a gesture towards democracy, in their workers congresses, raising strong objections from the broad layers of workers.'

Yu explains that 'the primary reason lies in cadres in leadership positions'. He gives concrete examples, 'a considerable number of cadres in leadership positions...fear that if the power of the workers congresses grows, their own power will diminish. The party organisations in some enterprises assume full control...all matters are discussed and decided by the party committee, and then adopted by the workers congress. Some cadres in administrative leadership positions only think of convening the workers congress when they come across difficulties such as unfulfilled production tasks...some comrades even think that enterprises under state ownership should have the managers appointed by the state and endowed with full powers, and work-

guarantee the successful realisation of the programme of the 12th Congress of the CCP.'

The CCP has used its massive propaganda machine to carry out ideological work among the workers, but has failed to overcome the existing contradictions. The CCP has ascribed the failure of this to the cadres, 'During a rather long period people have had a very narrow and simplistic understanding of this work. In the ten years of turmoil [i.e. the Cultural Revolution] it was even treated as a way to 'make the masses suffer'. This has caused the worker masses to be distrustful and fearful.' (6)

2. Red Flag No 23, 1982.

3. Red Flag, No 22, 1982.

4. Refer to 'Analysis of the workers congress system in China', *October Review*, No 56 August 1981, and 'Polish Events have Repercussions in China' *International Viewpoint* No 17, November 15, 1982.

5. Red Flag No 20, 1982.

6. *People's Daily*, January 23, 1983, Editorial.

This remark is straightforward in describing the CCP's ideological work, and the reaction of the masses. How will the CCP carry out its ideological work this time? It confidently claims that if its orders are carried out 'there will surely be improvements'. However, its orders have not yet been announced and so it is difficult to tell what the suggested remedy will be.

But, from the theme of the report at the above-mentioned conference, it seems that the remedy this time is 'reforms' — 'reforms in a general and systematic way, in a decisive and orderly way'. Hu Yaobang said, 'the Four Modernisations (7) cannot be attained without reforms, this is what comrade Deng Xiaoping has been stressing in the past few years.'

But how have the 'democratic reforms' fared in the last few years? The right to strike has been abolished both de jure in the Constitution and de facto. Samizdat publications and organisations have been strictly prohibited. People holding different ideas from the official version have been heavily penalised...

Economic reforms have been carried out for several years, primarily partial reforms to the economic management system. The central administration has delegated some power to the local levels. However, power has gone to cadres in leadership positions in the enterprises and not to the workers. The power to manage the economy and production is still in the hands of a handful of cadres. Part of the reform has been the replacement of some bureaucrats by technocrats.

The official appeal for an 'orderly' reform implies only moderate personnel changes and rejects a radical reform carried out by the worker masses. Such moderate reforms would not abolish the political and economic privileges of the various levels of cadres. The working class is still deprived of its interests and powers.

Furthermore the CCP has been clamouring for a change in the system of the 'unbreakable rice bowl', i.e. secure jobs. The cadres in the enterprises now have the power to dismiss workers, the 'responsibility system' and the 'contract system' are practised. Underfulfilment of the quota or the contract terms can lead to penalty or dismissal. This reform threatens the workers job security, meaning that there is now no guarantee of the workers right to work and livelihood.

Such a reform cannot possibly achieve ideological persuasion. The tension between the regime and the workers will intensify, not lessen. It will be more difficult to heighten the workers enthusiasm for production. ■

7. The 'Four Modernisations' were introduced at the Eighth Party Congress in 1956. They are: industry, agriculture, science and technology. — IV

The agricultural problem in China

Feeding China's huge and expanding population is a major task requiring huge resources. The article we publish here looks at the development of agriculture in China since 1949 and explains the problems confronted today.

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Bai Zhang BING

The total value of agricultural production in China increased by 85 per cent between 1949 and 1957. This increase was a result of the land reforms, the state's irrigation projects, and the enthusiasm of the peasants.

Per capita grain consumption during this period was 406 catties (1), with a 19.5 per cent increase in the population. This was quite a low figure, but over the subsequent 21 years it fell lower, and the 1979 figure was only 16 catties higher than that for 1957.

The Chinese Communist Party has adopted a policy of developing heavy industry at the expense of light industry and agriculture. The capital for industrial development came mainly from agriculture, which was also severely damaged by the Big Leap Forward campaign.

THE EFFECTS OF THE 'BIG LEAP FORWARD'

During the second five-year plan, between 1958 and 1962, the total value of agricultural output decreased by an average of 3.16 billion yuan per year (2 yuan are approximately equal to 1 dollar). The total loss of 15.8 billion yuan during this period more than offset the 15.75 billion yuan increase during the first 5 year plan. Per capita grain consumption fell by 19 per cent to 329 catties in 1962.

The following comparison between the increase in the value of agricultural production and the increase in the amount of grain procured by the state illustrates the effect:

| | Increase in agricultural production | Increase in grain procured by state |
|------|-------------------------------------|-------------------------------------|
| 1958 | 2.4% | 10.5% |
| 1959 | -13.6% | 23.6% |
| 1960 | -12.6% | -11.5% |

As can be seen from the table the situation in 1959 was the most acute, with the decrease in agricultural production and the largest increase in the amount of

grain taken by the state, 64.12 million tons, compared to 45.97 million tons in 1957, an increase of 39.5 per cent. Grain exports also rose continually, 2.09 million tons in 1957, 2.88 million tons in 1958, and 4.15 million tons in 1959.

Thus, during the severe famine in these years there was not even enough seed for sowing. In 1960 the death rate reached the historic rate of 2.5 per cent, 17.08 million deaths, compared to 6.78 in 1957. An increase of 10 million!

After this catastrophic experiment China's grain imports in 1961 were higher than exports, for the first time in history. Imports have remained higher than exports ever since, increasing from 5.8 million tons in 1961 to 13.43 million tons in 1980. The same situation exists for sugar.

INCREASE IN PRODUCTION LAGS BEHIND INCREASE IN RESOURCES USED

From 1957 to 1979 grain output has only doubled. But in the same period the agricultural working population has also risen by 52.4 per cent, from 193.1 million to 294.25 million. In addition the resources used increased massively. The total mechanical power used increased 110 times. For every mou (2) of land the amount of electricity used became 236 times greater, of chemical fertiliser 33 times greater, insecticide 11 times greater. Fixed assets were 5.3 times greater in 1978 than in 1957. However, while one yuan of fixed asset could realise 2.37 yuan of gross income in 1957, this figure declined to 1.29 yuan in 1978.

The labour power and capital invested in agricultural production raised the costs of production. However, the general index of procurement prices (i.e. paid by the state enterprises) for subsidiary agricultural products only rose by 46.2 per cent over the 1950 figure in 1957, and 165.5 per cent in 1979, that is a rise of 119.3 per cent over 22 years. This resulted in an almost com-

1. 1 catty equals .605 Kilograms. This figure is therefore approximately equal to 246 kg.
2. 1 mou equals 613 square metres or approximately 1/6 acre.

plete lack of profit in agricultural production. Quite a lot of production units had remained in deficit for long periods. The readjustment by an average of 20 per cent in the procurement prices alleviated but did not solve the problem.

COSTS AND PRICES

To take for example the Heilung Jiang province. For the eight years of 1971 to 1978 the total output of the five main crops (corn, soya, rice, sorghum, wheat) was 146.5 billion catties and total cost of production was 18,197 million yuan. Thus, the average cost of production per catty of grain was 0.124 yuan while the average selling price was 0.1 yuan per catty, meaning a loss of 0.024 yuan for every catty of grain produced by the peasant.

Between 1959 and 1977 the grain production per mou of land increased by 14.8 per cent, while the work days required increased by an average of 57.4 per cent. Thus the costs of production increased significantly. In fact, from 1962 to 1977 production costs more than doubled, but the procurement price only increased by 37.5 per cent. The increase in the official procurement price in recent years has still not caught up with production costs.

One particularly weak aspect of China's agriculture is its resistance to natural disasters. In recent years the area hit by natural calamities has been about 20 million hectares, that is about 15 per cent of the cultivated area. In 1980 the calamity area was about 30 per cent of the total cultivated area.

BUREAUCRACY'S POLICIES WEAKEN RESISTANCE TO NATURAL DISASTERS

Much of the adverse effect of these natural disasters stems from long term practices that have upset the ecology, causing increasing soil erosion, silting up of rivers, and decreasing the forested areas. A number of irrigation installations, because of severe silting, no longer function to drain off floods, store water, or generate electricity. Nature's punishment for the wrong policies of the bureaucracy is just beginning, but those who suffer are the people.

In the different regions the geographic differences imply a different potential for agricultural development. The imbalance in the distribution of farmland and the population puts great strain on the production and supply of agricultural products.

Of the 30 provinces and municipalities in China, in 1979 11 had a surplus of food, 6 were self-sufficient, and 13 had insufficient supplies. Some 27.46 per cent of the population had insufficient food, mostly in the north west.

The transport of food from the south to the north also increases the strain on the backward and inadequate transport facilities. Areas suitable for other industrial crops but not grain are forced to grow grain.



Chinese peasant farmers (DR)

Over the last 30 years the population has almost doubled but the amount of farmland has decreased. The statistics show that the total area farmed was 1,468 million mou in 1949, this increased to 1,619 mou in 1957. Since then the area has declined, reaching 1,492 million mou in 1979, a decrease of 8 per cent in relation to 1957. The amount of farmland per head of the population has dropped sharply.

There are four main reasons why the amount of farmland has decreased. The first is use of the land by the state to build towns, factories, mines, highways, railways, irrigation and military facilities.

Then use of the land for building connected with working the land, basic farmland constructions, commune-run enterprises, houses for peasants. Land has also been converted to other use, such as forestry or stock rearing, or there has been desertion of land because of natural disasters and salinisation of the soil. Lastly the amount of farmland reported has been incorrect in the past.

Despite repeated directives by the central government this trend is still continuing.

For the peasants the increase in the procurement price for grain has brought only a modest improvement in their livelihood, and is still some way from a reasonable exchange price between agricultural and industrial products. Changing to growing industrial crops would bring a quick increase in income. But this would run counter to the principle of the planned economy of 'guaranteeing basic grain self-sufficiency'. This is why the 1983 economic plan stresses that the total area for growing grain must be stabilised at the level of 1.7 billion mou, and demands that the cotton-growing area be decreased.

The official slogan is for the value of industrial and agricultural production to increase three-fold by the turn of the century. However, this policy is confronted with three problems — the increasing population, the decrease in farmland, and insufficient investment.

The main policy now is the 'responsibility policy', that is in essence the transfer of the responsibility and burden of developing agriculture from the state to the local regions and the peasants.

Agriculture in China is fraught with many basic contradictions. Increases in production place a severe strain on trans-

port, and much food is rotten before it arrives at its destination. Procurement centres are inefficient, and prices fixed by bargaining and thus lack of standardisation. Limited rations of fuel, insufficient and poor quality storage, and inadequacies in the transport and processing of food have led to a piling-up of problems.

For the state another factor is the large amount of its revenue spent on agricultural subsidies. For example, in 1978-81 the increase in the procurement price of subsidiary products, and the purchase of over-quota products amounted to 44 billion yuan, partial exemption of tax in the countryside cost 7.8 billion yuan, the cost of subsidies to diesel and electricity used for agriculture, coal, meat, eggs, poultry, imported crops, cotton, sugar, chemical fertiliser, and insecticide, etc. totalled 34.1 billion yuan. The total sum was 85.9 billion yuan, comprising 26 per cent of the state revenue. This is a significant burden on the state, which has been in deficit since 1978. In 1981 revenue was 5 per cent lower than in 1978.

A further heavy burden on the state has been the significant increase in the amount of over-quota products acquired by the state. The increase between 1980 and 1981 was 32.5 per cent for goods obtained through price increase, 37.5 per cent for those obtained by bargained price, and 29.6 per cent for those obtained at market price.

In 1979 the price of crops purchased by procurement was raised by 20 per cent, and over-quota purchase by 50 per cent. The average increase of the procurement price for subsidiary products was 18 per cent.

The retail price index rose from 130.3 in 1978 to 138.6 in 1979 as a result of the rise in the index of procurement purchase of subsidiary agricultural products from 217.4 in 1978 to 265.5 in 1979. To quieten popular dissatisfaction with these retail rises the state had to issue 5 yuan per month to every staff member and worker as a subsidy for subsidiary foods.

Thus the bureaucracy finds itself in a dilemma in how to deal with the agricultural problem. If agricultural production is reduced, the state will have to spend foreign currency to import grain, cotton, and sugar. But if agricultural production is maintained, it has to spend heavily on procurement, and subsidies to stabilise prices. ■

The worst economic crisis since the Great Depression — and worse to come

Winfried WOLF

In the first half of 1982 and the beginning of 1983, the general crisis of capitalism remained grim. Major firms faced difficulties or bankruptcy. In the United States alone, there were 33 bank failures in 1982, a record since the second world war.

The list of countries on the brink of bankruptcy is growing longer and longer, and the sums involved are continually mounting. Who is interested any more in the mere 60 or 70 billion dollars the COMECON countries have borrowed from Western banks? This is now less than the debts of Mexico and Brazil, and both countries have in fact ceased payment.

On January 25, 1983, the scenario took place that the simple minded thought would be the condition for an international upturn, but which sent a chill through the banking and financial world. The OPEC cartel failed to agree on a common price and production strategy, and the market price of crude dropped. At the end of January 1983, it was 20 percent lower than the official price of 34 dollars a barrel. And a further drop to 20 dollars a barrel cannot be excluded.

You might think that all those demagogues who have been blaming the economic crisis of capitalism for a decade on the "oil problem" and the "sheikhs," could now relax and inform public opinion that the days of mass unemployment were over.

But it is the opposite that has been happening. Only a few hours after the failure of the OPEC ministers' conference in Geneva, disarray reigned on Wall

Street. In a few minutes, the Dow Jones average showed a considerable drop. It was not just the oil multinationals, moreover, that found the ground slipping out from under their feet. More than 80 percent of the stocks traded on Wall Street also suffered losses.

The banking world fears an international financial crisis. Countries such as Mexico and Venezuela, which borrowed money on the expectation that their incomes would rise steadily as a result of oil exports, are now disappointed, and their major creditors no longer have great hopes of getting their money back in a reasonable time nor even of collecting all the interest owed. These fears are shared even far from the centers of the capitalist crisis, as in Vienna (see Die Presse, Vienna, January 26, 1983).

The economic press of the big bourgeoisie has been talking about these problems in a much franker way. Even before the events mentioned above, the South African gold-mining company, the largest one in the world, published a full-page ad in several big international papers. It was introduced by headlines from 1929, the year of the Wall Street crash. The text began as follows: "The Wall Street crash continued from September 1929 to April 1932. It led to the fall of the Dow Jones index from 381 to 56, that is, a decline of 85 percent. During the same period, 4,000 American banks had to close their doors. At the same time, the price of gold rose."

The ad included a coupon inviting readers to take this new investment opportunity: "I would like to invest in Krugerrands [the South African gold money]. Could you send me a copy of

the Krugerrands catalogue?"

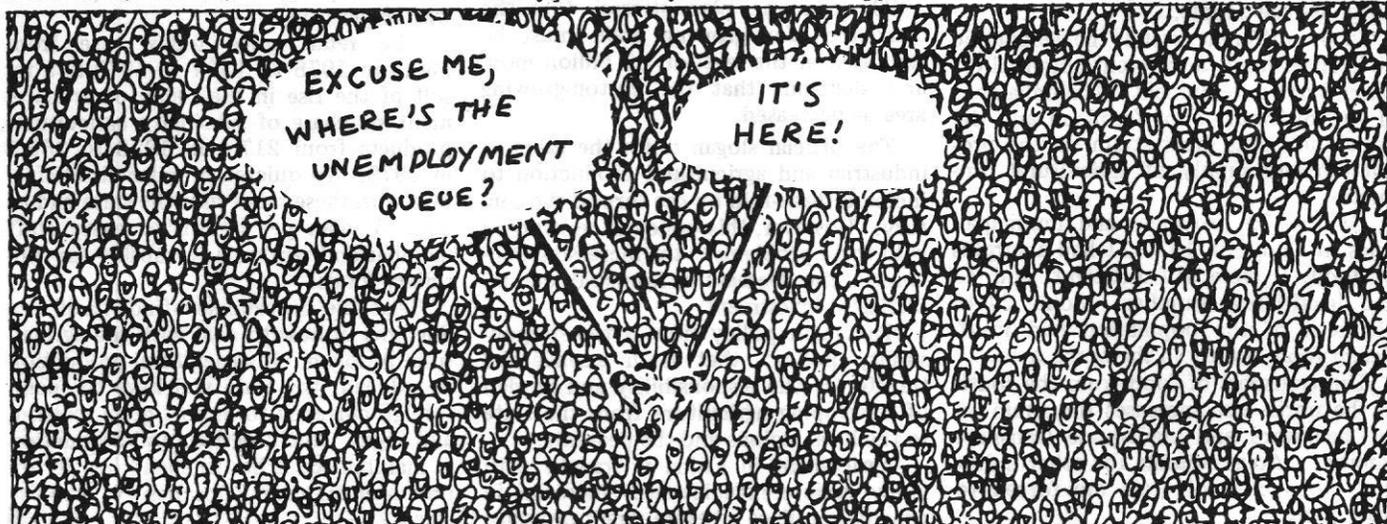
In January 1983, Henry Kissinger, a man who could hardly be suspected of tender feelings for the working class of the third world, felt obliged to launch a dramatic appeal, along with a large number of well-known bourgeois economists:

"THE SURVIVAL OF OUR FREE SOCIETIES IS AT STAKE"

"In the democracies of the industrialized world, millions of wage earners have lost their jobs. The developing countries are collapsing under the weight of indebtedness. In the third world, restrictive economic policy is threatening to bring about political chaos. Helter-skelter changes in the scheduling of debt is only putting off the inevitable crisis. Trying to put economies in order by more and more austerity is becoming increasingly untenable, even for the advanced democracies. What we face now is more than an economic challenge; the survival of our free societies is at stake." (Handelsblatt, January 25, 1983.)

In fact, late capitalism is going through its deepest and most prolonged economic crisis since 1929. The "slipping" of the recession into economic collapse resulting from the bankruptcy of companies, banks, and countries is not at all impossible. To the contrary, this possibility becomes more and more probable as the depression continues.

At the beginning of 1983, the imperialist governments faced a portentous decision. Should they turn once again toward an expansionist policy, risking a new rise of inflation that would lead at a later time to a much more serious crisis,



UNEMPLOYMENT (OFFICIAL FIGURES)

| COUNTRY | END OF 1975 | | SEPT. or OCT. 1982 | |
|---|-------------|---------------------------------|--------------------|---------------------------------|
| | in % | in absolute numbers in millions | in % | in absolute numbers in millions |
| UNITED STATES | 8.4 | 8.0 | 10.8 | 12.0 |
| CANADA | 7.2 | 0.8 | 12.7 | 1.4 |
| JAPAN | 1.9 | 1.1 | 2.5 | 1.5 |
| EEC in total | | 5.1 | 10.3 | 12.0 |
| WEST GERMANY | 4.9 | 1.1 | 8.6 | 2.1 |
| FRANCE | 4.0 | 1.0 | 9.6 | 2.1 |
| GREAT BRITAIN | 3.6 | 1.3 | 12.8 | 3.5 |
| ITALY | 5.9 | 1.3 | 10.9 | 2.5 |
| BENELUX | 4.6 | 0.3 | 14.5 | 1.2 |
| SMALL COUNTRIES OF WESTERN EUROPE | | 0.8 | | 4.0 |
| TOTAL (WITHOUT AUSTRALIA AND NEW ZEALAND) | | 15.8 | | 30.5 |

for the sake of defusing the crisis and threatened collapse of the world banking system? Should they relentlessly pursue an austerity policy, "clean house" by means of a prolonged crisis, and thus take all the political and economic risks such a policy involves?

THE GREATEST NUMBER OF UNEMPLOYED IN HISTORY

The depth of the crisis is shown by the extent of mass unemployment. At the beginning of 1983, the number of registered unemployed in the industrialized countries was higher than at the height of the 1929-32 world economic crisis. It is worth looking at this figure more closely, since it is very often underestimated so as to put the capitalist system in a better light. It is for the developed capitalist countries alone, which are members of the Organization for Economic Cooperation and Development (OECD). Thus, it does not take account of unemployment in Turkey, which amounts officially to 3 million persons and is in reality already 5 million. It entirely leaves out the African and Latin-American continents, regions in which unemployment tends to rise more rapidly than in the imperialist centers.

What is more, this figure is based entirely on the official unemployment statistics, which do not include persons who have become discouraged and are no longer looking for work for this reason (in the US alone, it is estimated that there are 2.5 million unregistered unemployed). Despite all these limitations, the figure is still frightening.

Over the past decade, the number of unemployed in the OECD countries has tripled. In comparison with the 1974-75 recession, the number has doubled. In 1970-71, there were 10 to 11 million jobless registered in the following countries: Canada and the US, Japan, Australia, New Zealand, and the West European states. At the height of the 1975 recession, there were already 16 million. At the beginning of 1983, there were 33 million.

Furthermore, the present recession has been marked by a still more impressive

spiraling of unemployment figures. In 1975, there were 17.5 million unemployed. In 1980, it was more than 20 million, in 1981, 25 million, in 1982, more than 30 million, and in the spring of 1983 the number grew to 34 million.

DISASTERS FOR AMERICAN WORKERS

The issue around which Ronald Reagan waged and won his 1980 campaign, his alleged ability to deal with the economy, left him looking ridiculous at the beginning of 1983. "Are things going better today than four years ago?" The crisis has continually worsened. Unemployment has climbed over the 12 million mark. This is a mass phenomenon affecting all families with wage earners. In 1982, some 28 million people were out of work for varying periods. Besides the 12 million who were left without jobs in 1982, we have to count 7 million workers on short hours. Some industrial centers set records, such as the steel city of Youngstown, which had a 90 percent unemployment rate. In Detroit, not long ago the world automotive center, 250,000 jobless were registered, which amounts to 25 percent of the economically active adult population.

At 44,000, the number of bankruptcies reached its highest level since 1930-31. At the end of 1982, the rate of utilization of overall industrial capacity was 65 percent. It was even lower in certain industries, such as steel. In spite of repeated predictions of a new "takeoff," the US GNP dropped by 2 percent in 1982. The drop was even sharper in the last quarter of 1982 (-2.5 percent). By the end of 1982, industrial production was 7.5 percent lower than at the beginning of the year. Overall, it was 15 percent below the level that prevailed before the onset of the crisis in 1979.

U.S. NATIONAL DEBT SWELLS WHILE REAGAN CUTS WELFARE SPENDING

Reagan's economic policy, combining tax cuts with sharp cutbacks in the social services and massive increases in military expenditures, resulted in huge budget

deficits (around 180 billion dollars in 1982). In the US, as well as in Great Britain, we are seeing absolute impoverishment on a massive level. (1)

Millions of people are suffering at the same time from the economic crisis and cuts in social assistance. Thus, only 40 percent of the 12 million American unemployed are collecting benefits (the general rule is that you get unemployed benefits only for 26 weeks and after that you can get "special aid" for 13 weeks).

The average period of unemployment rose from at least 100 weeks in 1979 to 161 at the end of 1982. As a result, steadily growing layers of unemployed are more and more quickly reaching the stage where the most they can expect is welfare. However, welfare is only available to those whose incomes are under 2,000 dollars a year, in a country where because of the lack of public transport a private car is a necessity.

The lack of a strong social "safety net" in the US is leading to a process of progressive impoverishment, with people giving up cars, facing more and more difficulties in getting their children to school, and getting evicted from their homes. In the state of Washington, a law was passed in mid-1982 allowing marshalls to evict people on weekends. Despite a rate of 30 evictions per day, a "backlog" of 9,000 homes scheduled for evictions piled up.

An army of people is growing who are obliged to eke out an existence in trailer caravans or tents. According to official figures, in 1982 the camping grounds housed more homeless people than tourists. In these conditions, the religious ideology that has been developing under the Reagan presidency, as an accompaniment of the crisis, is acquiring a material basis. After massive social cutbacks, the US president has advised the "new poor" to appeal to the churches.

In comparison with its imperialist competitors, Japan seemed once again to have escaped the worst of the crisis. In fact, in 1982 Japan experienced a 3 percent growth in its GNP. But the situation in Japan today is the same as in West Germany during the 1974-75 crisis. For historic reasons, it is still enjoying greater relative economic stability than its competitors. But this stability visibly weakened in 1980-82. This crisis has put a rein on the basic driving force of Japanese industry — exports.

The crisis has also upset another factor that played an important role in Japan's long period of growth. At the end of 1982, Japanese exports showed a drop of 10 percent by comparison with the level at the start of the year. Japanese automotive exports to Europe were 25 percent less than in 1981. This setback is all the more notable because at the same time the yen was devalued by 17 percent against the American dollar, which had

1. Karl Marx described "absolute pauperization of the masses" as a phenomenon of periods of capitalist crisis. Despite many assertions to the contrary, he did not conceive of it as a general feature of capitalist production.

the effect once again of giving a boost to Japanese exports.

In 1982, the decline in exports brought on a drop in industrial production (-3 percent in October 1982 by comparison with the start of the year). Automotive production also fell by 4 percent.

JAPANESE FISCAL POLICY RUNS INTO DANGEROUS WATERS

This drop in exports and industrial production has coincided with the negative results of an expansionist budgetary policy. In September 1982, the authorities were obliged to declare a "fiscal state of emergency." The Suzuki government resigned. In fact, public indebtedness has sharply increased over the last years. The Japanese government counted on strong rates of growth and the corresponding tax income. At the beginning of 1983, the public debt exceeded 400 billion dollars, amounting already to about 50 percent to the Japanese GNP.

The new government of Yasuhiro Nakasone seemed at the beginning to be adopting an austerity policy. The deficit was to be cut. A wage freeze was announced for 500,000 public employees. But very quickly the direction was reversed, and the government returned to the expansionist budgetary policy. A special program of more than 85 billion dollars was announced to stimulate the economy.

Nonetheless, Japan remains one of the rare countries where economic factors exist that could produce a new upturn. The internal market is still growing. Even in 1982, real wages increased by 2 percent. At the same time, most of the big Japanese industrial firms were continuing their investment program with the aim of carrying rationalization even further, although investment in the economy as a whole remained stagnant. Finally, Japan has had more success with its energy-saving program than any other country. It has achieved the lowest per capita energy consumption of all the OECD countries. (2)

All these factors represent favorable initial conditions for an upturn, if Japan's competitors do not take still more protectionist measures against its exports.

In 1982 already, 30 percent of all Japanese exports to the United States were subjected to protectionist restrictions. The level of unemployment in Japan seems very low. The percentage of 2.4 (November 1982), which represents 2.5 million unemployed, is the lowest of all the big OECD countries. But this comparison is deceptive.

JAPANESE UNEMPLOYMENT

On the basis of the official figures, the rate has more than doubled by comparison with the last recession (see Table 1). This amounts then, to exactly the same rate of increase experienced by all the



other imperialist countries. In fact, all the experts start from the assumption that the official unemployed figures are not comparable to those of the other OECD members. If you apply the same criteria to Japan as to North America or the EEC, the really comparable percentage would be twice as high, around 4 to 5 percent. (3)

UNEMPLOYMENT GROWING FASTER IN EUROPE THAN IN U.S.

By comparison with the 1974-75 recession, the "Old Continent" has passed North America, at least as regards mass unemployment. While in 1975, about 9 million unemployed were registered in the US and Canada, there were only 6 million in West Europe. Toward the end of 1982, the number of unemployed in North America reached 13.5 million. In West Europe, there were already about 16 million, while in the EEC countries that had less than 5 million registered unemployed in 1975, the number of jobless was 12.5 million at the beginning of 1983. This is an increase of 145 percent in the course of one industrial cycle!

The internal structure of this unemployment is still more worrying. In some countries, almost half of the unemployed are under 25 years of age (50 percent in Italy, 45 percent in France, 43 percent in the Netherlands, 40 percent in Belgium — in every case these figures are for the end of 1982). Even with a modest upturn, the rise of unemployment in Western Europe will by no means stop. This is for two reasons:

1) Up to the end of the 1980s, the number of job seekers in the EEC countries will increase by a million every year

(even taking account of the number leaving the "labor market" as they reach the age of retirement). Thus, it would be necessary to create a million new jobs every year simply to maintain the number of unemployed at the present 12 million (that is, assuming the length of the work-week is not cut). The "best" variant is a halt in the losses of available jobs. This would mean purely and simply a million more unemployed every year, or 20 million jobless for the EEC in 1990!

2) The crisis and capitalist competition will lead to a sharp growth in unemployment in the southern, eastern, and western peripheries of the EEC. The big imperialist countries in Europe will no longer admit foreign workers. To the contrary, they are going to try to return them more and more to their countries of origin. At the same time, the penetration of capital from the economically stronger EEC states into the weaker European countries will continue. In the course of this process, there will be new waves of rationalization and whole industries will be eliminated. This is the perspective for Ireland, Portugal, Spain, southern Italy, and Greece. It certainly holds true for Turkey, which is expected to have 8 million unemployed by the end of this decade!

2. Per unit of gross national product, Japan consumes only 60 percent as much energy as that consumed in the US. With respect to 1973, petroleum imports have dropped by 21 percent, although in the same period the GNP has increased by 34 percent (reference year: 1981).

3. For Japan: Deutsche Industrien und Handelskammer, Tokyo. The Kommerzbank summary: *Japan: Wirtschaft und Zahlen*, 1982 edition. *Der Spiegel*, No 42, 1982; *Handelsblatt*, December 1, 1982; *Frankfurter Allgemeine Zeitung*, January 24, 1983; *Financial Times*, January 26, 1983.

In West Germany, the first signs of the crisis were appearing already in 1979, at the same time as in the US. In the period 1979-81, tendencies toward an upturn were noted several times. Finally, the international scope of the crisis, resulting in a decline in West German exports, led to a worsening of the recessive tendencies, and today at the beginning of 1983, no improvement is in sight.

According to the government's forecasts, which have been revised downward every month, there will be no growth in GNP in 1983 (based on the situation in January 1983).

The autumn of 1983 will mark the completion of the fourth year of crisis and stagnation. This is the most telling indication of the fact that the special features that gave West Germany a relatively stable economic position in the past decade have largely lost their force. This is shown by the evolution of industrial production.

Taking 1976 as 100, industrial production reached its highest point at the end of 1979 at 112 index points, or 12 percent higher than in 1976. At the end of 1982, it had fallen back to 100 (-12 percent). As a result of the crisis, the level of West German production at the start of 1983 was no higher than it was seven years ago.

In 1982, we reached the record figure of 15,000 bankruptcies. At the beginning of 1983, the first steel trust filed for bankruptcy. It was precisely the most productive firm, Korf AG, whose profits seemed so assured since OPEC capital (Kuweit) had bought up 30 percent of the stock.

The possibility of other failures in the steel industry in 1983 cannot be excluded, in particular in the case of Kloeckner AG. The AEG-Telefunken trust is also threatened with definitive "disappearance" after being pronounced clinically dead in 1982. Finally, the takeover of Grundig AG by Thomson-Brandt (which could also lead to an unequal marriage, between Bosch-Siemens and Grundig and an alliance reaching out to include Philips) reflects nothing more than a dominant position in one EEC industry, recreational electronic equipment, and today no longer offers a guarantee of survival. (4)

BELATED KEYNESIANISM FAILS IN FRANCE

France, the second greatest imperialist power in the EEC, entered the international recession only in the middle of 1980. In 1980 and 1981, there was already an absolute decline in industrial production, while the GNP was still growing slightly. After the installation of the Mitterrand government in May-June 1981, French economic policy took a Keynesian course. An expansionary budget policy and increasing household consumption was supposed to generate an upturn, while a reduction in the work-week was to reduce the level of unemployment or at least stabilize it.

The results of this policy were negative. Industrial production continued to decline. At the start of 1983, it was 5 percent below the 1979 level. Investment in particular dropped, no doubt partly for political reasons. The weak position of French industry and the slight initial growth in buying power led to a sharp rise in imports and a trade deficit of 100 billion French francs (with a balance of payments deficit of 70 billion French francs).

At the same time, the number of unemployed began to climb again, although at a slower rate. By the beginning of 1983, it reached 2.1 million. The government's financial resources for generating an upturn ran out. A rise of 28 percent in government expenditures led to a deficit of 60 billion francs, which will grow, despite a more limited increase in 1983 (about 12 percent) to 100 billion francs.

state budget. But in the final reckoning, the internal crisis may deepen. In any case, unemployment will remain high in 1983.

ITALY ON THE BRINK OF BANKRUPTCY

Superficially, it would seem that the inability of the Italian bourgeoisie to inflict a strategic defeat on the working class has had positive effects on the crisis in that country. Since up until 1982 the capitalists had not managed to impose a restrictive policy, the GNP continued to grow up until 1980, and held steady in 1981. Even in 1982, there does not seem to have been a decline. This contrasts with a decline in industrial production, which was 2 percent in 1981 and 4.5 percent in 1982 (October 1982-spring of 1983).



'Occupied factory, no closure' Workers fight for their jobs (DR)

In October 1982, the minister of foreign trade, Michel Jobert, proclaimed "a state of emergency for foreign trade." At the same time, there was a sharp turn in economic policy toward austerity, although a still cautious one. The rate of unemployment benefits was cut from 90 percent to 80 percent of wages and the length of time for which they could be drawn from three to a maximum of two years. A minimum fee for hospital care was imposed on contributors to the national health insurance scheme (20 francs per day). Public employees and self-employed professionals were obliged to contribute 1 percent of their income for social insurance.

The rightist opposition applauded these measures with satisfaction, declaring that if such an austerity program had been instituted by the government of the right, there would no doubt have been a general strike. With this "new" economic policy, which is simply a resumption of the austerity policy followed by Giscard d'Estaing, it may be possible to reduce the inflation rate and limit the growth of deficits in the balance of trade and the

These diverging trends are explained in particular by the growth of the services sector and by the highest public debt in any of the big imperialist countries. At the end of 1982, the public debt total had reached 270 billion dollars, which represents 66 percent of the Italian GNP. The deficit of public enterprises alone totalled 7 billion dollars for the year 1982, when service on the public debt absorbed 33 billion dollars in state income. In view of the growth of the public debt, the total financial burdens on the Italian state and public enterprises put the country on the brink of bankruptcy in the spring of 1983.

To this should be added the fact that the 2,000 biggest Italian enterprises went

4. The buying out of Grundig by the nationalized French company Thomson-Brandt is by no means certain. These negotiations could well be part of an operation by Grundig aimed at stimulating interest in buying among German competitors and raising the price. The buying price arrived at in negotiations with Thomson-Brandt was 400 million Deutschmarks, which from the standpoint of Grundig's position on the market is too high. This could be explained by the "national interest" that the Mitterrand's Socialist Party-dominated government attaches to this affair.

into the red in 1981 (that is, they had an overall deficit after balancing the losses off against the profits of the companies that remained in the black). The combined deficit was 2.7 billion dollars.

This situation can only be rectified by a rigorous austerity policy that would mean a sharp drop in the buying power of workers and a rise of unemployment to 3 million persons and more. Such a policy cannot be carried out in the present relationship of forces between the classes. But the defeat suffered by the FIAT workers in 1980 unquestionably has made it possible for this trust to restore its profitability. (5)

THE BALANCE SHEET OF THATCHERISM

Along with that of Ronald Reagan, the Thatcher government's policy in Great Britain is the second clear test of "supply-side economics." At the beginning of 1983, this government boasted of such "successes" as a drop in the inflation rate from 20 to 7 percent (end of 1982). These claims, however, are totally fallacious. You cannot fail to consider the economic and social cost of this "success."

At the time the Thatcher government came into office four years ago, it envisaged a growth in unemployment of a few hundred thousand, up to a total of 2 million. At this point, the austerity policy was supposed to improve profits sufficiently to launch a new upturn. Moreover, the start of petroleum production in the North Sea made it possible to cut the country's energy bill considerably, and at the same time it brought a surplus in the trade balance.

But the results of Thatcher's economic policy are catastrophic. The number of unemployed has climbed above 3.5 million. At the end of 1982, industrial production was at exactly the same level as in 1975, which in turn was no higher than in 1970. Thus, for 12 years the country that pioneered modern capitalism has experienced zero growth rates.

Despite the massive cuts in social services, the Thatcher government has not been able to reduce the public debt. In fact, public indebtedness has increased. The first reduction in new debts (-9 billion pounds sterling) is included in the 1983 budget. Overall, the public debt has increased by 80 percent between 1976 and 1981. Britain is still in first place in the world in relative indebtedness (that is, per capita and with respect to the GNP). (6)

In view of the precarious situation, the Conservative government reprivatized the North Sea oil company at the end of 1982, when the price of petroleum was reaching its lowest point. As a result, only 30 percent of the shares have been bought. The "financing" of the coming social burdens will be guaranteed by the Thatcher government's surefire method. There will be new cuts in the social sector, with a major offensive against the

National Health Service, which up till now has been maintained as a public operation.

NO ISLANDS OF PROSPERITY LEFT IN EUROPE

The smaller European countries overall present the same picture as the big imperialist countries. Today there is no longer any capitalist country in Europe where the general phenomena of the crisis have not appeared.

The Netherlands and Belgium were drawn into the vortex in late 1979-early 1980. These two countries exhibit the highest unemployment figures in Europe. In the fall of 1982, the unemployment rate reached 14.5 percent in Belgium. In the Netherlands, it went over 14 percent in December 1982 and is expected to go over 15 percent in 1983. These countries are also among the world leaders in the rate of indebtedness. In 1983, they are expected to have a zero growth rate at least.

On this basis, the conservative governments in office are projecting new social cutbacks, as well as a restrictive budgetary policy, which will lead to a new spurt in unemployment. It should not be forgotten that each of these small countries has more than half a million unemployed today, a figure that a decade ago would have been regarded "socially unacceptable" for the big imperialist states of the EEC.

Since 1980, Luxemburg's GNP has been stagnating. The official unemployment rate of 1 percent seems idyllic. But if you count the de facto unemployed who are counted as employees of the state and the Arbed steel trust under the work-assistance scheme, the total comes to 3.5 percent. The steel crisis is continuing, and the bankruptcy of Saarstahl, an affiliate of Arbed in West Germany, could lead to a sharpening of it in 1983. (In Luxemburg Arbed employs 12 percent of all industrial workers).

THE CRISIS HITS SCANDINAVIA

All the Scandinavian countries have now been drawn into the crisis. In Denmark, the Social Democratic Joergensen government had already begun to follow an austerity policy. The installation of a bourgeois minority government in September 1982 led to a stepping up of this

policy. The rate of unemployment went from 6 percent in 1979 to 11 percent in 1982. The second largest item in the budget is interest and repayments on the national debt. (In 1983, the budget deficit amounted to 40 billion Danish crowns).

The balance sheet of six years of the liberal-conservative government in Sweden shows a steep rise in the national debt.

Despite all its promises of spending cuts, the new Social Democratic government will increase this public indebtedness. A third of the new budget is covered by borrowing. In both Sweden and Denmark, wages are going to shrink. In Denmark, the system of cost-of-living increases has been suspended to assure a decline in real wages.

Up until 1981, Finland could show a real growth in GNP (+6.1 percent in 1980, +3 percent in 1981). This was thanks to the fact that the USSR, the major outlet for Finnish exports, is not totally integrated into the world capitalist market. But in 1982 for the first time industrial production fell (by -1.5 percent). The best that can be hoped for in 1983 is stagnation. In the meantime, the unemployment rate has been steadily rising. It was 4.7 percent in 1980, in 1981 it was 6.3 percent, and the figure for 1983 is expected to be more than 7 percent.

HARD KNOCKS IN THE "SOFT UNDERBELLY" OF EUROPE

In 1982, Spain still benefitted from a slight increase in its GNP (+1.5 percent). It will not achieve this in 1983. The Spanish economy is bending under a combination of the prolonged world economic crisis, stepped up inter-European competition, and a "political strike by the capitalists who are withholding investment."

The same dynamic is at work in Greece, although on a different level. In 1982 already this country experienced an absolute decline in production. Unemployment was beginning to climb from a rather low level. (According to the official figures, unemployment was 2.9 percent in 1981, 3.5 percent at the end of 1982.) In December 1982, the negative effects of Common Market membership for a country such as Greece were becoming clear. After an initial reduction of tariffs, the Greek trade balance started

5. The defeat of the FIAT workers in 1980 is a classical example of a "bourgeois solution to the crisis." This is reflected by the following figures. After the firing of 23,000 workers after the strike, there was an enormous increase in productivity through rationalization and speedup. According to the information furnished by the FIAT management, production rose by 40 percent per hour in 1981 over the 1979 level. In the same period, the real costs per automobile dropped by 6 to 7 percent. FIAT's share of the West European market rose from 10 percent in 1979 to 13 percent in the first half of 1982. At the beginning of 1983, when it brought out its new Model UNO the company was in a position to launch a new offensive to capture a still larger share of the market by offering highly competitive prices. This new model was built using highly automated procedures (robots). The number of separate parts is very small (it has been re-

duced from 267 parts in the body of Model 127 to 172 parts for the new Model Uno). This is going to lead to new massive layoffs. (*Financial Times*, January 20, 1983.)

6. In 1981, the per capita debt in Great Britain was around 5,000 dollars, giving the UK the second highest level of indebtedness among the 15 OECD countries, after Belgium, which holds the record of 6,375 dollars. British indebtedness amounts to 60 percent of the GNP (in Belgium, it is 70 percent; in Ireland, 90 percent; in Sweden 61 percent; in the Netherlands, 49 percent; in Italy 49 percent; in the US 47 percent; in Japan 46 percent; and in West Germany 43 percent). As regards the proportion of debt service in public expenditures, Great Britain shares first place with Ireland at 13.6 percent. In Italy, the figure is 12 percent; in the US, 10.7 percent; and in the Netherlands, 9.8 percent.

to show such a large deficit (as a result of massive imports and the uncompetitiveness of the Greek exporting industries) that the Papandreou government was obliged to erect new tariff barriers and to suspend de facto the first steps toward integration into the EEC.

8 MILLION JOBLESS PROJECTED FOR TURKEY

Turkey is showing all the features of a society that has been put in a military straitjacket so that it can be administered the brutal economic "cure" recommended by Milton Friedmann. While the international business press joined in the chorus of the military rulers hailing the "successes" of the new regime, the reserve army of the unemployed was growing at an infernal rate.

In 1980, there were 1.2 million unemployed. In 1982, the figure was 3 million. By 1990 it is expected to be 8 million. And real wages have been nosediving. Moreover, as in Argentina and Chile, the successes in increasing exports and reducing inflation will prove illusory, leaving a totally wrecked economy at the mercy of international capital. (7)

HARD TIMES FOR "HAPPY AUSTRIA"

Austria is the only middle-sized country in Western Europe that managed to show a continued growth in GNP last year, even though the rate of growth (0.7 percent) came rather close to stagnation. In fact, it is also the last country where the government consciously applied a Keynesian policy. This explains why the growth of the national debt in Austria was exceeded only by that in Denmark. From 1976 to 1981, it grew by 206 percent. This policy was to be continued into 1983, since the approach of the March 1983 general elections made the government unwilling to apply an austerity policy.

Some 20 percent of the 1983 budget will be financed by borrowing. The deep crisis in the major outlets for Austrian exports; the structural crisis of the East European economies, which take 11 percent of Austrian exports; the decline in the tourist business; and the international crisis in steel all combined to bring Austria into the world recession. This is shown by the growth in unemployment, which has doubled in a short time to reach 4 percent today, and it will probably hit 5 percent by the end of 1983.

AUSTRALIA'S LUCK RUNS OUT

In Australia at the start of 1983 the No. 1 question was the demand for a 12-month wage freeze. While the preceding Labor governments had wavered between a Keynesian policy and an intermediate road between stimulation of the economy and austerity, the Conservative government headed by Fraser opted openly for an austerity policy. Immediately after the announcement that the government



British public service workers protest against higher rises awarded to police etc (DR)

was demanding a 12-month freeze on wages, it became clear that the unions interpreted this as a declaration of war (the voters subsequently returned Labor).

A balance sheet of the recession in the imperialist centers alone indicates clearly the depth and the progressive worsening of the features of the capitalist crisis. In order to understand fully the general nature of the crisis and the potential for economic and social explosions it carries with it, it is necessary to look at the capitalist system as a whole. Such a point of departure involves analyzing the situation of the capitalist countries that have been kept underdeveloped.

During the last world recession in 1974-75, it was still possible to have the impression that some countries or regions considered to be "developing" or to be part of the third world would manage at least to avoid this crisis. This seemed to be the case for the majority of semi-industrialized countries.

As for the oil exporting countries such as Mexico, Venezuela, and Nigeria, it was said that they would profit indirectly from the crisis of the imperialist countries and that their oil income would enable them to lay the foundations of an industrial structure that would have a certain independence.

One of the salient features of this 1980-82 world recession seems indeed to be the fact that the entire third world has been drawn into this crisis. And South Africa, South Korea, and Taiwan have to be added to this list.

The classical semi-industrialized countries, such as Mexico, Brazil, and Argentina, are found above all in Latin America. Since the end of the second world war, real growth has been registered in Latin America. But in 1982 there was a decline. The Gross Domestic Product of the Latin-American countries as a whole dropped by 2 percent. Exports from this region fell by 4 percent, and accordingly

the inflow of hard currency that makes it possible to pay the service on the foreign debt and to cover the cost of petroleum imports shrunk.

The inflation rate doubled, rising from an average of 36 percent in 1981 to 80 percent in 1982. Taking account of the steady growth of the population, per capita income fell considerably, more than the decline in the GNP would indicate.

THE CHILEAN EXAMPLE

Because the majority of the economically active population in most Latin American countries works today in industry and the services, unemployment has soared as a result of the crisis and austerity policy. In Santiago de Chile, the official figure for unemployment in 1982 was 28 percent, which approaches that for Detroit.

The industrialization process has come to a halt in some countries. In others, there is even deindustrialization. In Argentina, the GNP was only 2 percent higher in 1981 than it was in 1974. The level in 1982 was even lower. The number of workers in industry is 23 percent lower than in 1974!

In Chile, where the Gross Domestic Product dropped by 14 percent in 1982, industrial production in 1982 was on the same level as in 1974. At the beginning of 1983, Brazil and Mexico were in a situation of national bankruptcy. Each of these countries had a foreign debt of more than 100 billion US dollars, on which the service absorbed all their income from exports.

7. In addition, the billions in aid that the Turkish junta gets from the imperialist countries, in particular West Germany, also have to be taken into account as "costs" of "straightening out" the Turkish economy.

PROSTRATION FOR THE POOREST COUNTRIES

If the crisis in the poorest Latin American countries is attracting less attention in the imperialist centers, it is nonetheless much graver. This is true for countries such as Bolivia, Ecuador, and Peru. In Ecuador the service on the debt for 1983 amounted to 122 percent of the foreign-currency income from exports. Peru's foreign debt is also growing by leaps and bounds. In 1980, it was 6 billion US dollars. By the middle of 1982, it was 7.5 billion dollars. By mid-1983, it will be more than 9 billion dollars, and the Central Reserve Bank of Peru has forecast that it will reach 14 billion dollars in 1985.

SOUTHEAST ASIA FOLLOWS LATIN AMERICA DOWN THE SLOPE

Confronted with the emerging crisis in Latin America, exporters of goods and capital in the US and Western Europe "discovered" Southeast Asia in the 1970s. But they immediately ran up against their Japanese competitor, which had already "taken over" this region at the end of the 1960s as an outlet for its goods and its favored area for investment. (8)

The high growth rates in the region seemed to guarantee a supplementary market for the three imperialist centers. Even at the depth of the 1974-75 world recession, the bourgeois business magazines beat the drums for more "involvement" in this region. But more and more the indications are that Southeast Asia is now at the point that Latin America was in 1978. This region is facing the threat of a crisis comparable to the one in Latin America.

In all the Southeast Asian countries, the growth rates of GNP declined dramatically in 1982. In some, there was even an absolute drop in per capita GNP. This was true notably for Indonesia, the most populous country in the region. In the Philippines, per capita GNP stagnated. Service on the debt alone already absorbs 92 percent of the income from exports.

THE CRISIS OF LATE CAPITALISM — PROSPECTS

The previous recessions left some imperialist countries possibilities for stopping up the cracks partially and temporarily. They could increase their trade with the East European countries. They could export to new markets, for example the OPEC countries and Southeast Asia. They could create artificial demand by expanding credit and increasing the national debt. In 1980-82 these roads were to a large extent blocked. (9)

This recession has demonstrated that all the attempts to attribute the crisis to factors other than those intrinsic to the capitalist system were false. The basis of the problem is not an "oil crisis," nor "the inflation caused by the Vietnam war," nor any "wrong economic policy."

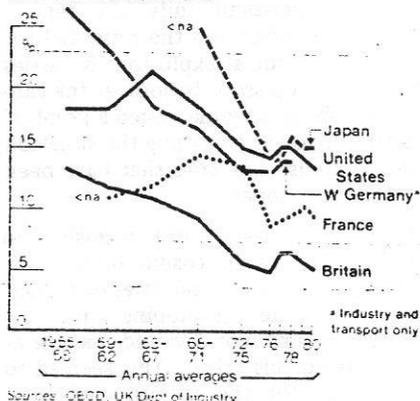
These phenomena are in large part the result of the cause and not the cause itself. This is true as well of the insufficient buying power of the masses, which is often advanced by trade-union leaders to explain the crisis and try to win acceptance for a "policy of combating the crisis," that is, a policy of boosting the profits of the bourgeoisie.

THE DECLINING RATE OF PROFIT

The only way to explain the capitalist crisis is to look for the cause in the functioning of this system, in the very nature of the capitalist system of production. Since this is a mode of production based on profit, it is the decline in the industrial profit rates that are the cause of the crisis.

As soon as the crisis took a clear form, the bourgeoisie recognized this crucial problem of capitalist production. Despite all the scholarly controversies over the methods of calculating it and despite all the camouflage by bourgeois statistics, the long-term tendency is evident. In comparison with the 1950s, industrial profits made per unit of capital were cut in half. From 15 to 30 percent per unit of capital invested in the 1950s, the profit rates had dropped to 5 to 15 percent by the end of the 1970s (see the graph).

Net rates of return on fixed capital (non-financial corporations)



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This movement is the decisive cause of the long-term decline in the rate of investment. It is the explanation for the

fact that from business cycle to business cycle, every country has been showing declining rates of growth. The driving force behind this decline in the rates of profit is the very same one that makes possible the advent of a free society, a communist society — the steadily increasing productivity of labor. (10)

Since workers or working hours are combined with ever larger units of capital (machines, computers, robots, etc.), there is certainly an increase in labor productivity. But there is also a decrease in the relative surplus value that the owner of the means of production can wrest from the workers. While productivity is the result of the combination between living labor and the machines used [dead labor], profit can only come from the exploitation of living human labor, from the difference between the price of labor power and the new value that it creates.

The relative decline (which has become absolute) of the involvement of living labor in the productive process is leading, in the long run, to a reduction in the proportion of surplus value, and to a sharpening of national and international competition over dividing up the plunder.

FACTORS RESTRAINING THE FALL OF PROFIT

There are, of course, some trends that run counter to this general tendency and serve to brake the fall in the rate of profit to some extent. The bosses and the governments are using the decline in production costs as an instrument of their policy to restore the level of profits obtained in production. There is no doubt that they are being helped out by falling raw materials prices (improvement in the terms of trade) and lower costs for machinery, by the devaluing of capital resulting from the high number of bankruptcies, and by the reorganization of state budgets (which has involved lower taxes on capital, cuts in social spending, and increased arms spending from which profits can be made). The profit rate has also gotten a certain lift from the lower prices for consumer goods that make up part of the basic necessities for the working class, as

8. The conception that Southeast Asia is a structured region, with an international coherence, is moreover totally wrong. In reality, this region is primarily a preserve for Japanese imperialism. In 1979, 25 percent of Japanese exports went to Southeast Asia, by comparison with 21 percent to the US, 19 percent to the Middle East, and 9.5 percent to the EEC. While interregional trade amounts to 40 percent in Latin America (as compared with 50 percent in the EEC and between the US and Canada), it amounts only to 15 percent among the Southeast Asian countries (Malaysia, Indonesia, the Philippines, Singapore, and Thailand).

9. As a result of the internal crisis of the bureaucratized transitional societies and the indebtedness to the Western world, trade with the East European countries can hardly grow. At 70 billion dollars (for all the COMECON countries, excluding Yugoslavia), debt to the West was relatively small in absolute terms. But by comparison with the trade of these countries

with the OECD, the only source of currency that could be used to repay these debts, it reached a new high. In 1981, the six small countries of the COMECON (Czechoslovakia, Poland, Hungary, Rumania, Bulgaria, and East Germany) were to pay 8.2 billion dollars to the Western banks. This amount represents 40 percent of their exports to the OECD.

10. "The limitations of the capitalist mode of production include the fact that...with the declining rate of profit, the development of the productive force of labor generates a law that, at a certain point, comes into absolute contradiction with the development of this productivity itself. As a result, this conflict must be continually overcome by crises....The development of the productive forces of social labor is the historic task and justification of capital. In accomplishing this, it creates unconsciously precisely the material conditions for a higher mode of production." *Marx-Engels Werke*, Dietz Verlag, Leipzig, 1964, Vol 25, pp 268-269. (*Das Kapital*, Book 3).

The profit cruncher

| | (1) Profits* as % of nat'l income | (2) Profits in 1982 est. | (3) Profits if (1) restored to 1960s level | (4) % change in wages to produce (3) | (5) Real effective rate† % change from 1973 | (6) (2) raised/ lowered by half the rise/ fall in (5) | (7) (3) adjusted to eliminate effects of (5)‡ | (8) % change in wages to produce (7) | (9) In (7) but with profit share of 30% | (10) % change in wages to produce (9) | |
|---------------|--|-----------------------------------|--|--|--|---|---|---|--|---|-----|
| United States | 24 | 18 | \$450 bn | \$600 bn | -8 | +15 | \$485 bn | \$565 bn | -6 | \$715 bn | -15 |
| Japan | 43 | 27 | ¥59 tln | ¥95 tln | -24 | -14 | ¥55 tln | ¥99 tln | -26 | ¥70 tln | -7 |
| West Germany | 30 | 24 | DM335 bn | DM420 bn | -9 | -10 | DM320 bn | DM435 bn | -11 | DM435 bn | -11 |
| France | 32 | 22 | FFr700 bn | FFr1020 bn | -16 | -2 | FFr690 bn | FFr1030 bn | -16 | FFr970 bn | -13 |
| Britain | 21 | 14 | £32 bn | £48 bn | -10 | +47 | £40 bn | £40 bn | -5 | £61 bn | -19 |

*standard OECD definition: operating surplus; †relative unit labour costs; ‡equals (3)+ [(2)-(6)]

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can be empirically verified. (11)

However, the decisive factors, and those that the capitalists and the bourgeois governments can most directly influence are still wage costs and working time, as well as the intensity of labor. This is where we have to look for the central arena of the struggle between wage labor and capital today.

In its way, The Economist already presented a high bill in its November 27, 1982 issue, under the headline "How to Make Companies Make Money."

HOW CAPITALISTS CAN MAKE MONEY

In the first place, it notes the decline in business profits by comparison with the national incomes of the big imperialist countries over the period from 1969 to 1982 (Columns 1 and 2 of the table). Then, The Economist indicates the level to which profits have to be raised to come back to where they were in the 1960s (Column 3).

On this basis, it makes an initial calculation of how much wages have to be reduced in the various countries to allow a restoration of the "profit rates" (profits as a percentage of national income) to the previous level. The Economist then goes through a laborious set of calculations (which I will spare the readers of International Viewpoint) that take account of the evolution of exchange rates and lead to the conclusion that there should be a uniform international rate of profit of 30 percent of national income.

This forms the basis for "calculating" the size of the wage cut required (Column 5), which goes from 7 percent for Japan to 20 percent for Great Britain. According to the British business weekly, this would make it possible to restore conditions for reasonable profitability and some modest economic growth, at least for a certain time.

UNEMPLOYMENT AS A CLUB

One can (and must) make a number of objections to this sort of "calculations." They do not have a lot in common with a scientific approach. In the last analysis, their purpose is to disguise a bourgeois class policy as science. There is no limit to such fantasies. But the underlying class policy is always the same — real

wages have to be cut. To this end, the capitalists are deliberately using the reserve army of the unemployed. ("The fear of unemployment has drastically changed the climate of wage negotiations." The Financial Times, December 2, 1982.) And everywhere the sections of workers hardest hit by the crisis are being pointed up as "an example" of what has to be imposed on the working class. This is the case in the US for the automotive industry in general and Chrysler in particular, in West Germany for steel and Arbed Saarstahl, which is threatened with bankruptcy.

Along with the attacks on real wages, the capitalists are pushing a policy of speedup, again using unemployment as a club, trying to force workers to work even when they are sick. ("In a recession, the flue viruses are out of work," the Frankfurter Allgemeine Zeitung wrote on November 25, 1982.) In fact, in West Germany the number of workers who have taken sick leave has dropped by 20 percent by comparison with the spring of 1982, when the bosses could already boast of a decline in sickness-related absenteeism.

ATTACKS ON WOMEN AND MINORITIES

Finally, two classical forms of dividing the working class are playing a central role in the bosses' offensive. They are symbolized by the call for "sending women back to the family and the home" and "sending the immigrant workers back where they belong." In all the capitalist countries, as happened during the

1929-1932 crisis, a massive ideological campaign has been started up against "supplementary wage earners." It focuses on the idea that the "natural role" of women is (unpaid) domestic work and educating children. Often the first blows have been directed at pushing back (relatively) liberal abortion laws. Likewise, women workers are being put in the position of second-class persons, with their foreign male and female co-workers relegated to the category of a "lesser breed."

If everything were up to the bourgeoisie and its ideologues, we would be seeing a new migration away from the imperialist centers. The millions of foreign workers that the capitalists brought in during the period 1955-1975 in order to get more easily exploitable human material would have now to render the capitalists a new service in the context of massive unemployment. They are the basis for a racist campaign to divert the attention of the workers away from the real cause of the crisis. The theme of this is "These foreigners are the root of the problem, they are taking away our jobs." (12)

PAUPERIZATION

Since the second world war, there has been strong opposition to the view that there could be a new grave economic crisis accompanied by massive unemployment and pauperization. Today this is no longer a theoretical question. It is part of the reality of the 1980-83 recession. The London city administration has presented statistics showing that last winter

11. As the time is reduced that is necessary to produce consumer goods that form part of the subsistence of wage earners, the part of the workday that represents surplus labor, which goes to capital in the form of surplus value, increases, while the standard of living (measured in consumer products) and the work time remain on the same level. This is what Marx calls relative surplus value, which results from the increase in the productivity of labor. Consequently, increasing the productivity of labor has as its principal effect bringing about a declining rate of profit, and as a countervailing tendency, increasing the relative surplus value. For West Germany, one could mention the following figures, which give an idea of the production of relative surplus value over the past decade. The work time necessary to acquire a high quality radio was 41 hours in 1970 and 14 and a half hours in 1981. For a pair of men's shoes, it was six hours and 2 minutes in 1970, and five and a half hours in 1981. For a man's shirt, it was three hours and six minutes in 1970, and two and a half hours in 1981. For a kilo of coffee, it was two hours and 41

minutes in 1970 and one hour and 34 minutes in 1981. In 1970, for a kilo of outlets it took one hour and twenty minutes; in 1981 it took 51 minutes. In 1970, for one kilo of butter, it took one hour and 11 minutes; in 1981 it took 42 minutes. For a kilo of sugar, in 1970 it took 11 minutes; in 1981 it took eight. These figures are based on the average wage in German industry. The source is the November 27 issue of *Handelsblatt*.

12. In its February 9, 1983, issue *Was Tun*, the paper of the Gruppe Internationale Marxisten (GIM), German section of the Fourth International, published a document from the new Christian Democrat minister of the interior, which had been kept secret up till then. It contained proposals worked out for expelling thousands of foreign workers from West Germany. An analysis shows, nonetheless, that such measures will not free many jobs and will not help to reduce unemployment. But they do reinforce the ideology that maintains that the 4.5 million foreigners living in West Germany are responsible for the crisis.



British Labour Party and trade unions demonstrate (DR)

hundreds of elderly citizens died from the cold because they did not have the money to buy fuel. Over the winter of 1982-83, hunger rebellions were feared in Detroit. President Reagan is calling on the poor to go to the churches for help, and the churches are again serving up free soup on a daily basis. These are still, of course, isolated examples in the imperialist centers. But if the capitalist mode of production survives, they will become general, as is already the case in the Third World countries.

THE SYSTEM OFFERS NO HOPE

The discussion of the nature of the crisis and its real causes is not, therefore,

an academic and abstract enterprise. It has practical consequences. This is precisely because the cause of the crisis is neither "the oil crisis" nor "under-consumption" but a declining rate of profit, because it is continually aggravated by the sharpening of interimperialist competition, the long-term depression will not come to an end. In this context, it is extremely important to realize that while there will be a slight economic upturn toward the end of 1983 and modest rates of growth in the immediately following years, there will be a new and still more severe world crisis in 1986 or 1987. Even the most favorable variant, that is a modest upturn in 1983-85, means massive growth of unemployment.

In the spring of 1983, some signs of a cyclical upturn appeared first of all in the US, where there is an upward trend in the GNP and industrial production, and to a lesser extent in Canada, Japan, West Germany, and Great Britain. The general buoyancy of all the imperialist stock markets, which at times has assumed spectacular proportions, indicates that the speculators are already counting on an upturn. The same tendency is reflected by the accompanying rise in the prices of raw materials, with the exception of some foodstuffs. Nonetheless, the following factors should be noted;

- Orders for producers goods are continuing for the moment to stagnate or even decline in most imperialist countries, in particular in the US, Japan, and West Germany.

- The volume of world trade is continuing to shrink.

- There is an unevenness in the timing of the upturn, with some imperialist countries, e.g. France lagging, as well as important semi-industrialized countries, such as Brazil, Argentina, Mexico, and South Korea.

We can then expect a hesitant, shallow, and uneven upturn in the capitalist countries as a whole. The cause of the upturn in the US is "technical." The recession began in the key consumer durables industries such as auto and housing construction. But production in these industries fell so low during 1981-1982 that there was a drastic reduction in inventories.

Finally, current demand, even though reduced by the decline in the buying power of the masses resulting from unemployment and the cutting of real wages, began to get ahead of current production. This created the possibility for an upturn in production. And this was further stimulated by a lowering of interest rates, which had a marked effect on the real estate market.

In mid-April 1983, automobile production was 10 percent higher than in the equivalent period in 1982. The number of housing starts was double what it was a year before. But two indexes that reflect well the overall trend in industry as a whole are still slightly lower than they were in April 1982. Moreover, while the orders for producers goods were higher in April 1983 than they were in April 1982, they were lower than they were in March 1983.

Thus, the upturn remains hesitant, even in the United States. It needs additional stimulation, which could come from a (slight) expansion in employment, or an increase in exports (but to achieve this the exchange rate of the dollar would have to drop), or from a more expansionist credit policy. However, an investment boom is unlikely in view of the existing excess capacity and the stagnation of domestic and foreign markets. (April 1983)

Australian women discuss the crisis

SYDNEY — Around 200 women attended a day-long meeting here on July 2 to discuss women and the economic recession, the Australian Labour Party/Australian Congress of Trades Unions prices and incomes accord, and an alternative economic strategy.

Four workshops were held throughout the day: on wages and working conditions, the social wage, women and unions, and alternative economic strategies.

Women at the meeting were angered by the fact that women's groups and representatives were not consulted in the development of key economic policies, particularly in relation to the ALP/ACTU accord and the national economic summit.

It was felt that the women's liberation movement needed to discuss and formulate policies relating to women's specific needs — for example, in the areas of childcare, job-creation programs, and combatting falling real incomes — and find the means to present these policies in the key working-class and government decision-making forums.

While the consensus seemed to be that the accord as it stands is of little use to women, this was mainly seen to be because the social-wage package does not incorporate policy commitments relating to the specific needs of women as an especially oppressed group.

At the report-back session at the end of the day, a series of recommendations were put forward and adopted by the meeting as a whole.

It was decided that all women delegates from New South Wales to the forthcoming ACTU congress would form a caucus and demand that all government-initiated job-creation programs benefit all social groups and that there be proportional access to all new jobs created; that anti-discrimination legislation specifically be applied to private industry; and that a national childcare program be demanded as a priority over all other social-wage policy areas.

It was also decided that the women delegates to the congress would report back to a specially convened women's movement meeting to be held in October.

As well, a national congress would be organised for early next year to allow women trade unionists to continue the discussion on policies and strategies in the labor movement.

The meeting decided that a Women's Employment Action Campaign would be the structure in which women could continue discussion around such issues as wages, part-time work, equal pay, real unemployment rates, women and job creation, and sex segregation of the labor market.

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most vulnerable in today's El Salvador. We also maintain trade with small farmers outside the liberated areas. Those whom we trust get special passes and go in and out of our towns selling food.

Another committee is in charge of education. We are doing the best we can to develop a system of education. This is hard, however, because we have no schools.

Children, as well as adults who cannot read and write, are assigned to schools. Some have no parents and we try as soon as possible to integrate them into other families. There are an awful lot of "uncles" and "aunts" in the liberated areas.

Reality forces our children to grow up fast. They face big problems as soon as they learn to walk. They have to take cover themselves and try to find food. Their parents may be dead, or they may not have enough themselves.

But this also means that children take a very active part in building the new society. After school in the morning, they take part in production along with everyone else in the afternoon. We take their ideas and suggestions seriously, because children in El Salvador are our own future.

Just now we are conducting a literacy campaign in El Salvador. We go around the villages and teach people to read and write. As soon as some have learned, we go on and let them teach the others in the village.

Another committee is in charge of weddings, funerals, and christenings.

There has been a big advance in culture. Theater is thriving. We are all amateurs but we learn to share our experiences through theater and music. Theater is a good way of reflecting the advances in various villages.

This committee also handles group training for children. They have to learn not to let themselves become isolated, even though their parents have been killed. Many need support and comforting, and there is a strong solidarity among us against the enemy.

We have no direct need for courts today, because nobody has to be tried. If there is a fight, we settle it in a friendly way. Nobody is going to steal from their brothers and sisters who are fighting those who rob us all!

A committee handles self-defense. We are building a militia among people involved in production and its members get military training. This militia is directly linked to the liberation army.

THE NEED FOR MEDICINE AND MEDICAL AID

Public health is a big problem for us. We need a lot of help in this area. We have very little access to any kind of medicine. We have learned how to produce quinine and other drugs needed against malaria. We have recently had a campaign of education on how to protect ourselves against malaria, which is wide-

spread among us.

We make our own alcohol, not to drink but to disinfect wounds. We collect all the medical supplies we have in rooms set aside in the villages. In these places, people are given elementary medical training by liberation army doctors when they come by.

When we elect people to the committees and to participate in the leadership of the new society we are building, we do not choose them on the basis of political labels, although many of those elected may be members of various political organizations.

Those who have inspired the greatest confidence are elected. A representative from the FMLN/FDR is in the leadership of every local administration to strengthen the unity between us and the leadership of the liberation struggle.

REGIONAL PEOPLE'S POWER

The structures of people's power are most developed in Chalatenango in northern El Salvador. In this area a month ago we had an election to a regional government, to which the various PPL sent a representative. There are 31 towns and villages in Chalatenango, and 27 of them belong to the PPL.

We hope we can develop such regional leaderships in the other areas as well, although that is difficult, caught as we are in the middle of a war. But as soon as the other controlled areas are consolidated, we will apply the experience of Chalatenango and organize new regional governments.

The objective is to build a national government based on direct representative of people's power.

Despite all the horrors of the war, we are very optimistic. We know that we may have to face an invasion from the U.S. Reagan's objective is to kill us all, because the U.S. has no other way to stop our struggle for freedom. We are hard pressed, but we are not going to give up.

We are continuing to fight back, and life in the controlled areas is giving us a new confidence. Because most of us have never experienced the sort of human dignity that we share today in building the new El Salvador.

HELP THE PEOPLE COMING BACK TO THEIR VILLAGES

We are very grateful for your solidarity and we hope you will continue, because our children have bloated bellies, and we get sick and need medicine. The junta's army burns our homes and supplies and we need clothing and tools, everything.

The need is great and is becoming greater and greater as more people come back from the refugee camps in Honduras. We hope you will help the people who are coming back to their villages by increasing your solidarity.

We are convinced that when the world knows what sort of society we are building in the controlled areas, solidarity will continue to grow.



Peoples' power is "our mountains"

Interview with Salvadoran leader

A leading figure in the local government bodies set up in the liberated zones of El Salvador, Elena Martinez, has been touring Sweden.

She described to Janne Aakerlund, international secretary of the Socialist Party, Swedish section of the Fourth International, how the liberated areas are organized and the importance of mass democratic structures in the liberation war.

The following is our translation of the text of Elena Martinez's remarks, which were published in the June 23 issue of *Internationalen*, paper of the Socialist Party. The Spanish initials for "local people's power" are PPL (Poder Popular Local).

After years of fighting the enemies of freedom, we have learned how to build a new society. El Salvador is a very small country, and we have no mountains to shield us. It would be very difficult to keep up the war if we did not seek strong support among the workers and peasants and help them build their own power.

The people's power that has developed in the liberated areas is our mountain, it is the mountains that shield us while we build up our strength.

The FMLN's military strength is also the strength of people's power. Without military defense, we would not have had a chance to build a new society as we are doing today in El Salvador.

The long history of mass organizational work in our country has provided a lot of experience. Now when the FMLN's military strength is great enough for us to be able to control large sections of El Salvador, we are getting a chance to

use this experience in building a new society.

This work is also strengthening the fighting spirit of the poor in El Salvador, since for the first time in their lives they are beginning to achieve some sort of decent life despite all the horrors of war.

If the junta's army goes on the offensive and we are forced to retreat, we look for refuge deeper in the liberated areas. When we strike back against the junta's army, we return and rebuild the ruined homes, replant the burned over fields, and take up the challenge once again of building our own society.

In this endeavor, everyone shares in collective labor. Through this you get thousands of people used to taking their future into their own hands and the foundations for a new society are laid. We are being forced all the time to take new roads to meet the masses' demands, but the guiding principle is always the

same — self-organization.

DEMOCRACY TO ORGANIZE A PEOPLE AT WAR

The people's power that is being exercised is a way of organizing a democratic society. We have learned from all our mistakes. And you can't forget that we are doing this in the midst of a bloody war. That makes it much more difficult to build a new society, even in the controlled areas.

If our enemies come after us, we are ready for them well in advance since we have a good security system that informs us rapidly. Then we have to retreat further into the controlled areas, and the FMLN army musters for defense. But also when the bombers come, we have a defense.

We have underground shelters and a tunnel system. So far we have not had to use them so often, but we know that the days are coming when we may have to face B-52s, as they did in Vietnam.

At the start of the war, large sections of the population fled across the border to Honduras. Now we are appealing to them to come back and repopulate the liberated areas.

And they are coming back, slowly but surely. They know that they are safe again. That's very good for us, although there are more and more mouths to feed.

Local people's power is organized in small units. All the inhabitants are assembled to elect their representatives. Nominations are discussed openly. Those who are put forward are the ones who have been the best vanguard fighters for our own future and the best comrades.

The names of those proposed are put on a big list and the inhabitants come forward and put an "x" beside the names of the people they want to represent them. The elections are entirely open. Everyone can be there and see who gets the most x's by their names.

The administration elected is divided into various committees, which are responsible for different areas of work in the controlled zones. One committee is in charge of food production. Farmers who want to hang on to their own plots do, and the rest till the land collectively.

But most people work collectively on the land, since few own any ground. About 50 percent of the harvest is distributed to those living in the area, 30 percent goes to the liberation army, and 20 percent is set aside as a reserve in case we are attacked and the fields destroyed and the crops burned.

Besides food, we produce clothing, shoes, furniture, since a lot of things are destroyed when the junta's army attacks.

CHILDREN GET PRIORITY

We fish in the Rio Lempa, and what we catch goes first of all to the children. In a number of places, we have small herds of livestock, mainly cows. The milk goes to the children, since they are

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Salvadoran peasants in the liberated zones (DR)

