

U.S. contra aid vote fuels Nicaragua war

As 1987 drew to a close, diplomatic pomp and ceremony held the spotlight. The U.S. government toned down its most bellicose language, embraced the Arias peace plan for Central America, and organized the Gorbachev-Reagan summit meeting.

The Democratic Party was loudest in joining the hoopla. As long as the peace plan continued, said liberal members of the House, they would never support funding for the Nicaraguan contras. Unfortunately,

Reagan/Gorbachev summit.

See pp. 11-13.

many antiwar activists were convinced that contra aid was no longer an issue.

As it turned out, the politicians' wide smiles and handshakes were a coverup for further escalation of the war in Nicaragua. Fighting has increased dramatically there since the signing of the Arias plan. Since June, the number of clashes has jumped to 90 per week from a previous average of 25.

Last month, with support from both Republicans and Democrats in Congress,

(continued on page 4)



Steve Cagan

Rural childhood nutrition center at La Esperanza, Nicaragua, a settlement center for refugees. The contra war has left 20,000 Nicaraguans homeless. Over 3000 children have been killed in the fighting; 11,000 have been orphaned.

Palestinian youth rise up against Israeli occupation

By RALPH SCHOENMAN

"With anger, hatred, and sheer ferocity, thousands of youngsters hurled rocks at their Israeli occupiers, undaunted by the gunfire that greeted them. This was more than civil unrest... It was the beginning of a civil rebellion."

This is how *Jerusalem Post* correspondent Hirsh Goodman described the uprising of Palestinian youth in the West Bank and Gaza in mid-December.

Goodman's remarks were written the day before the Dec. 21 general strike, which engulfed every Palestinian community under Israeli rule. That strike was described by the Israeli daily *Ha'aretz* as "writing on our wall even more serious than the bloody riots of the last two weeks."

On that day, wrote John Kifner in *The New York Times*, "The vast army of Arab laborers who wait on tables, pick vegetables, haul garbage, lay brick, and perform virtually all Israel's menial work, stayed home."

Israel's brutal response

The Israeli response to the uprising was brutal. Defense Minister Yitzhak Rabin ordered the use of tanks, armored vehicles,

and automatic rifles against an unarmed population.

The *San Francisco Examiner* (Dec. 23, 1987) cites Rabin as openly advocating assassination. "They can shoot to hit

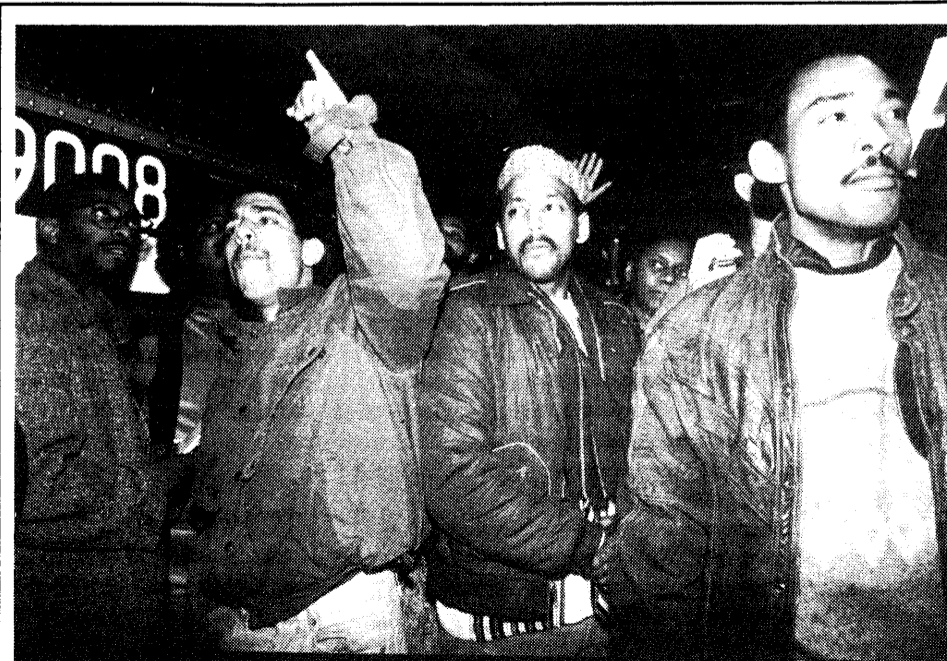
leaders of disorder," Rabin said in defense of the army's practice of using marksmen with high-powered .22-caliber rifles to indiscriminately shoot at Palestinian youth.

Rabin ordered house-to-house searches for

Palestinian youth. Over 2500 Palestinians were seized as of Dec. 27, many of them as young as 12. The "militants" were marked for deportation. Israeli high-security jails and detention centers are overflowing. Mass court-martials of Palestinians are underway.

The act of brutality which most inflamed the population was the army seizure of the wounded from hospital beds. This practice, standard procedure throughout the Lebanese invasion of 1982, made Shifa Hospital in Gaza a center of resistance, as great crowds

(continued on page 6)



N.Y. protest

On Dec. 21, over 700 people jammed into the Borough Hall subway station in Brooklyn, N.Y. As part of the "Day of Outrage," they halted subway service into Manhattan to protest racism and violence against Black people.

On the same day, three defendants were found guilty of second-degree manslaughter in the December 1986 Howard Beach incident in which a Black man was killed by a white mob. Since charges of riot and murder were dismissed, there is a good chance that the seven remaining defendants will be freed.

Violence against Blacks continues in New York—abetted by city authorities. Subway police made as many as 224 unfounded racially motivated arrests between 1983 and 1987. Blacks and Latinos were charged with phony sexual crimes to fulfill a quota system of arrests.

Photo by Donna Binder/Impact Visuals

'Oh, little town of Bethlehem...'



By SYLVIA WEINSTEIN

The words go something like this: "Oh, little town of Bethlehem, how still we see thee lie." But Bethlehem, like the rest of old Palestine, is anything but peaceful right now. It is more like the Old Testament story of David and Goliath.

You remember how a Hebrew boy, David, slew the giant Goliath with his sling shot. This time, it is the Palestinians and other Arabs who are the Davids, and the Zionist government which is

acting out the role of the hated giant.

Crimes of monumental proportions are being committed by the Zionist state of Israel against the Arab people. In the two weeks before Christmas alone, 346 Arabs were wounded by gunfire from Israeli troops and 473 were injured in beatings.

Over 1000 have been detained by the Israeli state without a semblance of a trial. Most of those who have been wounded are children and teen-agers.

General strike

Outrage is so great that all Arabs have united behind the Palestinians being brutalized in the Gaza strip. A one-day strike against the Zionist state was extremely effective. Stores, businesses, and schools were closed in the Arab communities, and Arab workers refused to go to their jobs. The strength of the strike surprised even the Israeli parliament.

Within Israel's Jewish population, many students have protested the violence of the Israeli soldiers. Demonstrations of up to 3000

students have taken place at major universities.

The Zionist state has tried to crush the spirit of the Arab people ever since it robbed them of their land. Every dirty trick ever known to come out of inhuman minds has been used against the Palestinians and other Arabs: Their homes have been bulldozed, their families imprisoned and tortured without trial, and their land taken away and given over to "settlers."

They are faced by guns and tanks virtually everywhere they go—including in their places of worship. They are forced to work at the lowest wages under sweatshop conditions. Their children are in constant danger, and many are forced to flee their land of birth to escape the Zionist wrath.

We are looking at a people who fight as do all those who have nothing to lose but their chains. Because everything good has been snatched from them, we see youngsters fighting tanks and guns with stones and sticks. What rage they must feel to face down a machine gun with a stone in their hands!

What we are witnessing in Israel



is occurring throughout the world. And wherever racist, capitalist oppression prevails, the hand of U.S. imperialism can be seen.

Arms from the USA

In South Africa, school-age African children are also being brutalized by the racist army of that country. Thousands of African children have been imprisoned and

tortured with the material aid and silent approval of American imperialism.

In Nicaragua, young children are also being murdered by contras armed with guns and bullets paid for and delivered right to their viper's nests by the government of the United States.

And in Israel, U.S. military and economic aid in 1988 will amount to over \$3 billion dollars.

When I see television news pictures of Palestinian children facing the armed might of Israeli capitalism, I can't help but be reminded of the pictures I saw 30 years ago of little Black children in Selma, Ala., also marching for freedom.

The courage of those children opened the eyes of the American people. The courage of the Palestinian children will open the world's eyes to the terrible crimes of the Zionists and their masters in the U.S. government.

It is the duty of all working people to support the struggle of the Palestinian people. Theirs is a just cause. Their fight is in the interest of all workers everywhere—including the real interests of the Israeli working class. ■

By JOHN PALMIERI

NEW YORK—On the Sunday before Christmas, as shoppers scurried through the rain, an army of homeless families and their supporters also descended onto Fifth Avenue.

Carrying signs declaring "Housing Is a Right," thousands of marchers called on the federal government to build affordable housing for low-income people. They also demanded that the city rehabilitate 100,000 city-owned apartments to house the homeless.

Instead, the city government has begun a well-publicized round-up of close to 500 homeless people who are supposedly mentally ill. By early December, at least 33 people were taken off the streets and confined to Bellevue Hospital. In most of these cases, the removal was against the will of the homeless person involved.

Norman Siegel of the American Civil Liberties Union pointed out on "Face the Nation" that the sweep has been aimed at the fashionable Upper East Side and Upper West Side while ignoring poor neighborhoods.

The case of Billie Boggs

Most attention has been focused on Billie Boggs, also known as Joyce Brown, a 40-

N.Y. homeless press city hall for solution

year-old Black woman who until the round-up had lived on a patch of sidewalk on Second Avenue. She had been living there for a year and a half.

Billie Boggs took the city's policy to court and won—at first. During her testimony, she was clear and lucid. When asked why she urinates and defecates on the street, she responded that there are no public bathrooms. This reply, far from testifying to Billie Boggs's insanity, raised a social problem that many of us in New York are well aware of.

Supreme Court Justice Robert Lippman stated, "Though homeless, she copes, she is fit, she survives...Whether Joyce Brown is or is not mentally ill...she is not unable to care for her essential needs."

Her refusal to live in shelters, Justice Lippman stated, "may reveal more about shelters than about Joyce Brown's mental state." Lippman ordered her freed.

But Koch and the city appealed. The next day, an appellate judge reversed Lippman's

decision and ordered Billie Boggs to be sent back to Bellevue. She is still there, fighting to regain her freedom.

It is true that many of the homeless are also mentally ill. In fact, the numbers of disturbed and infirm people forced to sleep on the streets has been caused in large part by the lack of hospitals and out-patient facilities accessible to the poor.

In New York, for example, the number of psychiatric patients in state hospitals declined from 93,000 in 1955 to about 20,000 today. Many patients have been released to a life of misery—and to death—on the streets.

A rise in homelessness

According to a report last spring in the *Amsterdam News*, the number of homeless sheltered by the city was 27,000, and the actual number of homeless people was rising rapidly.

A large proportion of the homeless are unemployed or low-paid workers and their dependents. The *Amsterdam News* points out that "the vast majority of homeless families are single-parent households headed by women...Over 94 percent of the families are Black or Hispanic."

The article goes on to say that a primary reason for homelessness "is the lack of a sufficient number of housing units in liveable condition which low-income people can afford."

Notice they do not say that there is not enough housing. There is not enough affordable housing. In fact, there are more than enough liveable units to house everybody!

There are vacant buildings, warehoused apartments (held empty by landlords in hopes of making bigger profits in the future), and luxury apartments and condos kept as second homes by the rich—just in case they need a place to stay when they pop into New York.

Overproduction of housing

Housing is a human right. But this basic right is denied to people not only in places like Brazil and India, but increasingly in the cities of this country.

If misery were not the result, the

following could be a ridiculous joke: While the number of people without places to live is growing, newly built homes stand empty. The market is flooded with housing.

As we pointed out in previous issues of *Socialist Action*, there is a capitalist crisis of overproduction, which extends to housing. Under capitalism, housing—like any other commodity—is produced not to meet human needs but to be sold (or rented) for profit.

At the time of last month's protest march for housing in New York City, WBAI radio commentator Paul Gorman pointed to the need "to develop a housing justice movement which resembles the civil-rights movement, the peace movement, and the women's movement."

Only an independent mass movement can pressure government authorities to begin to provide needed social services. Ultimately, however, a solution to the problems of housing and homelessness will require putting an end to capitalist rule and its inhuman profit system. ■

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Staff: Paul Colvin, Suzanne Forsyth, May May Gong, David Kirschner, Hayden Perry, Joe Ryan, Kwame M.A. Somburu, Sylvia Weinstein.

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Speak-Out testimony underlines need for abortion rights defense



Tina Beacock/Socialist Action

We devote this page to excerpts from the *Speak-Out in Defense of Women's Right to Choose* held in San Francisco at the Women's Building on Nov. 21, 1987. The testimony presented below came from women who had gotten illegal abortions prior to the historic *Roe v. Wade* Supreme Court decision in 1973. Some of the women were speaking out publicly for the first time.

The meeting was co-sponsored by the Northern California Pro-Choice Coalition and the Coalition of Labor Union Women (CLUW). Organizers had announced that the meeting was intended to educate young people in light of the increasing attacks on the right to abortion by all branches of government, and a virulent—even terrorist—anti-abortion right wing. This meeting was an important step in the ongoing effort to organize women to fight back to defend this vital right.

The Northern California Pro-Choice Coalition will sponsor a picketline on the 15th anniversary of the Supreme Court decision, Jan. 22, 1988, from 12 noon to 1:30 p.m. at the new California State Building at Van Ness and MacAllister in San Francisco.

Speaker No.1:

When I found out I was pregnant I was standing in a phone booth near a subway stop in Boston. I had one finger in my ear to block out the noise of cars screeching by as I listened to the woman on the other end of the phone as she recited my options.

I could obtain a legal abortion with my parents' approval. Without their approval, I could seek consent from a judge who somehow had the authority to determine whether or not I was responsible enough to have an abortion. The wait to see the judge was at least one month, at which time it would be too late for a safe, legal, first-trimester abortion. Furthermore, if I was refused by the judge, I couldn't appeal to another judge in another precinct.

I left the phone booth and stood at a street corner, not able to cross the street, not able to move, trying to digest the fact that not only was I pregnant but that all angles were against me. I was frightened and alone. I had no choice but to give birth to an unwanted, unplanned child or undergo the horror of an unsanctioned abortion.

There are many of us young women here in America who are being denied this basic right to take control of our lives and our bodies. I know now that we cannot expect the government to make laws to protect us. As women, we have to fight for our rights. And as women, we will.

Speaker No.2:

It is generally believed that before 1973 at least 1 million women a year had illegal abortions. It has been said that between 5000 and 10,000 have died from the effects of improperly performed abortions. The choice of abortion as a back-up to birth control that fails has been legally ours since 1973.

I will relate my story, a painful

remembrance of long ago, with the hope that it will help in understanding where we have been as women—and where we resolve never to return.

About 30 years ago, I was a working mother in San Francisco with three children, a home with two mortgages on it and an unplanned, unwelcome pregnancy. Fortunately, I had a very supportive husband. So we began to look around for a solution. We were told that we would have to go to Los Angeles or Tijuana—there

"Ever since legalization we have met, marched, and demonstrated in order to make sure we do not go back to the dark ages."

was nothing in San Francisco.

We both took time off from work, found someone to look after our household, and drove to Los Angeles. A friend offered to help and we spent a couple of days visiting friendly doctors. They would smile weakly, indicating their sympathy with my predicament, all in deathly fear of losing their license to practice.

Some wrote names and addresses on slips of paper and pushed them across their desks to me. We drove all over Los Angeles. The addresses were either non-existent or doors would be slammed in my face when I asked for help.

Finally, another friend, a nurse, provided a "lead," a Dr. Green, an optometrist who had an office in downtown Los Angeles. I went to see Dr. Green and begged him to help me. He hesitated for a moment and

then said, "I don't do it very often, but my wife likes fur coats, so if you can bring me \$500 in cash this evening after 5:30, I will take care of you."

We managed to borrow the money. It was an enormous amount of money in those days and I went back that evening to Dr. Green. He apologized for the primitive facilities, a back room with an examining table. He gave me a shot of something and performed the abortion.

Dr. Green told me that he usually asks his "girls" to come back the next day just to make sure they are doing well, but since I had to go back to San Francisco to get back to my job, he gave me some pills and hoped I would be OK.

I was fortunate. I recovered from the back-room surgery and we worked and paid back the \$500. I don't know if we ever completely recovered from the recollection of fear, indignity, and damages to our self-worth.

The Coalition of Labor Union Women (CLUW), of which I am a founding member, made reproductive choice part of its program. Economic equality cannot be achieved without full reproductive rights.

Women who are members of labor unions should join with CLUW and help to secure our rights.

The National Organization for Women (NOW) is also dedicated to the fight for our rights. Ever since legalization we have met, marched, demonstrated in order to make sure that we do not go back to the dark ages. We must never return...

Adrienne Rich, in her book "Of Woman Born," states: "We need to imagine a world in which every woman is the presiding genius of her own body. In such a world women will truly create new life, bring forth not only children (if and as we choose) but the visions, and the thinking necessary to sustain, console, and alter human existence—a new relationship to the universe. Sexuality, politics, intelligence, power, motherhood, work, community,

intimacy, will develop new meanings, thinking itself will be transformed." This is our beginning.

Speaker No.3:

It's important to know what happens when abortion is illegal. I was 18. I couldn't tell my parents because they'd disown me. The man who got me pregnant had left town. So I went to my best friend, whose mother had an abortion years before, and she referred me to the doctor who performed her abortion. I then went to my brother, who agreed to pay for it and he went with me through the whole ordeal.

We went to a doctor in Chicago who examined me on a couch. In half a minute, he decided I was "probably having twins" and promptly upped the price to \$750. He then referred my brother and me to another doctor. He made the appointment for a week later and then made reservations for a motel room where it would all take place.

In the morning a man came, supposedly a doctor, carrying a small bag. My brother came to the room and gave him the envelope with the \$750 in it and said he and my friend's mother were going downstairs to wait.

Meanwhile the doctor started setting up the room. First he turned the TV on, kind of loud, to cover up any noise I'd make. Then he took two chairs and put them at the end of the bed and a wastebasket with a plastic bag in between the chairs—a makeshift operating room. He then told me to take off my clothes, that he'd have to examine me.

He examined me alright, with his fingers in my vagina for what seemed like a very long time. Then he told me my cervix was too small and since we weren't in a doctor's office, he didn't have the tools he needed to perform the abortion. He said he'd have to insert seminal fluid in order to allow the enzymes to open up my cervix so he could perform the abortion.

I said "OK" and he started taking his clothes off. Then I understood what he meant and started crying and begging him not to do this to me. But he got on top of me and started kissing me and acted as if he was making love to me.

He raped me. But I felt like there was nothing I could do. I had to get the abortion done and was so scared he would do something else to me if I fought him. I felt I had no choice.

Then he put his clothes back on and told me to get on the end of the bed and put my legs over the chairs. He gave me an anesthetic and did the abortion—all as if nothing had happened. When he finished, he kissed me on my forehead and said, "I meet the nicest people this way," and left.

Speaker No.4:

When I came to my hospital bed there was a woman across from me with three policemen around her bed. She was crying in pain and they were telling her she wasn't going to get any treatment until she told them who the abortionist was. These are the sort of things that I and many women have gone through. We were young and poor and didn't have the money to buy what we needed.

I think that the only way that we can guarantee our rights is by ourselves. We have to get out in the streets once again and begin marching and demonstrating so that no politician, Democrat or Republican, can sell us down the river again.

And unless we can do that, next year they'll probably pass a foot-binding law and we'll be lining up to get our feet bound. When you're so scared, so pained, so disgusted, you are ready to do anything, including take your own life in your hands, including going into some empty motel room or onto some empty table and allow some pharmacist to mess you over.

So I hope you all get involved because the life you save is going to be your own.

Unionist refutes AIFLD El Salvador report

By PAT HENDRICKS

On Sept. 1-6, 1987, a delegation of six members of the AFL-CIO Executive Council and three staff members visited Nicaragua and El Salvador. The delegation included Service Employees International Union President John J. Sweeney, who is a member of the dissident National Labor Committee in Support of Democracy and Human Rights in El Salvador.

The purpose of their visit was to gain further insight into political life in these two countries and to "explore the prospects for the Central American Peace Accord." Their findings were presented in a report titled "Trade Union Rights, Peace and Democracy in Central America."

The most disturbing aspect of this report for me was the AFL-CIO's failure to recognize the existence of unions in both Nicaragua and El Salvador which it does not support.

According to the AFL-CIO report, the labor picture in El Salvador is "complicated" by the "guerrilla-backed union group, the National Unity of Salvadoran Workers (UNTS)" and by "the UNTS leadership [which] promotes provocative and confrontational actions designed to provoke a political crisis."

Pat Hendricks is an Advisory Board member of Hospital and Health Care Union, Local 250, SEIU.



The report goes on to state that "the ultimate aim of most UNTS leaders is the victory of the Marxist-Leninist FMLN" and that "the UNTS demonstrations appear to be attracting fewer and fewer people in El Salvador."

A popular mass movement

The UNTS is a popular mass movement formed in 1986. Today it represents trade unions, peasant groups that had supported Duarte under the Social Pact of 1984, the National University, groups that represent the displaced, and the Mothers of the Disappeared.

The UNTS represents about 400,000 people and was brought together by

opposition to Duarte's economic austerity package in 1986—"el paquetazo"—and anger at his failure to deliver on promises of reform, dialogue with the FMLN/FDR, and an end to repression.

The demands of this mass movement should not be responded to with "red-baiting." What is needed is a serious look at both AFL-CIO and U.S. foreign policy, neither of which—along with the Salvadoran government—has addressed the economic, political, and social crisis that for decades has plagued this country.

During my recent visit to El Salvador (Sept. 12-19), I was able to meet with several representatives of the Hospital Workers Union (STISSS). According to the

AFL-CIO report, the STISSS union leadership chose a "confrontational approach" in settling a recent strike, attempting to "take over government buildings with clubs armed with nails."

In reality, the Duarte government refused to negotiate with the STISSS strikers. The facilities were militarized, strikers were fired and refused pay after the strike, and union leaders were arrested.

Duarte excused his illegal acts by claiming that the strike demands were "political" rather than "labor."

Fewer people are fooled

Contrary to the AFL-CIO report, it simply cannot be said that "Salvadoran unions appear to enjoy substantial freedom to organize, demonstrate, publish, and go on strike."

In El Salvador, Duarte is no longer even a façade of a president working for peace. By his actions, fewer and fewer people are being fooled.

We North Americans can no longer be fooled either. Since at least 1985, we have known that the International Affairs Department of the AFL-CIO operates on a budget that nearly matches the Federation's U.S. budget.

We have known that while AIFLD, an affiliate institute of the AFL-CIO, claims it is an independent labor organization created to promote the growth of democratic trade unions in Latin America, that in fact it regularly functions as a surreptitious tool of U.S. foreign policy.

Therefore it is not possible for American trade unionists to support AIFLD—any more than we would give our support to right-to-work legislation.

The Salvadoran people have come very far, and there will be no turning back. Our urgent obligation is to understand this fact and to be willing to understand that the main obstacle to peace in El Salvador is U.S. economic and military aid. ■

...contras

(continued from page 1)

the contras began an offensive in Northeastern Nicaragua. Hundreds of people were killed or wounded in the fighting, among the heaviest of the six-year war.

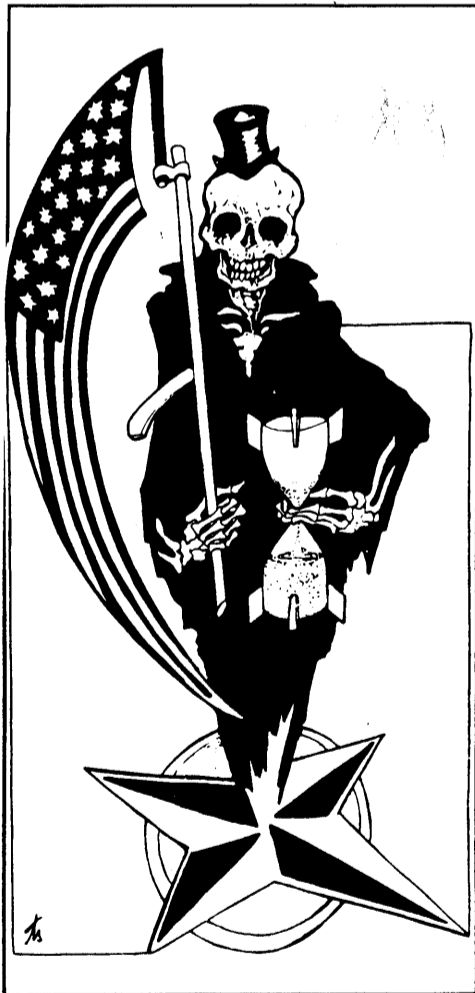
The stepped-up war has been made possible by airdrops of guns and missiles from the United States—in direct violation of the peace plan. In October, the U.S. government reported that it had begun carrying out more than twice the number of monthly supply missions to the contras than it had carried out earlier in the year.

The Democratic Party "blinks"

According to an official in the National Security Council (NSC), "The Democrats blinked four times since September" in ways that permitted the United States to gear up the contras for their recent assault. (*San Francisco Examiner*, Dec. 23, 1987)

The first "blink," said the official, took place in mid-September, when the White House approached the Democratic Party leadership and said that U.S. combat advisers helping the contras "would have to fold their tents and come home unless you fix it."

House Speaker Jim Wright (D-Texas),



administration in order to ensure that \$8.1 million (at the minimum) in aid would be handed over to the contras.

The bill allegedly provides no weapons. However, some \$4.5 million of the amount will be used to supply new electronic equipment to counter anti-aircraft missiles and to transport previously-purchased military hardware.

The Miranda "revelations"

Democrats were able to vote for the Dec. 20 appropriations with "a clear conscience" by using the pretext that the Nicaraguan government was about to violate the peace plan. "They're building up like gang-busters!" screamed Sen. Ernest Hollings (D-S.C.) after Nicaragua aired a proposal to increase its reserve army in size.

The administration helped provide a cover for the Democrats when it staged a news conference for a defector from the Nicaraguan military, Maj. Roger Miranda Bengochea. But a senior Defense Department official had to acknowledge that the evidence that Miranda provided of an alleged Nicaraguan plan to invade other nations was "speculative."

The official also conceded that the United States has no documentary evidence that the Soviet Union had promised to furnish MIG-21 jet fighters to the Sandinista government, as the defector maintained.

On Feb. 3, a new vote is scheduled in Congress, in which President Reagan may ask for as much as \$270 million in aid to the contras. The vote is timed to follow the Jan. 15 meeting of the five Central American presidents who signed the Arias plan.

If the presidents give Reagan enough political ammunition to conclude that Nicaragua is at fault for the failure of the peace process, the U.S. government could have a pretext to send additional funding to the contras, including military funds. Both Democrats and Republicans have pledged in advance that they would support such aid.

A response is needed

It is not an exaggeration to say that the antiwar movement was thrown off balance when the U.S. government endorsed the peace plan and organized the summit. But following the Dec. 20 contra-aid

vote, some peace and solidarity groups have switched to "red alert." Several national organizations are meeting this month to plan emergency demonstrations in Washington, D.C., and other cities at the time of the February vote in Congress.

In addition, the Mobilization for Peace, Jobs and Justice (a Northern California coalition of labor, community, religious, and peace groups) is attempting to achieve a united call for nationally coordinated local demonstrations on April 30, 1988.

There are four themes suggested in the Mobilization's draft call for the spring protests: No U.S. Intervention in Central America and the Caribbean; End U.S. Support for South African Apartheid; Freeze and Reverse the Nuclear Arms Race; and Jobs and Justice, Not War.

The co-chairs of the Mobilization are consulting with the Pledge of Resistance, National Nicaragua Network, Committee in Solidarity with the People of El Salvador (CISPES), SANE/Freeze, National Rainbow Coalition, Mobilization for Survival, National Labor Committee for Human Rights and Democracy in El Salvador, and several other national groups.

Al Lannon, Mobilization co-chair and president, ILWU Warehouse Union Local 6, is scheduled to meet with several national peace, anti-nuclear, anti-apartheid, and labor figures in Washington, D.C., and New York City in early January. These leaders have also been invited to San Francisco in mid-January to discuss the feasibility of launching national actions.

For more information, contact the Mobilization for Peace, Jobs and Justice, 255 Ninth St., San Francisco, CA 94103, (415) 626-8053.—The Editors

Mexico antiwar conference slated

On Feb. 20-21, the Mexicali Committee in Solidarity with Nicaragua will be holding a Mexico-U.S. conference around the themes: Free Oil for Nicaragua, No U.S. Intervention in Central America; and Solidarity and Peace for Nicaragua.

All antiwar activists in the U.S. who wish to attend this conference should contact Miguel Gastelum, Committee in Solidarity with Nicaragua, Pasaje Cozumel 1154, Mexicali, B.C., Mexico, Tel. 57-23-15.

despite his image as an advocate of the peace plan, quietly provided the authority to permit the U.S. personnel to stay in the field.

The second "blink" took place when the Democrats refused to order the administration to compel the contras to comply with the Nov. 7 target date for a cease-fire under the Arias plan. The contras were given the green light to organize for the December offensive.

In mid-October, said the NSC official, the Democratic Party leadership "allowed us to do some creative bookkeeping" in order to continue the transport of arms off the public record.

The fourth "blink" took place on Dec. 20, when the Democrats in Congress made a backroom arrangement with the Reagan

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'Peace Plan' gauged by antiwar activists

On Dec. 4, 1987, the San Francisco branch of Socialist Action sponsored a forum titled "The Central American Peace Plan and the Antiwar Movement."

The three speakers were Mike Davis, Northwest regional coordinator of the Committee in Solidarity with the People of El Salvador (CISPES); Leslie Simon, a representative of the Nicaraguan Information Center; and Carl Finamore, national antiwar director of Socialist Action. We are reprinting below excerpts from their presentations.

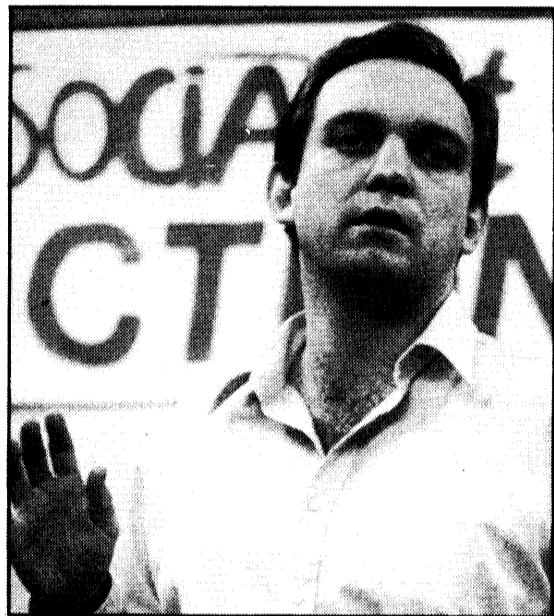
Mike Davis:

The peace plan reflects a very positive thing, which is that the "low-intensity-conflict" strategy of the United States is being defeated by the people of Central America.

And I think that's the most important thing about the peace plan. Its final outcome will reflect the strength of the revolutionary movements in Central America.

In terms of El Salvador, the actual letter of the peace plan was primarily negative in the sense that it was aimed at delegitimizing the armed struggle in all of Central America. Specifically in El Salvador, it equated the FDR/FMLN with the contras—which cannot be done even in terms of international law.

For instance, according to international law, there are



Mike Davis

questions of controlling territory. The contras say they control half of Nicaragua, but nobody really believes it. Everybody recognizes that the FMLN controls at least a third of El Salvador and has significant influence in another third.

To really understand how this peace plan is being viewed by the revolutionary movement in El Salvador, you have to understand the moment that the movement is facing. There has been a real sense that the movement in El Salvador has been through a weak period and is gaining some strength. But the reality is much more positive.

The FMLN recognized the fact that just simply by building up a sophisticated army, you're not going to be able to overthrow the government of El Salvador. And they had to change their strategy back to the strategy they had developed in the 1970s of developing tighter links with the people and incorporating all of the population into fighting the war.

The combination of political work with the real crisis the country was facing economically—exacerbated by the war—allowed for the development of a huge mass movement, which has now been consolidated under the National Unity of Salvadoran Workers (UNTS), of about a half-million members.

The movement in El Salvador needs concrete international support. This translates into money and people.

Another thing that really needs to happen is pressure for human rights in El Salvador. Next, we need to promote the legitimacy of the FMLN/FDR. We must invite FMLN/FDR speakers to our forums and demonstrations.

Next, we need concrete mobilizations around El Salvador, which is not simply the "other part" of Central America that some day will need to be dealt with. El Salvador has a revolutionary movement that is about to win and which is going to face a real danger of direct U.S. intervention.

These are the fundamental things the movement has to take on if we want to counter the Reagan admini-

stration's attempt to use the peace plan in its favor, and to turn it to our favor.

Leslie Simon:

For the first time, I think there is a real likelihood that the "official" aid sent by the U.S. government will be cut off... Unless something very major happens between now and January, the votes [in Congress] are not there.

A real discussion is developing about a containment policy in Nicaragua that is going to attempt to destroy the revolution politically and economically in a more "legitimate" way—whether by giving more money to the opposition parties in Nicaragua, or whether by escalating the economic hardships on the Nicaraguan people by a quarantine, blockade, or whatever it may be.

People in Nicaragua are very tired of the conditions they have lived under for the past seven years—a worsening economy year after year, scarcity of food, and so on.

If people believe that the threat [of armed conflict] is taken away, and if economic hardship continues, there will be more and more people discontented and saying, "Maybe it really is the problem of the Nicaraguan government. They don't know how to handle the economy."

And that leads to what we can do. As Mike said for El Salvador, the need for true economic support, true



Leslie Simon

material aid, is probably going to be one of the most important aspects of our job in the upcoming period.

Nicaraguans are going to need a lot of support from the international community in order to sustain their economy as they begin to rebuild the country.

Carl Finamore:

The U.S. government has not been able to invade Nicaragua because of the opposition it would face inside Nicaragua and throughout the world. The United States had to use an inadequate mercenary army. It couldn't send more advisers to El Salvador for the same reason.

The government sees the anti-intervention sentiment of this country as a powder keg. Seventy percent of the American population is opposed to contra aid.

And a new factor exists. Seven percent of the population is unemployed, 1.2 million are so-called discouraged workers, and 20 percent of the workforce is part-time labor—many of whom would prefer full-time jobs.

The stock-market crash adds dramatic focus to the reality of deteriorating living standards for working people. They are not going to tolerate more and more erosion in their standard of living while imperialism asks them to go fight wars overseas.

There is a growing practical understanding among American workers that they have much in common with the fight of sweat-shop workers in Central America and other countries where North American plants are running away to.

We got a glimmer of these links last April 25, when 20 or so international-union presidents put their names on the dotted line to mobilize against intervention in Central America.

These top union officials didn't support April 25 because they had changed their bureaucratic and conservative character. William Wynn, for example, president of the United Food and Commercial Workers

union, was one of the officials who endorsed the protests. But Wynn has signed more concessionary agreements than any other human being in labor history.

These union officials are on the hot seat because their members are growing more restive under the "one-sided class war" waged by the employers. The union tops must appear to be responding to the runaway shops and deteriorating living conditions in order to retain some credibility.

A shift in policy

Arias, Duarte, and the rulers in Guatemala and Honduras—the signatories of the Central American peace plan—are also on the hot seat. The contra war and repression in El Salvador threaten to polarize all of Central America.

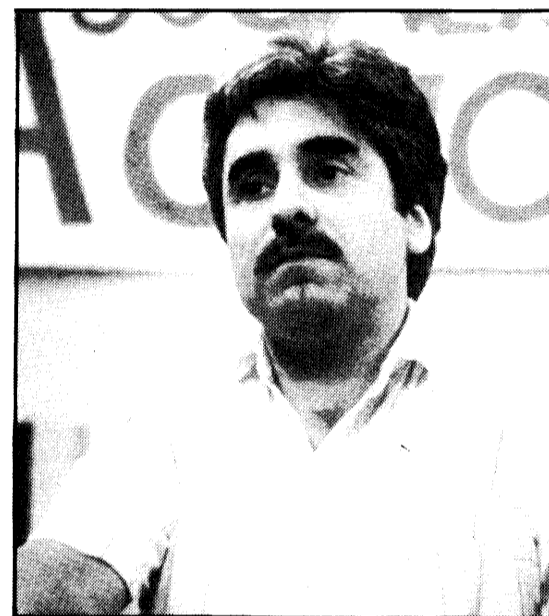
The peace plan, in my opinion, denotes a tactical shift in policy by capitalist leaders in Central America. These rulers are urging the U.S. capitalists to shift more attention to negotiations as a less volatile method of exerting pressure on Nicaragua.

After initially hesitating, most ruling-class politicians in Washington, D.C., have now fully grasped the value of the negotiations stance. Negotiations have been used to divert attention away from the hotly contested contra-aid issue, thus defusing the powerful anti-intervention movement.

The peace plan also provides valuable cover for the United States to demand concessions from Nicaragua. The FSLN has already been pressured to conduct quasi-negotiations with the contras for a cease-fire through the reactionary intermediary Cardinal Obando Bravo.

The U.S. government also gained a step on the anti-intervention movement by trying to convince world opinion that Nicaragua should "democratize" before there is a cut-off of contra aid. "Democratize" means making political concessions to the ex-Somocista contra leaders.

"Democratization" is a code-word for giving the contras a foothold in Nicaragua that they have been



Carl Finamore

unable to win on the battlefield. And now, the contras are coming in with a preposterous claim that they control almost half of Nicaragua!

For self-determination

The Nicaraguans have been pressured to sign this agreement because of the economic devastation caused by the war.

If a thief has a gun to your head, you must negotiate—and compromise. But you don't want your next-door neighbors to be yelling, "Compromise, compromise, sign the peace treaty!"

You want them to say, "Get out!" The thief has no right to negotiate with that homeowner for a piece of property.

All the neighbors, that is all the supporters of Nicaragua, should be maintaining our stance for self-determination—the United States has no right to negotiate the political affairs of other countries.

And this includes Arias and the other signatories of the peace plan. What gives them the right to dictate terms to the Nicaraguans?

I don't agree that contra aid will be cut off soon because of pressures of the peace plan. The U.S. will stop contra aid when it is forced to do so by a massive political campaign of public protests in combination with the continued determination and bravery of the Nicaraguan people.

The way to do that, in my opinion, is to put the focus on the criminal—the U.S. government—and its support to the contras.

Return to what the anti-intervention movement does best. Mobilize thousands to demand self-determination, an end to contra aid, and an end to all aid to the repressive Duarte regime in El Salvador.

I think that the movement lost a step, lost its focus, got disoriented and created a few illusions that a wing of this government (Democratic Party liberals) has grown exhausted by the war and thinks it's time to cut off contra aid.

This is a dangerous illusion. Keep mobilizing and keep the pressure up. We shouldn't concede an inch. ■

All photos by Joe Ryan/Socialist Action

Mexican garment workers form independent union

Out of the Sept. 19, 1985, earthquake in Mexico City, in which 800 garment shops were destroyed and many garment workers were killed, emerged an independent democratic union of garment workers.

Faced with the disaster of the earthquake, thousands of previously unorganized women banded together to force the manufacturers and the government to give pensions to the victims' families and severance pay to displaced workers.

Their tactics included picketing the bosses' homes, sit-ins, and mass marches. Within a month after the earthquake, the government granted union recognition to the garment workers. Theirs was the first independent union to be recognized in 10 years.

Luz Vasquez Martinez, a national leader of the Garment Workers Union (September 19th), was interviewed by Socialist Action reporter Lita Blanc at the Fourth Feminist Conference of Latin America and the Caribbean held in Taxco, Mexico, in October 1987.

Socialist Action: How did the union emerge?

Luz Vasquez Martinez: The union was formed in the aftermath of the Sept. 19 earthquake. Before this time, we knew absolutely nothing about unions or organizing ourselves.

But with the earthquake, which brought tragedy to all of us, we saw the true face of the bosses. Rather than try to save those who were buried alive in the rubble, they were only concerned about getting their equipment and goods out of the destroyed factories. They ignored the cries of the trapped victims and simply abandoned them.

We could not accept this, and we feared for our jobs. We began to organize ourselves. We demanded machinery to dig out the earthquake victims, severance pay for displaced workers, and the reopening of our workplaces. On Oct. 20, 1985, after a march of 5000 garment workers, we demanded union recognition.

S.A.: Had you tried to win union recognition in the past?

Vasquez: Ten years ago, some compañeras had tried, but in Mexico it's not an easy thing. But in our case, the whole world was looking at Mexico. There was a lot of press coverage, and the plight of the garment workers got



Luz Vasquez Martinez

a lot of attention. All this created tremendous pressure on the government. Within 72 hours, on a Sunday, we were officially recognized as a union.

S.A.: What's the average size of the garment shops?

Vasquez: In Mexico City, most of the shops have 10 to 20 workers. About 90 percent of the workers are women. There are also thousands of "clandestine"

sweatshops where workers have no rights at all. In addition, there are countless seamstresses who do "home work."

S.A.: Have you tried to organize those who are working at home?

Vasquez: We have contact with some, but because of their isolation it's extremely difficult to organize them.

S.A.: How were things different after the union was recognized?

Vasquez: Our first demand was that the families of the victims be paid a pension. Then we began to actually organize ourselves as workers. We have obtained 13 collective-bargaining agreements.

S.A.: What are the most important aspects of these agreements?

Vasquez: In the past, compañeras with as many as 20 years' seniority did not get social security, vacation, or any other benefits. We won these rights. We did away with the 12-hour workday. We now have an eight-hour day with a guaranteed minimum wage.

S.A.: What else have you been fighting for?

Vasquez: We're now demanding better working conditions, adequate light, and clean bathrooms. We're also fighting to have maternity-leave rights respected.

S.A.: Have you taken up any other issues which affect garment workers as women?

Vasquez: We have been fighting sexual harassment as well as the pregnancy test which the bosses make you take before they hire you.

S.A.: What is this test?

Vasquez: In order to get work, you have to have a doctor's statement that you are not pregnant. Even though the bosses don't have the legal right to ask such a thing, you have to go along if you want work.

To this day if a compañera begins to question these things, she can be fired. Some workers who are real fighters have been blacklisted and can't get work anywhere.

S.A.: How many women are organized in your union?

Vasquez: We have 5000 members, of whom 2500 have already won collective-bargaining agreements. The seed of organization has been planted.

S.A.: What impact do you think the struggle of the garment workers has had on the Mexican labor movement as a whole?

Vasquez: I think we've shown that if women who—between work and family life are so overworked, so exhausted, and oppressed by husbands who won't even let them go out by themselves—if women are able to wage a struggle to better their lives, why can't the men? We've set an example. ■

... Palestine

(continued from page 1)

amassed to defend the wounded, who, they rightfully feared, would never be seen again.

Roots of rebellion

"The youngsters in Gaza and the West Bank where riots erupted," wrote *Jerusalem Post* correspondent Hirsh Goodman, "have not received any terrorist training, nor are they members of a terrorist organization. Rather, they are members of that Palestinian generation that grew up knowing nothing but occupation."

Indeed, in 1947, 54 percent of Palestine was handed to the Zionist colonizers, who constituted 29 percent of the population and who, until then, had succeeded in occupying but 6 percent of the land. Within six months, Zionist shock troops seized 75 percent of the land, driving nearly 1 million people into exile. Whole villages were

massacred in an openly genocidal attempt to depopulate the country.

Of the 475 Palestinian towns and villages, 385 were razed to the ground—wiped off the face of the earth and from the map of Palestine published by the newly formed Israeli state.

The people of Gaza, driven from their land in 1948, were confined to an area of 130 square miles, 80 percent of them in refugee camps of mud huts.

Twenty years ago, in 1967, Israel seized the Gaza Strip and the West Bank and proceeded to confiscate the arable land and available water. About 2200 Zionist settlers, three-tenths of 1 percent of the population, own and occupy 40 percent of Gaza today—the arable and fertile part—while 650,000 Palestinians live in abject poverty.

A similar pattern exists on the West Bank, with its population of 750,000 Palestinians. Here Zionist settlers comprise 5 percent of the population and occupy over 50 percent of the most fertile lands.

Since 1967, when Israel seized the West

Bank and Gaza, 350,000 Palestinians have been imprisoned without any rights under sustained torture documented by *The London Sunday Times*, Amnesty International, and others.

This scale of repression has been essential to maintain what the deposed mayor of Gaza, Rashad Shawaa, has called "the Soweto of the Middle East."

U.S. patron's worried stance

U.S. officials, worried about the support for the Palestinians throughout the Arab world, have called for Israeli restraint. But on Dec. 15, one week after the uprising was under way, Israeli Defense Minister Yitzhak Rabin signed an agreement with U.S. Secretary of Defense Frank C. Carlucci.

In a *Los Angeles Times* article titled, "U.S. upgrades Israel's status as an ally," it is reported that Israeli companies will now be allowed to bid for Pentagon contracts on an equal footing with American firms. This will give the Israeli state access to a range of U.S. weapons and military technology

that has been restricted up until now.

This is only the latest manifestation of U.S. support to the Zionist state. In fact, Israel is a totally artificial and dependent state that would crumble tomorrow were it not for the aid and loans provided by the U.S. government. U.S. economic and military aid in 1988 will exceed \$3 billion.

Palestinians not subdued

Despite the Israeli state's terrorist violence, the Palestinian people have not been subdued.

A mother of a Palestinian man shot three times in the head by Israeli soldiers was asked by *New York Times* correspondent John Kifner if she would let her remaining sons join the demonstrations. "As long as I am alive," she responded, "I am going to teach the young people to fight... I don't care whatever happens, as long as we get our land."

Deposed Mayor Rashad Shawaa expressed the same sentiment: "The youth have lost hope that Israel will ever give them their rights. They feel the Arab countries are unable to accomplish anything. They feel that the PLO has failed to achieve a thing."

Los Angeles Times correspondent Dan Fisher's account is even more significant.

"This new-found sense of unity has been one of the most striking changes to foreign observers and non-Gaza Palestinians," Fisher writes. "It is a phenomenon that extends to previous divisions between young and old and between those who work in Israel and those who do not."

"A pamphlet circulated throughout the Gaza Strip," Fisher continues, "bears this out. 'Real religion is based on revolution,' the pamphlet reads. It urges in words of classic communism, 'Workers of Palestine Unite!' It is signed Jihad Islam."

The kidnappings, torture, detention, and deportation ordered by the Israeli leaders—all of them close allies of the United States—will not staunch the vast tide of revolutionary struggle unleashed by the long-suffering and now self-activating masses of Palestine. ■



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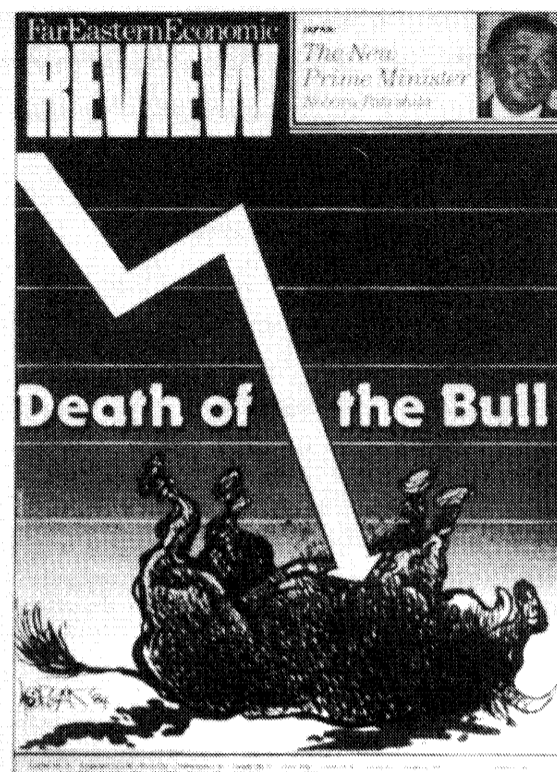
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Stock market crash: A new world situation



Noted Marxist economist Ernest Mandel examines the impact of the Oct. 19, 1987, stock market crash. Evaluating the different links in the world capitalist economy that were undermined and weakened by the crash, Mandel details profound changes in the world situation.

This article, reprinted from the Nov. 23, 1987, issue of *International Viewpoint*, is based on a talk to a meeting of the Ligue Communiste Révolutionnaire, French section of the Fourth International. The article is slightly abridged for considerations of style and space.

By ERNEST MANDEL

The world situation has undergone a very profound change. The capitalist system suffered a very severe blow on Oct. 19, 1987. This turning point is a genuinely global one. Simultaneously, we are seeing the development of a crisis in the capitalist countries and a particular crisis of the system in those countries dominated by the Soviet bureaucracy.

These two processes taken together are creating a world that has little in common with the one that came into being after 1945, or after Yalta, as is sometimes said.

Stock market vs. "real" economy

The first notion that has to be cleared away is the claim that there is a separation between what has happened on the stock market and what is happening in what some commentators call the "real" economy. Supposedly, the stock market was in an unhealthy state, and that is why it experienced a drop; but the real economy is healthy and therefore the economic outlook is not bad. This claim is totally illogical.

To comprehend how illogical this notion is, you only have to look at two key figures in the market losses. In the United States alone, \$1.2 trillion was lost in the space of two weeks—that is, more than the Third World debt built up over the last 20 years. In two weeks, stockholders in all the imperialist countries lost \$1.6 trillion, which is equivalent to 80% of the national debt of the United States, the richest and most powerful country in the world.

These two figures show that it is totally absurd to believe that this is simply a stock market phenomenon without any impact on the economy.

All the serious economists—not just Marxists, but all those who swear by "the power of positive thinking"—have pointed out that such losses will certainly mean a fall in consumption. The yuppies are going to buy fewer Jaguars and BMWs. That's all right for them, but not for the Jaguar and BMW factories or the workers in those factories. A drop in consumer spending, including on luxuries, is going to be reflected by a drop in employment.

Much more important than the drop in consumer

spending, the stock market losses are surely going to lead to a reduction in plant investment. On this question there is another myth that needs to be exploded: the notion that the losses caused by the fall in stock prices are only paper losses—accounting losses—because no one has to sell stocks that have fallen too low.

Leaving aside the fact that a lot of these stocks have been sold, that the losses have been taken, various commentators forget rather easily that these are the stocks of very real industrial, banking, transport, and other firms.

They represent a not insignificant part of the assets of these companies and, as a result of the losses suffered on the stock market, these companies are finding the relationship between their assets and debts upset. This means that their possibilities for getting credit and financial investment have been severely cut back.

These losses indicate it is simply absurd to claim that what is happening on the stock market is detached from what is happening in the real economy. But it is also necessary to examine the other aspect of the problem. Not only does the stock market crash have consequences for the real economy, but the causes of the crash have nothing to do with a purely stock market phenomenon.

Stock prices reach absurd levels

It is being said—and this is true in the formal sense—that the immediate cause of the fall in stock market values was the rising rate of interest in the United States in the weeks and months preceding Oct. 19. The average rate went from 7.5% to just over 10%.

There is a rule, to be sure a theoretical one, that the price of stocks on the market is the capitalization of dividends; that is, the incomes of these stocks in comparison with the average interest rate. There is an automatic movement: If interest rates rise, stock prices fall.

It is also true that some stock exchanges, especially Tokyo, Hong Kong and New York, had reached totally absurd and irrational levels. On the New York stock exchange, prices had risen to the point where the average dividend no longer paid more than 2.5% interest. In Tokyo, prices rose to the point where the return on stocks was only 1.5%. These two percentages are lower than what you would get from just depositing your

money in a bank.

Continuing to buy stocks in these conditions no longer made any sense from the standpoint of possible returns. It was a purely speculative operation, unrelated to the return on the stocks. So technically you could say that a fallback was inevitable.

Some people have also lightmindedly suggested that the use of computers tended to amplify or accelerate the movement. At a certain moment, the operators no longer saw anything but the screen. The screen said "sell," and so everyone sold. This is a rather facile explanation. The computers could at most amplify a movement that had other causes than the shortsightedness of inexperienced young people employed in buying and selling shares.

First simultaneous crash

What is more important is the ultra-rapid internationalization of the crash. This is the first time we have seen a stock market crash in all the capitalist countries at once. In 1929, the crash only hit Wall Street; the other markets were hit only after a certain delay. This time the delay was not even 24 hours in duration.

Fundamentally, there is a question that links the stock market to the real economy, which in turn, links an analysis of the crash to the present capitalist epoch. And here I think Marxists are the only ones who offer more than a superficial analysis.

Since the beginning of the long wave of depression—that is, from 1974 and the start of the first generalized recession in the international capitalist economy since World War II—we have entered into a period characterized by an average growth rate less than half that of the preceding 25 years. This is reflected by a constant rise in unemployment during all the conjunctural ups and downs. In the imperialist countries alone, 40 million people have no jobs.

During this long depressive period, the accumulation of capital has, of course, continued. There is no such thing as a never-ending crisis. There are always periods of recession followed by periods of upturn. We had a recession in 1974-75, and another in 1981-82. We had an upturn after that recession that lasted from 1983 to 1986.

But what strikes observers and analysts who take more than a superficial view, is that during these upturns productive investment in new factories has not followed the cyclical upturns. Here I mean productive investment in the broad sense of the term; not just in manufacturing, but also in tele-communications, transport, electricity, gas, and infra-structure projects. There has been less and less productive investment.

A study has just appeared in Germany that shows that despite the lowering of taxes, despite a sharp increase in profits in 1982-87, productive investments by the big German firms are barely half what they were in the early 1970s.

Crisis of overproduction

There has, thus, been an enormous over-accumulation of capital that has not been invested productively, and the reason for this is simple. Enormous surplus capacity, enormous real or potential overproduction, is weighing down on the market.

There are already too many cars, too many airplanes,

(continued on page 8)

... Stock market crash

(continued from page 7)

too many electrical appliances, and in these conditions no one is going to play around by adding more enormous factories to those that already exist. I am not talking about small factories or workshops, but factories of the same type and scale as those that were the driving force of the post-World War II economic boom.

The capitalists had hoped (and many ideologues, even in the workers' movement, repeated this hope) that new products and new industries such as computers, personal computers, and robotics would take over from cars, electrical appliances, and construction.

This is because these latter industries played the essential role in impelling the post-war expansion. But all you have to do is look at the production and sales figures in the new industries to see the capitalists' problems today. Barely 10% to 15% of homes have personal computers, and only 2% to 3% of jobs have been eliminated by robots.

Over-accumulation of commodities

These new industries and products are not taking up the slack, and in these conditions, combined with the over-accumulation of capital—or more precisely the over-accumulation of commodities and the impossibility of selling them—a good deal of capital remains in liquid or semi-liquid form, seeking to be invested elsewhere than in production (factories, manufacturing, etc.).

In fact, aside from some small dealings, like works of art, there are not a lot of alternatives for investing \$100 billion, \$200 billion, or \$300 billion a year. I say a year because that is the scale. You cannot invest \$300 billion a year in Monet or Breughel paintings, or in gold; that is not possible. There is only real estate or the stock market. There are no other outlets for that kind of money. And so the wealth of new capital has been flooding into these areas for many years.

This is what explains the dizzying rise in the price of stocks, land, and housing in most of the world's big cities. These price increases have nothing to do with any economic return or economic rationality. They are simply the result of the fact that enormous capital has flowed into these markets, and through the law of supply and demand prices are shooting up.

Decline of U.S. dominance

Another factor in this new situation is the role of the United States. The United States continues to be the world's main market. It alone accounts for almost 40% of the world's imports.

A good part of these liquid or quasi-liquid holdings have flowed to the United States simply because there was no other opening. You certainly won't see the oil sheikhs or the Japanese capitalists investing \$300 billion in Norway or Tanzania because there is nothing to buy on that scale in those countries.

But, at the same time, the competitiveness of U.S. industry or, more precisely, the dominance of U.S. imperialism in the capitalist world, has been constantly and irrevocably undermined for more than a decade.

I will give one figure to show how rapid this decline has been. Between 1981 and 1986, the U.S. share of world exports dropped from 20% to 13.8%. Never before in the history of capitalism has there been such a rapid decline. If you look at Britain's decline, it stretches over several decades. Such a decline in five years is extraordinary. Of course, Reagan's policies are responsible for part of this, but it is still extraordinary.

Here we are at the center of an analysis of both the structure and cause of the stock market crash. This situation means, and this is the contradiction, that foreign capital was rushed to the United States at the very moment that a permanent deficit set into the U.S. balance of trade. The United States is importing more and exporting less. (Of course you have to keep a sense of proportion. A country like France, for example, would be very happy to have the U.S. export figures.)

Taken together, this flow of capital into the United States and the growing U.S. trade deficit led inevitably to two results: The first was the continuing decline of the value of the dollar against other currencies. Once again, this was inevitable. The United States needs more yen, marks, Swiss francs, and Dutch guilders—even a few French and Belgian francs—to pay for their imports. Thus, the demand for foreign currencies rises more sharply than the demand for dollars—and the dollar drops.

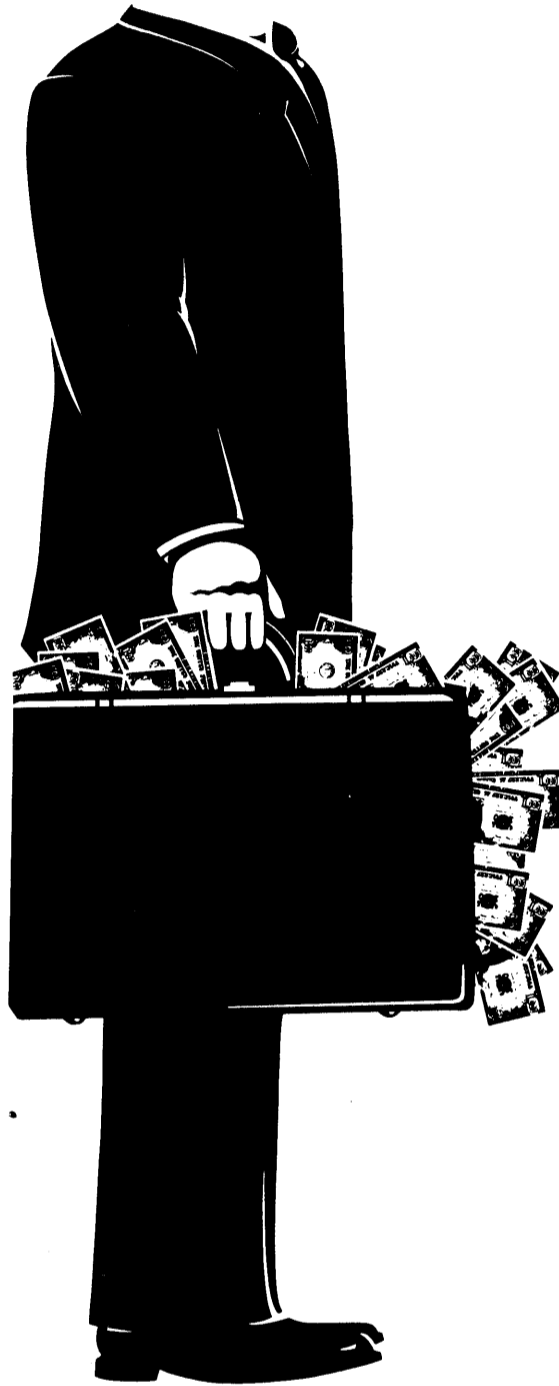
The United States has to attract foreign capital and accomplish this with a national currency of declining value. So, they had to set interest rates substantially higher than those obtained in Tokyo, in Frankfurt, in Zurich, or Amsterdam. In fact, U.S. interest rates include what you could call an insurance premium against a devaluation of the dollar to the order of 3% to 4%.

It is well known that those who had the most to gain from these movements of reorientation, of restructuring

of international capitalism, are Japanese finance capitalists who export capital to the United States. They are doing this at the rate of \$140 billion to \$150 billion a year—nearly \$12 billion a month!

Such a volume of capital exports has never been seen before in the history of capitalism, even at the peak of the British empire. In August of this year, however, this figure fell abruptly by 90%, from \$12 billion to \$1.1 billion. This produced a panic on Wall Street and in Washington, D.C.

The Japanese might not continue to cover the deficit in the American balance of trade. They began to withdraw from the New York stock exchange. As a result of this



“You cannot invest \$300 billion a year in Monet or Breughel paintings, or in gold; that is not possible. There is only real estate or the stock market.”

Japanese withdrawal, interest rates were pushed from 7% to 7.5%. This, in turn, caused a panic where stock prices on Wall Street collapsed.

Here you can see how the purely technical mechanism of the stock market is linked not only to the structural features of late capitalism, but to the shift in the inter-imperialist relationship of forces, with all its consequences.

The fall of the dollar

The fall of the dollar has sometimes been presented as a sort of conspiracy by U.S. imperialism to punish its partners and competitors and to reestablish its balance of trade. From a purely technical point of view, the results are not convincing.

It is true that when the dollar drops, exports become cheaper. But it is also true that imports become more

expensive. While the effect on imports, notably oil imports, into the United States is immediate, the effect on exports comes only in the medium term—and sometimes recedes altogether to a distant horizon.

The effect can be the opposite of that intended. The trade deficit can increase despite the fall in the dollar. That happened in August and September, and frightened the market specialists, the speculators. This is one of the psychological explanations for the Oct. 19 drop in stock prices.

However, there is a more important, more structural aspect than this formal one. When the dollar declines, exports are stimulated, but at the same time all the real assets in the United States—factories, stock, land, buildings—become cheaper for foreign capitalists. Japanese, German, Swiss or Dutch capitalists today can spend 40% less than they did two years ago to buy the same factories, stock, land, or buildings in the United States.

Therefore, any plot by U.S. imperialism to just let the dollar fall would mean they were following a half-witted policy of deliberately selling off their assets to foreign capitalists. I don't believe that, especially not in the epoch of imperialism.

Nor do I think that there has been a deliberate U.S. policy of facilitating the purchase by foreign capitalists, not only of factories producing needles or sewing machines, but also missiles and even components for nuclear missiles. Why should they do that? They would have to be totally crazy to do such a thing. Moreover, they are not doing it.

Where the U.S. draws the line

The proof of this is that the Japanese managed to buy the biggest bank in the United States. It is the first time in the 20th century that such a thing has happened. But when they wanted to buy Fairchild, which is one of the high-tech arms and electronics factories, the U.S. administration said *no*, we will not tolerate that, we are in the age of imperialism, not of *laissez-faire* when governments took no interest in the way factories were used.

Controlling your own arms industry is no trifling matter for imperialists in the world we are living in. The conclusion that flows from this is that the investment of

“... While inflation has been on seven years, it is inevitably going to destroy the United States... And it is going to destroy the countries of the Third World... and the countries, like France, Italy, and

foreign capital in factories is still largely blocked, not by the market but by the intervention of the U.S. government. So, this enormous mass of capital floods into financial instruments, the stock market, and real estate.

In Los Angeles, the second largest city in the United States, 75% of the big buildings are today foreign-owned. And that is only a sign of the times if the Americans let the dollar fall. This trend is growing and threatens to produce fundamental shakeups in the structure of monopoly capital on an international scale.

De-industrialization and restructuring

To characterize the policies of Prime Minister Thatcher and President Reagan, people have talked about a wholesale de-industrialization of Great Britain and the United States. But this characterization is both premature and superficial.

In the epoch of imperialism, de-industrialization carried all the way means a loss of military and economic power. What if you let your missiles be built in South Korea or Taiwan? Can you see the United States depending on a socially and politically unstable South Korea?

So, this trend must be reversed. And the enormous devaluation, the enormous loss of value of finance capital since Oct. 19 marks the beginning of this restructuring. The pendulum is going to swing back, and it is no secret to say that this will be accomplished by political changes.

A certain political personnel have conducted this de-industrialization and offered this windfall for speculators. But another political personnel is going to carry out a policy leading in the opposite direction.

In the United States, the Republicans are going to lose the upcoming elections. I think, without claiming to be a prophet, that the right is going to lose the presidential elections in France. For the same reason, I think that if there were elections in England today, Thatcher would lose them, and that social-democracy, with its semi-

et crash

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lume of capital exports has never been seen e history of capitalism, even at the peak of mpire. In August of this year, however, this abruptly by 90%, from \$12 billion to \$1.1 s produced a panic on Wall Street and in , D.C.

ese might not continue to cover the deficit in n balance of trade. They began to withdraw ew York stock exchange. As a result of this



You cannot invest \$300 ion a year in Monet or ughel paintings, or in d; that is not possible. e is only real estate or the stock market."

thdrawal, interests rates were pushed from 7% is, in turn, caused a panic where stock prices et collapsed.

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liberal allies, those who embody the neo-Keynesian policy, are generally going to rise again.

After 10 years of misadventures of an all-out free enterprise offensive, the neo-free enterprisers are on the ropes today. In history, there has rarely been a shift in the dominant ideology of the ruling class as fast as the one we have seen in the last two weeks.

Great admirers of market forces?

On the front page of the Oct. 26, 1987, *International Herald Tribune*, there was an article reprinted from the *New York Times*. The article started with the following extraordinary phrase, which a month ago no social-democrat would have even dared to write:

"The world risks being thrown into a grave depression; everything depends on whether the uncontrollable forces of the market will throw us into chaos or whether reasoned and reasonable intervention by governments will get us out of this impasse." These words are the classical statist credo in a period of crisis. Where is faith in the market?

After Oct. 19, there was official intervention by the Canadian and U.S. governments to save some big brokerage houses. In Canada, the biggest risked losing \$1 billion French francs. Finally there was a compromise, with a part of these losses being absorbed by the Bank of England.

This is how much the climate changed within the space of a few days. The creed of the market economy, the free enterprise virtues of egoism and "enrich yourselves," all dissipated, and the singers of its praises went back to their Keynesian and neo-Keynesian amours, supplicating governments and public authorities, as General de Gaulle once said, to "do their duty."

Budget deficit

But there is a glaring contradiction in this appeal for public intervention, a painfully obvious basic absurdity. All the governments in the imperialist world are raging at the United States, demanding that it put a stop to its deficit spending.

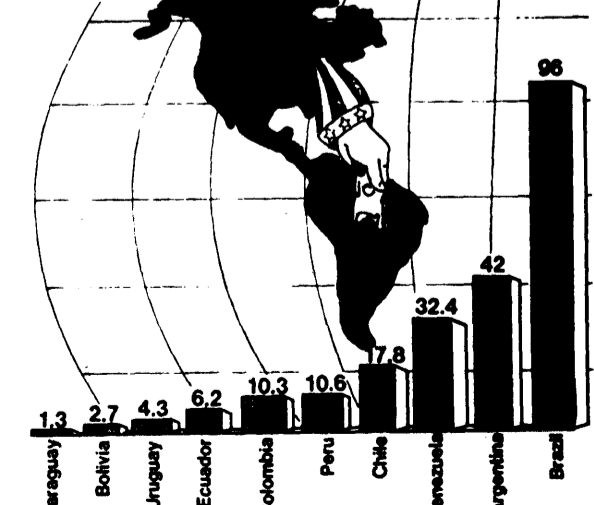
Meanwhile the United States, as monetarist as it is, and as conservative as Mr. Reagan is, was the first to apply a neo-Keynesian policy of expanding global demand to get out of the 1980-82 recession. In fact,

budget deficits are the most classical form of neo-Keynesianism—deficit spending, increasing demand or the volume of money, it all comes down to the same thing.

Obviously, you can argue about how this deficit spending is allotted. Here the neo-conservatives get their due through military spending and gifts to the rich through tax reform. Spending on public works has been cut back. Today, half of the bridges in the United States are no longer safe because there has been no investment in public works for years.

In the area of social spending, they have been more careful about medical insurance, which is as sacrosanct in the United States as it is in Europe. Aside from Medicare and Medicaid, however, they have slashed social spending, as have conservatives throughout the world.

Debt-laden South America
(Total foreign debt of some South American countries, in billions)



Source: U.N. Economic Commission for Latin America, Wharton Economic Forecasting Associates



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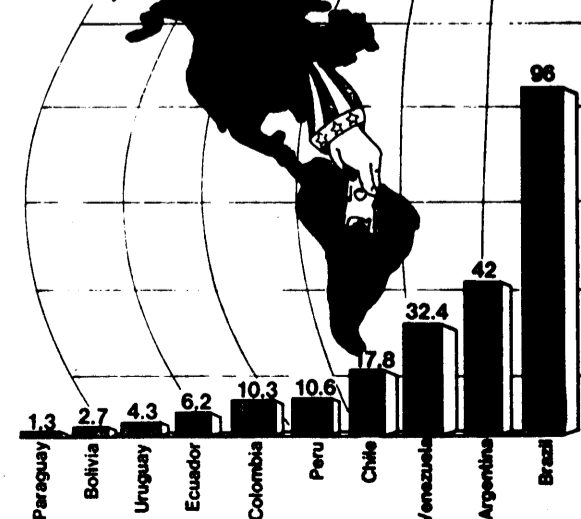
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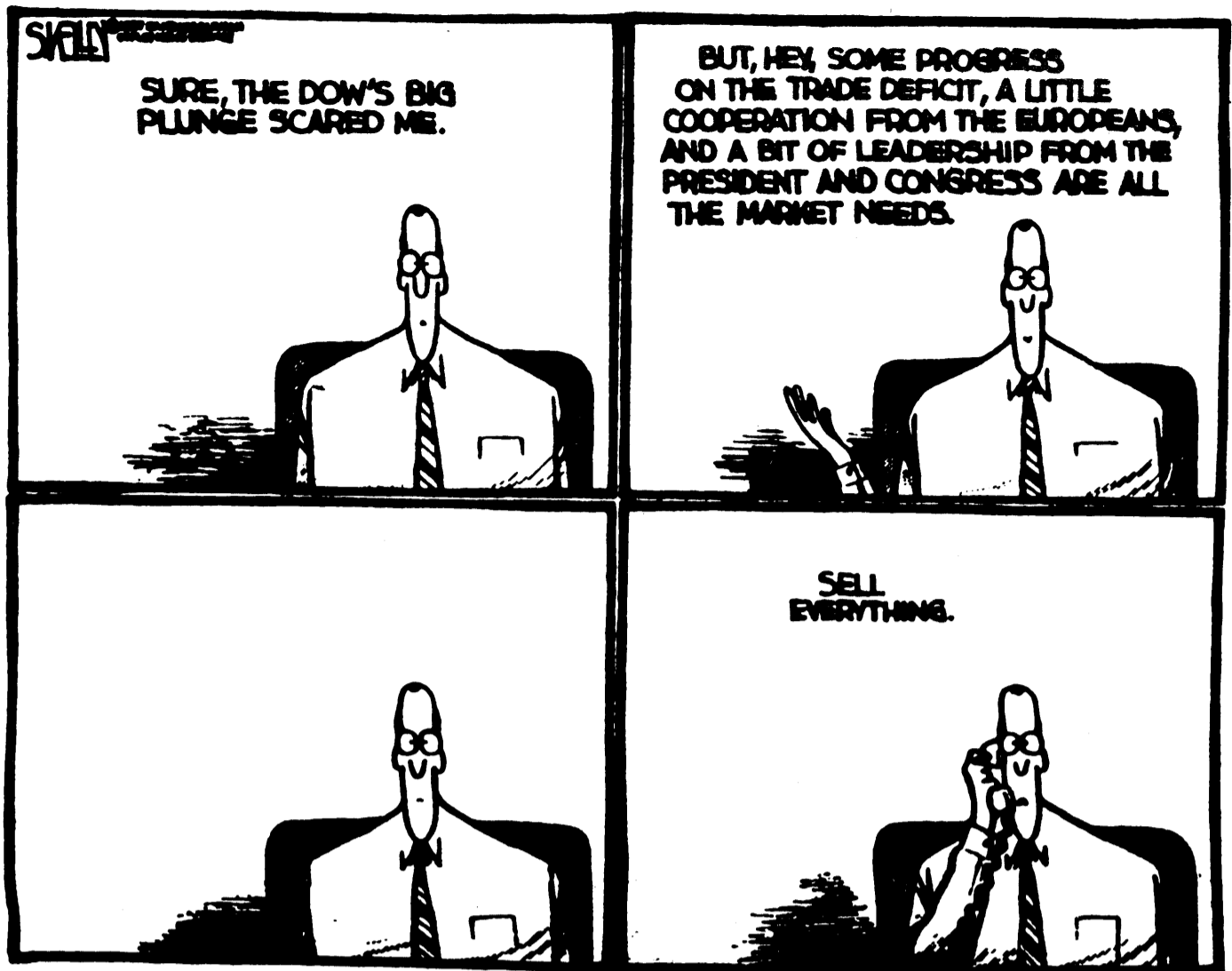
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But overall, especially in view of the expanding military budget, there has been an increase in demand, in the volume of money. This produced both the economic upturn, from which all capitalist countries benefited, and the swollen American domestic market that attracted not only capital, but especially commodities.

These goods are not only Japanese and German, and to a lesser extent Italian, French, British, and Belgian, but also commodities from a whole series of semi-industrialized Third World countries—Brazil, Mexico (to a degree), South Korea, Taiwan, Hong Kong. Today, all these countries have a balance of trade surplus with the United States.

Third World debt

One of the least understood and most irrational aspects of the way the capitalist economy functions today is the question of the Third World debt, a debt that will never be repaid; no one disputes that. But even the very onerous service on this debt can only be paid if the countries concerned have a trade surplus with the imperialist countries.

Where else would they get the dollars to pay it? This means that by insisting that the interest be paid, the United States, the International Monetary Fund and the World Bank are insisting that the deficit in the U.S. balance of trade increase. But if today the United States says, "that's it, the deficit has to end," the whole marvelous mechanism that has kept the international capitalist economy a fraction of an inch above water over the last five years will grind to a halt, and it will sink.

If there is no longer a budget deficit in the United States, the American domestic market and U.S. imports will shrink. That will mean an end to Japanese and German expansion. It will mean an end to interest payments by South Korea, Mexico, Brazil, Argentina, and so on. And recession will spread from the United States to all the capitalist countries.

Worldwide recession

This is inevitably going to happen in 1988. And it will be a recession under worse conditions than the 1980-82 recession. Because while inflation has been on the decline for the last five to seven years, it is inevitably going to rise again, at least in the United States. Perhaps also in Japan and Germany, but certainly in the United States. And from the United States it is going to spread to all the countries of the Third World, where already high inflation will be accentuated. It will also reach the weaker capitalist countries such as France, Italy, and Britain.

There are a whole series of reasons for this. The U.S. government has done something that is economic nonsense. It wanted to lower interest rates at any cost to halt the fall in the stock exchange. It had some success, but in order to do this it inflated the monetary mass. And if you inflate the monetary mass with an already devalued money, obviously you revive inflation, and the interest rate will go up again.

The Japanese have already virtually stopped buying American paper, and in particular, they stopped buying U.S. Treasury Bonds in August. This month there will be another issue of Treasury Bonds, and if the Japanese

prove reluctant to buy them, interest rates will go back up by a point, two points, or more. When the rate of inflation is already 5%, you can see the results that will ensue, in addition to higher prices for imports. The two will combine.

The question is posed of replacing a U.S. budget deficit with a German and Japanese expansion to avert an international recession. This does not seem very realistic for two reasons.

First of all, Germany's domestic market has a population of 60 to 65 million. This cannot replace the market of 240 million in the United States. Germany cannot import the same volume as the United States from Brazil, South Korea, Taiwan, and Mexico. The second reason is that Germany and Japan have themselves experienced a parallel evolution, and their productive investments have been very, very limited, even in Japan.

With an eye toward quick profits, the big Japanese firms have practiced financial investment and speculation at the expense of production. The last big wave of investments was in color TVs. They flooded the world with these gadgets, but now that is over. There is no equivalent new impulse. So, they have thrown themselves into financial operations. In these conditions, the Japanese domestic market, with wages 40% lower than in Europe, cannot absorb a major volume of commodities.

No authority over capital

But there is a deeper reason for this insoluble problem, and that is the internationalization of capital, of speculation and the stock exchanges. Underlying this are big international firms producing on a world scale independent of each other. There is no supreme arbiter that has the power to impose its authority worldwide over capitalism.

Capital continues to be politically and militarily fragmented into states with varying degrees of independence from each other. This reflects fundamentally private property, competition and the use of the state by factions of capital organized nationally to defend their own particular interests.

We are watching a tragic spectacle for the capitalist world. They shout wildly that we are all in the same boat, but they prefer that their neighbors fall into the water before them! This is what has dominated the international monetary and political scene since the beginning of the long depression.

This is true even in Europe, where it is clear that the only solution for the European capitalists is finishing the reconstruction of a European economy and transforming the European currency unit (ECU) into a real currency. This is the only solution for averting a grave recession. But even for the German and French, who are ready to have a common army and to pool together a few miserable thousand million dollars, the watchword remains "Yes, but..."

Even this absolutely necessary unification will not take place in a period of crisis. On the contrary,

(continued on page 10)

... Crash

(continued from page 9)

competition, contradictions and inter-imperialist rivalry sharpens. I am not saying that the Common Market is going to collapse, but the status quo will remain. They will be unable to take the big step they need to, if only to avoid a grave recession.

How bad will it be?

So, I will end with three questions. The first is the scope of this recession, a recession that is inevitable because of everything that has happened over recent years. It will probably come at the beginning of 1988. But the time is not so important. We are concerned with general trends, not with making predictions.

Will this inevitable recession be more or less of the same type as the 1974-75 one, or the 1980-82 one, or will it be much graver? It is still too early to answer this question. The chain of the capitalist economy has broken at its weakest link: the stock markets.

Two other links are now threatened. The first are a series of brokerage houses and commercial banks that immersed themselves in stock market speculation on a grand scale and have over-drafted tens of millions of dollars, which governments or central banks may or may not bail out. Probably, they will be bailed out, although it is hard to tell to what extent. That will be decided in the coming weeks.

The other weak link is a series of countries threatened



“... in the imperialist countries as a whole, over half the unemployed are no longer receiving benefits.”

by bankruptcy. These are above all in the Third World, but not entirely. Some imperialist countries are in debt up to their ears, and as soon as the recession comes they could find themselves in very grave difficulties.

Already it is clear that simply the fear of a recession has touched off a drop in the price of raw materials that is hitting some Third World countries very hard. And the onset of the recession will have a very severe effect on the exports of countries such as Brazil, where the recession has already probably begun; South Korea, which is still in full expansion; Taiwan and Hong Kong, which are still in full expansion but can fall into recession overnight. Several of these countries may find themselves unable to meet their interest payments.

A third decisive link is that a series of failures in the financial sector could extend to some big multinational industrial and mining firms. This is possible—I do not predict it, but it is a possibility. This possibility arises as an immediate consequence of the stock market crash. The financial soundness of some of these firms was shaken overnight. If their sales or their turnover drops, they could go over the brink.

These three links have not yet broken. But they could. And if they do, this crisis will be a very grave one. If they do not, it will be a repetition of the 1980-82 crisis. Let us not forget that the 1929 stock market crash did not lead to a collapse of production in the same year. It took three years to arrive at an unemployment rate of 30%-35%. Today also, the deterioration of the capitalist economy could stretch out over several years, through

successive phases of recession, stagnation, and new recession.

The second question is the social consequences of all this. For the vast majority of working people this is the question of social security, the finances of which are in a bad state in every country. This is the cumulative result of 15 years of depression and mass unemployment.

Social upheaval

There has been an attempt to straighten this out, because the capitalists, to say nothing of the reformists, know perfectly well that this is where the most explosive material lies, where the masses might fight back the hardest. These social programs were the most important gains for working people, especially health insurance and pensions.

But if the finances totally break down, if state resources shrink because of the recession, I think that this link is going to be threatened. I am not necessarily saying that it is going to break, but there is a direct connection between the economic and social crisis.

Today, there are 31 to 32 million officially registered unemployed in the imperialist countries. The real figure, cited by the BIT (International Work Bureau) is nearly 40 million.

We have to realize that together with the families of the unemployed, this represents nearly 100 million people just in the world's richest countries. If this figure increases by 10% or 15% in the coming recession, we are not so far from a grave crisis, despite social security and despite unemployment insurance.

Worldwide impoverishment

Another frightening figure that few people know about is that in the imperialist countries as a whole almost half the unemployed are no longer receiving benefits. They are living off charity. There has been talk about a new poverty. But this is absurd, because there is nothing new about this poverty. It has always existed.

But what they want to designate by this term is impoverishment, the worsening of poverty in countries such as Portugal, Spain, southern Italy, and France—and also in Britain.

I think we were right to underline the fact that, as in 1929, the first effect of all this on the working class, on the workers' movement, on the capacity of the workers to fight back, is not positive. That is clear. If there is a mass of unemployed, if there is fear of unemployment, and if there is fear of impoverishment, the first reaction will be a fragmentation of resistance: everybody for themselves.

This is especially true in the absence of a well structured, conscious trade-union movement confidently organizing a fightback; a movement that has established or tries to reestablish the unity of working class forces.

As the crisis takes on more definite form, as the capitalists' political and ideological offensive is discredited, things can change. They may not change quickly. After 1929, we had to wait five years for such a change. It was only in 1934 that the workers began to fight back in Europe and the United States.

A new world situation

No one can make any predictions today. But the response is going to come. That seems absolutely certain, and those who still harbor any illusions about a general revival of the capitalist economy or a soft landing to the long depression, followed by a new expansion, are wasting their time. After this grave stock market crisis it is clear that this is out of the question.

The capitalists' confidence in their own future, in their destiny, their own economy, may have been more shaken than the illusions of the reformists and workers. A deep and broad expansion of this economy in the coming years is totally excluded.

It would take a profound change in the situation, a very grave defeat of the working class and a radical change in the Eastern bloc countries for this confidence to revive, for the market to be able to expand, for investments to regain the rate of the 1950s and 1960s.

I will conclude with a third problem. We are in a new world situation, owing to political, economic, moral, and ideological shake-ups. But there has not yet been a social upheaval. It is clear that this may take time. But the four areas in which there have already been shocks are important enough to justify using the term: "a new world situation."

The tragic irony is that this is not fortuitous. It is the historical price that we—and above all the Soviet working class—pay for the crimes of Stalinism.

The tragic irony is that at the moment when imperialism is going into one of the deepest, if not the deepest, crises in its history, and when confidence in the market economy has been profoundly shaken in the West, not to mention Third World countries, the virtues of market mechanisms are now being extolled in the Soviet Union.

Expanding market mechanisms is presented as the only recourse and only solution to the grave systemic crisis gripping the USSR and its satellite countries. This systemic crisis is so undeniable that it is now acknowledged openly and frankly by the leaders themselves.

Effects of crisis on workers' states

Two terrible statistics, cited by Gorbachev himself in his book, capture its gravity. First: One-third of working

hours in the Soviet Union are wasted. Second: There are four times more tractors in the USSR than in the United States, but the USSR produces less wheat than the United States. This leads to constant shortages that force the Soviet Union to spend billions of dollars each year importing wheat from capitalist countries.

These two figures suffice to prove that the crisis is specific to this regime. However, the theoreticians who claim capitalism has been restored or that state capitalism exists in the Soviet Union are at a loss to explain this: Stock markets have collapsed in all the capitalist countries, but not in Moscow or Peking. There's another economy there, that's clear. Anyone who cannot see this is denying reality. These economies are not playing the same game, according to the same rules, in the same structure.

This does not mean that the USSR's is a perfect economy that functions well. It has its own crisis, its own problems. The Soviet leaders are more or less powerless to deal with them. They are completely disoriented and there will be no big changes. This year, the growth rate of Soviet industry has fallen below the level it had reached in Brezhnev's last year.

There is a lot of noise—which is good; there has been a good deal of openness, which is even better; and some *glasnost*, which is insufficient. But little has really changed and nobody predicts real changes in the months and years ahead.

Soviet and American workers to center stage

So what do we mean when we say that the world situation has profoundly changed? As I said, we have



“Soviet and American workers will come to center stage—135 million in the USSR and 115 million in the U.S.”

seen a long period of retreat of the world revolution, that ended with the fall of Mussolini in 1943. We then had a long partial rise of the social revolution—complicated, not clear-cut and less conscious than the period following 1917, but important all the same.

The Chinese revolution, the victory of the Cuban revolution, of the Vietnamese and Nicaraguan revolutions—all this has created a world far different from the one in 1940, that is, the period of Hitler, Mussolini, and others of the same ilk.

But this slow rise of the international workers' movement has been weighed down by a tremendous handicap: the fact that two of the biggest working classes in the world—those of the USSR and the United States—have been out of the game for 40 years. They represent more than a quarter of the world working class, and are its most concentrated contingents—135 million workers in the USSR and 115 million workers in the United States—who have been on the sidelines.

The crisis in itself won't change that. Gorbachev alone will change nothing. But the crisis sets changes in motion.

This is a fundamental change which gives us great hope for a continuation, growth, and generalization of workers' action, of the proletarian revolution, and of socialism as defined by Marx: that is, the rule of freely associated producers.

The hidden terms of the Gorbachev-Reagan summit



The Economist

A lot more than just an arms reduction agreement was worked out by Gorbachev and Reagan at the summit. The Soviet bureaucracy is willing to bend over backward in order to secure deals for trade and "peaceful coexistence."

What is new, however, is how fast the bureaucracy is moving to not only sell out the Nicaraguan revolution, but to undermine the planned economy within its own borders.

By NAT WEINSTEIN

The hopes of a desperate world yearning to be freed from the threat of nuclear annihilation received a big boost from the mass media's euphoric treatment of the Gorbachev/Reagan summit meeting. The actual agreements, centering on the Intermediate-range Nuclear Forces treaty (INF), however, are really quite modest.

The INF treaty, signed with great fanfare in Washington by the two heads of state in mid-December, provides for a less-than-10-percent reduction in the world's supply of nuclear warheads. Moreover, according to the Natural Resources Defense Council, "U.S. cuts under INF represent only 90 days of warhead production."

This fact gains greater significance when account is taken that no restrictions have been placed on aircraft, ship, and submarine-launched cruise missiles. Moreover, the fissionable materials removed from the dismantled missiles will remain stockpiled for new warhead production.

Stanley C. Pace, the chief executive of General Dynamics, the nation's leading arms maker, noted approvingly that the INF treaty would not seriously limit cruise missile production—whether armed with nuclear or conventional warheads.

Nevertheless, it can't be denied that the summit reflects a change in relations between the two great powers that promises to be followed by further agreements to slow, at least temporarily, the nuclear arms race.

What is the source of this shift which has been in the making in the months

preceding Gorbachev's arrival in Washington? A shift which is exemplified by President Reagan's sudden switch from "evil empire" characterizations of the Soviet Union to his "discovery" that Gorbachev, unlike his predecessors, did not believe in the "Marxism philosophy of a one-world Communist state."

The source is not to be found in any sudden shift in Gorbachev's "philosophy," any more than in the new nuclear arms concessions he made.

Reagan, knows full well that Gorbachev has been, and remains, prepared to make many more arms concessions than he has thus far made. And Reagan also knows that all of Gorbachev's Stalinist predecessors have categorically rejected the goal of a world society based on a socialist order.

Reagan knows that, on the contrary, their guiding "philosophy"—whether it was called "socialism in one country" or "peaceful coexistence"—has been to conclude a long-term deal with world imperialism to jointly maintain the global status quo. ("Socialism" was to be permitted, according to the standing offer made by Stalin and his successors, only within the borders of the Soviet Union.)

Ever since the Stalinist-led bureaucracy usurped political power from Soviet workers in the mid-1920s, it has done its best to convince imperialism of its sincere commitment to the preservation of capitalism outside of Soviet borders. That has meant, in programmatic commitment as well as in practice, a foreign policy which hinged on working to block workers everywhere else from taking the anti-

capitalist path blazed by the Russian workers and peasants in October 1917—in exchange for peaceful relations.

Under the banner of "peaceful coexistence," the anti-capitalist revolution was betrayed by the Stalinist parties in Europe and Asia in the turbulent period of world capitalist crisis preceding and immediately following World War II.

But Stalinist hopes for long-term peaceful coexistence with world imperialism have been repeatedly dashed. The capitalist world certainly welcomes the help it receives from the Soviet bureaucracy, which can be counted on to shore it up in critical situations—in exchange for little more than a temporary easing of relations. But it is relentlessly driven by its own long-term needs toward rolling back the socialist revolution—especially in the Soviet Union.

World capitalism must find new markets for its surplus products, as well as new fields in which to invest its surplus capital, or drown in its own wealth. But so long as the nationalized and planned economy and state monopoly over foreign trade continue to exist in countries where capitalism has been abolished, they constitute major barriers to profitable and safe investment.

Shifting the blame

The historic need of capitalist imperialism in a world of finite markets is to break down these barriers. This is the force driving the arms race. And so long as capitalist economic forces dominate the world, the arms race can only end in nuclear annihilation of life on earth.

The one-sided, and misleading explanation for the summit agreement put forth by the mass media's opinion-molders focuses on concessions made by Gorbachev on the terms of the reduction in nuclear missiles. These are characterized as "asymmetrical;" that is, the Soviet top bureaucrats have agreed to dismantle a higher proportion of their side's missiles than the United States and its allies are required to do.

The credit the mass media freely grants to Gorbachev as peacemaker, however, serves to support imperialism's major propaganda weapon; that the Soviets initiated the nuclear and conventional arms buildup to further their "plans for world conquest."

This spurious premise includes the notion that every authentically indigenous revolution, such as in Cuba or Nicaragua, is in reality a "Communist plot to take over the world." In this way they seek to shift the blame for the arms race and at the same time rationalize military intervention against peoples who rise up against political, economic, and social injustice.

But asymmetrical missile-reduction is the least of the concessions made by Gorbachev. The Stalinist leader has signaled—beginning well before the summit itself—far more substantial accommodations to the needs of imperialism under the heading of "regional understandings."

Hidden "understanding" on Nicaragua

In regard to Central America, Gorbachev has made amply clear that the Soviet bureaucracy is prepared to help stabilize the region for imperialism. This includes a promise to qualitatively reduce its material assistance to the Nicaraguan Revolution.

Veteran *New York Times* columnist Flora Lewis provides a revealing account of this Soviet offer in a Dec. 18 *Times* op-ed article. Lewis writes:

"Chief Soviet arms control negotiator Victor Karpov, said in Paris this week that Mr. Gorbachev had told President Reagan he would stop all military deliveries to the Sandinistas if the U.S. stopped financing the contras...

"During the summit meeting, Valentin Falin, head of the Novosti press agency and a member of the Soviet delegation, said that President Daniel Ortega was told in Moscow last month that he had 'no alternative' to a political settlement.

"Mr. Falin said Moscow supported the Guatemala five-nation's peace plan for Central America... He repeated: 'There is no alternative. We assured him [Mr. Ortega], that in the practical fulfillment of the Central America peace plan, he would have our full trust and support.'"

And Lewis concludes:

"It could hardly be made plainer that Moscow does not want Nicaragua to spoil its drive for better relations with the U.S. and is prepared to leave the Sandinistas to their own devices if the U.S. stops helping the contras."

Pressure to "fulfill" accord

The peace plan initiated by Costa Rican President Oscar Arias was accepted by the Sandinistas only after considerable arm-twisting by Gorbachev. This pressure included cutting off vital oil supplies denied Nicaragua by all other nations.

Soviet Ambassador to Mexico, Rostislav Sergueev, made this goal explicit when he announced the reason for the Soviet suspension of oil to Nicaragua. A Mexican newspaper, *Excelsior*, reported last June 3, that Sergueev had stated that the Soviet reduction of oil shipments was intended to "demonstrate that [the conflict in Nicaragua] is a conflict within the American continent, and not an East-West dispute."

The Soviet bureaucracy renewed oil shipments *only* after the Sandinistas

(continued on page 12)

... U.S. - Soviet summit

(continued from page 11)

acquiesced to the Arias peace plan in early August. But the Soviet leadership has continued to pressure the Sandinistas to make further concessions to the U.S. imperialists.

An editorial in the Nov. 11 issue of the French daily *Le Monde*, for example, notes that Nicaraguan President Ortega's decision to conduct indirect talks with the contras—a demand the Sandinistas had categorically rejected for years—was made only after Soviet insistence. "There is no doubt that the Soviet Union, where Ortega was visiting just a few hours before the announcement of the opening of the dialogue with the contras, pushed Managua in this direction."

Toward the end of pressuring Nicaragua to "practically fulfill" the various terms of the Central American peace plan, the Soviet bureaucracy has, in fact, doled out aid well below their capability. They are allowing the Nicaraguan economy—devastated by the contra war and starved of credit and aid by U.S. imperialism and its allies—to slide into virtual collapse.

This can only have the effect of compelling the Sandinista government to accept a "peace" that would be used to destroy the Nicaraguan Revolution.

Meanwhile, Nicaraguan capitalists continue their economic sabotage. They continue to operate factories and farms well below capacity, causing increasing shortages of the most basic supplies. This has contributed heavily to the inflation rate of over 1000 percent in 1987. Some observers claim inflation in Nicaragua is on the verge of getting completely out of control, and its currency in danger of becoming worthless.

This economic tailspin, alienating and demoralizing supporters of the revolution as well as those more or less indifferent, weakens the capability to defend the revolution against a U.S. invasion.

Can Nicaragua fight back?

Nicaraguan President Daniel Ortega confirmed the FSLN's intention to add 80,000 workers to the militia, as was reported by Col. Miranda, a high-placed defector. This cannot be seen only as *military* preparation for resisting a direct invasion by U.S. troops. It must also be evaluated in conjunction with the Sandinista leader's pledge to lead the armed people in struggle against any attempt to take away the gains made by the revolution. This points to a *political* preparation against invasion.

The logic of such a struggle would call for breaking the power of Nicaraguan capitalists, who use their control over the nation's lands and wealth to strangle the economy. This can only be done by a radical redistribution of land to every peasant who needs it and by establishing workers' control over all workplaces, including those agricultural enterprises operated exclusively with wage labor.

With U.S. armed forces poised to invade if their Nicaraguan victims can be successfully portrayed as violating the "peace" accords, such a revolutionary mobilization of the workers would not be without great risk. But formidable as this risk might be, it is the only way to save the revolution from being dragged by its internal enemies into complete economic crisis, thereby demoralizing some of its best fighters and helping to pave the way for a U.S. invasion.

Putting the Nicaraguan economy directly into the hands of workers and peasants would make the conquests of the revolution more real. Such a deepening of the revolution would serve to inspire the masses of workers and peasants, not only in Nicaragua, but throughout Central and Latin America.

These countries also face a deepening economic crisis. Masses of already impoverished workers and peasants are also experiencing debilitating rates of inflation and increasing rates of unemployment. Bold revolutionary action in Nicaragua would inspire them to follow a similar course.

President Ortega's speech points to the best defense of the Nicaraguan Revolution

against U.S. invasion. His speech also implies a revolutionary mobilization of Latin American toilers. Such a policy could begin with protests against Yankee intervention and grow into an anti-capitalist struggle in their own lands.

Che Guevara's inspiring call to action, "Let there be two, three, many Vietnams," was a revival of the spirit of proletarian internationalism crushed by Stalinism. The best defense of the Nicaraguan Revolution today could be summed up in the slogan "Two, three, many Nicaraguas."

The real meaning of "peaceful coexistence"

Gorbachev has similarly made clear his readiness to assist imperialism in maintaining its domination in the Persian Gulf, Southern Africa, and anywhere else imperialist interests might be threatened. But what does Gorbachev expect in exchange?

Stalinist foreign policy has always been one of assisting and encouraging revolutionary tendencies within the imperialist camps. The Soviet bureaucracy's objective, however, is to gain decisive influence over these forces, pressure its imperialist adversaries, and thus build for itself bargaining chips to be used in quid-pro-quo trade-offs.

This assistance granted to revolutionary

China reveal a tendency common to all deformed and degenerated workers' states. These societies—in which capitalist rule has been overthrown, but in which a caste of privileged bureaucrats exercises a rigid dictatorship—are incapable of the efficient operation and development of a planned economy.

The socialist form of production has at least one thing in common with capitalism: Both systems require feedback from society to regulate production; whether for use or for profit.

The capitalist motive force for production—profit—requires feedback from consumers. That is what is meant by "market forces regulating" the capitalist economy. Prices, under capitalism, are "set" by capitalists but are *determined* by socially necessary labor time.

The real value of each commodity—a social substance—must pass the test of the marketplace. Commodities produced at equal costs by competing capitalists do not necessarily sell at the same price. Relatively inferior quality may result in the product of an inefficient producer commanding a price lower than its cost of production. And more efficient producers selling average quality commodities at lower prices drive their competitors out of the marketplace—and ultimately out of business.

Market forces—the sum of millions of individual acts by consumers and thousands of investment decisions by capitalists—is



"The Soviet bureaucracy renewed oil shipments only after the Sandinistas acquiesced to the Arias peace plan..."

tendencies—with rare exceptions—is also conditioned. The price the Soviet bureaucrats demand of them is acceptance of a class-collaborationist strategy, which serves to limit their struggle to reform, not revolution, and to abandon the principle of proletarian internationalism.

Without imposing such limits, the Soviet bureaucrats know, a revolutionary force might be set in motion that could not be easily turned off—in which case it could not serve as a bargaining chip.

A proof of this analysis can be seen, oddly enough, in the Chinese experience. In the course of a long series of extremely exceptional events, the Chinese Communist Party came to governmental power in 1949 despite their stubborn adherence to Stalinist class-collaborationist strategy. But once in power they were beyond the Kremlin's control.

This ultimately led to the bitter break in 1963 between Moscow and Peking. The Chinese Stalinists were no longer dependent on Moscow and would no longer allow their interests to be traded off by Stalin.

Chinese Stalinism now cuts its own deals with imperialism—trading off "its own" bargaining chips when necessary. In a sense, Chinese Stalinism has been engaged in an effort to trade-off the interests of their former mentors in exchange for a longer-term peaceful coexistence deal with U.S. imperialism. (The Chinese invasion of Soviet ally, Vietnam, in 1978 being a most graphic instance of its willingness to serve as a cat's paw for imperialism in exchange for "peaceful coexistence" and economic concessions.)

But history follows its own hidden logic. The structural changes now taking place in

what capitalists really mean when they speak of freedom and democracy.

But while the market is indeed a kind of "democratic" process of "free" selection and rejection of society's product, it goes on behind the backs of society as a whole. Anarchy reigns over the capitalist market and inexorably results in critical imbalances between supply and *effective* demand. (A "demand" which has little to do with people's needs and everything to do with the purchasing power at their command.)

In a socialized economy, the productive needs of society are consciously determined. How much of each necessary product should be manufactured must be based on the available resources of labor and capital. An allocation of these productive forces is then organized for a given period of time according to a rounded plan. But here, too, social regulation is required since there is many a slip between an abstract determination of society's needs and the plan's concrete fulfillment.

Regulating economic production

The regulating mechanism *natural* to a planned economy is a function of the workers at the points of production, transportation, and distribution. This permits miscalculations—which are inevitable in any economic system—to be easily corrected when they are discovered in the very course of the process of production. And in this way corrections may be made in the very first stages, before much harm can be done.

But workers' management and control of production, and consumers self-organized to guarantee equal access by all to the best quality goods, can be operative only on the basis of a truly democratic system.

In such a democratic productive system, the plan itself may have been put together by engineers and other specialists in some office, but must be submitted for approval by the workers themselves or their elected representatives. Even approved plans, however, remain subject to persistent observation and adjustment by workers in the actual process of production.

Contrast this with the tales of mismanagement which regularly emerge from the bureaucratized workers' states. These reports, mostly coming from the bureaucracy itself, relate industrial investment decisions made by all-powerful bureaucrats who have failed to take into account some small, but indispensable, detail necessary for the project's success. More commonplace are endless reports of shoddy products placed in the marketplace by bureaucrats who "fulfill" assigned quotas without regard to quality.

But most resented by the mass of consumers in these societies are the endless hours spent waiting in line for scarce goods, while the bureaucrats shop at no-waiting stores set aside only for them.

Without democratic regulation of the production and distribution system by the producers in socialized economies, such large and small miscalculations, bureaucratic mismanagement, and privilege virtually institutionalize waste and inefficiency. Such bureaucratic mismanagement, combined with well-organized suppression of criticism, induces widespread alienation, cynicism, and indifference among the workers over the productive process.

Workers' control vs. market forces

Perestroika (the word means "restructuring") is the label Gorbachev has selected for his plan to "reform" the Soviet economic system. He has mentioned plans to open up the system to worker influence over management, including hints of "elections" of managers. Such elections, if actually implemented, will undoubtedly be Stalinist-style, featuring something like the fake democracy of their parliamentary electoral system, which allows workers to choose from hand-picked tweedle-dee and tweedle-dum candidates.

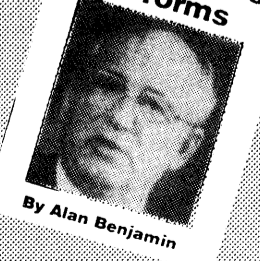
Real democracy in Soviet society is, for the bureaucracy, unthinkable. Bureaucratic privilege would crumble as swiftly, as control over management personnel and decisions shifted to workers. The bureaucracy itself would be ultimately swept into the dustbin of history.

Unable to reform the Soviet economic system in a way consistent with the socialist future, the bureaucracy is compelled to look to the capitalist past for a solution. Gorbachev's "reform" program is based entirely on the introduction of capitalist market forces to cure bureaucratic economic stagnation.

Bureaucratic mismanagement of the planned economy is not to be controlled by a conscious working class free to criticize, check and correct the bureaucracy's self-serving blunders. Quite the opposite! The "reforms" tend to free the bureaucracy from the plan itself. Competition among bureaucrats for markets is the intended "corrective" mechanism.

Martin Feldstein, past chairman of the president's Council of Economic Advisers, explains his view of what Gorbachev seeks to carry out in an Aug. 26, 1987, *Wall Street Journal* piece titled "Soviet Reforms Mean Business." He describes the principal

The meaning of Gorbachev's Reforms



By Alan Benjamin

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(continued from page 12)

changes being developed in the Soviet economy as follows:

"Give enterprises more discretion. Enterprises will keep a portion of their surplus incomes instead of paying a 100-percent tax and will be allowed to use those funds to raise wages and management compensation, and expand productive capacity... Enterprises are no longer to receive subsidies to cover operating losses."

Hence, "management compensation"—a euphemism for *profit*—will be promoted to enable managers to engage in capitalist-style investment, and failure in the marketplace will result in plant closures. Feldstein continues:

"Change the character of central planning. The proposed reforms will replace rigid planning of all production with a system of minimum production quotas set at levels that leave enterprises with substantial excess-production capacity, thereby allowing enterprises to determine their own production levels...."

"Decontrol prices. The new system will allow the wholesale prices of the discretionary product to be determined by negotiation between the enterprises that sell and those that buy...."

"Create credit markets. A major reform is now under way in which a national network of local banks will actually assess credit risks and make loans to enterprises."

And Feldstein correctly concludes: "Any radical reform necessarily entails problems, but the Soviet goal of an economy that is half-free [sic] and half-controlled will inevitably have more severe and persistent difficulties. To succeed, the Soviet reform process may have to move far closer to Western capitalism than Mr. Gorbachev and his close advisers realize."

Imperialist investment in the Soviet Union

Martin Feldstein's assessment reflects the wave of excitement and hopeful anticipation that has swept through the world's business leaders. The Gorbachev reforms, the world's capitalists believe, may signal more than a risky effort to make the socialized economy work better.

They are reading Gorbachev's reforms as a possible preparation to create conditions acceptable to imperialism for large-scale investment in the Soviet Union. This view is bolstered by a similar, longer-standing trend in Eastern Europe and most markedly in China.

Gorbachev announced last January that 11 U.S. corporations have already agreed to enter into joint ventures with the Soviet government. The plan allows foreign investors to hold a 49-percent equity in Soviet industrial facilities. It provides tax exemption, independence from central Soviet economic planning, freedom to experiment with capitalist labor-management techniques, and free access to both the Soviet home market and the world market. Many of these provisions significantly undermine pillars of the Soviet planned economy.

Charles E. Hugel, president of Combustion Engineering Inc., a U.S. firm setting up a joint venture with the Soviet Ministry of Oil Refining & Petrochemical

Industry, told *Business Week* (Dec. 7, 1987): "The changes being promulgated in the Soviet Union are so dramatic that a lot of companies are interested. The ones that are in early are going to get a foothold—and I think they will be successful."

But such ventures are still limited. The capitalists are still at an exploratory stage. They are hoping that further barriers to capitalist investment—such as the free convertibility of the Russian ruble—will be forthcoming.

Soviet leaders in the past—including Lenin—have favored such capital investment, but on terms that would not affect the integrity of the planned economy. Capitalists, on their part, have always

areas whose climates make certain agricultural products easiest to produce, also do so most cheaply. And so on.

Excluding socialized economies from access to the cheapest products available on the world marketplace compels them to waste their labor and capital in the production of certain goods, difficult for them to produce, but vital to their economy as a whole.

Two roads for the Soviet Union

From the very beginning of the Russian Revolution, the Bolshevik leaders educated the workers to understand that a socialist society was impossible in the world's first workers' state precisely because of its

toward a socialist society.

But a series of defeats in Germany and elsewhere caused a wave of disappointment. Stalin in 1924, representing the pessimistic gestating bureaucracy, seized on the mood of demoralization to call for a dramatic change in foreign policy.

Whereas as late as 1923 he had written articles rejecting the notion of building socialism within Soviet borders alone—in accord with the well-established Bolshevik viewpoint—Stalin now launched the infamous call for building "Socialism in one country."

Arguing that all material prerequisites for socialist economic development existed within Soviet borders, he initiated a dramatic shift in foreign policy. The Third International was swiftly transformed from the world party of socialist revolution into a mere reformist pressure group.

Leon Trotsky, the leading opponent of the new line, characterized the Stalinized Communist parties as having become "border guards" in the service of the Soviet bureaucracy's foreign policy—a policy, it soon became abundantly clear, that was counterrevolutionary to the core.

Today—despite a series of anti-capitalist overturns in Eastern Europe, Asia, and Cuba—the Soviet Union still remains a long way from a socialist society. These overturns, moreover, were carried out in opposition to Soviet bureaucratic policy, as in Yugoslavia, China, and Vietnam. Or independent of the Soviet bureaucracy, as in Cuba. Or as a measure in defense of its borders, when faced with imminent military assault by U.S. imperialism, as in Eastern Europe.

Today, uprisings in Eastern Europe and even rumblings in the Soviet Union itself, have the Soviet bureaucracy up against the wall. The Soviet crisis is precisely the result of the bankruptcy of Stalinist policy—a policy that foreclosed the extension of the revolution to the world's developed countries, but, at the same time, failed to achieve the objective of peaceful coexistence.

The Soviet bureaucracy appears to have embarked on a calculated course toward giving world capitalism a material reason for long-term peaceful relations—a foothold within the Soviet economy. But Gorbachev and Co. have going for them a parallel crisis in world capitalism that has been developing, ever more swiftly, for nearly two decades. The stock market crash only registered a new stage in this developing crisis.

Gorbachev hopes that the imperialists' own problems will induce them to take parallel risks in the game of who will come out ahead from the possible new economic and trade relationship that was clearly on the hidden summit agenda. This is a relationship that promises to offer more overt and energetic assistance by Gorbachev to help politically stabilize world imperialism in exchange for a bold economic compact.

However this turns out, it won't bring the world one step closer to the socialist future. That problem cannot be solved at summit meetings. It can only be solved by working people organized in a world party of socialist revolution. The Third International is dead. But the Fourth International, organized by Leon Trotsky, exists.

This is humanity's hope for the future. ■

U.S.-SOVIET JOINT VENTURES IN THE MAKING	
Company	Venture
COMBUSTION ENGINEERING	Will make equipment and provide engineering management to upgrade industrial plants
PEPSICO	Will open two Pizza Huts in Moscow, more if successful
OCCIDENTAL PETROLEUM	Plans to build petrochemical complex with Italy's Montedison
MONSANTO	Working on agreement to set up herbicide plant
ARCHER DANIELS MIDLAND	Discussing ventures in chicken-raising, grain storage, cooking oil, soybean-processing
SSMC	Negotiating a venture to make sewing machines
HONEYWELL	Negotiating to design plants and provide processing systems for chemical industry
DRESSER INDUSTRIES	Discussing ventures to produce energy, mining, and construction equipment
CUMMINS ENGINE	Has opened talks on manufacturing diesel engines or components

favored investment on terms that could break down the planned economy. Even investments very profitable for Western bankers and industrialists—in the short run—are generally declined if the assistance gained for the Soviet economy—in the long run—politically outweighs imperialist profits.

Exclusion from world market

To come down to fundamentals, the overriding handicap to the socialized system of production is its forced exclusion from the world market place; that is, from access to a natural world division of labor. This division of labor reflects the natural differences from country to country in each's ability to produce certain commodities most efficiently, and thus cheaply.

Those areas of the world that have naturally rich deposits of minerals and ores can produce them most cheaply. And those

isolation to one country—especially one as backward as was Russia in 1917.

Consequently Lenin and Trotsky, who at the head of the Bolshevik Party led the Russian workers to conquer state power, organized a world party—the Third International—to lead workers everywhere to carry through their own socialist revolution.

Socialism could be built, they explained, only on the basis of a world division of labor. Such a division of labor must at least include one of the major industrialized nations. Germany, at that time in the throes of a revolutionary crisis, was looked to hopefully by the world's conscious vanguard—especially the workers in the Soviet Union—as the place from which it was most likely to expect the next breakthrough for world socialism.

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Polish workers reject austerity referendum

Gen. Wojciech Jaruzelski's proposed program for "economic change and deep democratization of political life" was soundly defeated by the Polish people in early December in the first national referendum held in 41 years.

Only 46 percent of the eligible voters supported the government's proposals, which, among its numerous provisions, called for the doubling of food prices and the tripling of rents and utility charges in 1988.

The Polish government's two ballot proposals had been strongly endorsed by Soviet Premier Mikhail Gorbachev and by the International Monetary Fund (IMF) and the World Bank, two of the major international capitalist institutions.

Solidarity, the outlawed trade-union movement, had campaigned for a boycott of the referendum through its underground publications.

Jaruzelski's economic program, in fact, was drafted at the behest of the IMF and the World Bank. According to the Nov. 15, 1987, *New York Times*, "The World Bank has urged Poland to speed up the pace of economic change and enact tough austerity measures to help reduce Poland's foreign debt, which is expected to grow from \$34.5 billion this year to \$37.35 billion in 1992."

The referendum's political reforms included a plan for a new parliament to be elected in 1981 under a liberalized electoral system. The main task of this parliament would be to draft a new constitution by 1991.

"No legalizing Solidarity"

Solidarity leader Lech Walesa explained

the reasons for his support to the boycott position. "We don't want to be accomplices of false reforms," he said. "We are not about to help the authorities create a fake appearance of democracy. There can be no democracy without political pluralism."

The Polish regime, however, made it clear that it would not consider legalizing Solidarity. Government spokesman Jerzy Urban explained in an interview in early October 1987 that the proposed reforms were "radical" only in the economic sector.

"I'd hesitate to call them radical in the political sphere," Urban said. "We don't want a situation in which we cause a new political conflict like in 1981," he added, referring to the conflict between the then-legalized Solidarity movement and the government.

Capitalist media lament

For their part, the major capitalist media lamented the rejection by the Polish workers of the sham political reforms and increased austerity measures.

Tad Sculz, long-time *New York Times* editorial writer, blasted Solidarity's referendum position, characterizing it as a "well-meaning miscalculation of historical proportions." (*San Francisco Chronicle*, Nov. 18)

Washington Post correspondent Jackson Diehl warned that "If the impetus for dynamic changes here is lost, the result could chill programs around Eastern Europe

and become a significant blow to Gorbachev. In the last year, Jaruzelski had emerged as the strongest ally of the Soviet leader and the sponsor of the most radical reform." (Dec. 21)

Gorbachev, whose "perestroika"—economic restructuring—reforms are similar to those proposed by Jaruzelski, has reason to be concerned about the referendum results in Poland. But he also has much to be worried about in the Soviet Union itself, where the workers are equally opposed to the reforms.

One revealing example of this resistance occurred in September 1987, when bus

drivers in the industrial town of Chekhov staged an unprecedented strike to protest changes in the wage system that would have significantly reduced their salaries. After three days of strikes, the Soviet authorities were forced to resume the previous wage system.

The Dec. 11 *San Francisco Chronicle* reported that, "In the Soviet Union, a survey found that only 30 percent of the people surveyed support economic restructuring." The *Chronicle* went on to explain that, as in Poland, "The reason is that people don't want to see price subsidies slashed or ended on basic goods."

Other reasons reported in the media include widespread opposition to the introduction of unemployment, inflation, and increasing pay differentials—all attacks on the historic gains of the Soviet working class which are certain to accompany these "market-oriented" reforms. ■

Specter of Trotsky haunts bureaucracy

By ALAN BENJAMIN

Ever since Soviet Premier Mikhail Gorbachev's speech on the 70th anniversary of the Russian Revolution, the name of Leon Trotsky has surfaced repeatedly in the editorial columns and articles of the major capitalist newspapers in this country.

In his speech, Gorbachev loudly praised Stalin's crushing of Trotsky's Left Opposition in the Bolshevik Party because "Stalin safeguarded Leninism in an ideological struggle."

One such editorial in the Nov. 4, 1987, issue of *The Boston Globe* greeted Gorbachev's attack on Trotsky in a sympathetic manner. The *Globe* editorial, which argues that "Gorbachev's policies hold out the hope of a...more stable international order," states the following:

"Speaking as the proponent of a foreign policy founded on the need to persuade Western leaders that the Soviet Union has become a conservative big power abjuring subversion and seeking stability, Gorbachev denounced the foreign policy of the

Trotskyists because 'they gave priority to export the revolution.'"

At odds for many reasons

But Trotsky's understanding that the socialist revolution must be international—a scientific concept based on the writings and practice of Marx, Engels, and Lenin—was not the only policy he advocated which placed him at odds with the Stalinist bureaucratic dictatorship—and with the world imperialist powers.

Trotsky was opposed to the social inequality and political oppression of the Stalinist regime. He called for freedom of the trade unions and factory committees; for the right of assembly and freedom of the press; for the legalization of soviet parties; and for the democratization of the planned economy from top to bottom in the interests of the producers and consumers.

For all these reasons, Trotsky and his supporters were persecuted and killed by the Stalinists. In the Moscow Trials of the late 1930s, Trotsky and virtually every other member of the Central Committee of the Bolshevik Party of Lenin's day were sentenced to death. Most were executed. Trotsky was killed by a Stalinist agent while in exile in Mexico. Their names were erased from the history books.

Controversy over history

With the limited political opening known as *glasnost*, a few prominent Soviet historians have dared to raise the need to examine the early "official history" of the Soviet state. Yuri Afanasiev, for example, the rector of the Moscow State Historical Archives Institute, in early 1986 harshly criticized history textbooks for "failing to properly deal with the Stalin period."

Soon after, a string of attacks on Afanasiev began to appear in leading party journals and newspapers. Afanasiev was accused of being sympathetic to "Trotskyism," though he was quick to point out that he had never mentioned Trotsky or Trotskyism in any of his speeches and that he resented the accusations.

Still, despite his numerous oaths of loyalty to the Communist Party, Afanasiev



Solidarity supporters in the streets of Gdansk June 12, 1987.

Dementi Agency

had fallen out with the inner circles of the party leadership. He had gone too far by advocating a serious study of the past. Anyone else who follows Afanasiev's footsteps in demanding the truth about the early period of the revolution is sure to be charged with "Trotskyism" as well.

The fate of Yeltsin

Much has also been written about the removal of Boris Yeltsin as leader of the Moscow Communist Party in late October. He is usually presented as a close protege of Gorbachev who had to be sacrificed to help Gorbachev gain more time in consolidating his "reform" faction inside the party.

While it is undoubtedly true that there are deep contradictions and rifts among the different layers of the Soviet bureaucracy, it seems quite clear that what provoked Yeltsin's removal was his decision to allow a convention of independent socialist clubs to be held in Moscow last summer.

Among other things, this convention called for a multiparty system—a demand which was perceived by the bureaucrats—rightly so—as a dagger aimed directly at them.

Another parallel reason for Yeltsin's removal is that he acquiesced to a number of elections in Moscow factories where

workers, under the new Gorbachev system, elected managers against Communist Party recommendations. This was viewed as a direct hit at the party's patronage system.

While Gorbachev may be for *glasnost*, he has stated with no ambiguity that he will not tolerate a challenge to the bureaucracy's single-party monopoly on political rule.

Task of the workers

A drive to restore Leon Trotsky to his rightful place in Soviet history—alongside that of Lenin—is the task of the Soviet workers themselves. No wing of the bureaucracy can be expected to carry through this fight.

Any genuine rehabilitation of Trotsky would mean allowing his works to be published in the Soviet Union and available for all to read. But this the bureaucracy cannot allow for it knows that Trotsky's writings would represent a direct call to action against the entire oppressive bureaucratic system.

In Poland, on Nov. 7, over 150 people—mainly students and young workers—demonstrated in the streets of Wroclaw to demand the rehabilitation of Leon Trotsky and the reinstatement of Boris Yeltsin to his post as Moscow party chief.

This is a small—but significant—sign of encouraging developments still ahead. ■

International Viewpoint

November 23, 1987

INSIDE:

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analyzes the
market crisis and
potential of
international
economies and
politics.

USSR
Gorbachev's speech
new mystification of
history.

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Corruption & cutbacks expose students to asbestos hazards



By NAOMI WHITE

SAN FRANCISCO—In September 1986, my son and his friends entered McAteer High School. I was shocked by the physical space. I saw a building without windows, with unlit hallways, and with closets called classrooms.

But worst of all, the building's forced-air ventilation system spewed out a constant stream of millions of asbestos fibers.

Asbestos is a mineral mined from the earth. It breaks down its length into hair-like fibers that, when inhaled, pierce the human lung like little slivers of steel. Asbestos can cause lung cancer, asbestosis, (a scarring of the lining of the lung), or mesothelioma, a rare and

incurable cancer of the lining of the chest.

In 1980, the Asbestos School and Hazard Control Act was enacted, setting standards of acceptable levels of asbestos in school buildings. Nevertheless, the San Francisco School District, with the help of the Environmental Protection Agency (EPA), pretended that the law governing standards of asbestos was meaningless.

They spent hundreds of thousands of dollars giving away contracts to consultants, architects, and contractors to help them cover up the truth about the disastrous state of asbestos in the schools.

Robert Hart, a janitor at McAteer High School and a 20-year veteran in the school district, died of asbestos-related disease. The school district suppressed the news. Asbestos at McAteer remained a fact of life.

"The right to breathe"

Parents, students, teachers, clerks, and janitors at McAteer organized to fight for the right to breathe. We met with the White Lung Association. With their knowledge and help, we refused to be turned around in our belief that McAteer was a toxic dump, too dangerous to be inhabited.

We held meeting after meeting with the school district. We pleaded with the school board. We joined the district's asbestos-control council. Finally, we organized a one-day boycott of McAteer. Out of 2100 students, 2000 stayed out.

The ineptitude, incompetence, corruption, political patronage, and lack of morality on the part of the school district was exposed. School-district officials are under investigation by the District Attorney's office and we expect indictments.

McAteer has been closed down for asbestos removal. Eighty-seven San Francisco schools are slated for asbestos cleanup.

Victims of the system

And yet the struggle continues. The problem of asbestos reflects the fact that the basic right to a free and safe education for everyone is under attack. California ranks 48th out of 50 states in money for education.

In San Francisco, students at Lincoln High School sit

By 1879, the commercial mining of asbestos had begun in Canada and the Soviet Union, where it continues today. The mineral began to assume a key role in industry because of its bonding strength and its ability to withstand heat. The United States bought 120,000 tons last year alone.

However, as early as the first century A.D., Roman historians had documented sickness and untimely death among slaves who wore asbestos fibers.

In 1930, a British government survey of the asbestos industry showed that nearly half the workers in the industry were dying of asbestosis after 10 or more years of exposure.

In 1931, a medical study of U.S. asbestos workers was commissioned by John Manville, the largest manufacturer of asbestos. The results, the same as the British study, were changed and suppressed.

In 1941, the U.S. entered World War II, triggering a huge increase in the industrial use of asbestos in this country. At the same time, the Nazi government banned the use of asbestos in the German shipyards, desiring to keep the German workers healthy and productive.

In 1964, Dr. Irving Selikoff of Mount Zion Medical School in San Francisco did a study of U.S. shipyard workers and their families. After 20 years of exposure, 80 percent of the workers showed signs of disease. Thirty-nine percent of their wives and 18 percent of their children also suffered disease.

Mesothelioma, a type of cancer, is on the rise. Whereas doctors at Mount Zion Medical School used to see one case of mesothelioma a month, they are now seeing 15 to 17 cases a day.—N.W.

on the floor. At Hoover Junior High, they sit on counters. In many schools, 47 students is an average class size. Textbooks are non-existent; libraries are in decay.

And who goes to these schools? In San Francisco, 85 percent of all students are non-white, poor, working-class, and often non-English speaking. Once again, they are the easy victims of a corrupt and decaying system.

The fight for education and against asbestos poisoning will continue so long as this society continues to give priority to bombs and battleships over human needs and justice.

Our readers speak out

Sharpeville 6

Dear editor,

Six young South Africans from Sharpeville—five men and one woman—were sentenced to death last Nov. 30. They were charged with murder and arson in the aftermath of rent riots in Sharpeville in the fall of 1984.

On Dec. 1, they learned that the Appeal Court of Pretoria had turned down their appeal even though the Court acknowledged that "it has not been proved in the case of any of the six accused convicted of murder that their conduct had contributed causally to the death of the deceased."

One of the six was not even near the murder. State witnesses implicating the defendants were alleged to have been tortured. The world knows that evidence in the apartheid courts is systematically obtained by threats and torture.

The Sharpeville Six—as they have become known—are now awaiting execution. They could be hanged by the end of January. Their fate lies in the hands of South African President P.W. Botha, who has the power to grant clemency. Churches in South Africa and Amnesty International have issued an international campaign to save them.

A flood of letters may make the government think again before it is too late. Please send telegrams appealing for clemency to President P.W. Botha, the State President's Office, Private Bag X213, Pretoria 0001, South Africa. Send a copy to

Ambassador Dr. Piet Koornhof, Embassy of South Africa, 3051 Massachusetts Ave., Washington, D.C. 20008.

Irene Brown, New York, N.Y.

Britain

Dear editor,

At a recent event of the International Socialist Group, I had the opportunity to pick up a few back issues of *Socialist Action*. Excellent coverage and analysis—especially your articles on the South African revolution.

Congratulations and keep up the good work. Please send me information as to how to subscribe from Britain by air mail.

C.F., London, England

Subscriber

Dear editor,

I would like a sub to your newspaper. I'd also like to have the first article of Michael Schreiber's series on the formation of the U.S. Constitution. (September 1987 *Socialist Action*.)

P.S.: While I would not compare Socialist Workers Party leader Jack Barnes to Lenin or Trotsky—or if he may like, Castro—I think comparing him to Stalin (November 1987 *Socialist Action*) is getting a little off the wall.

Stan Smith, Chicago, Ill.

Moscow Trials

Dear editor,

The Moscow Trials Campaign Committee is continuing to make great progress in obtaining the signatures of prominent individuals for a statement demanding that the names of the accused in the Moscow Trials be cleared. [See full statement and initial list of signatories in the September 1987 *Socialist Action*.]

This statement was published in England last year. It "calls on the Soviet government to re-examine the cases against all these victims of the perversion of Soviet justice." It demands that "those

accused in the Trials of 1936-38... be immediately rehabilitated, their honor restored, their families compensated, and their graves marked."

The recent U.S. signatories include: Pete Seeger, Howard Zinn, Noam Chomsky, Dan Gallin, Paul M. Sweezy, Harry Magdoff, George Wald, Raymond Markey, Stan Weir, Louis Menashe, Harold Leventhal, Eybal Ahmad, Abraham Bloom, Craig Reinerman, Rosalyn Baxandall, Dr. Louis Harap, Walter Cohen, Juliet Ucelli, Alan Wald, Bill Henning, Mary Boger, Ellen W. Schrecker, Conrad Lynn, Morris U. Schappes, James Kavanagh, Dr. Jeffrey Botz, Leslie Evans, Robert C. Brenner, Deborah

We welcome letters from our readers. Please keep them brief. Where necessary, they will be abridged.

Jordan, Gloria Esenwein, Roxanne Qualls, Janice Jackson, and Robert Moore.

Anyone interested in signing this statement (please write to request copy) should write to Moscow Trials Campaign Committee, c/o P.O. Box No. 318, Gracie Station, New York, N.Y. 10028.

Paul Siegel, New York, N.Y.

Where To Find Us

Baltimore Socialist Action
P.O. Box 16005
Baltimore, MD 21218

Boston Socialist Action
P.O. Box 1046 GMF
Boston, MA 02205
(617) 497-0230

Chicago Socialist Action
P.O. Box 267848
Chicago, IL 60626
(312) 327-5752

Cincinnati Socialist Action
P.O. Box 37029
Cincinnati, OH 45222
(513) 272-2596

Cleveland Socialist Action
P.O. Box 6151
Cleveland, OH 44101
(216) 429-2167

Detroit Socialist Action
P.O. Box 19613
Detroit, MI 48219

Grand Rapids Socialist Action
P.O. Box 3505
Grand Rapids, MI 49501

Los Angeles Socialist Action
P.O. Box 60605
Terminal Annex
Los Angeles, CA 90060
(213) 250-4608

Minneapolis Socialist Action
P.O. Box 14087
Dinkytown Station
Minneapolis, MN 55414

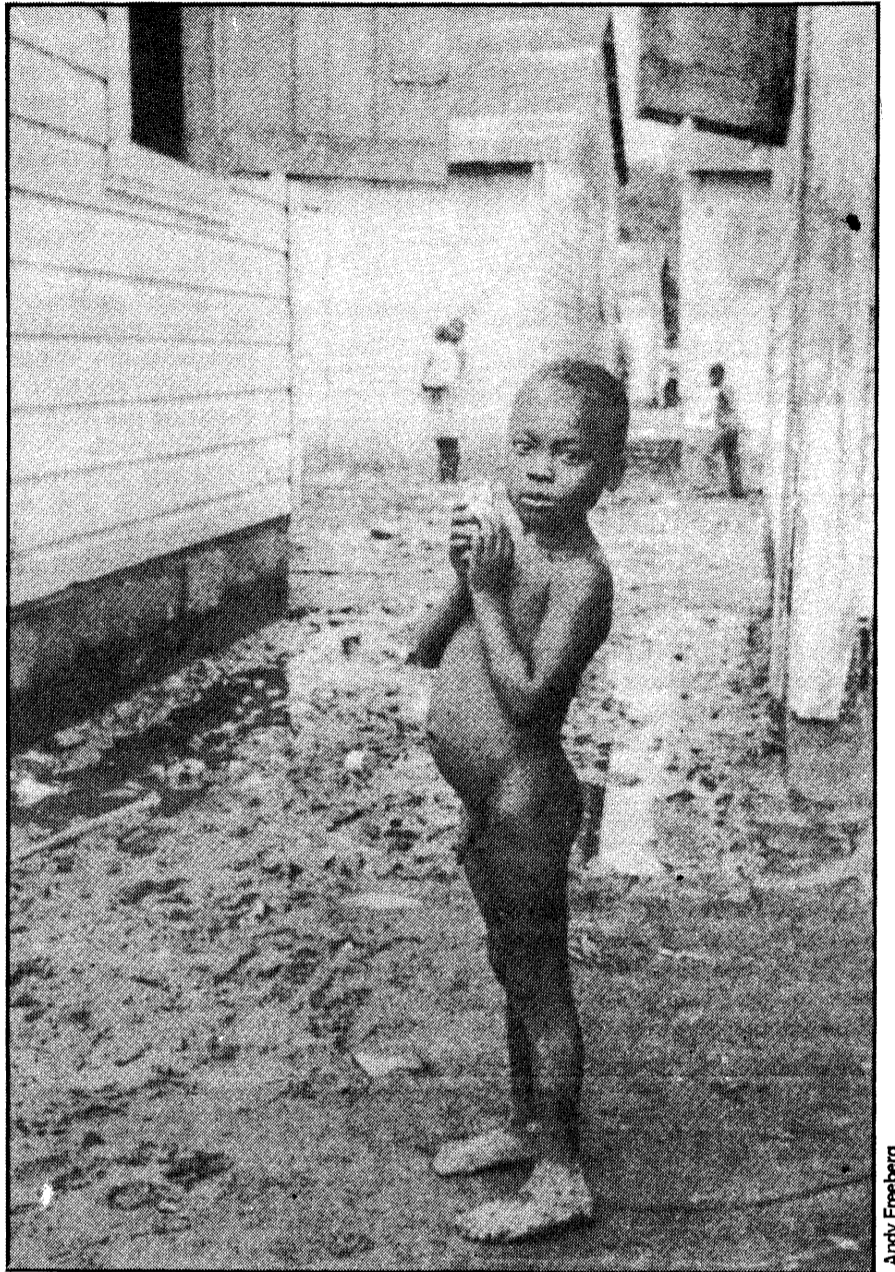
New York Socialist Action
P.O. Box 20209 Ca. Finance
693 Columbus Ave.
New York, N.Y. 10025

San Francisco Socialist Action
3435 Army St., Suite 308
San Francisco, CA 94110
(415) 821-0458

Haitians face gov't terror in fight for land, bread, freedom



Haitian army and government supported thugs terrorized elections while...



Andy Freeberg

... poor and hungry flock to the cities to escape hunger and poverty.

By HAYDEN PERRY

Against a background of terror, new elections are scheduled in Haiti on Jan. 17. Last month, Haitian strongman Lt. General Henri Namphy proclaimed new election rules that will make secret balloting almost impossible. Soldiers will be posted at polling stations. Anyone urging a boycott of the election may be jailed.

The election-day massacre on Nov. 29 shocked a world that had become almost jaded by world-wide reports of assassinations and death-squad executions by regimes trying to hold on to power.

But the unprovoked slaughter of innocents in Haiti was conducted so openly, with such cruelty, by gunmen with unlimited license to kill, that the world was horrified anew.

The Haitian massacre was unique. Never before have citizens, lined up to vote, been shot down. Never before have murderers invaded a polling place, chopped down election clerks with machetes, set fire to the ballots, and thrown the living wounded onto the fire. Never before has an official election been halted by such terror and death while it was actually in progress.

In the crowds flocking to polling stations all over Haiti that Sunday morning, many believed they would end the nightmare of Duvalierism forever. For the first time in 29 years, they thought, they would have a say in their government.

But Duvalierists sit in the national palace supported by arms supplied by the United States. In the last year, Washington has donated over \$400,000-worth of ammunition, tear gas, and crowd-control equipment. These were the arms that were used to shoot down the voters on election day.

"Uprooting" the old order

Lt. Gen. Namphy, chief of staff under the dictator Francois Duvalier, was personally selected by the fleeing Baby Doc—with the approval of the American ambassador—to head an interim government.

In the euphoria of the first months after Duvalier's downfall, the key slogan was "Dechoukaj," a Creole word meaning "uprooting"—uprooting every vestige of the old order, both political repression and economic exploitation.

Feeling their power and freedom after generations of oppression, the masses in town and country leaned heavily on the National Provisional Government (CNG).

Yielding to this pressure, Namphy reluctantly gave concessions. An assembly was convoked to write a new constitution providing for an independent election commission, and a ban on Duvalierists running for office. This clause, however,

did not deal with the Duvalierists holding the levers of power in Port au Prince.

The CNG had to officially disband the Tonton Macoute (Duvalier's para-military force), but they covered the tracks of many of the murderous thugs who went into hiding. A number of the Macoute have been recruited into the army, which is being doubled in size.

For the last 22 months, tests of strength between the CNG and the people have been taking place in the city streets and on the country roads. Peasants refused to pay taxes, rejected appointed officials, and kept the Tonton Macoute on the run.

They formed collectives to take back the land stolen from them. Slum dwellers formed committees to run their communities, joined labor unions, and set up committees of vigilance to defend themselves.

"Duvalierism without Duvalier"

In the national palace, plans to restore the weakened power of Duvalierism were set afoot. Namphy permitted former Macoute leaders to form a political party. But strikes and demonstrations forced Namphy to back down. The Macoute party was dissolved.

Later, Namphy outlawed the major union movement, CATH. Again the masses responded and he was forced to back down.

When the independent electoral commission ruled that 12 former Duvalierists were not eligible to run for office, Namphy reacted by abolishing the commission. He declared that the CNG would run the election.

This aroused broad opposition, including 23 anti-Duvalierist candidates who were running for president. Again, mass pressure forced Namphy to turn the election machinery back to the electoral commission.

With his Duvalierist candidates ruled off the ballot, Namphy realized the new president would not be subservient to him. He turned to the tactic of sabotage.

The commission needed government helicopters to fly election materials to remote districts. The army said no. The commission rented their own aircraft. The CNG would not allow them to fly.

An atmosphere of terror was created. Two presidential candidates were assassinated. The office of the electoral commission was trashed. A plant printing the ballots was burned down. Namphy and the CNG maintained a stony-faced silence while these atrocities were being perpetrated. No arsonists or murderers were arrested.

Washington stands by

The U.S. government, so ready to criticize the Nicaraguan elections, has

expressed little concern about the human rights of Haitians. The election-day massacre was the culmination of 30 years of murder and torture, tolerated—if not condoned—by Republican and Democratic administrations in Washington.

After the massacre, U.S. officials would only say that Namphy "deceived and disappointed them." The American ambassador could not have been blind to Namphy's sabotage. Two hundred foreign observers were on the scene.

Liberal members of Congress, led by Rep. Walter Fauntroy (D-D.C.), have called on the administration to organize a "multinational" military intervention into Haiti to ensure a "fair" election. This threat is a club Namphy uses against the opposition. Haitians recall the 19-year U.S. occupation of their country with horror.

Actually, a U.S. invasion at this juncture is unlikely. If Namphy manages a rigged election that results in a stooge civilian president subservient to the army, it would be OK with Washington. The U.S. government has never opposed a dictatorship that is pro-American, pro-capitalist, and stable.

American intervention is almost certain, however, if the aroused Haitian people threaten the rights of private property and American influence. Working people in this country must be vigilant. It must be made clear that no foreign intervention can ensure democracy in Haiti.

Return to "the dark night?"

The four leading candidates have joined forces and agreed not to run in Namphy's rigged election. They have called for a boycott of elections "until the government is replaced." But the workers have little faith in middle-class candidates who made

brief visits to the slums and offered no solutions to their problems.

When the opposition candidates called a general strike on Nov. 30, the workers responded only partially. They are paid by the day, and face starvation if they lose wages. In their desperate poverty, elections seem less relative.

The ferocious assault of the Macoute and the army has also had a chilling effect. Members of the former electoral committees of vigilance have disappeared. Knives and clubs are no defense against machine guns.

A sense of pessimism prevails in Port-au-Prince. There is talk of "returning to the dark night." But the fight is not over.

Much depends on the mood in the provinces. It was the country people who forced Baby Doc to flee. They are 85 percent of the people. They are no longer so isolated as they were when the Duvaliers seized power.

Transistor radios bring news and opinion to the most remote valleys, partially overcoming the 80-percent illiteracy rate. Creole, spoken by 90 percent of the people, is now an official language. It was not incidental that the army burned down four of the five radio stations.

Haitians have come back from exile and joined the struggle for democracy. They are building trade unions, peasants' collectives, and organs of workers' and peasants' defense.

Rather than depending on liberal pro-capitalist politicians in Port-au-Prince, the workers must build their own party. United with the country people, they represent the only force that can defeat Duvalierism and begin to meet the demands for land, bread, and freedom. ■