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How Tanaka Did It

A report by a team of twenty investigative reporters working for the Japanese monthly *Bungei Shunju* has disclosed a number of the crooked deals that made Premier Kakuei Tanaka the multimillionaire he is today.

The investigation—the results of which were published in the magazine's November issue—was prompted by reports that Tanaka spent \$10 million to \$16 million in his 1972 drive to become president of the ruling Liberal Democratic party, and thus Japan's prime minister. Although the reporters were unable to document the actual cost of his campaign, they did learn that he had enough left over to buy three large resort villas at about the same time for \$1.6 million.

Items covered in the study included:

- Tanaka's 1950 conviction on bribery charges. (The conviction was reversed on appeal in 1951.)

- Tanaka's financial deals with Kenji Osano, who was convicted of illegal gasoline transactions in 1950 and is now one of Japan's wealthiest men. The magazine reported that as finance minister, Tanaka authorized the sale of choice government property to Osano, who resold it a few months later at a profit of \$7.5 million. Later Osano bought a real estate company from Tanaka for \$5 million, three times its face value.

- A network of dummy companies that list Tanaka and his close family or aides as officers and directors.

- Tanaka's massive personal holdings, including five acres of downtown Tokyo (valued at \$8 million).

"I come from the world of business," Tanaka explained to foreign reporters October 22, "and so far as it does not interfere with political activities, I have continued my business activities." □

Next Week

"Roy Medvedev Debates With Pannin, Sakharov, Solzhenitsyn, and Others."

Despite the bureaucratic pressure, dissident circles in the Soviet Union continue to discuss current issues from a critical standpoint. Medvedev calls on the participants to apply Marxist criteria and not to trust the capitalist West.

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Published in New York each Monday except last in December and first in January; not published in August.

Intercontinental Press specializes in political analysis and interpretation of events of particular interest to the labor, socialist, colonial independence, Black, and women's liberation movements.

Signed articles represent the views of the authors.

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Subscription correspondence should be addressed to Intercontinental Press, P.O. Box 116, Village Station, New York, N.Y. 10014. Because of the continuing deterioration of the U.S. postal system, please allow five weeks for change of address. Include your old address as well as your new address, and, if possible, an address label from a recent issue.

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Two Million in Rallies Against Ford Visit to Japan

By Peter Green

Huge protest rallies throughout Japan on international antiwar day, October 21, demanded the removal of U. S. nuclear weapons and the cancellation of Ford's scheduled November 18 visit. The sponsoring organizations, which included the Communist and Socialist parties and the major trade unions, reported that 2.2 million persons had taken part in 456 demonstrations.

A rally in Meiji Park in central Tokyo was attended by 70,000 demonstrators. Speakers at the rally repeatedly pointed to the massive protests in 1960 that forced the cancellation of President Eisenhower's visit. A Communist party speaker called for "an even larger-scale movement" to block Ford's visit.

The mounting opposition to the presence of U. S. nuclear weapons in Japan—the country that experienced the world's only atomic bombings—has been given a further boost by new revelations that confirm the existence of a secret agreement between Washington and Tokyo permitting the United States to move nuclear weapons through the country.

Citing "authoritative Japanese sources," *New York Times* correspondent Richard Halloran reported October 27 that the agreement was made in 1960 by Aichihiro Fujiyama, then Japan's foreign minister, and Douglas MacArthur II, the U. S. ambassador.

The secret agreement was concluded without a Japanese text so that the Japanese government could deny its existence without fearing that a copy of the document might be leaked. Only U. S. officials recorded the agreement.

"The sources," reported Halloran, "said Japanese politicians at that time did not wish to confront the nuclear transit issue in detail because it was too sensitive in domestic politics. Thus Japanese officials said to American officials, in effect, 'Go ahead and do it, but don't tell us or the Japanese people about it.'"

In a dispatch to the October 22 *New York Times* that appears to have been colored by a little wishful think-

ing, Halloran described the response at the Tokyo rally as "tepid."

"With the rather lighthearted, carnival atmosphere that prevailed tonight," he said, "it seemed doubtful that they [the sponsoring organizations] had made much headway toward their objective" of forcing the cancellation of Ford's visit.

However, three weeks before Eisenhower's planned visit in 1960, the *New York Times* made a similar effort to play down the seriousness of the opposition. "Students and Adults Chant in Carnival Spirit Against Visit by Eisenhower" was the subhead on an article by Robert Trumbull in the May 27, 1960, *New York Times* reporting demonstrations by more than two million persons throughout Japan.

The "carnival spirit" in 1960 forced the Japanese government to cancel Eisenhower's visit and led to the resignation of Prime Minister Nobusuke Kishi a month later. The current wave of protest—sparked initially by the congressional testimony of retired Rear Admiral Gene LaRocque that U. S. warships carrying nuclear weapons do not unload them before entering Japanese ports—might be just as far-reaching in its effects.

When LaRocque's testimony was made public in Japan on October 7, 15,000 persons demonstrated at Sasebo, near Nagasaki, until the guided-missile frigate *Warden* and the destroyer *Gurke* left. The next day the nuclear-powered attack submarine *Pogy* left Yokosuka, and when the aircraft carrier *Midway* returned to Yokosuka Bay October 10, it was met by about 1,000 demonstrators.

As more and more evidence emerged showing that the U. S. was in fact bringing nuclear weapons into Japan, Tokyo continued to issue denials. Foreign Minister Toshio Kimura told parliament October 14 that there was no secret transit agreement with Washington, and said he believed there were no nuclear weapons aboard U. S. warships in Japanese ports.

"As in the past," the October 15

Washington Post reported, "he stressed the official belief that the United States abides by what he described as a nuclear-free policy with respect to Japanese installations. . . ."

"Japan's antinuclear 'three principles'—refusal to manufacture, maintain or permit the introduction of nuclear weapons—are not contradictory to the country's reliance on the U. S. nuclear shield in Asia, the foreign minister maintained."

Crew members from the U. S. aircraft carrier *Midway* were able to give specific details of the nuclear weapons the ship brought into Japanese ports. The October 14 *Washington Post* reported that "seamen with firsthand knowledge of the *Midway's* armaments and cargo said the white or silver nuclear bombs with red-painted noses are kept in 'special ammunition' magazines under 24-hour guard by armed U. S. Marines."

The bombs were aboard when the carrier left California a year ago, they said, and more were brought aboard at Subic Bay in the Philippines in February. Since then only one bomb had been removed, after it reportedly failed a "safety test." One crewman, quoted by a Socialist member of the Japanese parliament on October 21, claimed the *Midway* was carrying at least fifteen nuclear bombs.

Even after all this, Prime Minister Kakuei Tanaka still stuck to his denials. "I am convinced that nuclear weapons have not been brought into Japan," he said October 22. He claimed that Washington had told the Japanese government that it would not bring nuclear weapons into the country.

According to a public-opinion poll taken toward the end of September by a leading daily, the *Mainichi Shimbun*, only 18 percent of the Japanese people support Tanaka's administration. Coming on top of disclosures this month about Tanaka's crooked financial dealings, the current storm of protest over nuclear weapons could seriously weaken his government. □

They Opened Up With Machine Guns

[The following description of the police raid on the Córdoba headquarters of the Partido Socialista de los Trabajadores (PST—Socialist Workers party, a sympathizing organization of the Fourth International in Argentina) appeared in the October 15 issue of *Avanzada Socialista*, the PST's weekly newspaper. The translation is by *Intercontinental Press*.]

* * *

As part of the repressive sweep carried out in Córdoba [October 9] during which the headquarters of the Light and Power Workers Union was searched and Tosco and Salamanca were ordered arrested [see *Intercontinental Press*, October 21, p. 1347], the headquarters of our party was searched and vandalized.

The following is the account of one of the compañeras who was present:

"I don't remember exactly what time it all began. We noticed some suspicious movement outside, and several of us stuck our heads out the window to watch. We thought it was a fascist gang out to repeat what they had done in Pacheco.* We were a little surprised at the time—it was only about six in the afternoon—but we still thought it must be the fascists. Then they began to kick the door until they forced it open. They were in uniform, from the police.

"They sprayed the headquarters and adjoining terraces with machine-gun fire and surrounded the building. Then a group of persons—some in plainclothes and some in uniform—entered and forced us to lie down where we were. Some compañeros asked to see their search warrant, but the only response they got was kicks to make them shut up.

"In the headquarters at the time were nine male and six female comrades. We were all beaten severely. One woman comrade is in critical condition because she had inflamed kidneys—she was being treated for it—and since they realized that she was

sensitive in that area, they pounded on it all the more. Moreover, the women had to put up with all sorts of insults and one young woman had all her clothes ripped off.

"After working us over for awhile, they led us to the courtyard still mistreating us—insulting us and saying that we had killed police and military men. They kicked us. They jumped

on us. And they hit us from behind. As they loaded us into the paddy wagons, we had to pass through a double line of police who rained still more blows on us.

"At the identification department we were put into a room and forced to keep our hands up from 8 p.m. until 4 a.m. They blindfolded us. They didn't give us anything to eat. Some compañeros were beaten again.

"On one occasion when we were with a group of compañeros from the Communist party, they beat us and forced us to yell, 'Long live the police,' 'Death to Cuba and Fidel,' and other



* Three PST members were murdered by rightist goons in Pacheco in May 1974.

PST Córdoba headquarters after October 9 police raid.

Avanzada Socialista

things like that.

"When they let us out and we returned to the headquarters, we found a depressing sight. Papers were strewn everywhere. They had broken all the cabinets and emptied out the contents. The party bookstore had been destroyed and the books were gone, along with the money that had been in the headquarters. The eyeglasses of some of the comrades were all together where they had been stepped on and smashed to bits.

"Everything indicated that they had been there for hours, wrecking the place. On the walls they left slogans like 'Long live the police,' 'Long live

the AAA [Alianza Anticomunista Argentina—Argentine Anticommunist Alliance],' 'Long live the Alliance,' 'Long live the riot police.' There were swear words, initials of organizations having nothing to do with the party, obscene drawings directed at the women comrades, and also a big drawing of a lion, whose significance we don't understand.

"They completely smashed the mimeograph machine, threw paint into one typewriter and carried off another one. They threw all the food on the floor; broke the chairs, tables, and windows; and pulled the bathtub out of the wall." □

Q. When were the comrades released and the headquarters returned?

A. The judge made a ruling to this effect at noon Friday.* When I got to the headquarters, I was greeted by a spectacle like something out of Dante. I have seen many searches, many police operations, in my time as a labor movement lawyer, which goes back quite a few years, but few like this one. Both the condition of the headquarters and the injuries sustained by our members were somewhat exceptional.

Q. Has there been some public protest on this?

A. Yes. At the same time, more or less, we called a press conference to which we invited journalists to photograph the interior of the headquarters and some comrades who had cuts and bruises on their bodies. □

*October 11, after the PST members had been held for about forty-eight hours.

An Interview With Enrique Broquen

The Police Raid on PST's Córdoba Local

[Following the raid on the Córdoba headquarters of the PST, attorney Enrique Broquen went to Córdoba to represent the party in this case. When he returned to Buenos Aires, *Avanzada Socialista* asked him a number of questions. The interview that follows appeared in the October 15 issue of the paper. The translation is by *Intercontinental Press*.]

* * *

Question. When did your work begin in Córdoba?

Answer. As soon as I arrived, the first thing I and the compañero who accompanied me did was to go to central police headquarters. But they refused to see me.

Q. And then?

A. We went to try to talk with the Radical [petty-bourgeois liberal] bloc in the legislature. They did meet with us. The Radical legislators promised to introduce, in the state legislature, a formal question to the government minister about the reasons for the search of our headquarters. A meeting of the Radical parliamentary delegations, the chairman of the Frejuli [Frente Justicialista de Liberación Nacional—National Liberation Front for Social Justice] parliamentary delegation, and the minister took place, but it didn't have the character of a

formal demand for an explanation. Nonetheless, [the minister] Dr. García Laval met with us at his office.

Q. What was the upshot of that meeting?

A. We had a very long discussion. The minister explained to me that the search had been carried out on a verbal order issued by Judge Zamboni Ledesma, which was based on a charge of possessing arms in the headquarters and the suspicion that there were guerrillas taking refuge there. I told him that the compañeros had been subjected to mistreatment, and he stated his disapproval of such abuses. With respect to the arms found, I made it clear to him that we had verbal authorization from the minister of the interior to have whatever was necessary to defend our headquarters from possible attacks.

Q. What was the main topic of discussion with García Laval?

A. Well, speaking as a minister, he assured me that the federal government was ready to make a distinction between the guerrilla organizations and the legal parties. But in view of what had happened, I asked him if it meant that we had to close our Córdoba headquarters. The minister assured me emphatically that it did not, that the government was willing to give us guarantees to the contrary.

Theater Bombed in Puerto Rico

A powerful bomb exploded at the Modelo Theater in Rio Piedras, Puerto Rico, in the early morning hours of October 8. The theater had been showing a week-long series of films in commemoration of the death of Ernesto Che Guevara, who was killed in Bolivia October 8, 1967, by U.S.-trained armed forces.

The film showing was sponsored by Tirabuzon Rojo, a film group associated with the Puerto Rican Socialist party (PSP).

The explosion, which occurred near the front entrance to the theater, partially destroyed the interior of the building and broke windows in many nearby stores. Police estimate the damage at several thousand dollars.

The theater is located only a few blocks away from the Rio Piedras campus of the University of Puerto Rico, which, as the country's largest college, is a center of proindependence activity.

Proindependence student leaders believe that the bombing was the work of *gusanos*, anti-Castro Cuban exiles, who have carried out several such terror attacks in the past.

Earlier this year the offices and printing plant of *Claridad*, the PSP's twice-weekly newspaper, were attacked. The police in this U.S. colony have taken no effective action to stop those responsible for these and other attacks on supporters of the independence movement and the Cuban revolution.

Bangladesh Ravaged by Hunger

At least 100,000 persons may starve to death in Bangladesh before December, according to Dr. E.S. Hain, the acting head of the United Nations World Health Organization. Bangladesh Food Minister Abdul Momen admitted that many have already died, estimating the number at less than 5,000 so far.

According to official estimates, the recent widespread flooding destroyed at least 40 percent of the 1974 crops and left fifteen million Bengalis, mostly peasants, homeless. In an October 7 dispatch from Dacca, *New York Times* correspondent Kasturi Rangan reported that the city's population increased in the previous two weeks by 300,000, as refugees streamed into the capital in search of jobs, shelter, and food.

Jobs were scarce, however, and only 10,000 refugees found "shelter" in the 107 relief camps set up in Dacca (about three million refugees live in relief camps throughout the country). According to official figures, 100 persons die every day in the camps.

In addition, as N.M. Harun observed in the September 29 issue of the Dacca weekly *Holiday*, the prices of food have skyrocketed since the floods. As of September 29, a maund (about 82 pounds) of rice cost around 300 takas (about US\$42) on the open market. In August, a maund sold for about 160 takas. Harun wrote that "though there is real shortage, there is no reasonable explanation why the prices should shoot up almost three times; hoarders, blackmarketeers, unscrupulous businessmen are manipulating the market. . . ."

According to official figures, Harun wrote, the regime's food stocks are almost exhausted, with a shortage of about 2.8 million tons.

In August, Dacca asked Washington to provide 500,000 tons in aid. But when Bangladesh Prime Minister Sheikh Mujibur Rahman visited Washington in early October, he was unsuccessful in obtaining that much U.S. food aid. In return for Dacca's agreement to stop selling gunny sacks to Cuba, Washington pledged to send only 150,000 tons of wheat and rice

to Bangladesh.

Kasturi Rangan reported in the October 11 *New York Times* that Dacca has arranged to import a total of 900,000 tons of food from other sources, including a gift of 5,000 tons each from the Chinese and Pakistani regimes.

Much of the food aid, however, may

never reach the millions of starving refugees in Bangladesh. A report in the October 3 *Washington Post* stated, "Until recently . . . only about 1 per cent of food in the rationing system was distributed as emergency relief to people most in need of it, according to one economist's estimate. The rest went to soldiers, policemen, civil servants and people with influence who were able to obtain ration cards."

But since the floods, the report went on, allocation of food aid to emergency relief has increased—to 10 percent. □

Forty-Nine Die in Clashes

Portuguese Troops Attack Mozambicans

Forty-nine persons were reported killed in Mozambique October 21-22 in the first major clashes between Africans and Portuguese troops since the coalition regime was installed September 20. The new outbreak of fighting came less than seven weeks after the abortive rightist coup in early September that left between 100 and 200 dead.

The clashes in Lourenço Marques were started by off-duty Portuguese troops who assaulted an African youth wearing a shirt decorated with the flag of Frelimo (Frente de Libertação de Moçambique—Mozambique Liberation Front). Later a group of Portuguese commandos fired on Frelimo troops guarding the offices of the newspaper *Noticias*. The Frelimo troops returned the fire, and other Africans joined in the clashes with the Portuguese.

The attacks stirred up the inhabitants of the Black shantytowns that surround Lourenço Marques. Crowds of angry Blacks converged on the city, and a number of confrontations with Portuguese settlers occurred. Sporadic gunfire could be heard throughout the night.

Barricades and roadblocks were set up by Black soldiers, who searched cars driven by whites for weapons. Joint patrols of Frelimo and Portuguese troops toured the city appealing for order. (The accords signed with Lisbon September 7 provided for

a joint Frelimo-Portuguese military commission to oversee the cease-fire.) The joint patrols arrested units of rebellious Portuguese commandos, and by morning the fighting had stopped.

An October 22 Reuters dispatch described the scene after the night of fighting: "Shops, offices and restaurants were open only hours after the rioting—but the blood-stained sidewalks, wrecked cars and still-smouldering suburban homes revealed the extent of the night's clashes."

After the barricades and roadblocks were lifted October 23, long lines of whites formed outside the South African consulate to obtain visas to cross the border.

Portuguese High Commissioner Victor Crespo said that the arrested Portuguese commandos faced punishment, but other military sources admitted that most of the 240 Portuguese troops taken into custody during the clashes had been transported back to Portugal.

The Stockholm daily *Aftonbladet* reported that wealthy Portuguese in Europe were trying to recruit mercenaries to fight in Mozambique. The newspaper quoted Swiss businessman Hans Lenzlinger as saying that he had been asked to be the recruiting agent. Although Lenzlinger denied accepting the job, *Aftonbladet* reported that he had made plans to hire 500 mercenaries in Sweden and another 500 in Germany and Africa. □

The Lineup in Greek Elections

[The first parliamentary elections in Greece since 1964 are to be held in mid-November. In its October 19 issue, the Greek Trotskyist weekly *Ergatike Pale* offered the following sketch of the lineup of political forces. The translation is by *Intercontinental Press*.]

* * *

The following blocs have formed for the November 17 elections.

● The Enosis Kentrou has joined with the Nees Politikai Dynameis¹ to form a "democratic center" bloc entitled "Enosis Kentrou-Nees Politikai Dynameis."

[Ioannis] Zigdis, who is standing as an independent, has repeated his criticisms of [George] Mavros's position.²

● The Panellenio Sosialistiko Kinema has fused with Demokratike Amyna.³ A seventy-five-member provisional Central Committee has been formed, consisting of elements representing various tendencies. This heterogeneous combination, however, is likely to undergo splits.

In his statements, A. Papandreou has stressed that there cannot be any fear of a coup because one has already been carried out. He charges that the government is deliberately cul-

1. Center Union (EK), the bourgeois liberal party, and New Political Forces (NPD), a grouping of Social Democratic coloration.

2. Zigdis was one of the main figures of the EK during the dictatorship. He has denounced the present chairman of the party, Mavros, who has served as foreign minister in Caramanlis's cabinet, for abetting the prime minister's "Gaullist" plans. The EK also split in the crisis of the mid-1960s between the rightist bloc, grouped around the throne and the army, and a more liberal faction represented by Andreas Papandreou that hoped to carry out some bourgeois democratic reforms.

3. Pan-Hellenic Socialist Movement (PASOK), the party of A. Papandreou, and Democratic Defense (DA), an underground group organized to oppose the junta.

tivating confusion on three points—amnesty for those guilty of crimes under the junta, the composition of the regime, and the policies to be followed. He has attacked the EK as "a coalition party" [that is, a supporter of the Caramanlis government], while

citing Zigdis as an "important and shining exception."

● The far right (the militarist fascist currents) has formed the Ethnike Demokratike Enosis⁴ under the leadership of Petros Garoufalias. Its mouthpiece is Constantanopoulos's *Eleutheros Kosmos* [an Athens daily newspaper], which defended the dictatorial governments of the past seven years and which today is carrying on a veiled propaganda campaign

4. National Democratic Union (EDE).

Papadopoulos Exiled to Island in Aegean



To keep close watch on political opponents, dictator preferred prison islands.

Former Greek dictator George Papadopoulos and four other leaders of the 1967 officers' coup were arrested October 23 and exiled to Kea, a small island sixty miles southeast of Athens.

The four others are Stylianos Patakos, a former minister of the interior and deputy premier; Nikolaos Makarezos, formerly in charge of economic coordination; Ioannis Ladas, head of the military police and director of mass arrests of po-

litical dissidents; and Michael Roufogalis, former chief of the Greek intelligence service.

The government of Premier Constantine Caramanlis announced that the five "are engaged in conspiratorial activities, which cause uneasiness and create conditions threatening the peace." However, it provided no details.

Occurring less than four weeks before the scheduled November 17 general election, the seizure of the junta leaders appeared to be in response to opposition leaders' criticism of Caramanlis for not acting more decisively against the former military rulers.

A few days earlier, Andreas Papandreou, leader of the Pan-Hellenic Socialist Movement, charged that the premier had made a deal with the former leaders of the junta and would never press charges against them.

Caramanlis's move may well have been designed to postpone bringing Papadopoulos and his friends to trial. The public prosecutor recently released a report charging Papadopoulos; his successor, General Dimitrios Ioannides; and twenty-four other police and military officers with "moral responsibility for premeditated multiple murder" in connection with the assault on student demonstrators at the Athens Polytechnic University last November. The junta had admitted to eighteen deaths in the attack; the prosecutor says at least thirty-four died; and the actual total may well exceed fifty.

Still unclear is the fate of Ioannides, who held the top post in the junta from last November until July, when the junta resigned in favor of Caramanlis. The Associated Press reported in an October 23 dispatch from Athens that "five national police officers who went to arrest Ioannides found his Athens home empty. An intensive search was under way, especially among military police units considered still friendly to him." □

to push the idea that a new dictatorship is needed to block the "Communist threat." Behind Garoufalios's EDE can be seen the shadow of Ladas and other elements of the junta's regime.

● The old Ethnike Rizopastike Enosis⁵ of Caramanlis, which was rejected by the voters, is running in these elections under the alias "Nea Demokratia" [New Democracy]. It has rallied some "new political personalities," that is, opportunist figures like Giannis Tsimokos.⁶

● The Enomene Aristera⁷ seems likely to maintain the broad influence among the popular strata as well as the support of the bulk of the politically aware workers that was previously enjoyed by the EDA.

The Revolutionary Marxist movement (the Trotskyists of the Fourth International) are unable to run their own candidates because of the restrictive clause contained in paragraph 2 of Article 1 of Decree-Law 59.⁸

However, the Revolutionary Marxists are preparing to give critical but active support to the Enomene Aristera. In this, they intend to stress the need for an anticapitalist united front to organize the left and the radicalized masses in extraparliamentary class struggles. □

5. National Radical Union (ERE), the main conservative bourgeois party.

6. Nearly all the additions to Caramanlis's "enlarged" party are former EK members of parliament who were induced by rightist pressure and money to turn against the Papandreu government in 1965. It was these elements that brought the government down and paved the way for the military take-over. Their prestige is not very high in postjunta Greece.

7. The united left bloc consisting of the two factions of the Greek Communist party and the Enosis tes Demokratikes Aristeras. The EDA (Union of the Democratic Left), the old CP electoral front, also included some petty-bourgeois democratic elements.

8. The passage in question reads: "Before engaging in any activities, the existing political parties or any organized in the future must submit to the Supreme Court a statement by their president or the members of their Executive Board swearing that the party's principles are opposed to any activity whose aim is the forcible seizure of power or the overthrow of the free democratic form of government."

Report Contradicts White House Claims

Repression in Chile Worse Than Ever

Political repression in Chile is now "more ubiquitous and more systematic" than at any other time since Allende was overthrown in September 1973, according to a report released October 23 by the International Commission of Jurists.

"For every detainee who has been released in recent months," the com-

(Movimiento de Izquierda Revolucionaria—Movement of the Revolutionary Left).

● In addition to these arrests of individuals, in recent months 10,000 to 15,000 persons have been detained in massive roundups in the shantytowns. The commission concluded that the roundups are an effort to intimidate the population, pointing out that most of those arrested in these raids are released in seven to ten days.

The commission's findings also stated that General Augusto Pinochet's September 11 announcement that the "state of war" was being lifted and that most prisoners who were prepared to go abroad would be released was "designed for external consumption."

The Chilean legal system, the commission reported, "continues to contravene basic principles of justice accepted by civilized nations."

More than 22,000 persons—15,000 Chileans and 7,500 foreign residents—have been driven out of Chile since the coup, according to a report in the September 22 issue of the Mexico City daily *Excelsior*.

The International Commission of Jurists published its report just one day after the White House delegation abstained from voting on a UN resolution urging the Pinochet government to restore human rights and to free political prisoners. The basis for the abstention, according to W. Tapley Bennett Jr., a member of the American delegation, was that the resolution contained no hint of the improvement in the situation in recent months. □

Defendants, Citing Nixon Pardon, Demand Lenient Treatment in Court

Federal prosecutors said during a recent four-day conference with Justice Department officials that defense attorneys around the country were urging juries to acquit their clients and asking judges to give light sentences on the basis of the leniency given to Richard Nixon and Spiro Agnew. They also said that some juries had refused to convict a defendant because of the handling of the Nixon and Agnew cases.



Neues Deutschland

mission reported, "at least two new arrests have been made."

The commission, a forty-member group based in Geneva, is supported by lawyers organizations in fifty countries and is recognized by the United Nations. Among its members are former French Premier Edgar Faure; Masatoshi Yokota, former chief justice of the Japanese Supreme Court; and Adetokunbo Ademola, former chief justice of Nigeria.

According to the October 24 *New York Times*, "the commission gathers information for its reports from lawyers on the spot, observers sent to follow trials and special teams such as the three-man group that went to Chile last May to study the situation there."

The commission's report provided the following statistics on recent arrests:

● From May to August, the junta made 700 known arrests of political suspects. Most of the arrests were carried out without warrants, by unidentified persons in civilian dress armed with machine guns.

● Six hundred arrests have been made since the killing October 5 of Miguel Enriquez, leader of the MIR

A Note on Careers of Béjar and Blanco

By Gerry Foley

Recently, Héctor Béjar, a former guerrilla leader and at present an official in a Peruvian state body, visited Sweden, as a special guest of the Swedish government.

Since another well-known former Peruvian guerrilla leader—one who has followed a course very different from that of Béjar—lives in Sweden, the country's leading newspaper, *Dagens Nyheter*, thought it had the material for an interesting feature. It arranged a meeting between Héctor Béjar and the Trotskyist peasant leader Hugo Blanco, who was deported from Peru in 1971, subsequently deported from Argentina in 1972, escaped from Chile in 1973, and has been denied asylum in any Latin American country.

The report of this meeting was published in the October 14 issue of *Dagens Nyheter* under the title "The Official Meets the Revolutionist."

Héctor Béjar was one of the leaders of the Ejército de Liberación Nacional (ELN—National Liberation Army), a guerrilla group active in Peru in 1965. He is best known, however, for his book on this unsuccessful campaign, *Apuntes Sobre una Experiencia Guerrillera* (Notes on a Guerrilla Experience. For an English translation, see *Intercontinental Press*, 1970, issues 2 to 10.)

In 1969, this book won the nonfiction prize of the Cuban state publishing house, the Casa de las Américas. It was one of the most widely circulated of the books that came out of the numerous guerrilla experiments of the 1960s that were encouraged by the example of the Cuban revolution. It was also one of the most concrete and thoughtful.

Like many of the guerrillas in the 1960s, Béjar's first political education came from the Stalinists. He joined the Peruvian Communist party as a teen-ager and later rose to the Central Committee and the position of editor of the party paper. After he developed differences with the line of "peaceful and parliamentary roads to socialism," he was expelled

from the party in 1958.

Like many others of his generation and background, Béjar went from a party that claimed to be trying to solve the problems of the masses by building a perfect political machine for "delicate" parliamentary maneuvers and behind-the-scenes negotiations to a military group that hoped to defeat the enemies of the masses by building an army to fight their battles. In both cases, the strategy was to be strictly anti-imperialist, not socialist, and designed to unite all the patriotic elements.

Thus, Béjar did not support, or apparently understand, the line applied by the Peruvian Trotskyist leader Hugo Blanco, which was to mobilize the masses on the basis of their most immediate concerns and educate them politically through carrying this struggle forward. He attributed the government's successes in repressing the peasant union led by Blanco to certain illusions on the latter's part, apparently with regard to the organization of armed struggle. Béjar wrote in his book:

"Blanco wanted 'the Peasant Union to develop gradually into a real organ of democratic *people's power* which at every step would more vigorously confront the *power of the bosses* represented by the ranchers and all the state forces in their service.' . . .

"The basic instrument of armed struggle, according to this thesis, was the union militia led by the party. But this did not mean that the moment had come for struggling for power:

"'The objective in this stage,' Blanco said in 1964 from his prison in Arequipa, 'is not an immediate struggle for power or to overthrow the Belaúnde government. More modest and defensive objectives are on the agenda—defending the peasant land occupations from attack by the armed forces and the landlords.'

"The thesis of dual power and militias could have achieved success as a mass slogan and could have been propagated and followed under a

bourgeois regime like that of Prado, which alternated repression with negotiation. But after the military coup of 1962, this proposition was of no use in confronting the army, which had taken power to 'establish order' and to settle accounts, among other things, with the peasants of La Convención.

"Anyone who wanted to keep in close contact with the masses despite the repression had to resort to the guerrilla tactic. But this decision required absolute clarity on the methods to be applied.

"This condition was not present. And at the beginning of 1963, after the clashes in Pucyura, Blanco, alone and abandoned, fell into the hands of the police. For this the left in general, and especially the revolutionary left, bore a serious responsibility.

"As a result, the masses in La Convención and Lares did not go over into guerrilla struggle, which was the logical culmination of the process that began in 1956."

Actually the armed resistance of the peasant union led by Hugo Blanco was more extensive and prolonged than any of the other guerrilla experiments in Peru in the 1960s. Béjar's disagreement with the mass peasant leader's orientation led him to focus only on the fact that this resistance had proved unable to defeat the repression launched by the government.

Blanco's own explanation for this defeat was that the struggle in La Convención was isolated by the lack of a revolutionary party effectively organized on a national scale.

An important factor in the isolation of the struggle in La Convención was the sectarianism of the Communist party and the currents that had their origins in it. Béjar, unlike others of his background and orientation, was able to see this and honest enough to condemn it. He was also honest enough to recognize many of Blanco's achievements.

"Hugo Blanco's participation in the

organizational activities of the unions led to a rise in the level of struggle. 1961 and 1962 can be considered the high points of the union wave.

"But Blanco's revolutionary ideology aroused the jealousy of the former heads of the Federación Provincial, and his Trotskyism aroused the distrust of the Communist leaders of the Federación de Trabajadores del Cuzco. When he was named general secretary of the latter in 1962, the election was contested by some members. Meanwhile the Lima government ordered his arrest.

"Then came the violent period of persecution that culminated in his being taken prisoner in May 1963. The government had freed itself of Blanco but it had not been able to avoid thousands of peasants freeing themselves, the power of the *hacendados*

being broken, and the preexisting social structure altered. It was the first defeat of such proportions to be suffered by the *latifundio*—a de facto agrarian reform had been realized."

As the crisis in Peru deepened, a reformist military junta took over in 1968 in an attempt to head off a general explosion. One of their concessions was to release most of the political prisoners jailed by the Belaúnde government, including Blanco, in late 1970.

The government made a number of nationalist moves, such as a partial land reform designed to shift capital into industry and nationalization of some of the imperialist holdings. These reforms won the regime the support of most of the left, including the Communist party and many former

guerrillas, a number of whom were given posts in the state administration or semistate bodies. Béjar was one of these.

The new government continued, however, to repress all strikes or mass protests that did not fit in with its program of building national capital. For example, it crushed the teachers' strike of 1971 by arbitrarily deporting its leaders. This was to be the new pattern for dealing with the "uncooperative" left—exile rather than imprisonment. Blanco, who had exposed the nature of the junta's land reform and spoke in support of the striking teachers, was exiled along with the strike leaders.

So, the differences between Hugo Blanco and Héctor Béjar have continued in a new form after the political shift in Peru. □

Interviewed in Sweden

Hugo Blanco and Héctor Béjar Cross Swords

[The following article, by Birgitta Nyblom, appeared in the October 14 issue of the Stockholm daily *Dagens Nyheter*. The translation from the Swedish is by *Intercontinental Press*.]

* * *

Two guerrilla leaders in Peru were released around Christmas, 1970, when the new military regime had been in power two years. They were Hugo Blanco and Héctor Béjar. They had been held in various jails as political prisoners, Hugo Blanco the longest. On Saturday they met in Härnösand in quite different circumstances. Hugo Blanco is living in exile in Sweden, having been deported from Peru in the fall of 1971. Héctor Béjar is a high official in the state agency Sinamos [Sistema Nacional de Apoyo a la Movilización Social—National Network for Supporting Social Mobilization], whose function is to organize the people's movement in Peru, in particular the trade unions. The meeting was held at *Dagens Nyheter's* initiative and was the final event of a week's visit in Sweden for Héctor Béjar. He was here as a guest of the Foreign Ministry and went on Sunday

to the German Democratic Republic.

* * *

"When are we deportees going to be allowed to return to our country?" This was the question Hugo Blanco put directly and repeatedly to Héctor Béjar when the latter visited him in Härnösand. Héctor Béjar explained that the government would have to answer this question. He chose instead to talk about what has been done in recent years—the land reform; the nationalization of the mines, the banks, private property, and means of production; as well as the much higher level of political consciousness among Peruvians. Personally, he hoped Hugo Blanco could come back and discuss politics both inside and outside Peru.

Héctor Béjar was here to study how the Swedish workers movement mobilizes its forces in the trade unions and in its adult education programs. He had a packed schedule and visited the Social Democratic party offices, the LO [Landsorganisation—National Federation of Trade Unions], the metalworkers union, the SSU [Sveriges Socialdemokratiska Ungdomsförbund—Social Democratic Youth

League of Sweden] in Stockholm and Bommersvik, the ABF [Arbetarnas Bildningsförbund—Workers Education League] in Stockholm and Västerås, TRU in Stocksund, and at the end of the week got a look at the state ministries and the functioning of the municipal government in Botkyrka.

Hugo Blanco, who had previously found refuge in Chile, came to Sweden last winter and took a job as a teacher in Sandöskolan, an auxiliary school in Kramfors to the north of Härnösand. At present he is undergoing treatment for a back problem in the orthopedic clinic at Härnösand hospital, and that is where Héctor Béjar came to visit him. Hugo Blanco is a Trotskyist, a member of the Fourth International (like many of his compatriots who have worked or studied in Argentina, as he did).

There was no real dialogue between Héctor Béjar and Hugo Blanco. The question was the program of social reform and the sharp political shift in Peru, and the discussion was an exchange of words between one excluded from this process and another involved in it. The period since the guerrilla struggle has been marked by such tensions between those who

stayed in their country and those who fled or were forced to flee.

Blanco. "Are there still political prisoners and are there still people in exile? I think that any political discussion about Peru should be carried on inside the country."

Béjar. "I do not represent the government. But I am content to work as an official in this regime because it has nationalized all the national resources and carried out the land reform we both fought for. It is also building up a mass movement so that it can become less and less an exclusively military government and increasingly a revolutionary government. A fusion is taking place between the officers and the people's revolutionary leaders.

"What defines a government or a regime is not its military character but what it does against imperialism (foreign domination) and against the oligarchy (the rule of a few within the country) and the groups that have dominated the country for many years. Most of the Peruvians in exile belong to the oligarchy. I am sorry that a man like Hugo Blanco who has made an important contribution to the people's struggle in our country is also in exile."

Blanco. "It seems as if Héctor did not understand my question and its intent. In exile here is Rolando Breña, the Peruvian student leader. The students did not choose him from among the oligarchy. Nor was this the case for the leader of the teachers' strike or of the mine workers, for Naturi Cuentas, or Gustavo Rui de Sommo Cursos, who took part in the Arequipa strike.

"These comrades do not belong to the oligarchy; they took part in the workers struggle. They have been deported. No law in my country authorizes such deportations. Has this illegal situation been ended yet?"

Béjar. "It's incredible that Hugo Blanco should concern himself about the existence of bourgeois laws! If we had observed all the bourgeois laws, nothing would have changed. At this moment in my country a dialogue of equals is taking place. Among the participants are the president of the republic, Juan Velasco; the minister of the mines; and the leaders of the teachers and mine workers unions.

"Are we going to discuss how many people we have deported or whether the military officers are getting more

or less pay? The important question for Latin America and Peru is not this. It is: Have the government and the people in my country taken up the struggle against imperialism or haven't they? Are they making great efforts to carry out a social revolution, or aren't they?"

Blanco. "I asked a question and Héctor can't seem to answer it. When is the Peruvian government going to let the revolutionists it has deported return? They have an interest in the situation in their own country. They have fought against imperialism and want to return to Peru. They want to discuss everything that has happened, the regime, or any other question.

"But they don't want to do this in Sweden. We are being deprived of the right to talk to our own people. I demand that this injustice be ended. You can't ask the political refugees from Chile to debate the situation in their country with the government. That would be the same as asking the Jews in the German concentration camps to debate with Hitler.

"I want to know clearly and in a few words whether the Peruvian government is willing to let the deported revolutionists return."

Béjar. "I have said that I do not represent the government and that it is the Peruvian government that will answer Hugo. That doesn't mean that I don't have an opinion of my own about this. I think that Hugo Blanco and his comrades should return to Peru, and I have never concealed this view.

"In my opinion, making a comparison, or simply mentioning Pinochet or Hitler in such a way as to imply a comparison, with Velasco's government reflects great political confusion. There are some persons in my country who say that what is going on is not a revolution but fascism. However, we are not going to give any fascists permission to return and fight us.

"Moreover, when Hugo and I were fighting, we did not ask reformist governments, Belaúnde's for example, for permission. We simply crossed frontiers. We did not ask any ambassador for permission to fight for our people."

(Béjar was referring to the appeal Blanco made last spring to the Peruvian ambassador in Stockholm to arrange for his return. He wrote the ambassador a letter saying that it was

the duty of all Peruvians today to fight against the threat from the reactionary countries that surround Peru, and that the left-wing refugees should be allowed to return for this purpose. The letter was subsequently published in the Lima daily *El Expresso*.)

Blanco. "I am asking: When is the Peruvian government going to let the deported anti-imperialists return home? We are not talking about the government being fascist but about the fact that it has no authority to debate political questions with those it has deported from the country."

Béjar. "I'm glad Hugo is slowly coming around to the political discussion he wants to avoid. He does not think my government has moral weight or authority? Why shouldn't it have this kind of authority? Why should a government that has expelled most of the imperialist companies from our country, that has expropriated almost all the big landed estates, that had deported the oligarchic families that made up our ruling class, not have moral authority?"

"In the revolutionary process in Peru I know that a new peasant organization is being built. In it are many of the agricultural workers that fought alongside Hugo Blanco in the 1950s and 1960s. I would hope that he will come back to this question and discuss politics. I would only point out that a revolutionist should not take a shrill and spiteful attitude."

Blanco. "It's laughable to hear a government official say that I'm avoiding political discussion, I whom they have driven to Europe. Béjar knows what befits a revolutionist. But I know what characterizes an official, and that is giving speeches and not concrete answers."

Béjar. "Actions by the imperialist groups are a present and a future danger. That's no speech. That's a fact.

"Hugo knows that I am not just talking about a physical return to Peru — which is important — but a spiritual and moral one. We revolutionists have a duty today in Peru to declare openly and clearly whether we support the process the country is going through — as this process is actually developing, with all the questions and criticisms we may have about it — or whether we are against it. That is no speech."

Blanco. "It's impossible to get an

answer, so there's nothing more to say."

Béjar. "I'm sorry Hugo has nothing more to say."

As the conversation fell into silence, Härnösand's sunny autumn sky was still bright outside the window. Kerstin Lindblad from Sandöskolan, who translated the discussion, hurried back to a Saturday seminar on Latin America. Dr. Antemor Velasco from Boli-

via, an escapee from Chile and a doctor in the orthopedic clinic, exchanged a few words with Héctor Béjar. Maybe he would go back to Latin America soon. Could he go to Peru, which borders on his country?

Dagens Nyheter asked Hugo Blanco what he would do if he were an official in Peru.

"Today, I am a revolutionist," he said. □

Fifty Publications Shut Down

Shah Purges Iranian Press

By Majid Namvar

The regime of Shah Mohammed Reza Pahlevi has carried out a massive purge of the Iranian press. According to a report in the September 26 *Financial Times* of London, more than fifty newspapers and magazines have been banned in the past two months. In addition, eighty journalists have been fired and forbidden to write.

In an interview with *Newsweek* correspondent Edward Behr, the shah admitted that "95 percent of our press suddenly stopped publishing." The shah told Behr that the government had recently decreed that only those newspapers and magazines with a circulation of more than 3,000 would be permitted to continue publishing.

An indication of the extent of the purge can be seen from the fact that even the government-controlled press has come under attack. According to the *Financial Times* report, a number of the journalists who were fired worked for the major government-controlled daily, *Kayhan*. Other periodicals that were purged include *Echo of Iran*, *Setarye Islam*, and *Ferdosi*.

Several book publishers have also been shut down by the shah; others are continually faced with difficulties when they submit their books to the censor. As a result, the number of books published is reported to have dropped to one-tenth the number published last year.

According to *Financial Times* correspondent David Housego, the alleged plot to assassinate the shah and kidnap three members of his family last October has been cited as one

reason behind the crackdown on the press. Twelve artists, filmmakers, and journalists were arrested in connection with this "plot." Following a frame-up trial, two were executed last February; the others were given sentences ranging from three to five years.

"The shah ordered that a committee cleanse the information media of those deemed security risks or whose influence was thought unhealthy," Housego reported.

The October 16 issue of the Tehran daily *Etelaat* printed the full text of Behr's interview with the shah. (The October 14 *Newsweek*, in an article on Iran, quoted a few sentences from the interview.)

"If you read the remaining newspapers," the shah said, "you will find in them as much criticism as in those of other countries. Whether you like it or not, here you cannot insult the king. If newspapers do not insult the king, however, it is not because we do not have freedom of the press."

In its October 14 article, *Newsweek* reported: "By some estimates, as many as 60,000 Iranians are full-time SAVAK operatives. What's more, according to a Western diplomat in Teheran, one out of every eight adults in the country is at least an occasional informer."

"... one SAVAK agent," the article continued, "bragged to Behr that Iran has 20,000 political prisoners in jail. . . ."

The wide publicity being given to the shah's repression has put the Iranian press on the defensive. On the

same page with a translation of the full text of the October 14 *Newsweek* article and the full text of the interview, *Etelaat* felt compelled to run an editorial denouncing the U.S. magazine.

"The reason behind *Newsweek's* reporters' uneasiness should be sought in the fears of reactionary circles," the editors of *Etelaat* stated. "It was not too long ago that an American official said, 'Iran's power will turn it into a dangerous giant, even against us.'"

In reply to the charge that one out of eight Iranians works for SAVAK, the editors said: "It is obvious that this figure is not acceptable to even the most uninformed observers. There are sufficient documents to demonstrate that the Iranian Security Organization has fewer than 3,000 persons at its services." The newspaper did not, of course, produce any such documents. □

OPEC Founder Criticizes Oil Trusts' 'Excess' Profits

Oil prices could be lowered if the Organization of Petroleum Exporting Countries established controls on companies' profits, according to Juan Pablo Perez Alfonzo, Venezuela's former minister of mines and hydrocarbons and a founder of OPEC.

Speaking to postgraduate students in petroleum studies in Caracas October 19, Perez Alfonzo said that the oil companies in Venezuela—led by Exxon, Shell, Gulf, and Mobil—made \$4.125 thousand million in "excess" profits last year. He estimated they were making 39 percent profit per barrel when a "reasonable" profit would be 15 percent.

Perez Alfonzo claimed that Venezuela's decision to nationalize the petroleum industry next year could drive down prices by eliminating the companies' "excess profits."

Anaconda, Kennecott Copper Clean Up on Settlements With Chilean Junta

One of the economic benefits derived by Wall Street from the overthrow of the Allende regime in Chile was made public October 24, when the Anaconda Company reported that its third-quarter profits had increased 777.5 percent. The increase is largely due to a \$65 million payment—the first installment in a \$253 million settlement—by the Chilean junta for two Anaconda copper mines that had been expropriated by the Allende regime in 1971.

Also announced October 24 was a \$68 million settlement the junta is to pay to Kennecott Copper in compensation for Kennecott holdings taken over by the Allende regime in 1971.

An Arab and Iranian Finance Capital Emerges

By Ernest Mandel

[The following article appeared in the October 17 issue of *Inprecor*, a fortnightly news bulletin of the United Secretariat of the Fourth International.]

* * *

The increase in oil prices since the October War of 1973 has considerably increased the currency incomes of the oil-producing countries, especially the Arab oil producers and Iran. This enormous income—estimated to reach \$75,000 million during 1974—can be utilized in the following ways:

1. It can be hoarded, that is, held by central banks in the form of backing for national currencies or in the form of gold or currency hoarded by private proprietors.

2. It can be placed on a short-term basis in foreign banks or international institutions or utilized to purchase public short-term bonds in the imperialist countries (treasury bonds).

3. It can be spent unproductively on importing materials that do not enter into the process of reproduction of commodities: arms, luxury items, and so on.

4. It can be used to import productive goods serving to accelerate the accumulation of capital and the production of commodities within the oil-producing countries. (Imports of food and consumer commodities serving to reproduce the labor force also fall into this category.)

5. It can be put into long-term investments abroad. Here several categories must be distinguished:

- investments in liquid values (stocks and bonds)
- nonliquid investments
- buying of shares in industrial, financial, commercial, or transport companies and the creation of new firms of this type with participation in the management.

Of these five forms of utilization of "petrodollars," only the first has a deflationary effect on the economy of the imperialist countries and may therefore be considered a supplementary, although extremely marginal, factor in the economic recession now under way. To speak, as do certain politicians in imperialist countries, of "sixty thousand million dollars withdrawn from the Western economy" because of the balance-of-payments deficits of some imperialist countries is to forget that the majority of this \$60,000 million remains

in the West or is returned there in the form of payment for supplementary commodity purchases or in the form of various investments.

In fact, the opposite thesis has much greater foundation. By being placed on a short-term basis in American or European banks, petrodollars feed the inflation of credit and thereby the inflation of paper money rather than contributing to deflation.

It is true that part of these petrodollars have served to "soak up" American and English treasury certificates, which are thus withdrawn from their usual buyers (the private banks), and this has contributed to reducing these banks' possibilities of extending credit. But the real cause of this restriction of credit lies not in the buying of short-term public bonds by the oil exporters, but rather in the fact that the American and British central banks, engaged in a deliberate policy of deflation and restriction of credit, have not expanded the volume of their operations on the world monetary market in proportion to the growth of the purchase of these bonds by the "Arab sheikhs."

At present, it is difficult to estimate the proportion in which the income of the oil producers is divided among the five means of utilization mentioned above. In general, however, it can be estimated that \$30,000 million will be used in 1974 to increase imports of commodities and to make various investments within the oil-producing countries (categories 3 and 4), while \$35,000 million will be invested abroad (categories 2 and 4), the rest most probably being hoarded.

The investment programs already planned by the oil-producing countries for coming years are extremely extensive. Saudi Arabia has developed a five-year plan whose budget is about \$60,000 million (at the current value); Algeria has a four-year plan for 1974-77 calling for \$22,000 million of investments. Kuwait plans to invest more than \$4,000 million in the 1974-75 fiscal year alone. It can thus be predicted that the cumulative balance-of-payments deficits of the imperialist countries arising from the high oil prices, all other things being equal, will diminish considerably in coming years because of the increase in the supplies of equipment, patents, and technical assistance they will send to the oil-producing countries. This is not true of the balance-of-payments deficits of the semicolonial

countries that do not export oil; their deficits threaten to worsen.

A New Finance Capital Emerges

At the Tenth World Congress of the Fourth International, many delegates were surprised, and probably even a little shocked, at our assertion that the enormous and rapid accumulation of capital in the hands of the owning classes of the oil-producing countries due to the big rise in oil prices was giving rise to the emergence of a new, autonomous Arab and Iranian finance capital.

Since that time, what had appeared as a potential tendency has fully flowered. The purchase by the shah of Iran of 25 percent of the stock of the West German Krupp trust was the generally perceived signal of the appearance of a new, independent sector of international finance capital.

Finance capital is banking capital (money capital) that is invested in the productive sector (industry, transportation, etc.) and participates in the control of these sectors, even monopolizing that control. In this sense, it is distinct from *rentier* capital, which is content to hold stock portfolios and clip coupons.

The information that is steadily flowing in about the behavior of the possessing classes that are collecting the income from the export of petroleum leaves no room for the slightest doubt that the dominant sections of these classes are now going beyond the stage of *rentier* parasitism (of the type of the old Egyptian pashas) and are beginning to behave as typical representatives of finance capital.

The case of the Iranian bourgeoisie, which henceforth will be represented in the administrative council of the Krupp trust, is in no way an isolated example. In the field of real estate, the Kuwait Investment Company, founded in 1961, has bought the island of Kiawah in the United States, where it intends to create a big tourist center. It has taken a predominant share of a redevelopment project in the center of the city of Atlanta, Georgia, also in the United States. It has launched a gigantic public offer (a total of \$260 million) for the St. Martin's Property Corporation in London. It has also acquired control of two maritime companies, one linking Cyprus and Britain, the other linking England to Ireland.

In the Arab countries themselves, Arab

finance capital, associated with big imperialist monopolies (with the Arabs often holding financial and political control), is engaged in a whole series of major industrial projects. The Saudi Arabian company Petromin, together with the Marcona international consortium (including American, Japanese, and West German groups), is building a \$500 million metallurgical factory in the Jubail region of Arabia. The Arab Maritime Petroleum Transport Company owns four oil tankers with a total value of \$240 million. The emirate of Abu Dhabi is launching a \$300 million project to build a liquefied-gas factory on Das island in association with an American and a Japanese group. Saudi Arabia is building a \$100 million nitro-grain factory with the German trust Hoechst; it is building a \$300 million methanol gas factory with the Houston Natural Gas Company, and a petrochemical complex in Jubail with the Japanese Mitsubishi trust. Dow Chemical is associated with Iranian capital in building a \$500 million petrochemical factory in Iran. A Franco-Lebanese group around J.J. Carnaud and Forges de Basse-Indre are associated with a private Saudi group in manufacturing metal containers (59 percent of the capital is Saudi). And last week* the news came through that the shah of Iran was instrumental in bailing out the bonds of Grumman Aviation in the United States, which is manufacturing the Phantom fighters.

Veritable banks and investment companies (in which Arab or Iranian finance capital is generally dominant) have been created in association with the greatest names in imperialist finance capital in order to finance industrial and other projects. Some examples are: the Union des Banques Arabes et Francaises (Credit Lyonnais); the Banque Arabe et Internationale d'Investissements (with a consortium of thirteen European banks); the Compagnie Arabe et Internationale d'Investissements; the Middle East International Fund; the Arab Bank of Jordan; the El Ahli Bank of Kuwait; the Banque d'Investissements et de Financement INFI (the Audi Lebanese bank, plus private Arab stockholders, plus the Hambros Bank of London, plus Namura Securities of Tokyo, plus the Banques Populaires of France); the Compagnie Financiere Arabe (54 percent Arab shares and 46 percent divided among the Bank of Tokyo, Manufacturer's Hanover Trust, and the Banque de l'Union Europeenne); the Kuwait Investment Company; and the Kuwait Foreign Trading Contracting and Investment Company.

*Grumman said October 3 that it is to receive up to \$200 million over the next four years from a group of U. S. banks and Bank Melli Iran. — IP

The last-mentioned outfit is feverishly working at creating financial and industrial enterprises in the Middle East and Africa. It has created investment societies in Egypt, the Sudan, and Senegal. It has



New York Times

THE SHAH: Loaded with petrodollars.

participated in launching enterprises in Egypt (cement), Uganda (a tannery), the Sudan (a transport company), Senegal and Nigeria (a real estate firm).

The balance sheet is clear: We are dealing here with the activity of enterprising finance capital and not with a parasitic rentier capital. The best table of the connections of Arab and Iranian finance capital was published in the September 26, 1974, issue of the French employers magazine *Entreprise*.

Just Stooges for the Oil Trusts?

Two objections have generally been advanced to our thesis that a new autonomous Arab and Iranian finance capital has emerged.

According to the first group of critics, the Arab and Iranian governments and businessmen are nothing but stooges for the oil companies, particularly of the Rockefeller group (Exxon, formerly Esso). A number of factors have been variously cited in support of this objection: the enormous superprofits raked in by these trusts since the October War; the fact that a not negligible part of the petrodollars are deposited in the Rockefeller-controlled Chase Manhattan Bank; the sensational reentry of the Rockefeller group into the Egyptian market; the policy of Kissinger (a former adviser, very well paid, of Rockefeller) obligating Israel to gradually withdraw from some of the

occupied Arab territories. For the most paranoid representatives of this version of things, even the Watergate affair and the accession of Nelson Rockefeller to the post of vice-president of the United States were part of a vast conspiracy of the oil trusts.

It is incontestable that these trusts have made fat profits from the oil price increases decided on by the governments of the cartel of oil exporters. It should be stressed that this includes not only American trusts, but European ones as well, Royal Dutch Shell and British Petroleum, for example. There is no reason to deny that there is a certain confluence of interest between the Arab and Iranian finance capital (and governments) on the one hand and the imperialist oil trusts on the other.

But it is one thing to affirm that there is a certain confluence of interest between two separate and autonomous groups of capitalist proprietors and quite another thing to affirm that there is an identity of interests between them or that one group is clearly subordinate to the other. It is sufficient to examine the development of the "oil crisis" during past months to see that the thesis of an identity of interest between the Arab and Iranian owning classes and the imperialist oil trusts is untenable.

During the last meeting of the OPEC (Organization of Petroleum Exporting Countries), it was decided not to change the sales price of oil, but only to increase the charges and taxes payable by the trusts. The exporting countries warned the Western consumers that any new increase in the consumer price would be the result not of an arbitrary decision of the Arab and Iranian governments but of the refusal of the trusts to pay for the taxes by reducing their superprofits.

More important than that decision, which nevertheless had a symbolic value, is the fact that the governments of the Arab countries are now transferring ownership of the oil wells—to their own benefit and at the expense of the imperialist trusts. Exactly how the nationalization of Aramco corresponds to the "interests" of the Rockefeller group is a mystery that our critics have yet to shed light on.

A variant of this objection consists in stressing the exclusively or principally political nature of the increase in the price of oil. According to this view, the aim of the Arab governments is not to accumulate capital, but to oblige the imperialist governments to abandon their one-sided support to Israel in the Arab-Israeli conflict.

That the Arab governments are seeking to use their new economic and financial power to modify the political and military relationship of forces in the Middle East in no way contradicts the thesis of the constitution of a new Arab and Iran-

ian finance capital. It would remain to be explained how the bourgeois governments of Iran, Nigeria, and Venezuela—all of which are taking part in the policy of raising oil prices—happened to have acquired an identical primordial political interest, an explanation that is that much more difficult to come up with when account is taken of the manifest antagonism between the regime of the shah of Iran and that of the Iraqi Baathists, an antagonism that far and away transcends the largely nonexistent sympathy of the shah for the Palestinian cause, not to mention his sympathy for Arab nationalism, which is nil.

It is obvious that what unites all these owning classes is not a common political interest or project, but the possibility at a given moment in the history of international capitalism in decline of *profiting from a major redistribution of the surplus value extracted on a world scale from the proletariat and semiproletariat*. This redistribution is to take place at the expense of the imperialist bourgeoisie and to the profit of the bourgeoisie of certain semicolonial countries.

Following the second world war, imperialism generally saved its domination of the countries of Asia, Africa, and Latin America (with the exception of China, North Korea, North Vietnam, and Cuba) by transferring political power to the local ruling classes, transforming its direct rule into indirect rule, and elevating the colonial bourgeoisie to the rank of junior partner in its exploitative enterprise. But it succeeded in carrying out this transformation *without any major transfer of surplus value, of profits*. Now the colonial bourgeoisie is cashing in on twenty-five years of colonial revolution, presenting its bill—and a spicy bill it is! It is demanding a major part of the surplus value extracted from the producers of the semicolonial countries. In the oil-exporting countries, it has done this, at least temporarily, by taking advantage of an eminently favorable conjuncture.

To get an idea of the enormous haul that is involved here, one must take account of the fact that the average cost of extracting one barrel of oil in the Middle East does not exceed 10 to 12 U.S. cents. Two years ago, the oil companies were asking \$2 to \$3 for that barrel! Today, they are selling it for \$11.65 (to which, obviously, must be added the profits they make in transportation, refining, wholesale reselling, etc.). But of that \$11.65, the amount of surplus value going to the owning classes of the exporting countries was \$9.23 before October 1, 1974, and has been \$9.74 since that date. Before October 10, 1974, \$2.42 remained in the hands of the oil companies (\$1.99 since that date). *That still represents more than ten times the cost of extraction!*

Once upon a time, the surplus value

was divided 90% for the oil trusts and 10% for the local owning classes. Later, the proportion moved to 75%-25%, then to 67%-33%, then to 50%-50%. It has now been turned around to 20%-80%, if one considers only the price of the oil exported by the producing countries. Taking account of all the profits made by the trusts in transport, refining, distribution, and so forth, the division is still not very far from 40%-60%.

Revenge of the Third World?

The second objection to our thesis of the emergence of an autonomous Arab and Iranian finance capital comes from a diametrically opposite direction from the first. It affirms that it is not a question of a re-division of profits among possessing classes, but rather of a general revenge by the "Third World," a counterattack of the "poor countries" against the "rich countries." There are countries, this thesis runs, who have based the whole of their "prosperity" on "cheap energy." This era has now been turned around. The *peoples* of the "Third World" are now going to improve their living standards at the expense of the rich *peoples*. Furthermore, is it not true that most of the petrodollars are held by state or public institutions? How can one talk of "finance capital" when one is dealing with public property? Won't the income in dollars benefit all the inhabitants of the exporting countries?

Let us state right off the bat that the claim that the Arab and Iranian banks and investment companies are all or nearly all public institutions is vastly exaggerated. The Kuwait Foreign Trading Contracting and Investment Company has 25% of its stock in private hands. In the Kuwait Investment Company, the private shares account for as much as 50%. In most of the joint banking ventures referred to above, the private stockholders are not all foreigners; some are Arabs. Their share of the stock approaches or surpasses 50%.

Next, let us recall that in the semicolonial countries the separation between "public" and "private" is often largely fictitious, just as it was during the era of primitive accumulation of capital in Europe during the sixteenth, seventeenth, and eighteenth centuries. The sheikhs, emirs, and kings treat the public budget as their own private domain. Corruption, theft, and extortion are the classic sources of *private* accumulation of capital by the high dignitaries and functionaries of all these countries.

And that, we might say in passing, is the *qualitative* difference, which reveals a difference in class structure, between these countries and the bureaucratized workers states, despite the apparent similarity in the matter of the nationaliza-

tion of the large-scale means of production. The Soviet and Chinese bureaucrats endow themselves with considerable material advantages in consumer goods. But they are unable to accumulate private capital in the manner of a Trujillo, a Houphouet-Boigny, an emir of Kuwait, a president of the Philippines, or even a simple, corrupt Hong Kong police chief, who has just been accused of having accumulated the equivalent of one million American dollars in the space of a few years in the form of bribes paid by gangsters.

The assertion that the "Arab masses" as a whole will benefit from the oil price increase is true only in the exceptional and marginal cases of very sparsely populated countries like Kuwait. The per capita income in Iraq, which is a large oil exporter, presently stands at about \$370 per year. In Egypt it is \$220. In spite of all the projects of "Arab solidarity," in spite of the Kuwait Fund for Arab Economic Development, in spite of the Arab Bank for Economic and Social Development, the Arab Investment Company, and the Saudi Arabia Development Fund—which taken together command several thousand million dollars—these figures will not increase substantially in coming years.

The notion of "Arab solidarity" is scarcely appropriate as far as distribution of investment of surplus value is concerned. In this regard, let us cite the British daily *The Guardian* of October 9, 1974: "The fact is that immense question marks hang over the security and profitability of large-scale investment in the Third World. And in this respect, the Gulf oil rulers or the shah of Iran operates on as faultless a capitalist basis as any corporation or bank in London or New York."

If that's where "Arab solidarity" stands, even more of the same goes for "solidarity of the peoples of the Third World." Of an expected net oil income for 1974 of \$75,000 million, the oil-exporting countries will accord only about \$3,000 million to the semicolonial non-oil-exporting countries in the form of aid. That is but a fraction of the additional expenses that will be imposed on these countries by the rise in oil prices.

To be sure, the investment of a part of the growing income of petrodollars in some Arab countries and Iran will accelerate the economic development of these countries. They will thus end up having an infrastructure, including an infrastructure for heavy industry, which will favor their industrialization. That, after all, is what capital, finance capital included, accomplished in other countries, in other epochs, and under other circumstances. But here it is a matter of a *capitalist* development, which in no way will guarantee a rapid, not to mention automatic, rise in the living standards of the masses

(except, we repeat, in half-empty countries like Kuwait and Libya).

Capital investments will be made on a priority basis in sectors with a very high organic composition of capital, sectors that employ a small labor force (petrochemicals, organic chemicals, steel). The ravages wreaked on the peasantry and artisans by inflation and the extension of the money economy threaten to eliminate many more jobs than the new, ultra-modern industry will create. Endemic unemployment and underemployment will continue to rack Iran, Egypt, Algeria, Iraq, and Syria, not to mention the even less developed Arab countries. Under the pressure of this unemployment and the general consequences of a social structure dominated by the accumulation of capital (including, more and more, of private capital), the gap between rich and poor, capital and labor, will widen rather than disappear. The Brazilian model of growth is there to confirm this. Thus, it is not a question of a "victory of the poor countries over the rich countries," but very clearly a redistribution of world surplus value among different groups of owning classes, even if some of the inhabitants of the countries involved may obtain a few crumbs left over from this rich banquet.

Law of Uneven and Combined Development

For this same reason, it would be premature (to say the least) to conclude from the emergence of a new autonomous Arab and Iranian finance capital that the social character of the Arab countries and Iran has changed, that they have been transformed from semicolonial countries into new imperialist powers. Financial ownership of the principal industrial companies of a country is only one of the criteria determining its character as a semicolonial or imperialist country. The social structure, the degree of underdevelopment, the weight of precapitalist survivals in its relations of production, its place in the world market, the nature of its political regime, and the nature and composition of its ruling class are some of the factors that must be combined with the first in determining the character of the country.

The sections of the Arab and Iranian owning classes that embody and direct the new autonomous finance capital of these countries are composed neither of managers nor of engineers, but of proprietors who maintain their grip on the land, the state, and the ultraparastic forms of rule. This not only means that technological know-how must be imported from the imperialist countries, which demonstrates the dependence of these countries and imposes the form of joint ventures on the important industrial enterprises.

It also means that the new finance capital (like Russian finance capital before 1917) has no interest in a real agrarian revolution, which would deprive it of an important fraction of its holdings. But without such an agrarian revolution, no decisive break with underdevelopment is possible.

The appearance of an autonomous Arab



Kuwait Times

and Iranian finance capital—like the emergence of an autonomous Brazilian finance capital—marks the *beginning of a process of change*, and not its end. Should the imperialist powers unleash a military aggression against the Arab countries to recover control of oil resources, it would clearly not be an interimperialist conflict in which the world proletariat should not take sides. On the contrary, it would be an imperialist attempt to maintain and reinforce the dependent semicolonial status of the Arab countries threatened with collapse. It would be a war of plunder by the imperialists and their agents to get their hands on the oil of others. On the part of the Arab countries, it would be a legitimate war against foreign plunderers for defense of the right and possibility of freedom and independence. Under these conditions, the sympathy and support of the world proletariat would be on the side of the Arab countries.

But approaching the problem from a class point of view, in no way can the conflicts between imperialist control and the attempts of the Arab countries to establish independence, even if under the leadership of their owning classes, be given priority over the conflicts between the Arab masses and their own ruling classes. To keep quiet about these conflicts or to try to push them to the background under the pretext of "Arab anti-imperialist solidarity," not to mention "Third World solidarity against the rich countries," would be to pass to the other side of the barricades, that is, to support the exploiters against the exploited.

Precisely to the extent that petrodollars stimulate the formation of an autonomous Arab and Iranian finance capital, they

will stimulate the development of capitalism, of capitalist industry, of capitalist exploitation, of the capitalist decomposition of the ancestral village. The development of capitalism is inevitably producing the development of class struggle between Iranian and Arab capital on the one hand and the Iranian and Arab workers on the other, just as it did in Russia at the end of the nineteenth century. The more this class struggle develops, the more the autonomy of Arab financial capital will run up against a political, social, and military limit: its dependence on imperialist support in holding back the threatening social revolution.

In the Western press, much emphasis has been placed on the terrible political risks of an imperialist military intervention in the Middle East aimed at re-establishing imperialist control of the oil wells; a new rise of Arab nationalism, the emergence of new political leaderships even more strongly anti-imperialist than the Nasserists and Baathists of the past, a considerable increase in the influence of the Soviet bureaucracy in the Middle East, etc.

This is all incontestable. But the other side of the coin is often forgotten: the risks courted by the Arab owning classes in the event of a new rise of a mass movement that is not only anti-imperialist and antifeudalist, but more and more clearly anticapitalist.

If Sadat has eliminated the Soviet presence in Egypt and if the Arab bourgeoisie today is trying to eliminate this presence throughout the Middle East, it is not simply a matter of a diplomatic maneuver offered in exchange for a softening of the pro-Israeli policy of American imperialism. It is also because the Arab ruling class, progressively transforming itself into a bourgeois class, fears all anticapitalist forces. That is why a civil war raged for years in Yemen, why it is still raging in Dhofar, and why it could break out in the future in Jordan and even in Saudi Arabia or Iran. The Arab and Iranian ruling classes know very well that they have no other effective source of aid against their own exploited masses than that which they can get from the imperialist powers.

Under these conditions, the blackmail that is being used by both sides in the sordid bargaining over the redistribution of surplus value is a blackmail that is limited by a clear consciousness of common interest, which the international bourgeoisie can put in danger only by threatening its own very existence. There are times in the history of imperialism, and of the bourgeoisie in general, when it is driven to risk everything in an attempt to win everything. But it has not been demonstrated that things have already come to that point, not in Washington, nor

in Riyadh, and certainly not in Tehran.

The totality of the transformations that are expressed in the emergence of an autonomous Arab and Iranian finance capital built essentially through the accumulation of petrodollars can best be summed up as a new illustration of the law of uneven and combined development. After the second world war, the delay of the socialist revolution permitted a temporary new expansion of the productive forces. This occurred under imperialist domination, but under conditions of the accentuated decline of the international capitalist system as a whole, with aggravated conflicts and more and more explosive contradictions, not only between Capital and Labor, but also between the imperialist metropolises and the colonies. The systematic policy of the Soviet and Chinese bureaucracies in seeking al-

liances with the colonial bourgeoisie and the weakness of the alternative revolutionary leaderships of the workers and poor peasants of the colonial and semicolonial countries allowed the colonial bourgeoisie to come forward twenty years later and cash in on the formal political independence that imperialism had earlier been forced to grant so as to avoid the worst.

Suddenly commanding considerable capital resources in several countries, the colonial bourgeoisie is accumulating and investing this capital according to the model it learned from the imperialist countries. But it is doing so within a socioeconomic context that has not been fundamentally modified, a context that combines the Middle Ages (or earlier!) with contemporary technology, in which slaves who are not yet emancipated live side by

side with modern financiers, in which the colonial bourgeoisie counts on making the maximum impositions on the imperialist trusts while nevertheless maintaining their dependence on imperialism.

The Arab owning classes have not yet broken with the Middle Ages at a time when they are nevertheless leaving the palaces of Beirut and the casinos of the Cote d'Azur in favor of industrial workshops and shipyards. Even with expenditures of thousands of millions of dollars, they are not able to shed this double skin, just as they are not able to eliminate underdevelopment from their society. That requires a social revolution. And neither the shah of Iran, nor the king of Saudi Arabia, nor the emir of Bahrein, nor the Egyptian bourgeoisie can preside over that social revolution. Instead, they will be overthrown by it. □

Sees Possibility of Deadly Chain Reaction

Threat of World Slump Alarms 'Business Week'

By Dick Fidler

"I do not think the United States is in a recession," Gerald Ford told an October 9 news conference. The next day, Federal Reserve Board Chairman Arthur Burns, appearing before a congressional committee, contradicted the president. There is a recession, the top central banker said, adding that it is "a most unusual recession—a recession for which there is no precedent in history."

Whatever its specific historical features, statistics released October 17 by the Commerce Department indicate that the current economic situation in the United States more than meets the common definition of "recession"—that is, two consecutive quarters of decline in real gross national product. During the July-September period, the U.S. GNP dropped by 2.9 percent, the department reported. It was the third consecutive quarter to show a loss in the country's total output.

Secretary of Commerce Frederick Dent insisted there is no recession. He described the state of the economy as "a spasm" or "sideways waffling."

A majority of Americans take a gloomier view. A Gallup poll released October 16 "showed that 7 in 10 per-

sons believed that the economic situation would worsen in the next six months and that an increasing number—now 51 per cent—predicted that the economy was heading toward a depression such as that of the nineteen-thirties," the *New York Times* reported.

Only 15 percent of those polled thought the economic situation would improve in the next six months.

The public's view that the Ford administration is not telling the truth about the economy is sustained by a growing body of hard evidence. Symptomatic of the widespread concern was a special feature on "The Debt Economy" published in the October 12 issue of *Business Week*, one of the more sober voices in U.S. business and financial circles.

In *Business Week's* view, "the economic outlook is dark both here and abroad. Not one Western industrial power, the U.S. included, has been able to bring inflation under control, while efforts to control it have brought the world closer to a major economic slump than at any time since the 1930s."

Large balance-of-payments deficits

in many major Western countries, the editors continued, pose "a horrendous danger in a world where multinational business and multinational financial institutions have bound nations more tightly together than ever before. Serious trouble in one nation could infect all nations in the twinkling of an eye. It has been three months since the failure of Germany's Bankhaus I.D. Herstatt—a tiny bank compared with the titans of international finance—and the foreign exchange markets still have not fully recovered from the blow."

The root of world economic instability, according to *Business Week*, is the great mass of indebtedness piled up by corporations and governments during the last three decades of post-war expansion. This debt has over-extended banks, stretched corporate liquidity to the limits, and confronted capitalist governments with an unwelcome choice between following policies of restraint that aggravate the liquidity squeeze without slowing inflation, and less restrictive policies that simply postpone more drastic restrictions.

Finally, "the most dangerous threat"

to the U.S. economy, the editors wrote, is the international prospect—"the specter of a chain reaction of defaults by borrowers and failures by lenders, thrusting the world into deep depression."

Federal Reserve Board Chairman Burns described the current recession as "unusual" because, in his words, it is accompanied by "galloping inflation" and "booming" capital investment. "I have been a student of the business cycle for a long time," he told the congressional committee, "and I know of no other precedent for it in history."

But *Business Week's* editors traced the roots of the recessionary trend to the inflationary pattern of capital investment itself, as manifested in the colossal U.S. public and private debt. Here is how they described it:

"The U.S. economy stands atop a mountain of debt \$2.5-trillion [thousand thousand million] high—a mountain built of all the cars and houses, all the factories and machines that have made this the biggest, richest economy in the history of the world. The next biggest capitalist economy is that of Japan, but it would take a sum more than one-third the gross national product of Japan just to pay this year's interest on the U.S. debt.

"The U.S. is the Debt Economy without peer. It has the biggest lenders, the biggest borrowers, the most sophisticated financial system. The numbers are so vast that they simply numb the mind: \$1-trillion in corporate debt, \$600-billion [milliard] in mortgage debt, \$500-billion in U.S. government debt, \$200-billion in state and local government debt, \$200-billion in consumer debt. To fuel nearly three decades of postwar economic boom at home and export it abroad, this nation has borrowed an average net \$200-million a day, each and every day, since the close of World War II."

The magazine posed what it called "two critically important questions" about the U.S. economy:

● Can all the debt now outstanding be paid off or refinanced as it comes due?

● Can the economy add enough new debt to keep growing at anything close to the rate of the postwar era?"

For *Business Week*, the answers to both questions are negative. In its

view, an entire phase of almost uninterrupted postwar expansion is at an end. Perhaps more significant is the revealed failure of traditional government devices to avoid or cushion the impact of recession. In fact, the Keynesian "pump-priming" methods are themselves a major source of the inflationary spiral.

Business Week's Markets and Investment Editor John Carson-Parker spelled out the implications: ". . . the U.S. already carries a burden of debt so heavy that it is doubtful that all of it can be repaid and almost certain that not enough more can be borrowed to keep the economy growing as it has since World War II. . . . It is inevitable that the U.S. economy will grow more slowly than it has."

In his view, "Even if the U.S. is not overborrowed now—a most debatable point—it cannot continue to pile up debt as it has in the postwar era because the sort of government policies that would permit that to happen would simply feed inflation."

Interviews with leading bankers and economists, according to *Business Week*, have disclosed a fairly widespread consensus among U.S. capitalists that the only answer to runaway inflation is recession, and the sooner the better. In fact, in their view it is not possible to choose between inflation and recession.

"If inflation is not brought under control," said Robert W. Stone, executive vice-president of New York's Irving Trust Company, "then the conditions are that sooner or later we will have a recession of substantial depth and length. The question is what kind of economic setback to expect. Many of us would rather have a setback now. It will be more pronounced than two or three years ago but less pronounced than two or three years from now."

But many economists and business executives interviewed by *Business Week* agreed that the recession now developing will be the worst in several decades. A University of California economist warned that "because of the current financial structure, the system cannot withstand a recession as well as it could in the past."

The vice-president of a Chicago savings bank said: "A major downturn in business activity would cause a much sharper increase in liquidations and bankruptcies than at any time in the past 30 years."

And *Business Week's* editors ques-

tioned whether central banks and governments would be able to cope with the effects of chain-reaction defaults, once the process got under way. ". . . the dangers are greater than in the 1930s. . . . Perhaps the greatest risk is in the billions lent to borrowers whose ability to repay has been compromised by the high price of oil."

The rise in oil prices a year ago only aggravated an inflationary spiral that was already out of control. The source of that inflationary pressure is to be found not in the avarice of Arab sheikhs, as Washington officials are suggesting today, but in the tendency toward secular inflation that is inherent in monopoly capitalism. This is especially evident in the accelerating expansion of credit.

Here is how *Business Week* described the process:

"Between 1945 and 1970 the world enjoyed the longest boom on record—fueled in large part by borrowed money. Business borrowed at a prodigious rate to make the stuff, consumers borrowed at a prodigious rate to buy it, governments borrowed at a prodigious rate to support armies and build roads and schools. The \$2.5-trillion debt load of the U.S. is just a part of a total world debt load that could top \$10-trillion."

This debt has grown at an ever-increasing rate. In 1946, the total U.S. debt, public and private, was \$400,000 million, and nearly 60 percent of that was U.S. Treasury debt. By 1960, the total U.S. debt had doubled. By 1970, it had doubled again. "The key economic indicators—gross national product, personal income, corporate profits, and the like—have all grown by 500% or so since World War II," according to *Business Week*. "The key debt indicators have all grown by three and four times that amount, and the sharpest gains have come since 1960.

"Corporations have tripled their debt in the past 15 years. Treasury debt, which hardly grew at all in the late 1940s and 1950s, has jumped by \$180-billion since 1960. Installment debt, mortgage debt, and state and local government debt have all climbed by 200% or more since 1960, and the debts of federal agencies have climbed by more than 1,000%."

Consumer debt has increased by more than 50 percent since 1970. Yet working people, whose real wages are declining under the blows of double-digit inflation in retail prices, are in-

creasingly worried about the danger of recession. A recent poll by the University of Michigan's Survey Research Center found that consumer confidence is at the lowest point in the 28-year history of the survey. The survey's directors said that "experience suggests that the present combination of very deep consumer pessimism and decline in real incomes might make for a severe recession."

Throughout the economy, borrowing has bred further inflation, and inflation has spurred further borrowing. Money borrowed on the stock markets has gone increasingly to finance "emerging industries" like lessors, franchisers, and conglomerates—where rapid technological innovations accelerate turnover of fixed assets, thereby increasing the need for short-term financing. Loans have increased twice as fast as bank deposits. Banks have borrowed increasingly on international money markets. Interest rates have shot upward, and further loans at higher interest rates are often required to pay off outstanding loans.

"And then," as *Business Week's* markets and investment editor put it, "suddenly, it all began coming unstuck." In his opinion, the reasons "are not totally clear even today—except that no boom goes on forever."

However, Marxists, who have analyzed and understood the internal laws governing capital accumulation, were able to predict this inevitable crisis long ago.

How to stem the rise in world inflation, bring it under control, and produce an adequate supply of goods at low cost for everyone? A key point of attack would be to eliminate wasteful expenditures—in the first place, the enormous military budgets of every imperialist country which are a major source of inflation—and to eliminate corporate profiteering. This would mean nationalizing the corporations, subjecting them to the control of society as a whole, and converting the arms industry to socially useful production.

Such measures are, of course, furthest from the capitalists' intentions. In fact, the White House is planning to increase the official war budget by \$8,000 million in the next fiscal year, to a record \$92,000 million. And the Defense Department claims that this 9 percent increase would be insufficient to offset the impact of inflation on military programs.



Der Spiegel

"For long-term investments, consult our colleague."

Moreover, Ford's speech to Congress October 8 included such inflationary proposals as lifting price controls on natural gas and setting oil import quotas—both of which would give the oil monopolists greater latitude to jack up prices—and increasing the investment tax credit from the current 7 percent to 10 percent.

Summing up the collective wisdom of the capitalist economists, John Carson-Parker, an editor of *Business Week*, admitted that "if there is a remedy for today's inflation except recession, it has not been found. . . ."

The whole thrust of Ford's economic program is protectionist and recessionary.

But even a major recession can in no way resolve the fundamental contradictions of the capitalist economy. "The net result of the crisis in the Debt Economy," *Business Week's* editors confessed, "will be to thin out the ranks of those who can borrow and those who can lend. All the antitrust laws in the world will not prevent a still greater concentration of the wealth in fewer hands because to the extent that there is a crisis in the Debt Economy, only the biggest and fittest will survive."

In other words, the only prospect the capitalists hold out is one of further concentration and monopoly, and with it, in the long run, the assurance of greater inflation and a lowering of real wages and living standards for

the mass of the population.

The underlying question in the minds of bourgeois economists and politicians alike is one they still hesitate to express openly: Can they get away with it?

Among the contributors to *Business Week's* special issue, Carson-Parker came closest to saying it outright. ". . . it will be a hard pill for many Americans to swallow—the idea of doing with less so that big business can have more. It will be particularly hard to swallow because it is quite obvious that if big business and big banks are the most visible victims of what ails the Debt Economy, they are also in large measure the cause of it. . . ."

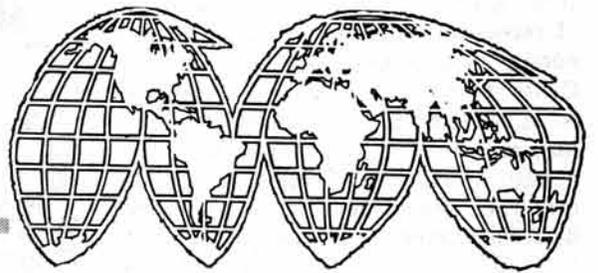
"Nothing that this nation, or any other nation, has done in modern economic history compares in difficulty with the selling job that must now be done to make people accept the new reality. And there are grave doubts whether the job can be done at all." □

Wisconsin Farmers Kill Calves

Members of the National Farmers Organization slaughtered 658 calves and fifteen pigs on October 15 in Curtiss, Wisconsin. The action was in protest of the lower prices for farm products and the skyrocketing cost of feed.

The Wisconsin Department of Agriculture sent a representative to the protest to ensure proper compliance with regulations regarding disposal of the carcasses.

AROUND THE WORLD



Castro Forecasts Change in Washington's Cuba Policy

Fidel Castro has told interviewers that he sees "positive" hope for improved U. S.-Cuban relations, because Ford is not personally "involved with the Cuban counter-revolutionary elements." Nixon, Castro said, was the "principal obstacle to any change in the [U. S.] policy towards Cuba."

The Cuban premier's interview with CBS correspondent Dan Rather and Frank Mankiewicz, a former aide to 1972 Democratic party presidential candidate George McGovern, was broadcast on the CBS television network October 22.

"From the Cuban point of view," Castro said, "we see Ford with a certain hope in the sense that he may after all adopt a different policy toward Cuba, and that at least he does not have the personal involvement that Nixon had in this regard."

Castro posed only one condition to beginning discussions between Havana and Washington—that the White House lift its economic blockade of Cuba.

"Once the blockade stops," he said, "then we can start discussing all the other problems."

Miners Strike in Rhodesia

Five thousand workers at the coal fields in Wankie, Rhodesia, struck for higher pay on October 18. According to Agence France-Presse, the action brought work to a standstill.

U. S., Spain to Begin Talks on Bases

Washington will begin formal negotiations with Madrid on November 4 for renewal of the agreement granting the Pentagon use of military bases in Spain.

The current agreement entitles Madrid to military and economic aid in exchange for use of four bases, including the naval facility at Rota, near Cadiz, which is used for Polaris submarines.

Two "informed officials" who briefed Washington reporters described the political objectives from the White House point of view:

"... what we are trying to do," one said, "is to insure that our ties with Madrid can survive changes in their government much as we have been trying

to do with Portugal."

The other official said that the U. S. purpose in the negotiations "is not simply an economic swap for military assets. . . . It is a desire for closer political relations as the Spanish enter a period of political stress."

Washington has given the Franco dictatorship about \$1,000 million in military and economic assistance since 1970.

Timor Demonstration Opposes Annexation by Indonesia

Portugal and Indonesia have agreed to hold talks over the future of the Portuguese colony of Timor. Timor has been under Portuguese rule for the last 500 years, and self-determination could be thwarted by a deal between the Portuguese government and the regime in Jakarta, which is interested in annexing the territory to Indonesia.

The recently formed Revolutionary Front of Independent East Timor (Fretilin) is opposed to any such plan. Fretilin organized a demonstration of 5,000 on September 20. It is demanding recognition as the only legitimate representative of the Timorese people in negotiations with Portugal for immediate independence.

India Doubles Police Budget

The Public Accounts Committee of the Indian parliament has released a report disclosing that government allocations for police and internal security forces have doubled in the last five years.

Most of the money is apparently being used for the expansion of three paramilitary forces.

One is the 54,000-member Central Reserve Police. The budget for the CRP has tripled in the last five years. The size of the force has increased from sixteen battalions to sixty battalions since 1964.

The expenditure for the Border Security Force has more than doubled in the last five years. This body was originally set up in the 1960s after the border clashes with China. Since that time its scope of operations has widened.

The third group is the Central Industrial Security Force. Set up in 1969 to protect government property, the CISF has tripled in size during the last four years.

In 1968-69, the government spent \$100

million on police forces, \$62 million on health, and \$73 million on education.

The 1974-75 expenditures will come to \$200 million on police, \$115 million for health, and \$74 million for education.

Nixon's Servants Dropped From U. S. Payroll

It was announced October 18 that the two servants who left the White House August 9 to accompany former President Nixon to his luxury villa in San Clemente, California, were taken off the federal payroll October 5. The move came after disclosures that they were still being paid with government funds after Nixon's resignation from office.

Officials Said to Be Hoarding Relief Supplies Sent to Honduras

Dr. Edward Austin, a U. S. physician who worked in Honduras in the flood-relief effort, has charged that Honduran officials have been hoarding relief supplies.

"We saw tons of food delivered to the local commandant but never saw the people getting anything more than beans or rice," Austin said.

Colonel Eduardo Andino, the Honduran relief coordinator, denied the charge. On October 17, however, Honduran Foreign Minister Cesar A. Batres resigned following continuing charges that the government had mishandled relief efforts.

Record Unemployment in France

About 534,000 French workers are now out of work, according to an October 21 announcement by the French Ministry of Labor. This is the first time since the end of the second world war that the official figure for unemployment has topped 500,000.

West German CIA

The West German intelligence service has been charged with spying on leaders of the Bonn government.

Horst Ehmke, a former cabinet member of the Brandt government, disclosed that the agency has "illegal dossiers" on fifty-four persons, including two former

presidents and two former chancellors.

The agency was formed by the U.S. Central Intelligence Agency during the postwar occupation. Its first head was General Reinhard Gehlen—the chief of Nazi army intelligence on the Russian front.

Ehmke also disclosed that the agency has engaged in weapons sales and pay-offs to journalists to plant propaganda in the press.

Soviet Industrial Output Increasing

The Soviet Union has announced that its industrial growth was 8.2 percent during the first nine months of 1974. Labor productivity was also up 6.7 percent over the same period of last year.

Official figures showed that the production of grain-harvesting equipment was down 7 percent from last year. Production of automobiles, however, was up by 23 percent over 1973, with 829,000 cars being produced between January and October.

Police Attribute New York Bombings to Puerto Rican Nationalists

Five bombs exploded in New York City at about 3 a.m. October 26, shattering windows and glass walls of office buildings. The targets included the headquarters of the Chase Manhattan Bank in the Wall Street financial district; the Exxon and Banco de Ponce buildings in Rockefeller Center; and the Union Carbide and Lever Brothers building on Park Avenue.

The *New York Times* reported that "a man and a woman with Puerto Rican accents" telephoned and directed reporters to a telephone booth where a statement signed by the "Fuerzas Armadas de Liberacion Nacional" (FALN—Armed Forces of National Liberation) was found. The organization claimed that its members, whom it described as Puerto Rican nationalists and "guerrilleros," were responsible for the blasts.

A police spokesman said it was a "new name," but added that "we feel it is affiliated with Puerto Rican independence groups in the past that are continuing into the present."

In the statement, the organization claimed responsibility for bombings and attempted bombings last spring, and on September 28 in Newark, New Jersey, saying the actions commemorated the October 30, 1950, uprising in Puerto Rico "against yanki colonial domination." The statement demanded the release of five Puerto Rican political prisoners by Washington and called for the immediate independence of Puerto Rico.

The political prisoners are Oscar Collazo, a Puerto Rican nationalist who is serving a life sentence for attempting to

shoot President Harry Truman in 1950; and Lolita Lebron, Rafael Cancel Miranda, Irving Flores, and Andres Figueroa Cordero, who were involved in a shooting incident in the U.S. House of Representatives in 1954, in which five congressmen were wounded.

The bombings occurred just one day before a mass meeting of 20,000 persons in New York City's Madison Square Garden which was called in support of Puerto Rico's independence struggle and the campaign for the release of the five political prisoners.

Inflation Forces Cutbacks in U.S. Consumer Spending

Close to half the families in the United States have been forced by inflation to give up some "nonessential" items they used to purchase, according to a new monthly poll of "consumer sentiment."

Twenty-five percent have had to sacrifice many "luxuries."

The poll of 1,400 households, conducted in September, was sponsored by Citicorp and its major subsidiary, the First National City Bank.

More than half the families polled—52%—said they now rely on a budget. And 80% of these said they experienced some difficulty living within their budgets.

The families questioned expressed overwhelming pessimism over the state of the economy compared with a year ago, the poll indicated. A full 84% said the economy was worse, 13% thought it was the same, and only 2% felt it had improved.

Unemployment in Western Europe

The following are the unemployment figures reported recently by some capitalist countries in Western Europe: Sweden, 2.32%; Denmark, 1.96%; Belgium, 3.98%; the Netherlands, 3.52%; Britain, 3.09%; Ireland, 8.5%; and France, 1.4%.

Laura Caller Jailed in Peru

Peruvian lawyer Laura Caller Iberica was arrested in Andahuaylas province, department of Apurimac, in a mid-October roundup of individuals allegedly associated with Vanguardia Revolucionaria (VR—Revolutionary Vanguard, a neo-Maoist group).

According to General Pedro Richter Prada, Peruvian minister of the interior, VR members had been carrying out "subversive" activity in conjunction with the Confederacion de Campesinos del Peru (Peruvian Peasant Federation). They are charged with urging peasants to "invade haciendas" in the province.

Caller was one of three defense attorneys

in the 1966 trial of Peruvian Trotskyist Hugo Blanco, who was jailed on charges stemming from his leadership of peasant struggles.

Caller's arrest has been protested by the Peruvian press, and by trade-union and peasant organizations.

ETA Says Madrid Bombing Was a Police Job

Euzkadi ta Azkatasuna (ETA—Basque Nation and Freedom) has denied responsibility for the September 13 bombing of the Bar Rolando in Madrid. In a document dated October 17 and signed by ETA's central leadership, the group attributed the action to "ultrafascist grouplets closely linked to certain police and political circles of the Spanish state."

The explosion killed twelve persons and injured about seventy.

U.S. Auto Makers Cut Back Investment, Lay Off Workers, As Sales Decline

Faced with a sharp drop in sales and profits on new 1975 models, the major U.S. automobile manufacturers are laying off thousands of workers and cutting back capital spending programs.

In mid-October—less than one month into the new model year—domestic new-car sales for General Motors, Ford, Chrysler, and American Motors were down 28.4 percent from the same period in 1973. All the companies have begun to make sharp downward revisions of sales forecasts for the coming year.

Chrysler Corporation, whose net income fell 88 percent in the first nine months this year, has already cut projected capital spending in 1975 to about \$475 million from \$525 million, and plans a further reduction. Chrysler Chairman Lynn Townsend estimates that the company will cut its manufacturing capacity in domestic and foreign operations by 300,000 cars and trucks a year in the near future. It may permanently close one of its six assembly plants in the United States, he says.

General Motors, with profits down 94 percent from a year ago, laid off 6,000 production workers October 24, bringing the total number of workers on indefinite layoff at GM to 36,000. GM, Ford, and Chrysler together have laid off 48,000 production workers and 15,000 white-collar workers in recent months.

Outlook on French Economy

According to a recent poll, only 13 percent of the citizens of France think that economic conditions will improve in that country.

Las Peligrosas Ilusiones en el Ejército Portugués

Por A. Romero

Lisboa

Las maniobras militares que en la madrugada del 25 de abril pusieron fin a los casi cincuenta años de dictadura fascizante en Portugal, estuvieron dirigidas por el Movimiento de las Fuerzas Armadas (MFA). Cinco meses después, en la madrugada del 28 de septiembre, nuevamente el Movimiento de las Fuerzas Armadas ordena los desplazamientos de tropas que "legitiman" las barricadas y piquetes con que los trabajadores portugueses derrotaron la intentona reaccionaria.

¿Qué es y dónde apunta este Movimiento proclamado por las más importantes organizaciones obreras como el principal sustento de la democratización y transformación social? ¿Es realmente "el pueblo en armas", como algunos llegan a afirmar? ¿Se justifican las ilusiones en él depositadas?

Vasco Gonçalves—Primer Ministro y líder del Movimiento—acaba de definir que "el MFA [está] constituido por gente honrada, por oficiales que pusieron por encima de todo el amor a la Patria, que procuran ser el motor de apoyo al desarrollo democrático y que son el motor en el seno de las Fuerzas Armadas"; precisando luego que "esos militares saben que forma parte de sus obligaciones colocar por encima de todo los intereses unitarios de su Patria y bajar banderas en presencia de esos intereses."

Después agregó: "Nosotros defendemos los verdaderos intereses del pueblo portugués, que están traducidos en el programa que elaboramos y pretendemos llevar hasta el fin, y que llevaremos al fin contra todo y contra todos."

Sin más precisión—aunque más enfáticamente—durante la crisis, la radio proclamaba que "se ha reafirmado el carácter de vanguardia histórica del MFA."

El Partido Comunista de Portugal, el Partido Socialista y hasta formaciones más radicales, como el Movimiento de Izquierda Socialista, rivalizan en el énfasis con que apoyan

al MFA, como garante armado de la democracia y aún como firme aliado del pueblo en la lucha contra los monopolios y la explotación. Con matices diferentes, todos atribuyen también al Movimiento el principal mérito por la desarticulación del golpe . . .

Avante, el semanario del PCP, reproduce aprobatoriamente unas declaraciones sin desperdicio: "Esos fascistas, juzgan que nuestro Ejército es igual que cualquier otro. Y no es así. Nuestros oficiales, nuestros soldados, hicieron la guerra, saben lo que es matar y morir al servicio de un monstruoso engranaje . . . Quedaron vacunados contra brutalidades gratuitas. La guerra los aproximó al pueblo, los volvió contra los explotadores y los enemigos del pueblo. Pero la reacción, además de criminal, es estúpida. No entiende que las armas apuntan ahora para otro lado. ¡Son realmente sorprendentes las virtudes educativas adjudicadas a una guerra colonial!"

Sin duda, el ejército portugués tiene notables particularidades en el momento actual, pero resulta imposible comprenderlas en su real proyección si no es analizándolas en base a conceptos y experiencias históricas generales.

Basta volver los ojos hacia las últimas décadas de la historia latinoamericana, para encontrar numerosos ejemplos de ejércitos y militares que se "agrandan" en tiempos de crisis hasta actuar como fuerzas políticas, como las reservas más fuertes—y en algunos casos, más lúcidas—de la burguesía. Con la diferencia—en favor de los rasgos momentáneamente progresivos de ciertos movimientos militares en países dependientes—que en Portugal el capitalismo se ha edificado sobre la base de la explotación colonial, que la burguesía "nacional" se estructuró con formas fuertemente monopólicas, que las clases dominantes se aprestan a una intervención neocolonialista en Africa, aliada al resto de los imperialismos.

Ocurre sí, que la sociedad y el mismo estado capitalista de la última po-

tencia colonial atraviesan por una crisis sin precedentes. Primero fueron los golpes de las guerras de liberación en Africa y, después de abril, las luchas obreras y populares en la metrópoli. Los mecanismos estatales de dominación de clase—incluyendo las fuerzas armadas—llegaron al borde de la desintegración.

Ciertamente, el ejército no puede permanecer al margen de los problemas de la sociedad en que existe, tanto más cuando que su base está formada por obreros y campesinos que pasan *cuatro años* en los cuarteles. Pero sus cuadros dirigentes enfocan estos problemas y visualizan soluciones a través de normas jerarquizantes e intereses político-profesionales indisolublemente ligados con la existencia del capitalismo.

Los arrestos "antifascistas" de los altos mandos integrados en el MFA—que fueron los *conductores militares* de la represión sangrienta en Guinea, Mozambique y Angola—sólo pueden tener, entonces, una explicación: fueron la reacción defensiva de quienes percibían más directamente el peligro de un completo colapso del aparato militar, actuando por lo demás con luz verde de parte del gran capital monopolista asfixiado por el aparato burocrático de la dictadura de Caetano. Es *esencial* no perder eso de vista.

Pero el MFA es más que eso. Los cuadros militares recibieron la inyección de numerosos oficiales "milicianos", provenientes en gran número de la universidad y contaminados por ideas de izquierda, y gran parte de la oficialidad con lazos directos con la clase media recibía también la evidencia de la completa pudrición del antiguo régimen. Fueron estos sectores, los más dinámicos del ejército, la levadura imprescindible para la organización del MFA como una fuerza primero crítica y luego abiertamente opositora a la dictadura.

En agosto de 1973 surgió el Movimiento de los Capitanes en los acantonamientos coloniales, con un programa estrictamente "profesional." En

enero de 1974 el movimiento ya se había extendido a las otras armas y había radicalizado sus objetivos, luego de chocar con el rechazo gubernamental de sus proposiciones. En el Plenario de Cascais iniciaron la preparación del golpe y lanzaron su primer comunicado político:

"El gran problema es la guerra", se debe buscar una "solución política, no militar" y también para Portugal "se debe buscar una solución para las instituciones en el cuadro de la democracia política", con lo cual las fuerzas armadas estarían en "condiciones para ser instrumento de la Nación."

Luego los acontecimientos se aceleraron: publicación del libro de Spínola; separación de éste junto con el General Costa Gomes; fracaso de un intento golpista; nuevo comunicado en marzo, acusando al régimen de aplicar medidas "terroristas." Después, el 25 de abril, el acceso al poder y la confrontación súbita no sólo con todos los problemas crónicos del país, sino también con un colosal ascenso de masas que rápidamente desborda los límites del MFA.

Esto es así tanto más porque la disciplina en los cuarteles ha continuado relajándose, particularmente a nivel de los soldados, y un choque frontal con las masas podría desmoronarla por completo.

Anjos y Marvaes, oficiales "milicianos", fueron detenidos por negarse a reprimir una huelga, y Spínola acaba de renunciar en protesta por la tolerancia ante las luchas populares: *por ahora*, éstos son los límites en el accionar del MFA. Accionar confuso, contradictorio, pero con algunas constantes: salvar la estructura jerárquica del ejército, mantener el "orden", exigir la colaboración de los partidos obreros sin renunciar a su función de árbitro *inapetable*.

Tal parece ser la "particularidad" del ejército portugués y, ciertamente, las fuerzas revolucionarias no deben cerrar los ojos ante ella, ni ante la posibilidad de que sectores encuadrados en el MFA puedan ser ganados para la revolución obrera.

Pero para tener los ojos abiertos, es necesario *no dejarse encandilar*— como en Chile, como en Uruguay— por las ilusiones del "profesionalismo", o la identificación con los "intereses unitarios de la Patria" de los militares.

Si la clase obrera puede organizar

sus luchas independientemente de cualquier compromiso, si los revolucionarios forjan el partido capaz de convertir al proletariado en el caudillo real de las luchas democráticas en curso, si como parte esencial de esa batalla las masas consolidan y comienzan a armar sus propias fuerzas y plantean un programa de verdadera democratización del ejército (derechos políticos y de organización extendidos a la tropa, formación de comités de soldados y marineros, etc.), el curso permanente de las luchas podrá

desembocar en la conquista del poder por los obreros y en la revolución socialista, que garantizará por primera vez la democracia en Portugal.

Tal vez una parte de los componentes del MFA podrá participar en esta lucha, y todos los esfuerzos conducentes a ello deben ser realizados: el primer esfuerzo consiste, precisamente, en destruir la peligrosa, la contrarrevolucionaria ilusión, de que el MFA puede dirigir o colaborar orgánicamente con el triunfo de la democracia en Portugal. □

Una Entrevista Con Nahuel Moreno

Asesinos de Ultraderecha: Nuevo Peligro en Argentina

[El 7 de octubre *Intercontinental Press* entrevistó en Buenos Aires a Nahuel Moreno, miembro de la dirección nacional del Partido Socialista de los Trabajadores, sobre la situación política actual de su país. Esta es la transcripción de esa entrevista].

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Pregunta. ¿Qué son las AAA?

Respuesta. Antes que nada quiero aclarar que existe una confusión con esa sigla. Según algunos periódicos burgueses las AAA significan "Alianza Anticomunista Argentina", según otros "Alianza Antimperialista Argentina". Sea cual fuere su verdadero nombre, no puede haber dudas sobre su filiación y carácter político: es una típica organización terrorista fascista. Sus vinculaciones con un sector del gobierno y las fuerzas de represión son evidentes.

Algunos hechos lo demuestran: pocos días antes del asesinato de Silvio Frondizi por las AAA, el ERP [Ejército Revolucionario del Pueblo] hizo un acto relámpago de veinte jóvenes en la cuadra donde está el local de la Juventud Socialista. Dejando de lado el hecho de que objetivamente fue una provocación, lo cierto es que a los cinco minutos, veinte coches de la policía habían concurrido al lugar.

Exactamente lo contrario ocurrió cuando el asesinato de Frondizi, que fue sacado a la calle en medio de

una pelea descomunal entre los asesinos y su familia (esposa, hija y yerno), quienes trataron de impedir que se lo llevaran. De esta pelea resultó muerto el yerno.

Ya en la calle tuvieron que forcejear durante quince minutos con Frondizi para poder llevarlo. Todos los vecinos del barrio observaron la pelea, el tráfico había sido interrumpido por las AAA. A pesar de todo el escándalo la policía no se hizo presente.

Otro hecho: hasta ahora no hay un solo detenido, procesado o investigado de las bandas fascistas, contra montones de presos de la guerrilla.

Las AAA tienen como objetivo principal en esta etapa sembrar el terror en las personalidades que colaboran con la guerrilla, con los Montoneros y con la oposición camporista a la actual dirección peronista.

No debemos confundir a las AAA con otras organizaciones terroristas fascistas, como los matones de algunos sindicatos, con el CNU (Comando Nacional Universitario) o el C de O (Comando de Organización). Ligados entre sí, no tienen por el momento los mismos objetivos. Los matones apuntan a los activistas sindicales; el CNU y el C de O a la izquierda marxista.

P. ¿Qué puede decirnos compañero acerca de las acciones de la guerrilla?

R. Desgraciadamente los grupos

guerrilleros actúan objetivamente como provocadores de la violencia de derecha, al declarar una guerra civil de bolsillo contra el gobierno que tiene el apoyo del 90 por ciento de la población y del 98 por ciento de la clase obrera.

Dan también el pretexto para las acciones de la derecha y la legislación reaccionaria del gobierno. Al negarle legitimidad al gobierno, están desconociendo las opiniones del movimiento obrero y la necesidad de "educarlo pacientemente" para que deje de apoyar políticamente a un partido burgués.

En pocas palabras: todos los gobiernos burgueses son ilegítimos para nosotros los marxistas, pero sólo en excepcionálísimas circunstancias objetivas declaramos la guerra civil contra ellos.

Si le declaramos la guerra civil por nuestra cuenta y riesgo como hace la guerrilla, nuestra acción se transforma en una desgraciada aventura que sirve a la reacción.

Se trata más que nunca de movilizar y unificar a las masas trabajadoras y a las organizaciones armadas, para defendernos en las calles contra los ataques de las bandas armadas paragubernamentales. Junto a ello debemos hacer una denuncia sistemática de esas bandas, para demostrar que son ellos y no nosotros los que emplean métodos terroristas.

P. ¿Qué posibilidad inmediata hay de golpe de estado?

R. Si la guerrilla intensifica en alto grado las acciones y la policía no puede con ella, se plantearía recién entonces la posibilidad de un golpe a la chilena o a la uruguaya. La más probable es esta última variante, salvo una situación extrema excepcional.

Por el momento no vemos ninguna posibilidad de golpe de estado. No debemos olvidar que el actual gobierno es una consecuencia indirecta de la derrota de la dictadura militar por la clase obrera. Esta derrota no fue total, sino condicionada y negociada; pero de cualquier forma fue una derrota.

Tanto las fuerzas armadas como la burguesía, han sacado experiencias de ella. La más importante es que necesita de la democracia burguesa y del peronismo para lograr un frente único de los explotadores para enfrentar y desviar al movimiento obrero.

Es una situación diametralmente opuesta a la de Brasil, Uruguay o Chile, antes del golpe. En esos países, éste se dió después de muchos años de democracia burguesa y no tras dos o tres años de ella. Esto no quiere decir para nada, que tendremos muchos años de democracia burguesa. Sino solamente que en este momento todavía la burguesía y las fuerzas armadas no han cambiado de opinión.

Un brusco cambio en la situación de la lucha de clases, posibilidad cercana, dado que el movimiento obrero mantiene íntegra su capacidad de lucha, volvería a poner a la orden del día la posibilidad de golpe.

P. ¿Qué posición adoptó el PST frente a la invitación de la Presidente de la República a todos los partidos políticos y organizaciones sindicales y patronales, a una conferencia nacional?

R. Lógicamente hemos aceptado. Por varias razones.

La primera, que es una reunión oficial de carácter semiparlamentario. No concurrir significa arriesgar la legalidad duramente conquistada por nuestro partido.

La segunda es numérica: el 98 por ciento de apoyo del movimiento obrero que tiene el actual gobierno. Apoyo crítico, que se está erosionando, pero apoyo al fin. Nosotros buscamos y queremos la confrontación pública con el gobierno que tiene el apoyo del movimiento obrero. El objetivo de esas entrevistas es desenmascarar al gobierno ante la clase trabajadora como su enemigo de clase.

La tercera razón es que consideramos una de las grandes ventajas de la legalidad, la posibilidad que ofrece de propagar las posiciones del partido entre la clase obrera. En ese sentido son útiles esas reuniones. Millones de trabajadores se enteran de ellas a través de todos los medios de difusión.

P. ¿Cómo está el movimiento obrero?

R. En las últimas semanas hubo una oleada de huelgas importantes, que en líneas generales no triunfaron. Por el contrario, le sirvió como pretexto al gobierno para hacer votar una ley ultrareaccionaria por el congreso.

Esta ley entre otras cosas, anula el derecho de huelga y establece en relación a esto penas de hasta tres años de cárcel.

SMATA (Sindicato de Mecánicos y Afines del Transporte Automotor) y el Sindicato Gráfico de Ongaro han sido intervenidos. Contradictoriamente han empezado una dura lucha, pisando fuerte, los obreros del azúcar del norte del país. Aparentemente las negociaciones que se ha visto obligado a encarar el gobierno, pueden llevar a un triunfo que compensaría con creces las otras derrotas.

El noroeste de nuestro país es la zona de mayor desarrollo capitalista, donde se encuentra la fábrica con mayor cantidad de obreros a escala nacional, que es el ingenio Ledesma.

Los maestros es otro gremio que no ha sido derrotado. Todo pareciera indicar que hasta el año que viene no se volverán a dar grandes luchas, pero que el movimiento obrero tiene intactas sus reservas, mejor dicho, las acrecienta ya que aprende de las derrotas parciales.

P. ¿Cuál es la situación del PST en el momento actual?

R. Me he extendido demasiado, así que en forma casi "telegráfica", le daré tres hechos para que los lectores saquen conclusiones.

Primero, de las diez regiones en que está dividido nuestro partido, sin duda la región norte del Gran Buenos Aires, ha sido la más castigada. Es la que sufrió el asesinato de nuestros compañeros y debido a los ataques de las bandas fascistas nos hemos visto obligados a cerrar cuatro de los cinco locales que teníamos allí. El domingo 6 de octubre hubo una prueba de fuego para esa región. Se realizaba un plenario de militantes y simpatizantes obreros de Zona Norte.

Para estos plenarios nosotros acostumbramos a hacer un asado, porque duran todo el día. Durante la semana se venden las invitaciones a los militantes y simpatizantes. Para no abundar: se vendieron 800 invitaciones y concurrieron 650 compañeros obreros al plenario de la región más castigada por la reacción. Todo un éxito.

Segundo, nuestro partido edita ya más de 25,000 ejemplares de *Avanzada Socialista* y reparte en mano más de 22,000 a militantes y simpatizantes. Es así el semanario político de mayor influencia del país. El por-

centaje de rescripciones a las personas cuya suscripción estaba vencida, es muy alto.

Tercero, la máxima dirección del Sindicato Ledesma, está formada por militantes del partido. Uno de nues-

tros militantes ha sido la máxima figura dirigente de toda la huelga del azúcar del norte del país. □

Ven la Posibilidad de una Fatal Reacción en Cadena

Amenaza de Crisis Mundial Alarma a 'Business Week'

Por Dick Fidler

[La siguiente es una traducción del artículo "Threat of World Slump Alarms 'Business Week'", que aparece en este mismo número de *Intercontinental Press*].

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"No considero que los Estados Unidos estén sufriendo una recesión", dijo Gerald Ford en una conferencia de prensa realizada el 9 de octubre. Al día siguiente, el presidente del Federal Reserve Board [Comité de Reservas Federales], Arthur Burns, que se presentó ante un comité del congreso, contradujo al presidente. Hay una recesión, dijo el importante banquero, y añadió que es "una recesión muy poco común, una recesión que no tiene precedente en la historia."

Dejando de lado sus rasgos históricos específicos, las estadísticas dadas a conocer el 17 de octubre por el Departamento de Comercio, indican que la actual situación económica de los Estados Unidos encaja perfectamente dentro de la definición de lo que es una "recesión"; esto es, dos trimestres consecutivos en los que desciende el producto nacional bruto. Durante el período de julio-septiembre, el PNB de los Estados Unidos bajó en 2.9 por ciento, informó el Departamento de Comercio. Fue el tercer trimestre consecutivo en que se vió una baja en la producción total del país.

El Secretario de Comercio, Frederick Dent, insistió en que no hay recesión. Describió el estado en que se encuentra la economía como "un espasmo" u "oscilaciones horizontales."

La mayoría de los norteamericanos tienen un punto de vista más pesimista.

El 16 de octubre Gallup dió a conocer los resultados de una encuesta que había realizado, que "mostró que 7 de cada 10 personas consideraban

que la situación económica empeorará en los próximos seis meses, y que un número cada vez mayor—ahora 51 por ciento—predijo que la economía va hacia una depresión como la de los treinta", informó el *New York Times*.

Sólo un 15 por ciento de los entrevistados consideraba que la situación mejoraría en los próximos seis meses.

La opinión de que el gobierno de Ford no está diciendo la verdad sobre la situación económica, es respaldada por pruebas cada vez más abundantes y contundentes. *Business Week*, uno de los voceros más sobrios de los círculos comerciales y financieros de los Estados Unidos, publicó el 12 de octubre un artículo especial sobre "La Economía de la Deuda", que es un síntoma de la gran preocupación que existe sobre este punto.

Según *Business Week*, "el panorama económico es malo, tanto aquí como en el extranjero. Ninguna de las potencias industriales occidentales, incluidos los Estados Unidos, ha podido controlar la inflación, y los esfuerzos que han hecho por controlarla han puesto al mundo más cerca de un desplome económico de lo que había estado nunca antes desde la década del treinta."

Los grandes déficits en la balanza de pagos de muchos de los principales países occidentales, seguían diciendo los editores, plantean "un terrible peligro en un mundo donde los negocios multinacionales y las instituciones financieras multinacionales han vinculado a las naciones más estrechamente que antes. Los problemas graves de un país pueden infectar a todas las naciones muy rápidamente. Hace ya tres meses que quebró el Bankhaus I.D. Herstatt de Alemania—un banco pequeño en comparación con los titanes de la banca internacional—y los mercados alemanes del comer-

cio exterior todavía no se recuperan totalmente."

La raíz de la inestabilidad económica mundial, según *Business Week*, es la gran masa de deudas acumulada por las corporaciones y los gobiernos durante las últimas tres décadas de la expansión de postguerra. Esta deuda ha desbordado a los bancos, reducido al mínimo la liquidez de las corporaciones, y enfrentado a los gobiernos capitalistas con la alternativa de tener que escoger entre seguir la política restrictiva, que agrava la falta de liquidez de las corporaciones y no reduce la inflación; y una política menos restrictiva, que no hace más que posponer restricciones más drásticas.

Finalmente, "la amenaza más grande" para la economía norteamericana, escribieron los editores, es el panorama internacional: "el espectro de una reacción en cadena de falta de pago por parte de los deudores y de quiebras de los que prestan, que lance al mundo a una depresión profunda."

El presidente del Comité de Reservas Federales, Burns, dijo que esta recesión es "poco común" porque, según sus propias palabras, está acompañada de una "inflación galopante" y un "auge" de las inversiones de capital. "He estudiado el ciclo comercial durante mucho tiempo", aseguró ante el comité del Congreso, "y no conozco ningún precedente de esto en la historia."

Pero los editores de *Business Week* afirman que las raíces de la tendencia recesional están en el mismo modelo de inversión del capital, como lo demuestra la colosal deuda pública y privada de los Estados Unidos. He aquí como describen el proceso:

"La economía de los Estados Unidos está sobre una montaña de una deuda de \$2.5 billones; montaña for-

mada por todos los automóviles y casas, todas las fábricas y máquinas que han hecho de la economía norteamericana la más grande y más rica de la historia de la humanidad. La segunda gran economía capitalista es la de Japón; pero se necesitaría una suma mayor que la tercera parte del producto nacional bruto de Japón sólo para pagar los intereses de la deuda de los Estados Unidos.

"La economía norteamericana es la Economía de la Deuda sin paralelo. Tiene a los prestamistas más grandes, a los prestatarios más grandes, el sistema financiero más sofisticado. Las cifras son tan grandes que sencillamente aturden: un billón de dólares es la deuda de las compañías, 600 mil millones de dólares es la deuda hipotecaria, 500 mil millones de dólares es la deuda del gobierno, 200 mil millones de dólares es la deuda pública. Para alimentar casi tres décadas de auge económico de postguerra internamente, y para exportarlo al extranjero, esta nación ha tomado prestado un promedio de 200 millones de dólares al día, desde que terminó la Segunda Guerra Mundial."

La revista plantea lo que llamó "dos preguntas críticamente importantes" sobre la economía norteamericana:

● ¿Se puede pagar o refinanciar toda esta deuda, como es debido?

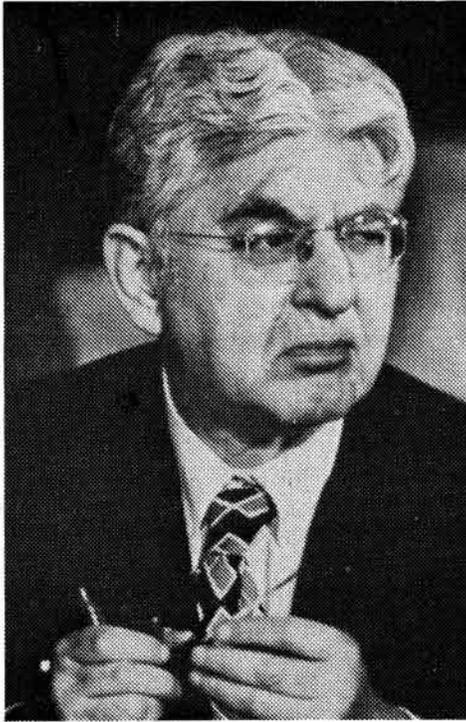
● ¿Puede la economía seguir absorbiendo una deuda que le permita continuar creciendo a un ritmo cercano al del período de postguerra?"

Business Week contesta negativamente las dos preguntas. Según ellos, está por terminar la etapa de crecimiento casi ininterrumpido de la postguerra. Quizás más importante todavía sea el fracaso de los métodos gubernamentales tradicionales para evitar o aminorar el impacto de una recesión. De hecho, los métodos keynesianos de ayuda económica gubernamental para alentar la industria o el comercio, son en sí mismos una de las principales fuentes de la espiral inflacionaria.

El editor de *Business Week* sobre mercados e inversiones, John Carson-Parker, explicó las implicaciones de esto: "... los Estados Unidos cargan ya una deuda tan pesada que es dudoso que se pueda pagar por entero, y es casi seguro que no se podrá tomar prestado el dinero necesario para que la economía siga creciendo como lo había venido haciendo desde la Segunda Guerra Mundial..."

Es inevitable que la economía norteamericana crezca más lentamente que antes."

Según él, "Incluso si los Estados Unidos no han excedido su capacidad de endeudamiento — que es un punto muy discutible — no puede se-



BURNS

guir acumulando su deuda, como lo hizo en el período de postguerra, porque el tipo de política gubernamental que lo permitiría no haría más que alimentar la inflación."

Entrevistas con banqueros y economistas destacados, según *Business Week*, han demostrado que existe un consenso bastante amplio entre los capitalistas norteamericanos de que la única respuesta para parar la inflación es la recesión. De hecho, según ellos no se puede escoger entre inflación o recesión.

"Si no se controla la inflación", dijo Robert W. Stone, vice presidente ejecutivo de la Irving Trust Company de Nueva York, "entonces las condiciones son tales que tarde o temprano tendremos una recesión de considerable profundidad y duración. El problema es qué tipo de revés económico esperar. Muchos de nosotros preferiríamos tener el revés de una vez. Será más pronunciado de lo que hubiera sido hace dos o tres años; pero será menos pronunciado que dentro de dos o tres años."

Muchos de los economistas y eje-

cutivos que fueron entrevistados por *Business Week* están de acuerdo, informó esa revista, en que la recesión que se está desarrollando ahora será la peor que se haya visto en varias décadas. Un economista de la Universidad de California advirtió que, "debido a la actual estructura financiera, el sistema no puede sobrellevar una recesión tan bien como en el pasado."

El vice presidente de un banco de Chicago dijo: "Una baja importante en la actividad comercial causaría un agudamiento mucho mayor de las liquidaciones y quiebras de lo que se haya visto durante los últimos treinta años."

Los editores de *Business Week* planteaban una duda sobre la capacidad de los bancos y el gobierno para contener los efectos de una reacción en cadena de quiebras, una vez que ésta hubiera comenzado. "... los riesgos son mayores que en los treinta... Quizá el mayor peligro sean los miles de millones de dólares que se han prestado a deudores cuya capacidad de pago ha sido comprometida por el alto precio del petróleo."

El alza en los precios del petróleo que tuvo lugar hace un año, sólo agravó la espiral inflacionaria, que ya estaba fuera de control. El origen de esa presión inflacionaria no está en la avaricia de los sheiks árabes, como han sugerido recientemente los funcionarios de Washington, sino en la tendencia a una inflación permanente que es inherente al capitalismo monopolista. Esto es especialmente evidente en la acelerada expansión del crédito.

He aquí como describió *Business Week* el proceso:

De 1945 a 1970 el mundo gozó el auge económico más largo de la historia, alimentado en gran parte con dinero prestado. Los negocios tomaban dinero prestado a un ritmo prodigioso para producir, los consumidores tomaban dinero prestado a un ritmo prodigioso para comprar, los gobiernos tomaban dinero prestado a un ritmo prodigioso para mantener los ejércitos y para construir escuelas y caminos. Los 2.5 billones de dólares de deuda que pesan sobre los Estados Unidos, son sólo una parte del total de la deuda que pesa sobre el mundo, que podría llegar a los diez billones de dólares."

Esta deuda ha seguido aumentan-

do con un ritmo siempre creciente. En 1946, la deuda total de los Estados Unidos, pública y privada, era de 400 mil millones de dólares, casi el 60 por ciento pertenecía a la Tesorería de los Estados Unidos. Para 1960, la deuda total de los Estados Unidos se había duplicado. En 1970, se había vuelto a duplicar. "Los indicadores económicos clave—el producto nacional bruto, el ingreso individual, las ganancias de las compañías, y cosas por el estilo—han crecido todos en un 500% desde la Segunda Guerra Mundial", según *Business Week*. "Los indicadores clave del endeudamiento han crecido tres o cuatro veces esa cantidad, principalmente desde 1960.

"Las corporaciones han triplicado su deuda en los últimos quince años. La deuda de la Tesorería, que casi no había crecido durante los años cuarenta y cincuenta, dió un salto hasta alcanzar los 180 mil millones de dólares, a partir de 1960. Las deudas a plazos, la deuda hipotecaria y la deuda pública han aumentado un 200% a partir de 1960, y la deuda de las agencias federales ha aumentado más de 1,000%."

La deuda de los consumidores aumentó más de un 50 por ciento desde 1970. Los trabajadores, cuyo salario real está descendiendo ante los efectos de la inflación en los precios al por menor, están cada vez más preocupados por el peligro de una recesión. Una encuesta realizada recientemente por el Centro de Investigaciones de la Universidad de Michigan, encontró que la confianza de los consumidores está en el punto más bajo que se haya registrado en los veintiocho años que se ha venido realizando la encuesta. Los directores de la encuesta dijeron que "la experiencia sugiere que la combinación actual de un gran pesimismo de los consumidores y el descenso de los ingresos reales, puede llevar a una recesión severa."

En toda la economía, el crédito ha propiciado la inflación, y la inflación ha ocasionado que se tome más dinero a crédito. El dinero que ha sido prestado en la bolsa de valores ha sido destinado cada vez más a financiar "nuevas industrias"—como la venta de concesiones y licencias, y la creación de conglomerados—donde las rápidas

innovaciones tecnológicas aceleran la renovación del capital fijo, aumentando así la necesidad de financiamiento a corto plazo. Los préstamos han aumentado dos veces más rápido que los depósitos bancarios. Los bancos han pedido prestado cada vez más al mercado financiero internacional. Las tasas de interés han subido mucho, y frecuentemente se requiere más crédito, a intereses más altos, para pagar los préstamos vencidos.

"Y entonces", como dijo el editor de *Business Week* sobre mercados e inversiones, "de repente, todo empezó a desplomarse." En su opinión, "todavía no están completamente claras las razones. Lo único claro es que ningún auge continúa por siempre." Sin embargo, los marxistas, que han analizado y comprendido las leyes internas que gobiernan la acumulación del capital, predijeron esta crisis hace mucho tiempo.

¿Cómo contener la inflación mundial, controlarla y producir una cantidad suficiente de bienes a bajo costo para todo el mundo? Un punto clave que tendría que ser atacado son los gastos inútiles: en primer lugar, los enormes presupuestos militares de los países imperialistas, que son una fuente importante de inflación; en segundo lugar, acabar con el lucro de las corporaciones. Esto querría decir nacionalizar las corporaciones, sometiéndolas al control de la sociedad en su conjunto, y convertir la industria armamentista en una producción socialmente útil.

Estas medidas están, desde luego, mucho más allá de las intenciones capitalistas. De hecho, la Casa Blanca está planeando aumentar el presupuesto de guerra oficial en 8 mil millones de dólares para el próximo año fiscal, a una cantidad sin precedente de 92,000 millones de dólares. Y el Departamento de Defensa dice que este aumento del 9 por ciento no bastará para contrarrestar el impacto de la inflación sobre los programas militares.

Lo que es más, el discurso que pronunció Ford ante el Congreso el 8 de octubre, incluye medidas inflacionarias muy claras, como levantar el control sobre los precios del gas natural y establecer cuotas para la importación de petróleo—lo que daría a los monopolios petroleros mayores facilidades para subir arbitrariamente los precios—, y au-

mentar las reducciones de impuestos que se dan a los inversiones a plazo fijo, del actual 7 por ciento a 10 por ciento.

Resumiendo la sabiduría colectiva de los economistas capitalistas, John Carson-Parker, uno de los editores de *Business Week*, admitió que "si hay algún otro remedio para la inflación actual, todavía no se ha encontrado . . ."

Los lineamientos del programa económico de Ford son proteccionistas y recesionarios.

Pero ni siquiera una recesión importante puede resolver las contradicciones fundamentales de la economía capitalista. "El resultado final de la crisis que atraviesa la Economía de la Deuda", confesaron los editores de *Business Week*, "será el de reducir las filas de quienes pueden recibir crédito y de quienes pueden darlo. Todas las leyes contra los trusts que se decreten en el mundo, no podrán evitar una concentración todavía mayor de la riqueza en unas cuantas manos, porque en la medida en que haya crisis en la Economía de la Deuda, sólo los más grandes y mejor equipados podrán sobrevivir."

En otras palabras, la única perspectiva que tiene la economía capitalista es la de más concentración y monopolización y, con esto, a largo plazo, la seguridad de mayor inflación y una reducción en los salarios reales y en el nivel de vida de las masas.

Hay una pregunta que subyace en las mentes de los economistas y políticos burgueses y que todavía no se atreven a expresar abiertamente: ¿Podrán salir del paso impunemente?

Entre todos los que colaboraron en el número especial de *Business Week*, Carson-Parker fue el que más cerca estuvo de decirlo claramente: ". . . será una píldora difícil de tragar para muchos norteamericanos (la idea de contentarse con menos para que los grandes negocios tengan más). Será particularmente difícil de tragar porque es bastante obvio que, si bien los grandes negocios y los grandes bancos son las víctimas más visibles del mal que aqueja a la Economía de la Deuda, ellos son también, en gran medida, la causa de ese mal. . ."

"Nada de lo que esta nación, o cualquier otra, ha hecho en la historia económica moderna, se compara en dificultad al trabajo de hacer que la gente acepte esta nueva realidad. Y hay grandes dudas de que se pueda hacerlo." □

Ninguna 'Reconciliación' Con el Ejército Griego

[El siguiente editorial apareció el 14 de septiembre en *Ergatike Pale*,¹ semanario que refleja las posiciones de los trotskistas griegos. Esta es una traducción del inglés. La traducción del griego al inglés apareció en *Intercontinental Press* el 14 de octubre con el título "No 'Reconciliation' With the Greek Army"].

* * *

Uno de los objetivos centrales de Caramanlis y de su gobierno de "salvación nacional" (esto es, de salvación capitalista), y que lo declararon desde el primer día, es lograr una "reconciliación entre el ejército y el pueblo." De todas las consignas del gobierno, ésta es la que mejor expresa el objetivo reaccionario de Caramanlis y el papel que juega el dirigente del ERE² como salvavidas del sistema capitalista.

El golpe de estado de abril de 1967, los sangrientos acontecimientos de noviembre de 1973 y el golpe que dieron en Chipre los oficiales de la Guardia Nacional con la protección de la Junta, habían abierto una brecha insalvable de sangre y despojos entre el pueblo griego y el ejército. (Y cuando decimos ejército, no queremos decir los soldados rasos, que son los hijos del pueblo. Nos referimos a la oficialidad, que es el principal sostén del sistema capitalista que explota y oprime al pueblo griego).

Con su lógica sencilla, la gente común piensa: "Los oficiales reciben grandes sueldos y muchos privilegios con los que nosotros ni siquiera soñamos. El gobierno nos carga de impuestos hasta matarnos para beneficiarlos a ellos. Pero los oficiales

1. Se pueden pedir copias de este periódico a Giannis Felekis, *Ergatike Pale*, Emm. Mpenake 28, Atenas, Grecia. Una suscripción por seis meses cuesta 155 dracmas (un dólar equivale a 27.7 dracmas) para Europa; 215 dracmas para América; 155 dracmas para Asia; 215 dracmas para África y 310 dracmas para Oceanía.

2. Ethnike Rizospastike Enosis—Unión Radical Nacional, el principal partido burgués conservador.

crean las Juntas; restauran monarquías; instauran dictaduras militares con sus tanques; asesinan a los obreros y estudiantes militantes y al pueblo. Obviamente son unos parásitos. El papel que han jugado hasta ahora demuestra que la coexistencia pacífica entre ellos y nosotros es imposible. O ellos nos ponen la bota encima, o nosotros reconstruimos la sociedad sobre bases nuevas; sin explotación ni opresión, sin parásitos."

Esta escisión entre el pueblo y el ejército anuncia los ascensos revolucionarios que plantearán finalmente el problema de la transformación revolucionaria de la sociedad. Por eso, el principal objetivo del gobierno de Caramanlis y Mavros es cerrar esta brecha.

¿Cómo? Quitando a algunos representantes de la dictadura a los que el pueblo odia más (por ejemplo, Ioannides). Borrando los crímenes que cometieron los otros, en nombre del "perdón nacional." Declarando una amnistía para todos los crímenes "políticos" de los gobiernos dictatoriales. Cultivando en la mente del pueblo la idea de que el ejército ha vuelto a su trabajo y que de ahora en adelante obedecerá incondicionalmente al gobierno "democrático."

Este intento del gobierno está apoyado por el artículo de Eliou titulado "La Nación y el Ejército", que apareció el domingo 8 de septiembre en *Aughi* (el diario de la fracción "interior" del Partido Comunista). Su recomendación es la siguiente: "Debemos comenzar una etapa de perdón nacional y de reconciliación entre el pueblo y el ejército." Decía que al pueblo griego "le gustaría mucho olvidar lo que ha pasado."

La línea de los reformistas de EDA³ y de KKE⁴ está clara: *perdón y reconciliación*. Es extraño que Eliou no haya sido integrado todavía al gabinete en agradecimiento a sus servicios.

Los obreros, los campesinos pobres, los estudiantes, los trabajado-

3. Enosis tes Demokratikes Aristeras—Unión de la Izquierda Democrática, el frente electoral histórico del PC.

4. Kommounistiko Komma tes Ellados—Partido Comunista de Grecia.

res y los intelectuales progresistas no deben olvidar ni por un momento que el ejército no está por encima de la lucha de clases, sino que es en cambio un *órgano de opresión* en manos de la clase dominante. Como siempre, y aún todavía más en el actual periodo de crisis estructural general del sistema capitalista, es el principal factor contrarrevolucionario. La contradicción de clase que existe entre la oficialidad y los oprimidos, la contradicción entre los condecorados jefes militares y los soldados rasos, es absoluta. Están en campos sociales opuestos.

Mientras los conscriptos obedezcan ciega y acríticamente las órdenes de sus oficiales como títeres, se repetirá una y otra vez la historia de la intervención militar en las crisis sociales y políticas; ya sea bajo la forma de golpes de estado o de supresión violenta de las luchas obreras y de las manifestaciones populares. Y esto será válido sin importar cuán "democrático" o "parlamentario" sea el gobierno de un país.

Para no reabrir este camino, las masas proletarias y populares deben orientarse hacia la creación de un *nuevo gobierno de obreros y campesinos*. Los soldados, hijos del pueblo trabajador, deben exigir sus derechos democráticos. Deben organizarse de tal manera que puedan vigilar cualquier acción arbitraria que cometan sus oficiales y para que puedan crear una *oposición de masas* cada vez que los jefes militares conspiran para atacar al pueblo a través de golpes militares, de aplastar las huelgas obreras o de masacrar a los activistas estudiantiles y populares. □

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From Stalinism to Trotskyism in New Zealand

[The following speech was given by John Colquhoun, a well-known New Zealand socialist, at a dinner held in Auckland August 10 to celebrate the fifth anniversary of *Socialist Action*, a Trotskyist fortnightly newspaper.

[For many years, Colquhoun served as secretary of the Auckland Socialist Forum. He sponsored the publication of the magazine *Socialist Forum*. At present he is president of the Auckland Workers Educational Association.

[The text of the speech was first published in the September 27 issue of *Socialist Action*.]

* * *

It is a great honour to be asked to speak at this anniversary. Because the emergence of *Socialist Action* marked the culmination in New Zealand of a long process, extending over many decades, from which a scientific socialist movement has finally emerged. But during that period, there were many false starts and wrong turnings. As one who has been personally involved in some of those wrong turnings, I shall say something about an earlier period of Marxism in New Zealand—in particular, the period which was affected, quite disastrously, by what we have come to call Stalinism.

It is important to understand the nature of Stalinism. First, because of the profound influence it had on the development of the international socialist movement. And second, because it is still with us, though in a much weakened and more easily exposable form. The present-day apologists for the Soviet and Chinese bureaucracies are the remnants of this growth today. And although they are mostly ageing and less potent agents compared to the earlier years, they still create mischief and confusion—especially the neo-Stalinist variety, Maoism, with its China-tripping and propaganda—which sounds very much like an old record we've heard before. It is so like the earlier Soviet variety which in an earlier period subverted and betrayed the world socialist movement.

Stalinism emerged in the early thirties, when, despite the warnings of Lenin just before his death, the privileged Soviet bureaucracy which had taken power under Stalin, having expelled Trotsky, systematically suppressed the Left Opposition in Russia, by murdering almost all the old revolutionaries, and putting in office creatures like the public prosecutor Vyshin-

sky, who for sheer treachery and deceit was rivalled only by the odious Stalin himself.

Through the Third International, they dominated and controlled the world communist movement—often using foul gangster tactics. As a result, the world revolution was betrayed and failed to develop. And when eventually revolutions did occur in places like China and Eastern Europe—because of the disarray of the system of world imperialism—the revolutions were led by Stalinist parties which distorted the new workers states, just as the world's first workers state, the Soviet Union, was earlier distorted into a tyranny.

At the time I was attracted to the New Zealand Communist party, in 1941, Stalinism was at its peak. The Soviet Union was fighting fascist Germany. New Zealand was at war, under its first Labour government. We young recruits knew nothing of the suppression of the Left Opposition in Russia and the crimes of the Stalinist regime. Russia was the world's first socialist state and had to be supported at any price. To oppose it in any way was, to us, to serve capitalism.

The atmosphere in the New Zealand Communist party then was very different from that in the Socialist Action League today. There were no Educational Conferences of the kind that has occurred this weekend. We did not seek to enter into rational discussion with those on the left who differed from us. We did not seek to put up our ideas for comparison with others.

I think that the main characteristic of Stalinism then, as it is today, was its rigid intolerance and lack of any democratic discussion. There was one line, that of the leadership—which meant that of the Soviet leadership—and all who deviated became "capitalist agents." When faced with critics, Stalinists did not debate with those critics' ideas and engage in open discussion. Instead, they launched a campaign of vilification and slander, usually based on the most preposterous assertions. For example, the assertion that Trotsky was an "agent of the Gestapo."

Well, that system of monolithism in the communist movement lasted for a couple of decades—into the early 1950s—and then it started to crack up. The revelations of Stalin's excesses, following his death, and the frightful murders of innocent people which had occurred right up to that time—in Eastern Europe as well—revealed to many of us just what sort

of tyranny we had defended, and how we had been fooled.

The result was that the communist movement was fragmented and demoralized. A few retained their pathetic faith in the Soviet leadership. They are the remnant in the "Socialist Unity" party today. A few others transferred their blind allegiance to the new Chinese Communist bureaucracy. They are the Communist party remnant and its splinter group today. But most left the movement. Some, like myself, forsook Marxism altogether, turned to the pragmatism of Social Democracy, and were attracted to anarchist ideas for a time. But many more turned their backs on politics altogether, became dispirited and pessimistic, and were lost to the socialist movement. A few even turned to the right, and became converts to Catholicism and the like. It was a time of demoralisation and dismay.

However, some of us tried to pick up the pieces. That was how the organisation called Socialist Forum came into being.

Socialist Forum was started in Wellington in 1958, largely by ex-Communist party people. It faded out in Wellington about 1965, but it had started up in Auckland in 1961—though here it was a combination of ex-Communists and disillusioned left-wingers from the Labour party. For the Labour party had also produced its crop of dispirited socialists, having abandoned its socialist objective much earlier, during the period of the first Labour government.

As its name suggested, Socialist Forum aimed to provide a forum for reexamining and rethinking left-wing ideas. In a way, it tried to do the impossible, by being a voice for widely disparate viewpoints (as the Wellington group behind *The Paper* is trying to do today). But I believe Socialist Forum also filled a positive role. It kept alive the socialist idea, and it did rally support for many progressive causes. In Auckland and Wellington its members were active in the early antiwar movement—opposing the destructive sectarian tactics of the Maoists. But it did not develop a coherent socialist ideology, as some of us, its founders, had hoped it would.

Now, you may ask: Why did not the scientific socialist ideas of the world Trotskyist movement take root in Socialist Forum? I think I can provide part of the answer, by quoting to you a letter from a member, which was published in one of the earliest numbers of the paper called *Socialist Forum*. I quote it because it

reflects very clearly the mood prevailing on the left at the time.

"We are in that terrible limbo between the idealism of youth when all the issues were so simple and clear, and a developing understanding of the banal realities of NZ politics. We are not yet so far removed from the Marxist vision that we are no longer stimulated by it; but we have come close enough to realities to be depressed by the utter lack of direction, of meaningful content, in practically everything that passes for political activity in this country, at whatever level you like: the parties, the unions, the PTAs, the cities and boroughs and counties, the women's and youth groups, the Maori organisations. We no longer become fervently partisan about Algeria or Albania; but when they gang up on Cuba we find that the old fires are far from dead; when they fire 50-megaton bombs we feel something of the old sense of siege and crisis that galvanised us on lesser issues in other days.

"Finding suitable organisational forms, believing in causes you know you cannot

finance; over the years storing away in the mind a perspective of 4,000 or 5,000 years of human activity, interpreting and explaining it—and yet not being able to plan a week or a month ahead; knowing (but not admitting it to oneself) that the only successful socialist revolution is—in the areas that count—a failure, and that this appears to be in the nature of things; it is the accumulated weight of all these things that causes you to say: "To hell with it, I'm really an anarchist."

The letter goes on in this vein, and then occurs this passage:

"I still receive occasional parcels of Trotskyite literature from Australia—all of it interesting, and much of it well argued—but surrounding it like an aura that faint sense of nuttiness which all causes that have a pope tend to convey, to me anyway."

Now, you will not agree with his reason for rejecting Trotskyism, and probably conclude that the real reason lies in the despair reflected in the earlier part of his letter. The point I want to make is:

Trotskyist ideas were around, but the mood among our members was unrecapitulative, even though events had proven Trotsky right. Perhaps our earlier conditioning against Trotskyism (the Constitution of the New Zealand Communist party listed as one of the grounds for expulsion: "voluntary association with Trotskyists") and our shattered morale had made us resistant to such reasoned arguments.

And so it remained for a new generation to make the fresh start. *Socialist Action* was started in 1969. *Socialist Forum* wound up in 1971. We realised we were no longer needed. But it is with some pride that we can now point out that the last number of *Socialist Forum* carried a plea to its members to subscribe to the new paper *Socialist Action*.

And so today we have a new movement, celebrating tonight its fifth anniversary. There is new hope; a new beginning. But it is *not* the same old record being played again. The lessons of history have been learned. We are moving toward a socialist future. □

Spanish Police Report Arrest of Trotskyist Group

[The following article, entitled "Ha Sido Desarticulado un Grupo de la 'Liga Comunista Revolucionaria-ETA VI'" (A Group of the "Revolutionary Communist League-ETA VI" Has Been Broken Up), appeared in the October 13 issue of the Barcelona daily *La Vanguardia Española*. It consists of a police report, the details of which have not yet been verified by independent sources.

[The Liga Comunista Revolucionaria-ETA(VI) is a sympathizing organization of the Fourth International active in the underground political movement dedicated to overturning Franco's fascist regime.

[The translation is by *Intercontinental Press*.]

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The Dirección General de Seguridad [General Security Office] has released the following statement to the mass media:

As part of ongoing police surveillance of individuals who are attempting clandestinely to organize acts aimed at subverting state security and public order, last spring operatives of the Madrid Police Department Regional Brigade for Social Investigation arrested various leaders and instigat-

ors of such illegal activities. Among those arrested were Domingo Chamón Gutiérrez and Jorge Olalla Valera. Valuable facts were obtained from their statements and from an examination of papers that were seized. These made it possible to proceed efficiently to break up the group to which the detainees belonged—part of the so-called Liga Comunista Revolucionaria-ETA VI.

Subsequently, it was discovered that there were other individuals who were continuing the same type of activity, trying to reorganize what the police had succeeded in breaking up. The distribution of subversive pamphlets directed particularly at working-class and student strata was observed. Also noted was the circulation of their newspaper, *Combate*, which urged support for the labor agitation directed by the Communist party and affiliated organizations.

In their attempts to identify the persons acting in this sphere, the investigators learned of a woman called Lila (approximately twenty-five years old, brown hair, of average height, with an identifying scar on the right side of her face). She was in charge of a cell and was a member of the local committee in Madrid.

The police proceeded promptly to

identify her and establish her whereabouts and, once this was accomplished, to become fully acquainted with all her activities and possible contacts with other elements involved in such activities.

As a result, police agents were able to learn the identity of this woman and various individuals who worked with her in these illicit activities, and they deployed their forces in such a way as to effect the arrest of all the members uncovered.

On October 8 Lila was arrested. She was discovered to be María Rosa Rius Camps (born in Barcelona May 24, 1947, illustrator, daughter of Adolfo and Angeles, married, and residing at Rafaela Ibarra 44, Apartment 4L). When arrested in the street, she denied having a residence in the capital, stating that she had just arrived from Barcelona.

A few hours later on the same day Martín Cacaussa Calvet was arrested (born in Palau Sabarder February 22, 1945, son of Juan and Dolores, a fifth-year student of industrial engineering at the Escuela de Barcelona, with the same address). The arrest was carried out in the vicinity of his residence. He too stated that he had just arrived from Barcelona.

When the police identified themselves,

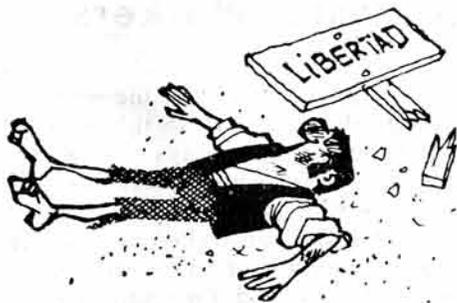
the aforementioned individual threw himself on one of the inspectors, striking him violently and resisting arrest. Once subdued, he was placed in a squad car but not before he had uttered grave insults and caused a big commotion, saying that he was being kidnapped, in order to attract public attention and ensure that news of his arrest would reach his residence nearby. Once inside the official vehicle, he tried to seize the pistol of one of the officers, continuing his aggressive action and causing injuries to the police officers.

The police immediately proceeded to enter and search the Calle Rafaela Ibarra residence of the married couple, arresting Juan Font Pérez (born April 4, 1948, in Barcelona, son of Ramón and Angeles and husband of Montserrat Cervera Rodón, who is currently serving a three-year sentence for belonging to the technical committee of the Liga Comunista Revolucionaria. Among other criminal activities charged against her, the indictment cited that she was assigned to planning terrorist acts).

Next the police proceeded to identify and establish the whereabouts of one Lucio José González de la Fuente (born October 5, 1949, in Valladolid, son of Lucio and María Luisa, student of economics, resident of the fourth floor center apartment at Calle Olivar 42). This individual also denied living in Madrid, saying that he had just arrived from Valladolid.

It was decided to make an immediate search of the Calle Olivar residence. Arrested there was Felisa Eche-goyen Castañeda (born in Madrid January 18, 1948, the daughter of Jesús and María Asunción, key-punch operator, wife of Lucio José González). When the police officers arrived with the required court order, an odor of burned papers could be detected, and various printing materials were found along with the charred remains of several pieces of clandestine propaganda — similar to some found in a purse in her possession.

The police continued their operations resulting in the arrest of Juan María López de Sa de Madariaga (born November 19, 1948, in Granollers, son of Eugenio and María Teresa, fifth-year student of physics and mathematics, married, resident of apartment 4L, Calle Navarra 35). This individual also gave a different address, saying he lived with his fam-



ily on another street.

Next to be arrested was Lucía Vicente Lafuente (born in Zaragoza December 5, 1955, daughter of Mariano and Lucía, single, a third-year philosophy student, who resided at Calle Navarra 35).

The final arrest was of María Dolores Rivera Menéndez (born in Madrid August 8, 1954, the unmarried daughter of Jesús and Balbina, a student of psychology, residing on the third floor of Castellero Piñero). She had continual contacts with Rosa Rius in certain apartments and cafeterias in the Argüelles zone. Among the papers found in the residence were documents that gave convincing evidence of plans to steal a duplicator from a school in the Chamberí section.

As a result of the series of operations carried out by the police it has been possible to confirm the links among all the individuals described, who made up this group of the Liga Comunista Revolucionaria-ETA VI. In the residences of each of them quantities of subversive propaganda materials were found. It was learned, moreover, that the Martín Causa [Cacaussa]-María Rosa Rius couple had rented the second floor on Calle de Méndez Alvaro 27 in the hus-

band's name. There, a room was found whose walls were lined with cork to prevent noise from the operation of printing machinery from being heard. It was there that the electric photocopying machine and most of the copies of clandestine and subversive propaganda used in the joint activities of the Liga Comunista Revolucionaria and ETA VI were seized.

In the same place, among the documents and papers found, was the blueprint for an operation designed to abet the escape of ten members of ETA VI who are serving sentences in the Segovia jail. The operation was called "Altamira" and it was to be carried out by a commando group of ten men. They were to carry arms with which to protect and arm the escapees once their mission was carried out.

The plan was to go to the aforementioned prison on a specified date in four Morris and SEAT 124s with Segovia license plates, which they intended to steal beforehand.

In the plan and in a blueprint drawn up, the position of the cellblocks for common and political prisoners was plotted.

Also plotted was the foundation of the artillery armory abutting the penitentiary.

In the instructions for the action, the following tasks were spelled out for members of the commando group:

Four were to drive the cars. There was to be a chief of operations called "the architect" and five "guitarists," who would each carry a submachine gun.

Training was in progress for "traveling down below," by which they meant the excavation of an underground tunnel to obtain access to the subbasement of the penitentiary.

They had also arranged to rent an apartment in a building facing the cellblock of the jail where the political prisoners are lodged.

In the plan or blueprint there were elaborate indications of the positions of the prison guards, instructions on where the vehicles should be positioned before the action, and other minute details. It was also reported that persons involved were soon to receive money from a foreign country for this operation and for renting an apartment where the escapees could hide temporarily.

All the prisoners, along with the material and propaganda seized, have been placed at the disposal of the competent judicial authorities. □

Statement of Portuguese Postal Workers

[The following statement by the Comissão Pro-Sindicato (Union Organizing Committee) of the Portuguese postal workers was published in the October 3 issue of *Comércio do Funchal*, a left weekly published in the capital of the island of Madeira. The translation is by *Intercontinental Press*.]

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In his speech of September 29, the premier, Brigadier General Vasco Gonçalves, appealed for a day of voluntary work throughout the country on next Sunday, October 6, 1974. He said that this was a practical way in which the workers could respond to the reactionary coup planned by the fascists.

The revolutionary vigilance exercised by the popular masses on the highways of Portugal, and especially in the suburbs of Lisbon, along with the huge street demonstration led by our letter-carriers, demonstrated our profound hatred of fascism and capitalist exploitation.

The Comissão Pro-Sindicato (CPS) believes that the struggles of the toiling masses, led by the proletariat, must be continued. And it is for this purpose that we call on all postal workers to go to their places of work on that day. The CPS points out that taking part in this day of labor is voluntary and the workers must decide what to do according to their revolutionary consciousness.

We must use this day to raise our consciousness, to improve our organization, and to step up the struggle that we have been waging to purge the administrators connected to the old regime, to win a higher standard of living, and to build the union.

We must also understand that in normal course the ones who will benefit essentially from this extra day of work are the bosses. So, we must keep a close watch on the money that comes in on that day to see that it serves the interests of the workers and is applied toward meeting our most pressing needs—housing, better sanitary conditions, doctors and medicine, transport, etc. Therefore, we are calling on the government to keep an account of the value produced on this day and make sure that it is distributed to those most in need.

The CPS suggests that the workers demand that the pay rate this Sunday be the same as other days of the week, since this work is voluntary. The CPS proposes that the money we get for this extra day be turned over to the union funds for workers who have been laid off and for comrades on strike. We advise all concerned that such a contribution would also be voluntary.

GMR's Stand on Sunday Labor in Portugal

[The following statement was distributed October 6 by the Grupo Marxista Revolucionaria (GMR—Revolutionary Marxist Group) in Lisbon. The translation is by *Intercontinental Press*.]

* * *

Comrades,

The main credit for the victory over the reactionaries belongs to the working class and all the working people who mobilized in the last days of September to form guard pickets. The working class must impose punishment on all the former rulers, elements of the armed forces, and the capitalists, who have shown once again that they have not given up trying to crush the workers movement and rob the workers of their rights. Now that the reactionaries have suffered this defeat, we cannot harbor any illusions that the whole problem has been cleared up!

We must remain on guard against all forms of reaction, such as any laws depriving the workers of the right to assemble, or to purge their oppressors, to strike, or to demonstrate in the streets, that is, to struggle in defense of their interests.

If we mark time, the reactionaries will be able to reorganize more easily. The capitalists remain in possession of the wealth we produce, while the workers are not even armed and organized to respond firmly to attacks by their enemies!

Today they are telling us to contribute a Sunday of work. But we know very well that in this capitalist system the ones who get the profits from our labor are the capitalists. We cannot let our money flow into the pockets of those who will try again, as soon as they can, to crush the working class. But without consulting the majority of the workers, the Intersindical [the trade-union federation controlled by the Communist party] has adopted a resolution in support of the working Sunday!

Intersindical's decision was made in an undemocratic way. However, it is a fact that the majority of the working people

As we all know, we are not used to working Sundays; so it would be natural for less work to be done. Therefore, the CPS calls for using our breaks and refreshment periods to discuss the present crisis, to sharpen our vigilance in the struggle against fascism and capitalist exploitation.

Let us turn this working Sunday into a day of struggle for purging the administrators connected to the old regime, for building the union, and against fascism and capitalist exploitation. □

have been mobilized for this working Sunday, and it would mean dividing the toilers if at this moment we called for not participating in this campaign. So what we call for is taking a part of this Sunday for meetings in the workplaces to discuss who is getting the profits from this day of labor.

The victories of the working class have always been commemorated by days of struggle against the power of the bosses. This Sunday should be a day of struggle primarily for the expropriation of the capitalists implicated in the coup attempt, for the seizure of their profits, fortunes, inheritances, and properties!

As much as possible, the product of this day of labor must go to the workers. Let us organize assemblies in the factories to discuss the problems that have arisen lately. As for the money we get, let us use it to help our comrades who are now on strike, or those who, after fighting hard struggles, now find themselves in difficult circumstances, or put it into our shop or union strike funds.

Trade-Union Democracy!
Down With the Antilabor Strike Law!
Use Sunday's Pay to Build the Strike Funds! □

Pentagon Chides 'Nervous Nellies'

The U.S. Defense Department, taking issue with earlier reports, estimates that in the event of an all-out nuclear war, the earth's ozone layer would not be sufficiently depleted to endanger the continuance of life on the planet. (Ozone absorbs the more lethal forms of ultraviolet radiation from the sun.)

The Pentagon admits, however, that the ozone layer over the temperate regions of earth could be reduced by 50 to 75 percent, to approximately the level that now prevails over the tropical regions. It was not reported how the reduction would affect the tropical regions.