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Washington Applauds Blows Against Arab Peoples Israel's Criminal Invasion of Lebanon



Invasion has caused massive civilian casualties. Above, a building in Tyre destroyed during Israeli advance.

**U.S. Warships Menace Nicaragua
in Wake of Devastating Floods**

**Ernest Mandel
on World
Economic Crisis**

British Troops Restore Colonial Rule in Malvinas

Britain restores colonial rule over the Malvinas Islands

By Will Reissner

The retaking of the Malvinas Islands by British forces on June 14 was a severe blow to Argentina's right of sovereignty over those islands. But the British victory was also a blow to all other anti-imperialist struggles around the world.

In London, the big-business weekly *Economist* gloated in its June 19 issue that the war "restores some credit" to the idea that "diplomacy cannot succeed unbacked by available force."

"Now a younger generation, in Britain and to a lesser extent elsewhere, has seen an affair of principle in which soldiers were willing to fight, were ready to take horrible casualties, took some, yet emerged justified," the *Economist* argued.

Claiming that there is a new willingness to use military force in Britain, the magazine states: "The hope must be that some of the same shift in mood, however slight, will also take place among other members of Nato [the North Atlantic Treaty Organization], European and North American."

An act of imperialist aggression

The Malvinas, called the Falklands by the British, were seized by the British empire in 1833 and were occupied for 149 years until Argentine forces recovered them on April 2.

When British Prime Minister Margaret Thatcher dispatched the Royal Navy to retake the Malvinas, which are nearly 8,000 miles from London, her target went beyond Argentina. Her aim was to teach a lesson to any oppressed nation that might contemplate challenging British holdings abroad. This is the "affair of principle" that the *Economist* refers to.

In delivering this lesson, Thatcher had the backing of the Reagan administration and all the major imperialist powers, who face similar threats to their foreign holdings.

The full details of U.S. aid to the British war effort have not been revealed. But Thatcher boasted to the British Parliament that Washington's assistance "has been splendid" and that Britain got "everything we asked for."

The British war effort was also aided by the economic sanctions applied against Argentina by the United States, the European Economic Community, and Japan.

Having taken the Malvinas by force a second time, the British now refuse to even negotiate with Argentina over their future. "Those islands belong to us," Thatcher asserted.

The colonial governor of the islands, Rex Hunt, is being sent back to reestablish British rule. Hunt is an old hand in the British colonial service, having previously served in Britain's

colonies in Africa.

To defend their South Atlantic colony, the British now plan to build a major military base on the islands. The June 16 *New York Times* reports that airfields will be improved to permit the basing of F-4 Phantom fighter-bombers, reconnaissance planes, and Vulcan bombers with a range enabling them to bomb the Argentine mainland from the islands.

A permanent garrison of at least 3,000 troops, including Gurkha mercenaries from Nepal, will also be stationed on the islands, and at least one naval squadron of fighters and destroyers will be based there.

A U.S. base?

There have also been reports that the Pentagon will help maintain British rule in return for use of the new military base. This arrangement would be similar to the situation on the British-held islands of Diego Garcia in the Indian Ocean and Ascension in the Atlantic.

According to the May 28 *Latin American Weekly Report*, published in London, the aim "would be to strengthen the West's naval position in the South Atlantic — an aim which has long been on the Pentagon's agenda."

The newsweekly points out that "the Falklands were discussed as a possible base in 1975 when NATO countries were considering an extension of their operations to the South Atlantic. The idea would now be attractive to both the British and the US. The British would continue to fly the Union Jack there, and the US would have gained a presence in the area, not as a result of 'Yankee aggression' but as a fruit of 'Argentine aggression.'"

The Thatcher government, which has been slashing social spending to the bone, has already spent more than \$2 billion to retake its colony. This sum comes to well over \$1 million per island resident.

And Britain will have to spend huge amounts to maintain an ongoing military presence on the islands and supply the military and civilian population with their daily needs, most of which came from the nearby Argentine mainland in the past.

Argentine claim remains in force

Argentina has not given up its claim to the islands. In a June 18 message to the president of the United Nations Security Council, Argentina's ambassador to the United Nations pointed out that the struggle over sovereignty of the Malvinas has not ended.

"Given the present circumstances," Argentine ambassador Arnoldo Listre wrote, "a *de facto* cessation of hostilities exists, which Argentina is observing. But this cessation will be

precarious as long as the British attitude continues, an attitude shown by the military occupation, the blockade, and the economic aggression."

The British have responded by announcing that they will continue to hold some Argentine prisoners of war as hostages to prevent a renewal of fighting.

The continuing high costs of the British operation to hold the islands is likely to erode much of the support that now exists for Thatcher's war policy. The British economy is already in its worst depression since the 1930s. Some voices in the opposition Labour Party are beginning to link Thatcher's willingness to spend billions on war and her cuts in social services and living standards.

In a June 17 parliamentary debate over demands by National Health Service nurses for higher pay, Labour member of Parliament Ray Powell told Thatcher "surely you have enough blood on your hands without having more blood from the National Health Service."

At the same time, the imperialists are paying a heavy price for their victory within Latin America. The British reconquest of the Malvinas and Washington's open support for the British war effort have created a wave of anger throughout the region.

Anger in Argentina

Within Argentina, the masses had rallied around the struggle to retake the colonial enclave, which had been a national goal ever since the British took the islands 149 years ago.

The wholesale surrender of Argentine troops on the islands has caused widespread shock and anger in Argentina. The anger is directed not just against the British government and its U.S. ally, but also against the military regime ruling in Buenos Aires.

Rage against the military stems from the realization that the junta continuously lied to the Argentine people about the course of the fighting on the islands, and from a realization that the military had not done all that it could to defeat the British invasion.

On June 15, one day after the surrender document was signed, angry crowds gathered outside the presidential palace in Buenos Aires, blasting the government as "liars" and "traitors" and demanding an end to the military's rule.

Police attacked the crowds with tear gas and rubber bullets, and in some cases fired shots at protesters, who responded by building barricades in downtown streets.

On June 17 military strongman Gen. Leopoldo Galtieri was forced to resign as president and chief of the armed forces. But replacing Galtieri and making him the scapegoat of the defeat is not likely to stabilize military rule.

Prospects for junta dim

Even before the war with Britain began, the military rule that had begun with the seizure of power in 1976 was on shaky ground. Galtieri was the fifth officer to occupy the presidential

palace in the past 15 months. None of these rulers have been able to halt the disastrous slide of the Argentine economy.

In fact, the military's economic policy of driving down real wages while opening the economy to foreign capitalists had played a large part in deepening the impact of the economic crisis, marked by a wave of bankruptcies and bank failures, triple-digit inflation, massive outflows of foreign currency, plummeting living standards, and growing unemployment.

General Galtieri's decision to land troops in the Malvinas on April 2 was undoubtedly an attempt on his part to restore the military's tarnished reputation by rallying the entire Argentine people behind a goal that has overwhelming and legitimate support. Despite the demoralizing effect on the masses of the defeat in the Malvinas, prospects for the junta are not good.

The economic situation has continued to deteriorate. In the first four months of this year, according to recently released figures, Argentina's gross internal product fell a further 5.7 percent, industrial activity dropped 9.4 percent, and construction declined 15.5 percent. Since the war with Britain began, the black market exchange rate for the peso went from about 11,000 to the dollar to more than 25,000 to the dollar.

Alliance with Washington turns sour

The war also exposed the bankruptcy of the military's previous foreign policy. President Galtieri and Foreign Minister Nicanor Costa Méndez had been the chief architects of the junta's policy of developing ever closer links with Washington and cooperating with the Reagan administration's counterrevolutionary war in Central America. Argentine officers had been dispatched to Honduras to train Nicaraguan exiles fighting to overthrow Nicaragua's revolutionary government. Argentines were also training the army of El Salvador's bloody regime.

When Galtieri took office, he also pledged to take Argentina out of the Movement of Non-aligned Countries.

In return for these counterrevolutionary policies, Galtieri and Costa Méndez fully expected that Washington would return the favor by siding with Argentina in its struggle against British rule in the Malvinas and that Reagan and Haig would persuade the British not to fight to reestablish their rule.

But Washington strongly supported the British invasion. And support for Argentina's cause came from those very forces that Galtieri had pledged to help Washington combat — the governments of Nicaragua and Cuba, the Non-aligned Movement, and the liberation movement in El Salvador.

The international lineup on the Malvinas war has had a profound impact on the consciousness of the Argentine masses. In his attempt to win international backing for the Argentine cause, Costa Méndez made a highly publicized trip to Havana for the meeting of the Nonaligned Movement, where he delivered a

stinging denunciation of imperialist crimes throughout the world and strongly endorsed the revolutionary struggles of the oppressed in South Africa, Palestine, and elsewhere.

This has provided the Argentine workers with an important lesson on who their real allies are around the world. It is another part of the price that the imperialists have had to pay for their victory.

Right now, Argentina's deeply divided military rulers are trying to piece together a new government behind closed doors. But as both the generals in Buenos Aires and the rulers in Washington are well aware, the Argentine workers and farmers want a government that will fight effectively against imperialism,

grant democratic rights, institute policies that will protect them from the worsening economic crisis, and tell the truth.

Fear of such a workers and farmers government coming to power in Argentina is causing the U.S. and British imperialists to consider plans for a military base in the Malvinas. It is more necessary than ever to support Argentina's right to reclaim these islands, to demand the withdrawal of all British forces from the South Atlantic, and to demand a halt to imperialist aid to the British war effort — in particular by the United States.

One thing is certain — regardless of the immediate situation, the conflict over the Malvinas Islands is not finished. □

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Israeli invasion a blow to Arab peoples

U.S. applauds criminal aggression

By Ernest Harsch

The Israeli invasion of Lebanon, which began on June 6, is an act of savagery. The Zionist regime in Tel Aviv — armed to the teeth by Washington — threw into the attack some 60,000 Israeli troops, scores of modern jet fighters and helicopters, hundreds of tanks, and warships as well.

Against these overwhelming odds, the Palestine Liberation Organization (PLO) has put up a heroic resistance. Even after massive aerial bombardments and artillery shelling of cities like Tyre and Sidon, Palestinian forces remained dug in and fought the Israeli invaders every step of the way.

Even the Israeli troops have acknowledged the tenacity of the PLO fighters. *New York Times* correspondent William Farrell, who interviewed some Israeli soldiers in southern Lebanon, reported in the June 17 issue that one soldier, "asked to describe what he had seen, just shook his head and said he did not want to talk about it.

"Several of the Israelis said the Palestinian guerrillas had fought well against overwhelming odds at places such as Sidon."

The Israeli government, as of June 17, admitted that 214 of its troops had been killed and more than 1,100 wounded.

The Palestinians, moreover, were forced to rely almost entirely on their own forces. And they had to face not only the might of the Israeli state — behind Tel Aviv stood Washington. As one PLO representative put it, the U.S. government was a "direct partner" in the invasion.

Blow against Palestinians

As a result of this unequal contest, the Israeli invasion of Lebanon has inflicted the worst blow against the struggle of the Palestinian people since the 1967 Middle East war.

The toll of this invasion has already been staggering:

- Israeli bombings of cities like Tyre, Sidon, and Beirut have claimed thousands of lives, most of them Palestinian and Lebanese civilians. The Palestinian Red Crescent relief organization estimates that about 15,000 were killed. In addition, many more were wounded. These massive civilian casualties were inflicted through the use of 2,000-pound bombs, large rockets, cluster bombs, and incendiary white phosphorous bombs.

- United Nations officials estimate that 600,000 people have been "affected" by the fighting, most of whom have been driven from their homes by the Israeli attacks. Lebanese authorities place the figure at 1.5 million — about half of the country's entire population.

- Israeli troops now occupy nearly a third of the entire country, and are moving in administrators and reinforcements to prepare for a long stay.

- The Zionist forces, with the aid of Lebanese rightists, have succeeded in surrounding West Beirut, where the leadership of the PLO and about 6,000 of its fighters are boxed in. The Palestinians have vowed to fight it out, house-by-house if necessary, if the Israelis try to militarily overwhelm this last PLO stronghold in Lebanon.

But whatever happens in West Beirut, the Israeli and U.S. governments clearly have the upper hand. They will try to use the Zionist forces' strong military position to dictate the political future of Lebanon: to the advantage of the imperialists in Washington and Tel Aviv, against the interests of the Palestinians and the entire Arab world.

Summarizing the U.S. approach, Bernard Gwertzman noted in the June 17 *New York Times* that the Reagan administration, "instead of seeking an immediate Israeli withdrawal, tried to work parallel to the Israelis to achieve a long-term solution that would produce a new situation in Lebanon more favorable to Israeli interests."

How did this grave setback come about? And what does it mean for the politics of the Middle East?

The fruits of Camp David

The Israeli invasion of Lebanon is a direct result of the U.S.-sponsored Camp David accords, which were signed by the Israeli and Egyptian regimes in 1978.

Those accords were widely touted as a first step toward "peace" in the Middle East. But in fact, they were intended by the U.S. and Israeli governments as a means of tightening their grip on the region. They knew from the beginning that this would require new wars.

The accords marked the first formal break in the Arab world's stance of opposition to the Zionist state since its creation in 1948. Under tremendous pressure from imperialism, the Egyptian regime of Anwar el-Sadat agreed to a separate treaty with Israel. By accepting the legitimacy of a colonial settler-state based on the expulsion of the majority of the Palestinian people from their homeland, Sadat betrayed not only the Palestinians, but the Arab peoples as a whole.

The accords constituted an important setback to the anti-imperialist struggle in the Middle East. They enabled the Israeli regime to maximize its military pressure on Syria and on the PLO in Lebanon.

Using the accords, the imperialists sought

to isolate the PLO, weaken other anti-imperialist forces in the region, and deepen the rift among Arab governments by drawing other proimperialist regimes — such as those in Saudi Arabia and Jordan — into the Camp David framework.

But the outbreak of the Iranian revolution upset these calculations. It inspired working people throughout the region and strengthened all the anti-imperialist forces. This made it more politically difficult for the Saudi and Jordanian monarchies to follow Sadat's example. As a result, the Egyptian regime found itself diplomatically isolated in the Arab world.

At the same time, the PLO's influence grew, both internationally and within the region. It is now recognized by more governments around the world than is Israel. It is recognized by the vast majority of Palestinians as their legitimate representative. And this includes those living under Israeli occupation. A poll conducted in April by the political science department of Al Najah University in Nablus found that two-thirds of the residents of the Israeli-occupied West Bank considered the PLO to be "the sole legitimate representative of the Palestinian people."

Nevertheless, the accords marked an overall step forward for the imperialists. The treaty with the Egyptian regime enabled the Zionists to concentrate their military pressures against Lebanon, Syria, and the PLO, and to proceed with their preparations for annexation of the occupied territories, under the guise of establishing Palestinian "autonomy" in the West Bank and Gaza Strip (which was one of the provisions of the Camp David accords).

The accords also provided a political cover for vastly increased U.S. military and economic assistance to Israel, and for Washington's own stepped-up military intervention in the region. Direct U.S. aid to Israel has been sustained at a level of several billion dollars a year, and the Pentagon has obtained new bases in Oman, Kenya, Somalia, and Morocco. The U.S. also established a direct military presence in Egypt, and tightened its military links with Saudi Arabia.

On top of these obvious military preparations, the pressures that Washington applied against various Arab regimes also bore fruit during the invasion of Lebanon.

In a major article in the June 16 *Washington Post*, former U.S. Secretary of State Henry Kissinger gloated, "No Arab government gave more than verbal support to the embattled Palestinians, and even that lacked the traditional passion. Even Syria stood by passively until its own forces were directly attacked, and made a separate cease-fire while the PLO was being

systematically destroyed."

For the Israelis, the Egyptian regime's reaction to the invasion of Lebanon — mild verbal condemnation, while reaffirming its desire to maintain "peace" with Israel — was proof of Camp David's value. "The peace treaty between us and Egypt held up," Israeli Prime Minister Menachem Begin declared. "This was an important test."

The Soviet government issued a strong condemnation of Israel's "criminal act of genocide," calling for "urgent measures to cut short the aggression." It also stressed that "the Middle East is an area lying in close proximity to the southern borders of the Soviet Union and that developments there cannot help affecting the interests of the U.S.S.R. We warn Israel about this."

Commentaries in the U.S. bourgeois press suggested that the Soviet statement was simply rhetoric. But in any case, there was little the Soviet government could do to aid the Palestinians directly without the collaboration of the Arab governments.

In a radio address from Beirut, PLO leader Yassir Arafat pointed to this stance of the Arab governments. "I don't understand how the Arabs can be so ineffectual when the Israelis are knocking at the gates of an Arab capital," he said.

Salah Khalaf, another PLO leader, commented, "The submissive and indifferent Arabs will be brought to account for their atti-

tude."

Throughout the invasion, the Reagan administration has sought to avoid direct political responsibility for the Begin regime's criminal actions and to preserve the mantle of a regional "peacemaker." But Washington's refusal to condemn the invasion or to halt its massive arms shipments to Israel exposed its true stance.

As the Israeli tanks moved northward and the extent of the Israeli blows against the Palestinian movement became more evident, U.S. officials could not hide their glee, nor their support for the Israeli regime's basic aims.

One unnamed "senior Israeli official" told *Washington Post* correspondent William Claiborne, "The United States has been handed by us, on a silver platter, political and strategic advantages it could never have dreamed of before this operation. We hope the Americans recognize the opportunity and don't let it slip away."

A U.S. State Department official, quoted in the June 11 *Wall Street Journal* did indeed recognize that "there is a glimmer of opportunity in Lebanon."

One of the most explicit admissions of Washington's and Tel Aviv's joint interests came in Kissinger's article. He wrote that "in this particular case, the results were congruent with the interest of the peace process in the Middle East, of all moderate governments in the area and of the United States. It would

serve nobody's purpose to restore PLO control over Lebanon or Syrian preeminence in Beirut."

This has been the virtually unanimous editorial stance of the big-business dailies in the United States.

In working toward their common goals, the U.S. and Israeli governments have established a certain division of labor. While the Zionist regime uses military force to break opposition by the Arabs, Washington provides Israel with political cover and seeks to consolidate the Israeli advances through diplomatic means.

This has been shown by the actions of Philip Habib, who was sent by Reagan as a special envoy to Israel, Syria, and Lebanon. His ostensible role was to arrange cease-fires and act as a go-between in negotiations. But, as Thomas Friedman noted in the June 17 *New York Times*, "Mr. Habib is essentially serving as the salesman for Israeli conditions."

During a news conference in Jerusalem, Begin was able to confidently proclaim, "In recent days great understanding has been reached between the U.S. government and the government of Israel."

'Extraordinary opportunities'

According to Kissinger, the Israeli drive into Lebanon "opens up extraordinary opportunities for a dynamic American diplomacy throughout the Middle East."

The basis for this, of course, is the sharp

Massive terror in southern Lebanon

Despite attempts by the Israeli authorities to cover up the effects of their invasion on the civilian population of southern Lebanon, fragmentary reports are starting to come out of the region, painting a picture of massive death and destruction.

In Tyre, according to a report from southern Lebanon by *New York Times* correspondent David Shipler, "not a single building was untouched by the flying shrapnel."

"Some high-rise apartments had collapsed like houses of cards, some villas were chewed into piles of dust and rubble."

The Israeli authorities maintain that they had bombed Tyre "selectively," that their surveillance flights had provided pilots with precise targets. But in this "selective" bombing, several hundred persons, at least, were killed.

Damur, a town some 10 miles south of Beirut, is "a mournful ghost town," according to a report by *New York Times* correspondent Henry Kamm in the June 17 issue.

"A few chickens pecking through the debris and an occasional Israeli military vehicle are the only signs of life encountered during a visit to the edges of the town."

Also in a dispatch from southern Lebanon, Françoise Chipaux reported in the June

15 Paris daily *Le Monde*, "For the refugees from the coastal villages who survived the hell of the bombings of Tyre and Sidon, Israel is synonymous with death. 'For three days, they bombed continuously, by air, land, and sea,' a young French doctor who lived in Sidon told us. 'The center of the town is completely destroyed. Since there aren't any trees, people stayed in the ground floors of their houses or — the luckiest ones — in caves. They didn't have anything, and at the first letup, the families fled in all directions.'"

Red Cross officials who have visited Sidon, which used to be Lebanon's third largest city, described the situation there as "quite terrible" with the streets "full of bodies."

A June 16 *New York Times* dispatch from Sidon reported: "In a patch of open land in the battle-scarred center of Sidon, 200 yards from the Israeli military government headquarters, a dusty bulldozer was spreading dirt over the bodies of civilians in a pit 60 yards long, 10 to 15 yards wide and up to 15 feet deep."

Some 40 bodies were found in the rubble of the Takmilyeh Elementary School.

Ramzi Shabb of the Shabb Hospital, a pri-

vate clinic in Sidon, estimated that about 3,000 of the town's residents had been killed in the Israeli air raids and artillery shelling.

With the end of the bombings, the suffering did not stop. Many were severely wounded, and the destruction of sanitation facilities and the rotting corpses may lead to the outbreak of epidemics among the survivors.

The Israeli authorities, however, have deliberately blocked efforts to provide medical treatment.

At the hospital of the Palestine Red Crescent Society in Sidon, all but one of the doctors, including a Canadian and a Norwegian, were arrested by the Israeli army.

According to Shipler's dispatch, "When all men between the ages of 17 and 55 were ordered to apply for permits to move from place to place, the doctors complied. But when they presented themselves to the army headquarters in town, they were all arrested. . . ."

The Israeli authorities claimed that all of the doctors were members of the Palestine Liberation Organization.

The arrests left just one doctor to treat 58 patients, some of them badly wounded.

— Ernest Harsch

blow that has been inflicted against the Palestinian people.

In Lebanon, this has made it possible for Washington and Tel Aviv to try to set up a new regime, for the first time since the end of the 1975-76 Lebanese civil war, which ended in an uneasy stalemate between the rightist Maronite Christian forces and the leftist, mainly Muslim groups, which were allied with the Palestinians.

The first steps have already been attempted. With Israeli tanks parked not far from his presidential palace, Lebanese President Elias Sarkis has announced the formation of a new Council of National Salvation, to supplant the existing government. Both the U.S. and Israeli governments are seeking an agreement whereby Lebanese troops would go into West Beirut to disarm the PLO forces.

In addition, the imperialists hope to use the threat of an all-out war with Syria to force the Syrian regime to pull its troops out of Lebanon.

To provide a non-Israeli military force to police any political "settlement" that is hammered out in Lebanon, the Begin regime has been urging the formation of a new multinational "peacekeeping" force. As an editorial in the June 18 *Wall Street Journal* delicately put it, "If pacification forces are to be introduced into Lebanon when the Israelis withdraw, they will have to be from countries the Israelis can trust."

Tel Aviv has suggested French and U.S. troops. French troops are already participating in the 7,000-member UN "peacekeeping" force that has been in southern Lebanon since 1978. And U.S. Secretary of State Alexander Haig has told reporters in London that Washington was seriously considering sending U.S. troops to Lebanon as part of such a force. This would represent another major step in the escalation of the direct U.S. military role in the Middle East.

Meanwhile, Begin keeps insisting that his regime has no territorial designs on Lebanon. Such promises indicate the trend of his thoughts. Israeli experts have already set up an occupation government in Lebanon modeled on the one in the West Bank.

Beyond the immediate situation in Lebanon itself, Washington hopes to breathe new life into the broader Camp David process. Kissinger noted that there were now "the makings of a de facto coalition of moderate Arab states," including, above all, the regimes in Egypt, Jordan, and Saudi Arabia.

The Egyptian authorities, formerly shunned by other Arab regimes, have now been in regular touch with the Jordanian and Saudi regimes over the situation in Lebanon. Following the death of King Khalid in Saudi Arabia on June 13, Vice-president George Bush rushed off to Riyadh at the head of a sizeable delegation to consult with the new Saudi ruler, King Fahd. Egyptian President Hosni Mubarak also went to Riyadh — the first such visit by an Egyptian head of state since the Camp David accords.

Another factor in these political maneuvers

is, as Kissinger put it, "the immediate danger from the Iranian revolution." This is especially true after Iran's victory over the Iraqi invaders, who had been backed by the Saudi, Jordanian, and Egyptian regimes, and ultimately by Washington.

The repercussions of the Israeli invasion of Lebanon are also being felt in the West Bank and Gaza where the Palestinians have been in rebellion against the Zionist occupation forces for several months now.

In an interview in the June 21 issue of *Time* magazine, Israeli Defense Minister Ariel Sharon stated, "The bigger the blow is and the more we damage the P.L.O. infrastructure, the more the Arabs in [the West Bank] and Gaza will be ready to negotiate with us . . . I am convinced that the echo of this campaign is reaching into the house of every Arab family in [the West Bank] and Gaza."

As part of their drive to consolidate their hold over the West Bank, the Israeli authorities have already dissolved two more elected Arab city councils in the territory since the invasion of Lebanon began.

Difficulties facing imperialists

These are the imperialists' aims. But realizing them will not be so easy.

Already, Sarkis's attempts to set up a new Lebanese government has run into problems.

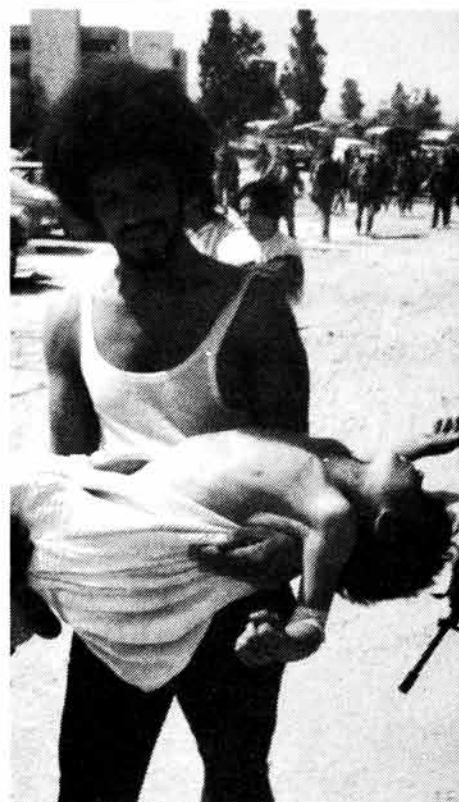
The longer the Israeli troops remain in Lebanon, the higher the political costs will be.

Internationally, Tel Aviv — and Washington — have come in for widespread denunciation. When Begin appeared at the United Nations June 18 to speak at the UN Special Session on Disarmament, his talk was boycotted by the representatives of some 100 governments — two-thirds of the UN membership.

Fidel Castro, as chairperson of the Movement of Nonaligned Countries, has issued a series of appeals to the movement's members to take action in support of the Palestinians. In a June 12 statement, for instance, he declared, "The Palestinian and Lebanese peoples demand the most firm, immediate and effective solidarity from our member States, and it is our unavoidable duty to do all that is humanly possible to prevent the Zionist aggressors from attaining their objectives, which would mean the increase of Israel's expansionist threats against other Arab territories."

A prolonged Israeli occupation of Lebanon would also heighten anti-imperialist sentiment throughout the Middle East, putting increased pressure on the Arab regimes that Washington is now trying to draw into the Camp David framework.

And within Israel itself, doubts and criticisms of the Begin regime's war policies will increase. There have already been some important antiwar demonstrations involving both Jews and Arabs. The Jewish workers as a whole do not believe that this military victory will bring peace, any more than the one in 1967. Reporting from Jerusalem in the June 18 *New York Times*, correspondent David Shipler noted that "Israelis have not celebrated, not



Victim of Israeli attack on Sidon.

rejoiced in the dramatic advances the army made."

'The Palestinian nation will not die'

The blows that have been inflicted on the PLO — and any other advances the imperialists make as a result — will not solve their long-term problems in the Middle East. All it will do is buy them some time.

Major defeats against the Palestinian people have been inflicted before: the 1948 war when the Zionists drove them out of their homeland, the 1967 Middle East war, and the 1970 civil war in Jordan. Each time the Palestinians resumed their struggle. The 1967 war was followed by the creation of the PLO. The 1970 defeat in Jordan was followed by an unprecedented resurgence of the PLO.

The fact is that the PLO is not just a political organization or a military force. It is the expression of the aspirations of more than 4 million Palestinians who are fighting to regain their homeland. Those aspirations cannot be stifled as long as the Palestinian people exist.

Elias Freij, the Palestinian mayor of Bethlehem, in the West Bank, pointed out, "The odds now are against us, but believe me, the Palestinian nation will not die. Maybe some Arab states will die, but not the Palestinians."

Throughout the Middle East, millions of toilers are learning important political lessons from the U.S.-backed invasion of Lebanon. In the long run, Israel's barbarous massacres can only stiffen their determination to rid the region of imperialist domination entirely. □

U.S. warship provokes incident

As terrorist attacks continue on the ground

By Michael Baumann

MANAGUA — Washington's undeclared war is being escalated a further notch in the waters just off the northwest coast of Nicaragua.

The warship U.S.S. *Trippe* was sighted in the Gulf of Fonseca just three miles off the coast June 7. Nicaragua's protest of this clear violation of its territorial waters was not only rejected by the United States, but the U.S. imperialists had the gall to turn around and claim that Nicaragua was the aggressor.

The *Trippe*, armed to the teeth with heavy guns, guided missiles, and sophisticated eavesdropping equipment, was designed to serve as an escort-reconnaissance vessel for seaborne invasion forces.

When a Sandinista patrol vessel first spotted the *Trippe* in Nicaraguan waters and began to approach it, the *Trippe* dispatched an armed helicopter.

The helicopter, according to the Nicaraguan Foreign Ministry, flew toward the patrol boat in a threatening manner. The patrol boat then fired several warning shots, sending the helicopter back to the warship.

Nicaragua's formal protest of the incident was ignored by Washington, which responded with a triple insult.

- The United States lied, claiming that "at the time of the attack both the U.S.S. *Trippe* and the helicopter were in international waters more than 12 miles from the Nicaraguan coast."

- The United States tried to turn the victim into the criminal by claiming it was the injured party and delivering its own "protest" to the Nicaraguan government.

- The United States made clear it intends to continue such provocations, terming the *Trippe*'s violation of Nicaragua's sovereignty "routine naval activity." ("That was the only truthful part of the U.S. message," Sandinista TV news commented June 8. "For the United States such threatening actions are 'routine.'")

And that was just in the U.S. *public* note of "protest." The U.S. representative who presented the note also delivered orally what the Managua daily *Barricada* described as an "arrogant threat of armed aggression."

These highly provocative actions by Washington must be taken seriously. They are reminiscent of the infamous "Gulf of Tonkin incident" in August 1964. That was when then-President Lyndon Johnson claimed that North Vietnamese had attacked a U.S. warship off their coast. Johnson used the "incident" to justify a massive U.S. escalation of the Vietnam War.

Carefully weighing its response in an increasingly tense situation, the Nicaraguan gov-

ernment renewed its demand that the United States remove its warship from the country's territorial waters.

"We are intransigent in defending our sovereignty and inalienable rights," an editorial in the June 14 *Barricada* stated, but our aim is to reply "to insolence with restraint, to provocation with patience."

More than Nicaragua's patience is being tried. The country also remains under ongoing military pressure on the ground from the counterrevolutionary forces located just across the border in Honduras. There some 4,000 to 5,000 counterrevolutionaries are permanently based. An estimated 800 more operate inside Nicaragua, sowing terror in remote rural areas.

These opponents of the revolution that overthrew the Somoza dictatorship are trained, armed, and paid by the U.S. government, which currently has 100 military advisers in Honduras.

More than half a dozen clashes between these counterrevolutionary bands and the Sandinista military occurred in the first two weeks of June. This brings to nearly 70 — or one every other day — the number of attacks that have occurred so far this year. That is, since Reagan put into effect his \$19 million CIA program to destabilize Nicaragua.

'Barricada' on impact of floods

'Economy has been mortally wounded'

By Oscar Edmundo Talma

[The following dispatch from Agencia Nueva Nicaragua, Nicaragua's national news agency, appeared on the editorial page of the June 16 issue of the Managua daily *Barricada*. The translation is by *Intercontinental Press*.]

* * *

New and urgent appeals have been issued in Managua for international aid to confront the grave damage caused by torrential storms that flooded the western half of the country at the end of May. Some countries have sent substantial and timely aid to the Nicaraguan people. However, the majority of governments and social and humanitarian institutions in the rest of the world have either not done so or done so only partially.

Perhaps they have an incomplete appreciation of the situation, as Commander Jaime Wheelock, a member of the National Directorate of the Sandinista Front, suggested last Friday. But the truth is that the disaster is serious, very serious, and must be evaluated

Clashes this month have included:

- Early June. Fourteen counterrevolutionaries and three Sandinista frontier guards were killed in a clash near Waspán, on the northeast border with Honduras.

- June 2. Near Karawala, some 130 miles to the south, three terrorists were killed in a confrontation with Sandinista security forces.

- June 3. A unit of 50 terrorists armed with mortars and machine guns crossed over from Honduras near the northern border town of Cinco Pinos. They were driven back across the border, at the cost of three wounded Sandinista soldiers.

- June 8. A band of 15 counterrevolutionaries that had been terrorizing peasant settlements in the north, near the border town of Jalapa, was broken up. Four counterrevolutionaries were killed.

- June 9. Two attacks near Cinco Pinos. One Sandinista soldier was killed in a mortar attack from the Honduran side of the border. Two more were killed and four wounded in an ambush on the Nicaraguan side shortly after the mortar attack.

- June 10. Five Sumo Indians working as literacy instructors in northern Zelaya province were kidnapped and taken to Honduras, where their fate remains unknown.

More trouble can be expected from the north. On June 10 the new ambassador to Honduras from Chile promised the Honduran dictatorship increased military aid from the Pinochet junta. Ambassador Humberto Rørders, who is also a general in Pinochet's army, said the aid would include both supplies and advisers. □

(or reevaluated) in its exact magnitude if worldwide solidarity is to flow abundantly to this suffering Central American nation.

It appears that many countries are looking at the catastrophe solely from the point of view of the number of deaths. These were relatively few (a little over 100), because of the measures taken by the Sandinista government to protect lives. If you look at things this way, from this single point of view, the tragedy would be less, say, than that of the December 1972 earthquake, which took the lives of tens of thousands of people, mostly in Managua. But if you take an overall view, it is clear that the effects of the recent floods were more severe than those of the earthquake. Not only were broader layers of the population affected, but tremendous damage was done to the country's agriculture and infrastructure — that is, to the heart of its economy.

Let us take another look at the statistics of the damage caused by the storm, figures that have been blacked out or purposely minimized by the international news agencies:

- More than 60,000 left homeless (a figure equal to the number of houses and buildings leveled by Somoza's air force and artillery in the final stage of its offensive against the Sandinista insurrection.)

- 25 cities and towns cut off from the rest of the country.

- Entire communities in the port of Corinto "swallowed" by the sea.

- A number of villages in the province of Estelí buried under tons of rocks and mud.

- 30 percent of the country's schools destroyed.

- 43 bridges damaged.

- 6,000 head of cattle killed.

- And worst of all, the loss of 60 percent of the harvest of basic food grains and more than a third of the main export crops (bananas, cotton, coffee).

The conclusion that emerges from these terrifying figures is very sad for those who love the Nicaraguan revolution. Its economy has been mortally wounded. The greatest fruits of the heroic efforts made by the people, under the leadership of the Sandinista Front, to finish with the sorrowful economic legacy of 40 years of Somoza's tyranny, have been practically razed to the ground. Commander Daniel Ortega, a member of the Junta of the Government of National Reconstruction, summed up the situation clearly and dramatically: "We have been taken back to the first day of the triumph of the revolution. For Nicaraguans, this tragedy means starting over again, as if we had never gone through the last three years."

On top of the attack by the blind forces of nature, recent weeks have seen an increase in activity by external enemies of the revolution. The attacks by counterrevolutionary bands from Honduras continue and are becoming more aggressive. Also increasing are the attacks and threats from Washington. An example was the recent ominous warning by the U.S. commercial attaché in Managua, Roger Gamble, that the Pentagon might invade Nicaragua following the incident between a powerful U.S. ship (stationed in Nicaragua's national waters) and a Sandinista coast guard vessel.

All this has been combined to deepen the problems of the people who are boldly fighting to be totally free to make a better future for themselves.

We cannot discount the possibility that, under the cover of the internal problems caused by the storm, the counterrevolution may pass over to bigger actions, not merely to destabilize the country, but to unleash an open war against the popular and democratic government. It is also possible that on this basis, and taking advantage of the climate of tension in the world, deepened by the British aggression in the South Atlantic and the Israeli invasion of Lebanon, the ruling circles in the United States may carry out the threat made by Gamble — fabricating some pretext, like the "Vietnamese attack" on a U.S. ship in the Gulf of Tonkin in the 1960s.

In these complex circumstances, international aid to Nicaragua has a dual and precise meaning. It can help repair its economy and guarantee food to its people; at the same time, it can help defend Nicaragua's sovereignty, independence, and the social conquests won at the cost of so many sacrifices.

Up until now, very few countries have responded fully to the appeal for solidarity, most notably Cuba, France, Mexico, and the Soviet

Union. But that is not enough. Solidarity must be universal. Alongside the cooperation of all progressive governments and humanitarian organizations must be added the actions of the world's peoples through national campaigns for the shipment of money, food, medicine, hospital equipment, and clothing to Nicaragua. The Nicaraguan people, who are carrying out one of the most important revolutions of our time, deserve this and much more. □

Floods 'more devastating than mere figures could describe'

By Jane Harris

CORINTO, Nicaragua — Traveling around Nicaragua with diplomatic representatives from 36 countries, this reporter found the damage from recent torrential rains more devastating than mere figures could describe.

Here in the northwest port of Corinto, which handles 60 percent of Nicaragua's imports and exports, storm-swollen tides smashed many of the docks into kindling wood. The mainline railway track could be seen sliding under water. It will cost millions to repair.

Over 100 families' homes are crumbled into ruins. Ambassadors on the tour commented that the houses looked more like an earthquake had hit them instead of a rainstorm.

In León and Chinandega, we saw countless roads hanging in midair where bridges used to be. One car repair shop I mistook for the city dump — all the vehicles were upside down or turned over and rusted.

In poor barrios in Managua, particularly near Lake Managua, the rains had washed away entire homes.

There is "a real threat of massive unemployment that could put some 60,000 people out of work," Commander Henry Ruiz, minister of planning, told a June 9 meeting of some 500 state workers employed by the water company in Managua.

The commander urged tenacity on the part of workers, explaining that destruction and losses caused by the relentless rains had included:

- Road and bridge damage totaling \$100 million.

- Vast erosion of top soil, affecting a still-unknown quantity of fertile land in the western half of the country.

- 100 tons of cotton seed.

- 110 tons of rice destined for planting.

- 4,500 tons of sugar.

- More than 1 million crates of bananas.

Losses in industry were less severe than in agriculture, totaling approximately \$11 million, he explained.

Nicaragua hopes the visiting diplomats will take a cue from revolutionary Cuba, which even though hit by the same storm, has set an example of international solidarity for the entire world.

"We are going to do two things — aid Nicaragua and repair the losses caused here by the floods," said President Fidel Castro June 10.

With the exception of aid from Cuba, the Soviet Union, Mexico, and France, and some aid from the United Nations, very little has arrived here.

And what little aid has come in from the United States has been directed toward the big-business outfit, the Superior Council of Private Enterprise (COSEP), or the Red Cross, which is mismanaged by COSEP. In effect, Commander Jaime Wheelock pointed out June 10, the United States is treating COSEP as an "alternative government."

Without the tremendous organization and contributions from Nicaragua's own unions, defense committees, churches, women's associations, and Sandinista Youth, the rains' effect would have been far greater. Revolutionary determination and spirit continue to be high, as was evidenced recently when over 13,000 construction workers volunteered their labor free of charge for two weekends a month to rebuild the country.

These construction workers and others are depending on international solidarity to help purchase the materials they will need to rebuild their country.

Funds can be sent to: Emergency Relief Fund, Account No. 418-05-1113-2, Banco Nacional de Desarrollo, Managua, Nicaragua. □

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Opposition to dictatorship gains

Chun losing ground despite show trials and U.S. support

By Will Reissner

Despite fierce repression, open opposition to the rule of South Korean military dictator Chun Doo Hwan is growing. Chun, who was already widely hated for the savage repression of an uprising in the city of Kwangju in May 1980, shortly after he seized power, has now been rocked by a huge financial scandal involving his family.

Calls for Chun's resignation have come from church groups, student organizations, and politicians from banned political parties.

On June 14, the Council for Justice and Peace, a Catholic church group, issued a widely circulated statement calling on Chun to step down. The Catholic statement backed up an earlier Protestant call for Chun to "speedily repent and step down for the sake of national security."

There are about 10 million Christians in South Korea, and Christian groups have played a prominent role in the opposition to Chun's dictatorship.

But a major crackdown on church groups may be in the offing. A trial of church activists, including a priest and several theology students, opened on June 14. The defendants are charged with setting fire to the United States cultural center in Pusan on March 18 to protest U.S. backing to Chun's dictatorship.

U.S. support for Chun has infuriated South Koreans. One prominent church leader asked "whether a man who has much blood on his hands from Kwangju deserves American backing." In Kwangju, up to 2,000 residents of the city were killed by Chun's troops, who acted with the explicit approval of the commander of U.S. forces in South Korea.

Vice-president George Bush went to South Korea on April 25 to reaffirm U.S. support for Chun. During the visit, Bush delivered a letter from President Reagan to Chun, in which Reagan wrote: "I believe that the steps you have taken for national reconciliation since you took office last year are most encouraging."

Despite Reagan's talk of "national reconciliation," one labor organizer explained to *New York Times* reporter Henry Scott Stokes June 6 that among workers "there's strong sentiment against the United States at the grassroots. It stems from a feeling that workers were exploited by American multinational firms paying wages far below living minimums prescribed by the Government-controlled Korean Federation of Trade Unions."

The organizer added that there is also "resentment against the United States Government for support to Chun, the oppressor of trade unions."

The working-class struggle against U.S.-owned corporations was dramatically highlight-

ed on June 3 when mostly women workers at a South Korean factory owned by the Control Data Corp. seized two executives from the company's international headquarters in Minneapolis. The workers held the executives to press their demands for the reinstatement of six union leaders fired during collective bargaining sessions in March.

The struggle at Control Data was particularly significant since that union local is one of only two in South Korea that still has a leadership elected by the ranks. Many union leaders were arrested and unions were broken by the Chun dictatorship in 1980.

The two U.S. executives were freed by South Korean police, who took over the factory and arrested 55 workers, mostly young women.

Students have also been active opponents of Chun's regime. On May 27 there were anti-

Chinese democratic rights activists jailed

Two activists in the Chinese democratic movement — Wang Xizhe and He Qiu — were secretly tried and sentenced to long prison terms in Canton in late May. Activists in Hong Kong report that Wang Xizhe received a sentence of 14 years imprisonment, while He Qiu was sentenced to 10 years in prison.

Both Wang and He were arrested in the big crackdown against the Chinese democratic movement carried out in April 1981. At that time more than 20 key activists were arrested, but there has been no official word on their fate. Hong Kong students learned of the sentencing of Wang and He during a visit to the Canton Municipal Court.

The crackdown against the Chinese democratic movement followed a secret document issued by the Chinese Communist Party in early 1981 stating that the movement was counterrevolutionary and had to be crushed.

Although Canton authorities claimed that Wang's trial was public and attended by "more than 40 citizens," Wang's family was not informed of the trial nor of the sentencing.

According to the Canton officials, Wang had been charged with spreading antisocialist propaganda and sabotaging law and order. The evidence used against him was a letter Wang submitted to the National People's Congress following the September 1981 arrest of movement activist Liu Qing. Liu, who was sentenced to three years of labor, testified that he had been tortured. Articles that Wang had written were also used against him.

Wang was also charged with organizing

Chun demonstrations on several Seoul campuses. About 1,500 students at Dongguk University staged a rally calling on the dictator to resign. Hundreds of riot police stormed the campus to break up the protest, and at least five students were taken into custody during the four-hour battle with police.

On the same day, about 500 students organized an anti-Chun demonstration at Seoul National University.

Banned political leaders are beginning to predict that Chun cannot remain in power more than a few months. Kim Young Sam, a leader of the outlawed New Democratic Party, is one of more than 560 politicians who are not allowed to hold political meetings, meet with South Korean journalists, or make speeches.

But in an interview with the *New York Times* in late May, Kim Young Sam stated that the question was "not whether" Chun would fall, but how.

Kim called for the release of some 2,000 political prisoners, restoration of civil rights to banned political figures, freedom of the press, the elimination of torture by police and intelligence agencies, and medical treatment and compensation for the scores of torture victims who have been crippled for life. □

"counterrevolutionary groups," although no evidence was presented to support this claim.

In his defense speech, Wang used a lengthy quotation from Karl Marx to argue that his activities were legitimate, and he claimed that they fell within the framework of the constitution of the People's Republic of China.

He Qiu was charged with violating the same sections of the Chinese penal code as Wang. The prosecutor entered into evidence an article written by He Qiu in which he stated that the detention of Liu Qing had been illegal.

He Qiu's family was also never informed by authorities of his trial or sentencing. His family lost contact with him after He left for Peking in April 1981 to attend the second conference of the All-China National Association of Unofficial Magazines.

The Chinese Democratic Movement Resource Center, a Hong Kong support group, fears that the other democratic movement activists arrested in April may also have been secretly tried and sentenced.

Last December, a Hong Kong supporter of the movement, Lau San-ching, was arrested in Canton while visiting Wang Xizhe's family (see *IP*, June 7, 1982, p. 504). Hong Kong activists fear that Lau too may have already been secretly tried and convicted on unspecified charges. They have appealed for protests against these victimizations to be sent to Chinese embassies and consulates around the world. Copies should be sent to the Chinese Democratic Movement Resource Centre, P.O. Box 89278, Kowloon City Post Office, Hong Kong.

Leaders of 'Militant' back Thatcher's war

A revolutionary answer to opportunists in Labour Party

By Alan Freeman

[The following are major excerpts from an article that appeared in the May 28 issue of the British weekly *Socialist Challenge*, which reflects the views of the International Marxist Group, the British section of the Fourth International. The "Militant" tendency in the British Labour Party was founded by Ted Grant, who split from the Fourth International in the mid-1960's. Grant's tendency is in the leadership of the Labour Party youth group, the Young Socialists. It takes its name from its newspaper.]

* * *

The leadership of the *Militant* tendency in the Labour Party has rejected the demand for British withdrawal from the South Atlantic and called on its readers not to build the growing mass movement against Thatcher's war.

Its position appears in a full-page editorial article by Ted Grant in the May 21 edition of the paper, entitled "Demand to withdraw is no answer."

In the May 13 edition of *Socialist Challenge* we appealed to *Militant* to join the movement against Thatcher's military adventure.

"Such a demand is completely unrealistic and futile," says Grant; his article, which spells out his reasons for this outrageous position, is a socialist endorsement for continuing the war. It is a model of what Lenin called "socialism in words, and chauvinism in deeds." Against such policies, which sent millions of workers to their deaths in the imperialist war of 1914, Lenin organised the Bolsheviks in Russia and the Third International in 1919.

Grant's first argument is that the Tories cannot be made to stop. "No appeal to Thatcher in the most heartfelt terms about loss of life or the horrors of war would have any effect on the ruling class," he says. This argument is both false and spurious.

It is false because workers *can* stop their imperialists making war and *have* done so in the past. In 1920, the TUC [Trades Union Congress] established "Hands off Russia" committees which stopped Churchill's war of intervention in Russia. In 1956 the Labour Party organised mass rallies and demonstrations against the Suez war which played a major part in its ignominious end. And America's dirty war in Vietnam was stopped by the combination of Vietnamese military resistance with the mass anti-war movement to which this gave rise inside America.

The argument is spurious because it is not Grant's real reason for rejecting the demand for fleet withdrawal. If the only reason to reject it were its impracticability, why does Grant



Socialist Challenge

Demonstration in London against British war in South Atlantic. Leadership of "Militant" tendency opposes building movement against this imperialist aggression.

not place it on his programme for a Labour government — which, he says, will bring peace?

His actual justification is far more serious: now the task force is there, he says, it cannot be stopped because the *working class support* it.

One wonders, on this basis, why a socialist organisation is necessary; perhaps Ted Grant is having similar thoughts. "Once the task force has been sent, the die is cast," he says. "The lefts, by putting forward a pacifist position, cannot gain the support of the working class." He tells us, "Marxists must not take a haughty, superior attitude" to workers' feelings.

With this extraordinary position, he puts *Militant* on the right of [Labour MP] Andrew Faulds. At the very moment when 33 MPs vote against the government in the Commons in defiance of [Labour Party leader] Michael Foot, *Militant's* leadership chooses to stab them — and itself — in the back. We ask you, comrades, *where would your MPs have voted — with Foot, Thatcher or Benn?*

"Sincere Labour Lefts have become more and more isolated on this question," says the workers' hero, as 10,000 march through London against war.

"Many will become silent and change their position," he tells us as Tam Dalyell [another

Labour MP who voted against support to Thatcher's war] is cheered to the echo by 1,000 marchers in Partick before he even starts speaking. "Once hostilities take on a more intense character there will be a feeling among a big majority of the Labour Party and trade unions that there is no other course but to support the war, out of solidarity with the British workers in uniform, not for chauvinist reasons," he pontificates as branch after branch of the Labour Party reacts with outrage to Foot's betrayal.

"The job of Marxists is not to be like the ultra-left sects on the fringes of the movement, beating their breasts and strutting around with lunatic slogans," he informs us as [National Union of Mineworkers President Arthur] Scargill puts the case for Argentinian sovereignty over the islands.

"Marxists, by explaining carefully their position, will gain greater and greater support for their ideas," we are told. But what *are* these ideas? *For* or *against* what Thatcher is doing? "Marxists have to explain," says Grant, "that the wringing of hands and pious declamations of 'bring back the fleet' cannot change anything."

No, comrade Grant. Marxists have to tell the truth; because the truth will out. This war will benefit no-one except Thatcher; and when workers realise they have been duped, that

hundreds and perhaps thousands of lives have been wasted for greed and profit, there will be a reckoning. What will you tell them, Ted? That it was all worthwhile because *Militant* kept its nose clean? That it's better to die than be hauled?

Grant continues to propose his extraordinary solution of a "socialist federation of Argentina, Britain and the Falkland Islands." Why not a socialist federation of Argentina, America and the Isle of Wight?

"The economies of Argentina and Britain are completely complementary," he explains generously. Of course they bloody well are: because the people of Argentina have been held in virtual slavery by our imperialists for the past hundred and fifty years to ensure that they produce for the needs of the imperialist economies! Before any economic unity can be created between Argentina and Britain, the first step is to get our imperialists off their backs.

Militant's stand is a serious blow to the Labour left and the growing anti-war movement. At the very moment when serious opposition is taking shape, *Militant* has come off the fence on the wrong side.

The most damaging effects will be in the YS [Young Socialists]. Youth are not subject to the chauvinist illusions of older workers and have always been in the vanguard of anti-imperialist struggles. Youth built the Vietnam Solidarity Campaign in the 1960s; youth are in the forefront of CND [Campaign for Nuclear Disarmament] and anti-Reagan demonstrations, and youth have the most to lose from this vicious imperialist war.

Militant, who have the leadership of the YS, threaten to miseducate a generation of Labour Party members on the most important of all class issues.

Militant will also weaken the Labour left, which has taken a stand against the war. It now possesses a clear basis on which to unite against Foot's disastrous leadership: rejection of his backing for Thatcher's warmongering, and support for a positive policy of unilateral disarmament.

When the full extent of Foot's folly becomes clear there will be a massive demand for a reckoning inside the Labour Party: where will *Militant* stand, and where will the YS stand?

But it is particularly disastrous for trade unionists. Even now, rail workers and health workers are being accused of "treachery" by papers such as the *Manchester Evening Post* for daring to strike while "their" country is at war. What does *Militant* counsel them to say? That they are helping the war effort?

How should this betrayal be dealt with?

The most important task for socialists is to mobilise the Young Socialists against this war and against the line of *Militant's* leadership.

We call on all socialists in the YS, including *Militant* supporters, to join us in campaigning to commit the YS against the war.

We appeal to *Militant* readers to build the

anti-war movement on a class basis; to raise the issue in *Militant* readers' meetings to persuade them to do likewise; and to write to *Militant* condemning its stand and demanding its reversal; and to launch a thoroughgoing discussion about the Marxist attitude to war,

going back to the historical experiences of our class in the First World War and in anti-imperialist revolts.

Comrades of the *Militant* tendency; in the interests of your class, the time has come to call your leadership to order. □

Greece: 100,000 march against imperialist aggression

By Aris Haras

ATHENS — Tens of thousands of people poured into the streets of Athens on June 10, on the occasion of Reagan's visit to Europe and the opening of the Second Special Session on Disarmament of the United Nations General Assembly. The demonstrators came to protest U.S. war policies and to show their solidarity with the Palestinian and Lebanese peoples in their struggle against the savage Zionist army.

The demonstration was called by the Greek Committee for International Peace and Détente (EEDYE), which is one of four major peace committees that exist in Greece. Each of the four committees is identified with one of the major political parties. The EEDYE, which is led by the pro-Moscow Communist Party of Greece, is the most massive and active of these committees, and has a broad base within the trade unions.

Two marches began in the afternoon. The first was kicked off with a rally outside the Ellinikón U.S. military base in Athens. Best received of the speakers was a Lebanese representative who condemned the murderous Zionist invasion and Washington's support for the Israeli regime.

Slogans at the rally included "Americans and their bases out now!" "Zionists out of Lebanon!" "Begin — fascist murderer!" and "Out of NATO forever!"

After the rally, a three-hour march to the center of Athens began. Thousands of people joined in as the march made its way through

their communities. Steelworkers, construction workers, hotel workers, and other trade unionists were heavily represented, as were students.

At the center of Athens, the march joined with a second one that had begun in the neighboring city of Piraeus. The crowd of about 100,000 people marched outside of the parliament, demanding that the PASOK (Panhellenic Socialist Movement) government get Greece "Out of NATO now and forever!"

Other popular slogans were "The enemy is one — imperialism!" "Hands off Palestine and Lebanon!" "U.S. death bases out!" and "Begin and [Turkish dictator Gen. Kenen] Evren, murderers of the people!"

At the U.S. embassy, the marchers broke into powerful shouts of "Americans, murderers of the people!" and "The people do not want you, get your embassy out!" "Reagan, Begin — murderers of the people!" "The time has come to get out of NATO!" "No to the Pershing and Cruise missiles!" and "No to war, yes to peace!"

There was no mention of the U.S. war in Central America or the U.S.-British war against Argentina. But the demonstration was a powerful anti-U.S.-imperialist, anti-NATO, and pro-Palestinian action. It was also a powerful answer to the announcement of the PASOK government's intentions of maintaining its ties with NATO. Another demonstration of the same kind drew about 10,000 people in Thessalonikí. □



Part of June 10 demonstration in Athens.

U.S. pushes yellow rain frame-up

New evidence shows hand of CIA

By Steve Bride

To this point, public skepticism of the U.S. charge that Vietnam wages chemical war has been based mainly on a healthy tendency to doubt anything Washington says.

Now there is more to go on.

Evidence shows the U.S. case against Vietnam is an elaborate fiction, concocted at the highest levels of the State Department and played out by a cast of agents and friends of the CIA.

This cast includes a doctor with organizational ties to the CIA, a CIA-led secret army, and a supposed defector who was employed by the agency. Finally, there is the publicly stated belief by a former CIA operative that he helped the government put over the poison gas story.

The intended victims of this frame-up are the Vietnamese and American peoples. Washington is using the claim that Vietnam bombs Laos and Kampuchea with poisonous chemicals — "yellow rain":

- To attempt to economically, politically, and militarily isolate the Vietnamese revolution — "bleed it white," as one U.S. official put it.
- As a pretext to stock up on chemical weapons.

The frame-up begins

The yellow rain charge was brought to public notice last September, when Secretary of State Alexander Haig announced he had "physical evidence" that Vietnam was gassing its Indochinese opponents.

This evidence turned out to be a leaf and stem from Kampuchea. Washington said it was full of mycotoxins from the *fusarium* fungus, the poison it claimed the Vietnamese were dropping from planes.

The leaf and stem turned out to have come from U.S.-backed guerrillas of the Khmer Rouge. Before being thrown out in 1979 by Vietnamese troops and local insurgents, the Khmer Rouge ruled Kampuchea for four years. During this time, they were responsible for some 3 million deaths. So their leaf and stem was not taken very seriously outside Washington.

Two months later, the State Department tried again. On November 10, it told a Senate subcommittee it had three more "samples." One was from the Khmer Rouge; another from *Soldier of Fortune*, a magazine for mercenaries. ("What company is the department keeping?" the *New York Times* wondered aloud.)

The third sample came from members of the Hmong tribe in Laos. Along with the Khmer

Rouge, the role of the Hmong points most directly to a CIA hand in the yellow rain fabrication. We shall return to them shortly.

Back at the subcommittee, Richard Burt of the State Department tried to drum up interest with a tale of someone who, while bringing a water sample with mycotoxins in it back from Laos, spilled some on himself. The fellow, said Burt, "arrived in Thailand gravely ill."

Smoking guns

It was about this time that scientists who knew a good deal about mycotoxins observed that, if Vietnam was in fact conducting chemical warfare, it had made a poor choice of weapons.

Regarding Burt's spill story, Dr. Matthew Meselson of Harvard University pointed out that several gallons of such a sample would have to be drunk to have any serious effect. Another way, suggested scientist Tony Rose of Bath University, would be to eat mycotoxins regularly for weeks.

Since then, the State Department has released what it claims are analyses of other evidence, particularly blood samples. Twice it has collected its "findings" into reports, each of which was billed in advance as "the smoking gun."

They were indeed — for anyone seeking proof that the whole business had been made up.

As set forth in the reports, the department's case rests on three points:

- The testimony of the Hmong and Khmer Rouge.
- The work of Dr. Amos Townsend, who spends time in exile camps in Thailand and provided most of the later samples.
- The word of an alleged defector from the Laotian air force.

We will take these one at a time.

The CIA's secret army

At the March 22 release of the department's first report, Richard Burt stated, "The great bulk of the reporting has come from unsophisticated peoples, including children, who could not plausibly have fabricated their stories."

In an April 18 dispatch from Thailand, *Washington Post* correspondent William Branigin agreed. The Hmong who say they have been gassed "are a simple, unsophisticated people."

Since the days of the Indochina War, the Hmong in Laos have been largely occupied with two trades: growing heroin poppies and fighting for the CIA.

A Hmong mercenary army was recruited and trained by the CIA. It was commanded by

Gen. Vang Pao, who ran a heroin processing plant in Long Cheng, then CIA headquarters in northern Laos. Vang Pao now resides in the United States.

Since the victory of the Pathet Lao insurgents in 1975, the CIA has led its Hmong mercenaries on numerous raids inside Laos. The U.S. government itself admitted this in 1981. Today, Hmong villages and exile camps crawl with intelligence agents.

A United Nations team that visited the same camps concluded it was "difficult to determine the objectivity of alleged victims or witnesses."

At least one person, though, seemed not to have this problem.

The dubious doctor

Dr. Amos Townsend stepped into the spotlight May 13, when the State Department published volume two of its yellow rain anthology. Townshend, it was learned, had been getting most of the testimony and blood samples out of the Hmong and Khmer Rouge. The May 14 *New York Times* described him as a "private American physician."

Townsend is a retired U.S. Air Force colonel. He worked on chemical-biological warfare at Fort Detrick, Maryland, where many of the yellow rain samples are said to be analyzed.

Townsend now works for the International Rescue Committee (IRC), which sent him to Thailand to see what he could do with the poison gas stories.

The IRC was set up with CIA support after the Second World War, ostensibly for humanitarian ends. Among its humanitarian efforts was a campaign in the late 1950s to promote the image of South Vietnamese dictator Ngo Dinh Diem in the United States.

IRC members met frequently with Diem and Edward Lansdale, CIA station man in Saigon, to discuss how to sell Diem to the American people. The IRC public relations head contracted to represent Diem for \$3,000 a month plus expenses. Another IRC employee did similar work for Chiang Kai-shek, the late dictator of Taiwan.

In 1974, IRC Director Leo Cherne served on the President's Foreign Intelligence Advisory Board.

Subsequent IRC charities included the Khmer Rouge, to whom it tried to have food and medical aid to Kampuchea diverted in 1980. For this, the IRC was condemned by relief agencies active in that country.

Clearly, then, Townsend has some explaining to do about what his organization is up to now in Southeast Asia.

The *Economist* of London — one of the

more prestigious mouthpieces of the British ruling class — thought the March 22 State Department report “a verbose collection of miscellaneous information, little of it new, laced with largely irrelevant charts, maps and tables.”

The *Economist* noted, though, that “the most convincing piece of evidence is the report of a Laotian air force pilot who said he was on chemical-dropping duty for two years before he defected.”

The Laotian’s name is Touy Manikham. He claims he gassed Hmong villages for the Pathet Lao government from 1976 to 1978.

Touy Manikham was trained at a U.S. Air Force base in Thailand in 1969. He was assigned to CIA headquarters at Long Cheng and flew for Vang Pao for five years.

When Laos was liberated in May 1975, Touy was captured. His tale is that he was released in 1976 by the Pathet Lao and volunteered for the poison gas missions.

Now, it assumes a high degree of gullibility on the part of the Pathet Lao to suppose they would hand over such a politically sensitive task to someone who they knew had worked for six years for the CIA.

More probable is that Touy bolted — or was pulled — from Laos and fed this story by his former employers.

Hit squad to Laos

What may become the most damning evidence of conspiracy is that offered by Scott Barnes, one of a six-member team sent by the CIA into Laos last year.

Barnes told *Covert Action Information Bulletin* that the team went in along with 30 Hmong to bring out an earlier CIA group, which had been captured. If the group could not be rescued, they were to be assassinated.

Barnes believes the first group had been seeding Laos with samples of mycotoxins. “It was right in that area,” he told *Covert Action*, “about which Haig himself made the accusation last year.”

This belief was strengthened, he said, when he returned from his (failed) mission and delivered several coded messages to Vang Pao. Asked what was in the messages, Vang Pao replied: “I don’t know anything, you don’t know anything. . . . All we need is to prove that the Soviets are gassing my people.”

A second member of Barnes’s team later phoned *Covert Action* and confirmed his story regarding their mission.

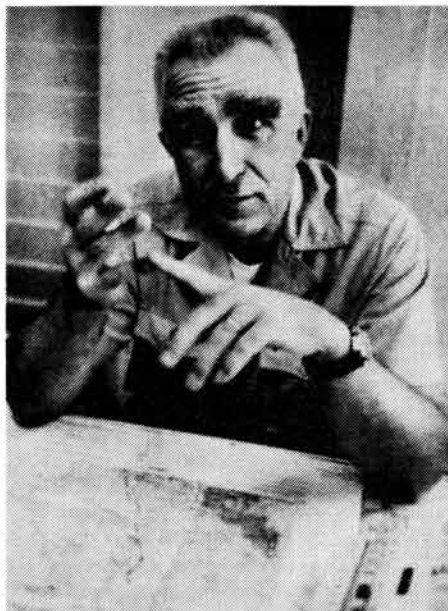
Encouraging editorials

Among the big-business media in the United States, the yellow rain show has played to mixed reviews.

The *Wall Street Journal* has been enthusiastic. The Khmer Rouge’s leaf and stem was enough to convince them Washington was telling the truth.

Others — notably the *Washington Post* and *New York Times* — have been more reserved.

After reading the State Department’s March 22 report, the *Post* asserted it did not doubt



Dr. Amos Townsend: “humanitarian” learned about chemical war at U.S. army testing lab.

that chemical weapons — probably supplied by the Soviet Union — were being used in Southeast Asia. “Our doubts,” its editorial continued, “ — and exasperation — concern the inadequate and accident-prone manner in which the government has marshaled and displayed its evidence.”

Much of the editorializing has been in this helpful vein: pointing out flaws in the U.S. case and suggesting they be corrected.

One such lapse was the casualty figure cited in the report — 6,504 dead in Laos — which struck *Time* magazine as “peculiarly exact.”*

Another gap the *Post* saw was that “no physical evidence — weapons shells, photographs, chemical samples — has been found.” Look for the State Department to produce a “weapons shell” covered with mycotoxins in the near future.

So it was that the *Post* breathed more easily when the May 13 report — the one with Townsend’s blood samples in it — was issued. “The government,” it sighed in relief, “has at last come up with some hard evidence.”

War policy

The yellow rain scare serves several useful purposes within the Reagan administration’s overall militarization policy.

- The administration wants to increase its

*More peculiar is the way in which the State Department arrived at this figure. According to the department’s Gary Crocker: “If refugees reported an attack with a certain kind of aircraft, we checked to see if there was one in the area at that time. If there was a report of spraying, we checked the weather in the area at the time.” The exiles’ reports of casualties thus became confirmed kills.

Crocker did not say what the weather had to do with any of this. Nor did he mention that the plane the department claims is being used — the AN2 — is in regular passenger service in Laos.

ability to wage so-called conventional wars. Chemical weapons are part of its “conventional” arsenal. Washington has used them before — namely, in Vietnam — to its advantage. It wants to use them again.

Thus, for the first time in 13 years, the 1983 military budget includes an allocation — \$54 million — for chemical weapons. This, as part of a five-year, \$8 billion program.

- The administration is currently engaged in two wars in the semicolonial world, in Central America and Argentina. It is looking to involve itself in others.

Working people in the United States are opposed to such involvement; part of this opposition is a growing sympathy for the struggles of the semicolonial countries. It would help erode this sympathy if Americans believed the last U.S. opponent of this type was now exterminating people.

- Vietnam has been a particular thorn in Washington’s side: for the inspiration it provides to the semicolonial world; for the defeats it has inflicted on U.S. imperialism; and for its own ongoing revolution. The Vietnamese drove the U.S. military out of their country and helped drive the U.S.-backed Khmer Rouge out of Kampuchea.

Washington has never forgotten this, and has never stopped looking for ways to isolate Vietnam’s socialist revolution and bring suffering on its people. The yellow rain campaign is one means toward this end.

- The administration wants to paint the Soviet Union as a dangerous aggressor. It thus charges Moscow with supplying poison gas to Vietnam.

The poison gas charge thus fits into a pattern of arguments Washington has fashioned to justify its war policy. The charge is based on conspiracy and deceit. The other arguments can hardly be made of better stuff. □

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The second postwar world recession

What prospects for a solution to the crisis?

By Ernest Mandel

[The following article appeared in the June 7 issue of *International Viewpoint*, a fortnightly magazine published under the auspices of the United Secretariat of the Fourth International.]

* * *

Like the 1974-75 recession, the present one began in the United States, where there was a net decline in industrial production and in employment over the first half of 1980.

After some fluctuations, which were wrongly called "recovery" by most experts, this decline accelerated again, beginning in the third quarter of 1981. It will doubtless continue for most, if not all, of 1982.

Between July 1981 and February 1982, industrial production decreased by more than 10%. The extent of the 1980-82 recession in the United States becomes clear above all in the light of the evolution of the *rates of utilization of installed productive capacity*, that is, the growth in the rates of excess capacity (see Table 1).

Table 1
Rate of Utilization of Productive Capacity in Manufacturing Industry in the United States

August 1980	72.2%
December 1980	78.1%
August 1981	76.0%
September 1981	75.3%
October 1981	74.1%
November 1981	71.1%
December 1981	68.9%
January 1982	66.4%

(Sources: Successive issues of *Business Week* up to March 8, 1982.)

At the beginning of 1982, orders for durable goods received by manufacturers in the imperialist countries were 7% lower than they were in January 1981, which represents a drop of 15% in real terms.

In West Germany, the decline in industrial production began in early 1980, almost at the same time as it did in the United States. This drop continued throughout 1980 and 1981, and stopped only at the beginning of 1982.

In France, industrial production declined throughout almost all of 1980 and during the first half of 1981. A slight upturn occurred during the second half of 1981 and at the beginning of 1982. But it is not clear, given the effects of the American recession, if it will continue through 1982.

While Japan has been less hard hit by the recession than its major competitors, it nonetheless experienced a decline in industrial production in the second quarter of 1981. Production dropped again in the first quarter of 1982.

In Italy, industrial production began to decline in the second quarter of 1980; this decline continued throughout 1981 and into 1982.

In Canada, industrial production went into decline in the second half of 1979. This recession continued throughout 1980. While industrial production showed an upturn during the first half of 1981, it went into a decline again in the second half of 1981, which continued into the first half of 1982.

Synchronized recession

The synchronization of this recession throughout the capitalist world is highlighted by the fact that nearly all the smaller imperialist powers were caught up in the decline of industrial production.

Industrial production dropped for the first time in Austria (in 1981, production declined by 2%; at the start of 1982, there were 150,000 unemployed). Likewise, declines occurred in Belgium (in 1980 and in 1981), in Denmark and Norway (1981), in the Netherlands (in 1980 and in 1981), in Sweden (1981), and in Switzerland (1982).

The only imperialist power that seems to have escaped the recession this time is Australia, where the economy was buoyed up by a "raw materials boom." But in view of the drop in the prices of these raw materials that sharpened in 1981 and the beginning of 1982, it is possible that Australia also will be hit by the recession sometime in 1982.

The experts were wrong again in predicting a general upturn in 1982. In view of the worsening of the recession in the United States, there is no question of this. The question that is posed is the opposite. Will the American recession deepen the downturn in most imperialist countries, thereby provoking a worsening of the economic situation internationally? Will its effects be limited to "spoiling" or delaying upturns in other imperialist countries? In any case, a general upturn is unlikely before the fourth quarter of 1982 or the beginning of 1983.

Like the recession of 1974-75, the 1980-82 recession has hit hardest the automobile industry, the building industry, steel, and petrochemicals. It has revealed the existence of excess capacities in these sectors, which have been increased by the appearance of new centers of production and exporting to the world market.

The engineering sector has suffered less

from the crisis. Many subbranches have continued to prosper. It should be noted, however, that even a pacesetter branch, such as the semiconductors and microprocessors industry, has been affected by the recession. In the United States, its turnover dropped during 1981 (*Sunday Times*, February 28, 1982).

Decline in rate of profit

In a general way, the onset and continuation of the recession reflect a decline in the average rate of profit, combined with a fall in productive investment. The monetary (deflationist) policy practiced by most imperialist governments has aggravated the downturn but did not cause it.

The shrinking of the internal market that has accompanied the decline in production, employment, and incomes of "final consumers" (adjusted or not for slight fluctuations in the rate of savings) in almost all the imperialist countries has not necessarily gone hand in hand everywhere with a shrinking of foreign outlets, although there was a 1% drop in the volume of world trade in 1981.

Some imperialist powers, in the first place Japan and in the second West Germany (starting in the third quarter of 1981), have increased their share of world exports at the expense of their competitors, thereby compensating for the stagnation or downturn of internal demand. Others, in particular France, are trying to regain a part of the internal market that they lost to competitors in recent years. But it is not yet certain that they will succeed.

Like the 1974-75 recession, the present one has stimulated the *search for substitute markets*. Over the last business cycle, this function was mainly filled by the OPEC [Organization of Petroleum Exporting Countries] countries and the so-called socialist ones, as well as a series of semicolonial countries. These markets were largely financed by loans, except in the case of the OPEC countries.

In this recession, the crisis of the capitalist world economy is coinciding with the emergence of the inherent crisis of the economies of the postcapitalist countries, as well as with a sensational turnabout in the evolution of oil prices and in the balance of payments of the OPEC countries.

Under the combined impact of the recession and long-term effects of the search for alternative energy sources (oil outside the OPEC countries, natural gas, coal, nuclear energy, the beginnings of solar energy, etc.), the excessive increases in the price of oil had an easily predictable result.

A drop in OPEC's share of total world exports (to less than 50%) has been accompanied by a general oil glut, leading to a drop in prices

and production (to 50% lower than the historical maximum). The total demand for oil will undoubtedly drop by 7% more in 1982. The per-barrel price in Rotterdam dropped from \$42 at the start of 1981 to \$28 at the end of February 1981.

So, the balance-of-payments surpluses of the OPEC countries began to fall headlong. They went from \$100 billion in 1980 to \$60 billion in 1981, and may disappear altogether in 1982. (The surplus enjoyed by Saudi Arabia and the Gulf emirates is counterbalanced by the deficits of other states, now including Kuwait.)

So now this "substitute market" threatens to shrink severely. There still remains East Asia and Southeast Asia, and above all the classical "substitute market" of rearmament.

Interimperialist rivalry

While over 1978, 1979, and the first half of 1980, the decline of the dollar enabled U.S. industry to improve its performance somewhat on the world market, the later rise of the dollar stimulated by the high interest rates in the United States has caused a sharp deterioration of the U.S. balance of trade. It has been mainly Japan and West Germany that have profited from this, increasing their share of world trade at the expense of the U.S.

Underlying these fluctuations engendered by monetary instability is a more fundamental economic fact. Industrial productivity in the United States is continuing to decline relative to that of the United States' principal competitors.

Attention has been focused on Japan's economic performance, which many advocates of the capitalist system have seen as heralding a new expansion. The important point here is not so much that the higher rate of growth in Japan in recent years is essentially the effect of a higher rate of profit, which is the result primarily of the fact that for equally productive work, wages in Japan remain lower than in West Europe and the United States. This is to say nothing of the fact that employer and public expenditures for social security are 30 years behind those in Japan's competitors.

What is essential is to understand that, contrary to appearance, Japan is no exception. It was hit by the present recession in the third quarter of 1980 and in the second quarter of 1981. And it is in danger of being hit again in the second quarter of 1982, as a result of a decline in its exports to the United States, owing to the American recession.

In fact, the boom in Japanese exports is beginning to run out of steam. The automotive industry cannot increase its foreign sales any further. The protectionism stimulated by the recession is beginning to be felt, as well as the difficulty of finding new products for mass consumption, like color TV sets. Japan has gained a large lead in video cassettes, but the market for this product remains limited and cannot play the same role in stimulating an upturn as the products that brought the brightest days of the export boom.

The Japanese economy depends more and more on public spending and a considerable budget deficit, as is indicated by the following comments:

"The Bank of Japan report accords a special attention to the stagnation of exports that has become apparent over recent months. It also points to the stagnation of industrial production . . . of private consumption, and construction" (*The Japan Economic Journal*, February 23, 1982).

The Common Market [European Economic Community — EEC] has been severely tested by the current recession. The European Monetary System has been subjected to two shocks — the first in October 1981, with the devaluation of the French franc; and the second in February 1982, with the devaluation of the Belgian franc (the Danish krona on both occasions was tied to the currency devalued).

Search for 'national' solutions

The retreat to "national" solutions has been marked in the steel industry. In the event of a Labour victory in Great Britain, there would be a danger that the country could leave the EEC, which obviously would be much more important than Greece joining the Community.

However, the ability of the Common Market to resist centrifugal tendencies remains strong, owing to the importance that exports to member countries now have for all the component states. What is more, integration in the realm of arms production, both military aircraft and tanks, indicates that on the political level, it is hard to envisage a breakup of the Common Market.

While calling for "a reconquest of the internal market" by French industry, Mitterrand is trying to substitute a "triumvirate" — West Germany, France, Italy — for the "duumvirate." If this attempt were successful, it would mean a definite consolidation and more cohesiveness against the United States and Japan.

The special situation of the United States is expressed above all in the contradictions of the Reagan administration's economic and monetary policy. The Reagan government is in the forefront of the international drive of capital to restore a high rate of profit by means of an austerity policy, that is, by an assault on direct and indirect wages (social expenditures). But it is also in the forefront of the imperialist drive to expand the supreme "substitute market" that arms expenditures represents for a capitalist economy in crisis.

The austerity policy is being reinforced by the shift from social to military spending. On the other hand, tax breaks for the middle and big bourgeoisie are going hand in hand with a very big boost in military expenditures. This results in a colossal budget deficit, unprecedented in peacetime, \$100 billion for the current year, and doubtless still more in the two years ahead.

This is the reason for raising the interest rate by restricting the money supply in the face of strong demand for credit on the part of both private and public sectors. It is also the reason

for throttling any chance of an upturn, at least in the short term.

A new 'coprosperity zone'?

Japanese imperialism waged its campaign of conquest in the Second World War under the slogan of creating a "coprosperity zone" in East Asia. This slogan was only a cynical cover for the superexploitation to which it subjected the peoples of the occupied countries. It implied that Japanese colonialism — an Asian power — would be more beneficial for the peoples of East Asia than the colonialism of the old European imperialist powers or the United States.

Over the last 20 years, Japanese imperialism seems to have gained by peaceful means — that is, by financial and commercial penetration — most of the objectives that it sought to attain previously by military conquest, and which it lost when it went down in military defeat in 1945.

It has become the leading exporter to almost the whole Pacific area, including Australia. Its operations extend from Mexico to Chile, and have even made a perceptible impact on the west coasts of Canada and the United States. After two decades of such imperialist expansion, something resembling a "coprosperity zone" seems to be emerging in East Asia.

While the average growth rates are declining for the world capitalist economy as a whole, they are increasing for a series of East Asian and Southeast Asian countries. In 1980-82, at a time when almost all the industrialized or semi-industrialized capitalist countries were going through a recession, the East Asian countries and some of those in Southeast Asia have been undergoing a rapid expansion, as is shown by the figures in Table 2.

Table 2
Percent Growth in GNP

	1980	1981	1982
Hong Kong	9.0	8.0	7.0
Singapore	10.2	9.7	10.0
South Korea	-5.7	7.1	7.0
Taiwan	6.7	7.5	7.3
Malaysia	7.6	6.9	7.2
Indonesia	9.6	6.5	6.5
Philippines	5.4	6.5	6.5
Thailand	6.4	6.9	6.9

(*Far Eastern Economic Review*, January 1 and 8; February 19 and 26, 1982)

On closer examination, the picture becomes more variegated. South Korea experienced a grave recession in 1980, and it is, of course, the most industrialized of the eight countries mentioned.

In 1981, the textile industry along with other manufacturing industries in Hong Kong were hit by recession, followed by a stock market collapse (*Far Eastern Economic Review*, July 29 and October 2, 1981).

The underdeveloped and still essentially agricultural character of countries such as In-

onesia and Thailand or the Philippines makes their figures for gross national product and growth scarcely comparable with those for industrialized or semi-industrialized countries.

Moreover, in the Philippines, economic growth has slowed down sharply. The balance-of-payments deficit nearly doubled between 1979 and 1981. The foreign debt rose from \$5.5 billion in 1976 to \$15.5 billion in 1981, and will doubtless reach \$19 billion in 1982. There have been a series of spectacular business failures in the mining and banking sectors (*Far Eastern Economic Review*, December 11, 1981, and September 4, 1981; *The Economist*, December 12, 1981; the *Financial Times*, January 21, 1982).

In the case of Taiwan, there has been a full-fledged recession in a series of industries, which has led to massive layoffs (*Far Eastern Economic Review*, February 26, 1982).

However, with all these reservations, it is no less true that in East Asia, economic growth has far exceeded the average elsewhere. This is so notable that it has led authors such as Jacques Attali to see this rise as one of the key factors in a worldwide restructuring of capital.¹

This recalls an old prediction by Friedrich Engels about a century ago that envisaged a shift in the center of gravity of the world economy away from the Atlantic and toward the Pacific after the penetration of capital into China.

Will the expansion of the capitalist economy in East Asia really become a moving force in the entire international capitalist economy? What is the explanation for such growth in the face of the general recessions of 1974-75 and 1980-82 and in the context of "the long-wave tendency to depression" of the international capitalist economy over the 1970s and 1980s?

Limited influence of East Asia

The weight of the eight countries mentioned in the world capitalist economy is much too limited for them to be able to alter the overall dynamic. In 1981, their total imports added up to \$135 billion, or 6.1% of total world imports, less than those of Great Britain and Canada combined. Their total gross national products barely exceed that of Italy alone. And it is obvious that neither Italy nor Great Britain could by itself cause a turn in the international conjuncture.

As for the causes of the East Asian boom, there is nothing mysterious about them. They involve the following: the absence of the land question in Hong Kong and Singapore, or its partial resolution in Taiwan and South Korea. The superexploitation of industrial labor power, made possible by an abundance of labor (exodus from the land, Chinese refugees) and despotic control (the lack of free trade unions, the existence of authoritarian political regimes, bloody repression). And finally, there is the contribution of foreign capital, mainly in the form of *bank credits* (more than direct invest-

ment), which has made possible industrialization in direct competition with the imperialist countries that supply these funds.² This is linked to the important role that the state plays in the process of industrialization, which has been the case, moreover, in Mexico, Argentina, and Brazil.

The solution of the agrarian question, however, is only very partial. The result is that the internal market remains very limited, and economic growth is essentially based on exports. Thus, paradoxically, it is not the special spurt of economic growth in East Asia that will impel the world capitalist economy toward a restructuring and a new phase of sustained rapid growth. It is, to the contrary, the long-term growth rate of the world capitalist economy that will decide the fate of the boom in East Asia.

So far, appearances to the contrary, this boom has bolstered production and employment in Western Europe and in the imperialist countries in general, rather than having a harmful effect. At most, there has been a *shift* of investments and employment from the textile industry, the shoe industry, electronics assembly, watchmaking, and toys toward the engineering and electrical construction industries and the industry that provides ready-made factories.

But now a turning point has been reached. It is illustrated by the second "multifibers accord" which restricted the outlets for the Asian textile industry in Europe (*Far Eastern Review*, January 1, 1982; *The Economist*, December 12, 1981). The chances for filling special niches in the world market are narrowing. It is unlikely that any of the eight countries in question, including South Korea, which for the moment is in the best position, will be able to follow the "Japanese route" to the end. (That is, the path of textiles, assembly industries, steel and shipbuilding, automobiles, machines, and electrical construction — the technologically advanced sectors.)

The cases of the shipbuilding and automotive industries are significant in this respect. South Korea made a big effort to create a powerful shipbuilding industry (its current production is the second largest in the capitalist world). Taiwan is following on its heels.

But in 1981, the whole shipbuilding industry experienced a decline in activity relative to 1980. Total world orders, according to *Lloyds Register of Shipping*, did not add up to 17 million tons in 1981, as against 19 million in 1980.

At the end of December 1981, the order books contained orders for no more than 35 million tons, as against 37.5 million tons for the end of June 1981.

Thus, the possibilities for new advances by the South Korean and Taiwanese shipbuilding industries are quite limited. (See Table 3.)

2. See the studies of Patrick Tissier published in *Critique de économie politique* (New Series, No. 14, January-March 1981).

Table 3
Shipbuilding in Thousands of Tons

	1980	1981
Japan	13,070	12,650
South Korea	2,488	2,977
Spain	2,172	2,247
Brazil	1,799	1,662
Poland	1,554	1,428
U.S.A.	1,631	1,304
Britain	858	1,140
West Germany	863	938
Denmark	829	896
Yugoslavia	954	870
France	1,013	847
Sweden	844	764
Finland	624	706
Romania	438	640
Belgium	602	520
Norway	561	487
India	443	483
Italy	640	454

(*La Libre Belgique*, March 2, 1982)

As for the automotive industry, the situation is still clearer. The capacity exists in South Korea to build 280,000 private cars. The government projects the building of a giant factory capable of producing 300,000 more cars. But in 1980, only 58,000 cars came off the assembly lines and this level was scarcely exceeded in 1981. Moreover, the export possibilities are very limited (*Neue Zürcher Zeitung*, February 9, 1982).

Underdeveloped countries in crisis

The second general recession of the world capitalist economy hit the semicolonial and dependent semi-industrialized countries primarily through the decline in raw materials prices. This falloff was especially marked in mid-1981, as is shown by the drop in the Moody Index (United States) from 1,140 in February 1981 to 992 at the end of February 1982, and in the Reuter Index (Great Britain) from 1,742 at the end of February 1981 to 1,606 at the end of February 1982 (*Neue Zürcher Zeitung*, March 5, 1982).

Since the price of gasoline for nonexporting countries has continued to go up as a result of the rise of the dollar, the deficit in the balance of payments of most semicolonial countries has further worsened. And this trend has not been compensated for by an increase in these countries' exports of manufactured products (and the income from them).

Latin America has been hit much harder by the present recession than by the one in 1974-75. In fact, industrial production has declined in all the major countries, with the exception of Mexico. In Brazil, it dropped by 10% in 1980 and by another 5% in the first half of 1981. Despite a strong increase in exports, the official unemployment rate reached 9% in the Rio region and 8% in the São Paulo region, to say nothing of the extent of unofficial and hidden

1. Attali, Jacques. *Les trois mondes*. Paris, Fayard, 1981.

unemployment, which is considerably higher.

The situation is worse in Argentina, where the 1981 figures are expected to show a 15% decline in industrial production. The official unemployment rate reached 13%, which again is far less than the truth. According to the magazine *Realidad Economica*, internal consumption has dropped by more than 20% since 1975.

In Chile, the output of the manufacturing industry is estimated to have dropped by 3 to 4% in 1981, while the rate of registered unemployment in Greater Santiago is estimated to have reached 13.5% (*Neue Zürcher Zeitung*, February 12, 1982).

The situation in Mexico, which had benefited from an exceptional oil boom, has been better. Industrial growth continued in 1980 and 1982, although at a slower rate in the second year. Nonetheless, the acceleration of inflation, combined with a very high exchange rate for the peso, produced both an enormous deficit in the balance of payments (which went from \$1.6 billion in 1977 to \$4.9 billion in 1979 to \$11 billion in 1981) and a jump in the foreign debt of the public sector, which increased by \$16 billion in 1981 alone. The government has been forced to react by devaluing the peso (which will increase inflation) and slowing down investment (which will increase unemployment), since with the world oil glut and the drop in prices, Mexico oil revenues are on the way down.

India was hit by the recession in 1980. The situation improved somewhat in 1981, especially as regards production of food and energy (coal and electricity). But the economic difficulties have forced Indira Gandhi's government to make a 180-degree turn with respect to its strategy for long-term growth. India has applied to the Asian Development Bank for a very high loan (on the order of \$2 billion).

For those Black African countries that do not export oil, the economic situation is continuing to develop in a disastrous way. This goes not only for the countries of the sub-Saharan belt, as well as Zaire, Tanzania, and Zambia, but also for the former Portuguese colonies (where Portuguese advisors and investors are increasingly in evidence) and Ghana.

The economy of Ghana is in ruins. Raw materials production is being diverted toward the black market. The country can no longer pay for essential imports. Mining and industrial production is coming to a standstill because of the lack of spare parts. On the black market, the national currency, the cedi, has dropped to a rate of 80 per pound sterling, whereas the legal rate is 5 cedi to the pound sterling.

Workers states affect capitalist economy

In previous studies,³ we have examined primarily the effect of the world economic conjuncture on the economy of the workers states. Now, it is interesting to look at this

3. See the special economic issues of *Inprecor* (French), January 17, 1980, and February 16, 1981 (respectively double issues Nos. 67-68 and 94-95).

question from the opposite point of view — the effect of the economic evolution in the USSR, in Eastern Europe, and in the People's Republic of China on the international capitalist economy.

The 1980-82 recession confirmed in general the structural difference between the capitalist and the postcapitalist sectors of the world economy, as well as the different dynamics that flow from them.

With the exception of Poland, which in any case has been hit by a crisis of underproduction and not overproduction, all the workers states have continued to experience growth in their industrial production, while the industrialized and semi-industrialized capitalist countries have suffered declines in their production.

At the same time, most workers states have shown a long-term tendency to declining growth rates, accompanied by a severe crisis of agriculture and food supply to the population. This slowdown is a result of intrinsic weaknesses in the economy of these countries, that is, the more and more ineffective functioning of the bureaucratic system of management, aggravated by the indirect effects of the capitalist crisis.⁴

In the 1970s, East-West trade played the role of an additional safety valve for the world capitalist economy, with the expansion of exports to the workers states attenuating somewhat the tendency to stagnation or even decline in exports among capitalist countries. Like "aid to the Third World," the bank credits financing East-West trade represent more a subsidy to the export industries of the imperialist countries than economic aid to Moscow, Peking, or the "people's democracies."

However, because of the interaction between the capitalist economic crisis and the slowdown in growth for specific reasons in the workers states, the expansion of East-West trade has run up against a more and more insurmountable barrier — the growing indebtedness of the East European countries, their great difficulty even in keeping up payments, and the threat of default that is beginning to hang over them. As a result of this, the rate of expansion of East-West trade is going to slow down. Even a reversal in the trend toward expansion cannot be excluded.

In the case of the postcapitalist economy most "integrated" into the world market, that of Yugoslavia, such a reversal seems to have already begun. For several years, trade with COMECON [Council for Mutual Economic Assistance] has been playing a larger and larger part in the Yugoslav economy.

For the moment, however, at the beginning of the present recession, the outlets in the East have still played the role of a "substitute market" for the economy of the imperialist countries, as is indicated by Table 4.

4. See my articles on the situation in Romania in *Inprecor* (French), December 7, 1981, and February 22, 1982.

Table 4
Exports to USSR
1980 change from
(in billions) 1979 figures

U.S.A.	\$1.5	-58.0%
W. Germany	4.4	+20.8%
France	2.5	+22.9%
Britain	1.1	+19.2%
Italy	1.3	+4.7%
Holland	0.51	+67.3%
Belgium	0.62	+32.3%

(*Financial Times*, December 31, 1981)

The very different reactions by the imperialist countries to General Jaruzelski's crackdown [in Poland] can be easily understood in the light of these figures. This is especially true if you also take into consideration the expansion of Japanese exports to the People's Republic of China, which are expected to total \$10 billion in 1982.⁵

However, the risks of unmanageable indebtedness are growing. With the exception of the USSR, all the countries concerned are already beyond the danger point where servicing on the debt absorbs more than 20% of their normal income in Western currencies. If the present tendency were to continue, the total indebtedness of these countries, which has already grown from \$7 billion in 1975 to \$70 billion in 1980, will reach \$123-140 billion in 1985, according to the Wharton Econometric Forecasting Associates (*Neue Zürcher Zeitung*, February 10, 1982). So there will be slowing in the expansion of East-West trade, despite the Siberian natural gas agreement.

It is in the realm of agriculture that the interlocking between the international capitalist economy (with its two "subsectors") and the economies of the postcapitalist countries is most marked, and where the effects are most complex. The East European countries, especially the USSR, are suffering from disastrous forms of underproduction. While in 1970-74, the USSR produced an annual average of 190 million tons of cereals, this year production will not reach 165 million, almost 60 million less than planned for! Livestock herds (and therefore meat production) have remained practically stagnant since 1977, at around 155 million head. This is primarily the result of the lack of livestock feeds.

In the United States, on the other hand, there is overproduction, and the threat of price collapses if exports to the East European countries were to stop, which has not happened. Even

5. The press (*Neue Zürcher Zeitung* of September 11, 1981, and *Le Monde* of February 21, 1982) have reported the sale by American businessmen of microcomputers for Soviet warplanes, as well as the fabrication in the USSR — with U.S. technology — of the miniaturized ball bearings essential for the guidance system in U.S. MIRV missiles! This is how private special interests can be pursued at the expense of general class interests within the American bourgeoisie.

with these grain deliveries, the Reagan administration has decided on a drastic reduction of acres sown in order to "maintain prices."

Now, the threat of scarcities is looming for the poorest countries of the Third World, and this is being accompanied by the threat of Washington that it will cut off food aid to governments that do not submit to its *diktats*. "The grain weapon" is being used cynically (like that of gold) to counterbalance the political weight of the semicolonial countries.

Mired in its so-called peaceful coexistence policy, and dependent itself on capitalist food shipments, the Soviet bureaucracy has essentially let the imperialists get away with this, resting content with a few verbal protests.

Continuing inflation

Since before the 1980-82 recession, almost all capitalist governments have been applying a deflationary policy. While this did not cause the downturn, it certainly has aggravated it. The excuse was that priority had to be given to fighting inflation. This choice — "better massive unemployment than inflation" — is a class choice, despite all the preaching of experts that increased inflation will result in the long run in more unemployment than that presently registered. But the results are there to be seen. *Deflation has aggravated the recession; and it has by no means overcome inflation.*

The failure of the monetarist policy is particularly glaring everywhere that governments have striven to put all their weight to bear to reduce the much-talked-about "volume of money" (which becomes more and more difficult to define, if it has not become something incomprehensible altogether).

The truculent preachers of such policies waste their breath in proclaiming that you have to give them time to work. Nothing is happening. Despite the recession, despite the slowdown in the growth of the money supply, the prices continue to rise. And if the phenomena of overproduction are unquestionably slowing down inflation, it remains at a higher level than before the recession of 1974-75 (see Table 5).

The general tendency is clear. Except for Japan, in the second half of 1981 (after three half-years of recession) inflation was higher than it was in the second half of 1975.

There is, moreover, a very clear threat of a new acceleration of inflation in the second half of 1982. Such an acceleration will be fueled, on the one hand, by the policies of moderate stimulation to which the Schmidt cabinet in West Germany and the Mitterrand regime in France have resigned themselves. And the Thatcher government, and even the Reagan administration, may soon follow in their footsteps for electoral reasons. Such an acceleration will be fueled also by the enormous budget deficit in the United States.

It is not surprising that in such conditions experts and politicians seeking a new miracle cure for recession are raising the possibility of a return to the gold standard. What a blessing

Table 5
Consumer Price Increases by Half-Years

(percent by comparison with the preceding period in annual rates, adjusted for seasonal variations.)

	1970		1974		1975		1980		1981		1981 (whole)
	I	II	I	II	I	II	I	II	I	II	
U.S.A.	6.1	5.3	11.2	12.4	8.3	7.6	15.1	10.4	10.6	8.6	10.3
Japan	9.3	4.4	32.2	17.6	11.5	7.3	9.5	6.8	4.8	3.0	4.9
W. Germany	5.4	2.2	8.6	4.9	7.2	4.4	6.6	4.1	7.1	4.8	5.9
Britain	7.7	6.9	19.0	16.5	28.7	23.2	19.4	12.4	12.0	9.9	12.0
Italy	5.5	4.5	19.9	25.5	16.8	9.8	24.3	19.0	21.7	15.0	19.6
Canada	3.4	1.7	10.3	12.6	9.6	11.5	9.9	11.8	13.0	—	11.5
Holland	3.8	5.2	10.6	10.2	10.7	9.3	7.2	6.6	6.6	7.2	6.9
Belgium	4.5	2.8	13.6	16.7	12.1	10.5	7.1	6.8	7.7	9.4	7.6
Sweden	9.2	6.2	9.4	9.3	11.1	11.0	17.0	11.3	14.6	—	9.0
Australia	4.2	4.5	13.1	19.3	15.2	11.0	10.6	8.9	9.4	—	11.5
All EEC	6.2	4.9	14.8	13.7	11.4	9.1	14.3	10.6	11.0	—	10.6

(Sources: *Perspectives Economiques de l'OCDE*, No. 30, December 1981, p. 156 for all figures except those for the second half of 1981, which come from *Economie Européenne*, No. 2, February 1982, and from *The Economist* of February 27, 1982.)

it would be to go back to an "automatic mechanism" that would assure monetary stability for and against everyone! But what price would have to be paid for this in terms of the disorganization of international trade, or even in an aggravation of the depressive economic trend? No one would really dare take this road, despite the fact that a committee has been set up to study it in the American administration and the fact that Reagan himself is supposed to have agreed to this scheme, supported by the advocates of "supply-side economics," Laffer and Co.⁶

Credit system in danger of collapse

Despite the application of a deflationary policy by practically all the governments of the imperialist countries, with the exception of France, the merry-go-round of indebtedness continues to spin at a more and more dizzying rate. As we have often noted, this avalanche of debt has its origin in the debts of firms and households much more than in public debt. This is shown graphically by the following table published in the December 1981 issue of the American magazine *Monthly Review*, which is edited by Paul Sweezy (Table 6).

These figures show a snowball effect that has terrifying implications for the future of the capitalist system. Between 1960 and 1970, private debt doubled. On this basis, there was a 90% growth in the GNP. Between 1970 and 1980, private debt tripled. But the GNP growth was slightly less than it was in the preceding decade.

It has to be understood that this avalanche of debt is generated not only by small and middle-sized companies as well as households. It is also being generated by a welter of big companies, including most of the most imposing "multinationals." Everyone knows about

the cases of Chrysler, International Harvester, and Massey-Ferguson, whose survival depends increasingly on bank credits that are more and more out of proportion to the assets of these virtually bankrupt trusts.

Chrysler's losses mount up to \$2.2 billion just for 1980 and 1981! On the day that Freddie Laker's difficulties came to light, we learned that his company, which is a "little fish" in airline traffic, had half a billion dollars in debts.

There is another case to live up the story. It is the example of Ludwig, considered one of the world's five richest men, who launched a gigantic enterprise to open up the Amazon to agriculture in Brazil. He threw in the sponge, leaving debts of \$200 million.

But there are a whole series of other giant firms that have accumulated enormous debts and are now on the brink of bankruptcy.⁷

When the dangers are evoked of a bank crash setting up a chain reaction leading to the collapse of the international credit system, what people generally think of is the default of the big borrowers in the "Third World" or the so-called socialist countries. In fact, Zaïre is presently in default. If Poland is not in the same situation, this is not only because of advances from COMECON but also and primarily because of the intervention of the U.S. Treasury, which has paid the interest coming due for a series of bank loans that the bureaucracy did not honor. This was an attempt to prevent a declaration of bankruptcy, which would have forced banks — above all, West German and Austrian ones — to write off enormous losses, with unpredictable results.

However, the facts have to be faced. The dangers of a banking crash come not only from these sources. Potential "bad debtors" also exist in the Western countries. In this category must be put all those big firms that have reck-

6. On the discussions concerning a return to the gold standard, see *Business Week* of December 7, 1981, and February 8, 1982; and *Neue Zürcher Zeitung* of January 31, 1982.

7. The Thyssen trust in West Germany declared a loss of \$150 million. The Japanese Trust Mitsui has seen its profits drop from 15 billion yen in 1980 to 1.5 billion in 1981.

Table 6
Cumulative Debt of Non-Financial Sector in the United States
 (in billions of dollars)

	1950	1960	1970	1980	Change 1950-1980
Public authorities	241.4	308.3	450.0	1,063.3	+340%
Private sector	164.8	416.1	975.3	2,841.9	+1,624%
Total	406.2	724.4	1,425.3	3,905.2	+861%

(Source: various *Flows of Funds Accounts* bulletins published by the Federal Reserve Board.)

lessly run up huge debts and have been severely hit now by the increase in the interest rates.

In fact, for big businesses as a whole, *Business Week* has calculated that the ratio between debt charges and profits before taxes has declined dangerously from 5.5 in 1979 to 4.2 in 1981. It is presently negative for the automotive industry and the airlines. It is only 2 for the construction and building material firms (*Business Week*, March 1, 1982).

In total, the big American companies have run up \$73 billion more in debts in the last 18 months. The charges will be particularly heavy in 1982. And they will have to be paid out of sharply declining profits.

The case of savings banks specializing in mortgages is well known. They were on the brink of bankruptcy in the United States, caught between the anvil of the decline in building starts and the hammer of the rising interest rates. Less well known is the actual collapse of "wildcat" private banks in Turkey, which cost small private savers a hundred million dollars.⁸

The paradox is that in a period of economic crisis, the power of finance capital, often exercised directly by banks, is growing inordinately. This is because many firms are operating at a loss and can only survive if the banks grant them credit. But, the least that can be said, is that those making these decisions — often on the basis of inadequate or arbitrary criteria — have not shown great discernment in recent years!

The ease with which the big banks have granted loans to dubious debtors is owing entirely to a profit squeeze. That is, the banks want to take advantage of the high interest rates by loaning the abundant funds that they are getting from the OPEC countries, the central banks, the pension funds, and other investment institutions. But the result of the slowdown in productive investments is an insufficiency of solvent demand for investment capital.

So, it this combination of the potential insolvency of big foreign debtors, big imperialist firms, and the weakest parts of the banking system itself that is keeping the threat of a major banking crash suspended like the sword of Damocles over the world capitalist economy:

"The world's export credit agencies are getting near breaking point. A rash of claims from unpaid exporters and private banks is fast out-

stripping their cash reserves. So far in 1982, claims are running on average 20% higher than in the 1981 financial year.

"The crash last week of Laker Airways in Britain will force America's Export-Import Bank to fork out more than 150 million dollars, since it guaranteed to stand behind loans for Laker's purchase of five McDonnell Douglas DC-10s. . . .

"Last year's trickle of claims against Poland could soon turn into a flood. Since January, West Germany's Hermes, France's Coface and Austria's Osterreichische Kontrollbank (OKB) have each paid out more than 75 million dollars on claims made against Poland. . . .

"Laker's collapse, and the possibility of worse defaults yet to come from Poland and among American airlines, forest product companies, farm machinery makers and others, have jolted western governments into doing something about their export banks' sickly finances" ("The Pole in the taxpayer's pocket," *The Economist*, February 13, 1982.)

Growth of structural unemployment

The second general recession of the world capitalist economy has markedly increased the scope of unemployment and its social consequences. To give an idea of the scale of the problem involved, it can be said that roughly the number of unemployed in the imperialist countries has gone from 10 million at the time of the 1970 recession to 20 million in the 1974-75 recession to 30 million in the present one.

The official figures are the following (Table 7).

Several factors combine to explain this constant rise of unemployment. The first and most serious is the general and long-term slowing down of economic growth. Moreover, this slowdown coincides with a pronounced speedup in technological innovation, that is, a

constant increase in the average productivity of labor. Fewer and fewer working hours are needed to produce a volume of goods and services that is stagnating, declining, or increasing only very slowly. The result of this is that while the number of jobless rises sharply in phases of recession, it does not fall back to previous levels in periods of upturn, so long as the recovery remains only moderate. This produces another phenomenon, that is, the correlation between productive investments and the creation of jobs is broken, since a lot of this investment is going into restructuring, which eliminates rather than creates jobs.

So, the consequences are clear. There is a pool of permanent unemployed that grows from recession to recession. And this trend is not about to be reversed.

To this must be added another phenomenon that makes the jobs outlook particularly grim for the remainder of the 1980s. In the preceding decades, which were strongly marked by the tendency to semiautomation in industry and industrialization in agriculture, there was an explosion of new jobs in the so-called tertiary or service sector, which were as well paid as others in general. At least this was true in the imperialist countries (the explosion of "tertiary" sector jobs in the semicolonial countries reflected, rather, concealed unemployment).

Now the advances in the electronics industry, which has gone into the stage of microprocessors, will bring major job losses in this "tertiary" sector. This goes not only for the banks, the insurance companies, and the accounting and sales departments of the big firms. This also goes for public administration, and even teaching and some sectors of the health services.

Thus, far from compensating for the job losses in material production, the growth of the "tertiary" sector will in turn become a source of unemployment. This development seems already to have begun.

Finally, there is a demographic factor that should be mentioned. The results of the post-war baby-boom have gone beyond education, including the university level, and are being profoundly felt on the "labor market." The number of youth looking for work is rising sharply, and in many countries has passed the number of annual retirements.

Therefore, it is necessary to create additional jobs to maintain a given level of unemployment.

Table 7

	Number Unemployed 1981	Rate of Unemployment 1981	Rate of Unemployment 1982 (proj.)
U.S.A.	10.0 million	7.5%	9.0%
West Germany	2.0 million	5.0%	6.0%
Italy	2.2 million	8.25%	9.0%
Britain	3.1 million	10.5%	12.0%
Japan	1.3 million	2.25%	2.25%
France	2.1 million	7.5%	8.5%
Canada	1.0 million	7.5%	8.25%
Other OECD Countries	4.5 million	9.75%	10.5%

8. *Le Monde*, January 13, 1982.

ment. In a period of depression, this can only increase the extent of unemployment.

The growth of structural unemployment over a long period — in reality since 1970 in the imperialist countries — has finally begun to fray the much talked about “security net” that the neo-Keynesian economists and politicians, as well as the reformist trade-unionists think should guarantee the “well being” of all the West.

During the 1974-75 recession and in the subsequent years of economic recovery, the “heavy battalions” of the working class in the imperialist countries remained well protected as regards unemployment, buying power, and social security.

The effects of the crisis fell with full force only on the weakest layers of the working class, which were left poorly defended by the workers movement as a whole — the immigrant workers, women, youth, men and women workers in small enterprises, and sectors in clear structural decline.

However, as the depression has persisted and as structural unemployment has worsened, the effects of the crisis are coming to strike at the very heart of the working class — adult, married, male workers with children, with average and above-average skills, working in the big plants.

Bosses on the offensive

Over the past two years, the bosses and the bourgeois state have deliberately provoked tests of strength in the main bastions of the working class — Fiat in Turin; Chrysler and General Motors in the United States; British Leyland in Great Britain; the Walloon steel industry in Belgium; the Ruhr steel industry in West Germany; and the steel industry in Lorraine in France.

The capitalists are counting on the long-term effects of unemployment, on the fear of unemployment, on the disarray of the workers in the face of the lack of perspectives and the successive capitulations of the union leaderships mired in class collaboration, to strike a major blow and structurally weaken the workers movement. That is, they want to deprive it at least of the additional power that 20 years of expansion and full employment have given it.

This austerity offensive is directed primarily at achieving the following objectives. Maintaining a high level of unemployment in order to force the workers to accept stricter discipline and additional exploitation (more intense labor, speedups, manifold “rationalizations,” etc.). Carrying through direct cuts in real wages (wage contracts involving lower pay; elimination or “greater flexibility” of sliding scale mechanisms). Cutbacks in social spending, including unemployment benefits. Massive “shifting” of public spending to military expenditures or subsidies to the bosses. The Reagan budget is symbolic in this regard. But similar operations, albeit more moderate, are taking shape in almost all the imperialist countries.

The working class is resisting and defending

itself, but it has undeniably suffered some defeats, especially in the United States, in Japan, in Britain, and in Spain. The impact of unemployment, combined with the lack on the part of the trade-union leaderships of any overall anticapitalist strategy for responding to the crisis, makes a counterattack difficult.

Such a fightback, however, is essential if the workers are to prevent the bosses’ offensive from going into its final phase — the attempt to break some unions (e.g. PATCO in the United States), to severely restrict trade-union rights, and even democratic rights in general.

The present crisis will be a grave and prolonged one. The increase in the rate of exploitation necessary to surmount it in a capitalist way would be considerable. A working class that maintained essentially intact its organized strength and democratic rights would not allow the capitalists to inflict such superexploitation on it.

Therefore, powerful class battles will go on for a long time before either capital or labor can decisively alter the present relationship of forces. The capitalists would have to break the organized strength of the working class. The working class would have to solve its crisis of leadership.

No strong upturn in sight

The long-term economic depression in which the world capitalist economy has sunk since 1967-68 is expressed primarily by a long-term decline in the average profit rate. This is obviously an irregular and not a linear decline. The business cycle continues throughout the long wave of depression, just as it did during the long wave of expansion. We have gone through periods of economic recovery (1971-72, 1976-78) after phases of recession, as in 1970, or 1974-75 and 1980-82. A new upturn, albeit moderate, is probable in 1983.

But over and above these ups and downs, the growth rate remains clearly lower than it was in 1948-68 in West Europe and Japan, and in the period of 1940-68 in the United States. The fundamental cause of this decline lies in the fact that the average profit rate has dropped too low, combined with the relative stagnation of the market (the slowdown in the expansion of world trade, the stagnation in demand by the “final consumers”).

In order to get out of this decline — that is, to achieve a much longer economic upturn than the present short, hesitant, and very modest ones — to get out of the impasse in which world capitalism has been caught for more than 10 years, a fundamental restructuring is necessary. This would have to change substantially what some have called “the conditions of accumulation” and others “the modes (or models) of regulation,” and what we call more generally the social framework in which the capitalist mode of production operates.⁹ This concept

9. On this subject, see the following: David Gordon, “Stages of Accumulation and Long Economic Cycles” in *The Political Economy of the World System*, Beverly Hills, 1980; Michel Aglietta, *Regulation et*

embraces both external factors (the geographic environment, the area of operation of capitalism, that is, today essentially the relations with the noncapitalist sectors of the world economy), as well as internal factors that have a certain autonomy in the present situation, because they are relatively rigid products of the past development of the system. The economic and sociopolitical relationships of forces between capital and labor in the imperialist mother countries are the most important internal factors in the capitalist environment.

The efforts of capital to carry out a restructuring that would enable it to escape from the long depression have so far been classed by analysts in the following three categories:

1. A new international division of labor, with the transfer of the plants of relatively labor-intensive industries to semicolonial and semi-industrialized dependent countries.¹⁰ The creation of “free export zones” is part of this restructuring effort. The most important of these “free zones” is undoubtedly Mexico, just across the United States border. The big U.S. automotive trusts dream of transferring a major part of their production there. But there are other such zones, especially in Asia, including the People’s Republic of China, where the joint ventures with foreign capital that are being set up are worthy of note.

I have already indicated the obstacles that the continuation of this transfer is running into, especially in Latin America and East Asia, as a result of the stagnation of the world market itself. The grave crisis that is hitting the automotive industry in Brazil and Argentina, where production is falling sharply, and the difficulties in the takeoff of automotive production in South Korea (where current production was far below productive capacity in 1981) are symbolic of such obstacles. It is scarcely possible to talk about a real restructuring in this respect.

2. The emergence of an unregulated jobs sector and a “parallel economy,” as well as an expansion of “part-time” work in the main capitalist countries themselves. In the semicolonial countries, this is of course a well-known phenomenon that has been studied for a long time.

Some stress above all the sociopolitical import of this development, the conscious attempt by capital to decentralize labor while it itself is becoming more centralized. Others — more correctly in my opinion — attribute this development mainly to the spontaneous reaction

crises du Capitalisme. Paris, 1976; Ernest Mandel, *Long Waves of Capitalist Development*, Cambridge, 1980.

10. Frobel, Heinrichs, Kreye, *Die neue internationale Arbeitsteilung*, Rowohlt, 1977. One could also cite the example of synthetic fibers. West Europe’s share of world production fell between 1978 and 1981 from 29.5% to 20.7%; that of the United States from 29.7% to 26%; that of Japan from 15.7% to 12.0%; while “the rest of the world” rose from 25% to 40.6%.

of the jobless to the persistence of unemployment, as well as the struggle of small capitalists to escape ruin in a period of crisis.

Whatever aspect is stressed, this phenomenon is a particular manifestation of a more general development — the drive of capital to lower “labor costs” by pushing down direct and indirect wages. Such a drive is a feature of any period of crisis or recession. Nine times out of 10, unregulated jobs involve the total elimination of social security payments and markedly lower nominal wages.

In a nutshell, what such unregulated unemployment involves is the superexploitation of labor, which is being reintroduced into the imperialist countries, where it declined during the postwar boom.

In some cases, such as the Paris garment industry, which exploits the precarious situation of undocumented immigrant workers, *capitalist competition is bringing back into the imperialist countries themselves the working conditions and wages of dependent semi-industrialized countries.*

A similar phenomenon is developing in some industries in the United States, with regard to Mexican and Puerto Rican workers.

However, again, this phenomenon remains marginal in the economies of the imperialist countries and in world capitalist production as a whole. It probably involves no more than 5% of production in the imperialist countries. So, again, it is impossible in this respect to talk about a “restructuring” of capital in the real sense of the word.

3. A massive devaluation of capital through a credit squeeze and the strangling of inflation. The objective expression of this massive devaluation and the scarcity of capital that it is supposed to lead to is said to be the appearance, after long years of “negative real interest rates” (that is rates of interest below that of inflation), of a “positive real rate of interest” fluctuating around 4%. In fact, this explains the persistence of high interest rates in the United States, since the inflation rate remains higher than 10%.

This argument is not very convincing, at least so far. Despite all the intentions proclaimed by the monetarists, and the efforts of Mrs. Thatcher and Ronald Reagan, such a devaluation is far from having been achieved. There has not been a massive drop in the prices of commodities (finished goods), and the decline of raw materials prices remains modest. The prices of “refugee values” (gold, diamonds, art objects, etc.) are a bit higher, but they remain linked nonetheless to the fluctuations in the inflation rate in the United States.

Bankruptcies are hitting primarily the small and middle-sized enterprises. The white elephants, that is, the big trusts operating at a loss, are continuing to be massively subsidized by the banking system and the government authorities. In this respect also, no real “restructuring” is in sight.

There remains a more important trend that in the long term could be decisive — a new technological revolution based on micropro-

cessors, industrial and domestic robot mechanisms, electrical cars, and solar energy. This would represent, in general, passage from semiautomation to a stage of more complete automation.

From the technological standpoint, these products have reached the point where they could begin to be produced on a large scale.¹¹ But the decisive question, from the standpoint of the logic of the capitalist, remains *producing them with a high enough profit for a large enough market.* There’s the rub. The obstacles represented today by an insufficient average profit rate, the existence of excess capacity, and the stagnation of the market seem likely to delay this technological revolution, that is,

11. On the new technologies and their diffusion, see W. Wolf and P. Bartelheimer in *Internationale*, Frankfurt, March 1979.

Chad: proimperialist forces take capital

By Ernest Harsch

Military units led by the proimperialist Hissène Habré seized the capital of Chad, a country of 4.3 million people in Central Africa, June 7.

President Goukouni Oueddei — along with tens of thousands of Ndjamená’s inhabitants — fled across the Chari River into neighboring Cameroon.

The arrival of Habré’s forces, known as the Armed Forces of the North (FAN), led to a spate of looting. One of Habré’s first acts was to impose censorship on foreign journalists operating in Chad.

The U.S. government, which had previously supplied arms to Habré through the Egyptian and Sudanese regimes, has signaled its support for this recent turn of events. According to a report from Ndjamená in the June 12 *New York Times*, “The United States . . . is not anticipating difficulties in establishing smooth relations with Mr. Habré, according to Western diplomatic sources.”

Habré’s seizure of Ndjamená is just the latest episode in a long history of civil war and imperialist intervention in that country.

A former French colony, Chad encompasses numerous different ethnic and language groups, who are roughly equally divided between the Muslim peoples of the north and the Christians and others of the south. The French imperialists, who continue to dominate the country, used divide-and-rule tactics to set these peoples against one another.

In the mid-1960s, a civil war broke out between rebel forces based among the Muslim peoples of the north and the French-backed regime of southerners. This culminated in the late 1970s in a victory for the rebels, who were known as the Frolinat (Chad National Liberation Front).

By then, however, Frolinat itself had splintered into numerous factions, one led by Habré and another by Goukouni. Habré won French and American backing, and his forces were armed and trained with imperialist assistance.

the massive application of these innovations, for a long time. Most serious commentators talk about this as a possibility for the end of the 20th century or the beginning of the 21st.

However, in the meantime, the persistence of unemployment and depression and the acceleration of the bourgeoisie’s course toward austerity and remilitarization put the focus on the big social battles that are going hand in hand with the long economic depression, battles between the working class and the bourgeoisie, and between the anti-imperialist forces and imperialism.

On the outcome of these struggles depends not only the “solution” (a capitalist or a socialist one) of the crisis. The very fate of humanity depends on this outcome, since the capitalist “solution” involves the threat of nuclear world war. □

When Habré rebelled against a coalition government headed by Goukouni, the latter appealed for assistance from the government of neighboring Libya. The Libyan leader, Muammar el-Qaddafi, responded to this appeal by sending several thousand troops to Chad in late 1980. They quickly drove Habré’s forces out of the country into the Sudan.

The U.S. and French governments were furious. Secretary of State Alexander Haig termed the French setback a “grave turn of events.”

They responded by stepping up their pressures and threats against Libya, and put considerable heat on Goukouni to sever his ties with Qaddafi.

Finally, Goukouni agreed. In November 1981 he asked the Libyan troops to leave, and they did so promptly.

Although the imperialists cheered the Libyan withdrawal, they still did not trust Goukouni. Their promised economic and material assistance to his regime failed to materialize. Habré’s forces went back into action and made a series of military gains. An inter-African “peacekeeping” force composed of Nigerian, Senegalese, and Zaïrian troops did nothing to stop Habré’s advance, despite appeals by Goukouni.

Isolated internationally — and soon deserted by the other factions in his coalition — Goukouni could not withstand Habré’s drive on the capital.

The imperialists are now hoping that they can patch together a stable proimperialist regime around Habré, both to defend their interests in Chad and as a threat against Libya.

But the prospects of that are far from certain. Habré’s support within the country is limited to his own forces. Nearly a dozen armed groups are based in different parts of the country. Fierce fighting has been raging between factions in the south. And there have been reports that Goukouni intends to return to his home area in the northern Tibesti Mountains to launch another guerrilla struggle. □

STATEMENT OF THE FOURTH INTERNATIONAL

British hands off the Malvinas!

[The following statement was adopted by majority vote at the meeting of the International Executive Committee of the Fourth International at the end of May.]

* * *

Great Britain is determined on a bloodbath in its efforts to take the Malvinas from Argentina. In dispatching 100 ships and 26,000 soldiers, it has decided to sacrifice the lives of hundreds of Argentine and British soldiers. It is using some of the most sophisticated armaments in the world against a semicolonial country. The British task force carries nuclear weapons. The fleet commander has power to use these "in case of emergency."

This is the lengths of barbarity to which British imperialism is prepared to go to defend its interests against the oppressed peoples of the world.

The International Executive Committee of the Fourth International calls on all the workers, peasants, and oppressed of the world to mobilize in support of the Argentine people against imperialism and colonialism.

British action in the South Atlantic is the most dangerous threat to world peace today. It is a cover to the stepping up of U.S. military action against the revolutions in Central America and the Caribbean.

This is not Thatcher's war alone. The U.S. government has fully associated itself with this operation and other imperialist powers are complicit through their sales of arms to Britain, their logistical support, their economic and military boycott of Argentina, and their continued diplomatic support for Britain's action throughout the war. Reagan has made it clear that he "will not allow" a British defeat. All imperialist ruling classes have quickly recognized where their fundamental interests lie.

The decision to dispatch the third largest fleet in the world, to launch a military invasion to recapture the islands, and to bomb the Argentine mainland if necessary has nothing to do with the hypocritical claim to be defending the British inhabitants on the Malvinas.

The Fourth International fully endorses the urgent appeal of Fidel Castro in his capacity as chairperson of the Nonaligned Movement to help halt "Anglo-American aggression." Fidel Castro has correctly pointed out that this war has "become a lesson for all Third World countries which defend their sovereignty and territorial integrity" whatever their political regime.

We agree with him that "this is the hour of Latin American solidarity." The Fourth International will work to mobilize the widest possible solidarity in Latin and Central America with Argentina against this aggression. We call for active and unconditional support for Argen-

tina. In this war Argentine sovereignty over the Malvinas must be definitively established and internationally recognized without reservation.

We salute the Argentine workers for their rapid mobilization in defense of Argentine sovereignty over the Malvinas.

The recuperation of the Malvinas by the Argentine military junta coincided with the national aspirations of the Argentine people against British imperialism. The proimperialist military junta had reached a real low point of discredit and isolation after six years of bloody repressive policies against the Argentine working masses.

The action recuperating the Malvinas was carried out only days after a demonstration of tens of thousands of workers who demanded "peace, bread and work." This was an expression of a strong awakening of the masses. The junta's action aimed to divert the growing wave of popular opposition against the failure of its brutal repressive policies. But the Argentine working masses enthusiastically supported the recuperation of the Malvinas while at the same time maintaining their independence from the junta. They acted in this way because Thatcher's war is a war against the Argentine people as a whole.

The mobilization of the Argentine masses against the imperialist attack will break the barrier of all the junta's vacillations faced with imperialism, freeing all the potential force needed to crush the aggressor.

The need to defend the Malvinas has come into contradiction with the proimperialist positions of the junta. It has already been obliged to withdraw from Washington's plans to involve it in imperialist intervention in Central America.

For many years Argentine workers have carried out heroic resistance to the economic and repressive measures of imperialism executed by the military junta. Today faced with the open attack of British imperialism they must demand intransigence against the aggressor. At this critical time any weakness is an obstacle placed in the way of the anti-imperialist energies of the Argentine people, a betrayal of the national cause.

Therefore it is more urgent than ever to guarantee the greatest freedom of organization, press, and association as well as all other democratic rights. We support the demand for accounts to be settled on the fate of the 30,000 "disappeared." These militants have proved themselves in the struggle against imperialism. They will be in the front ranks of the struggle against British aggression. Freedom for the political prisoners and the return of the exiles are more necessary than ever. These measures would strengthen the Argentine people against

aggression. They will be won through mass mobilizations. The workers and oppressed should not bear the enormous costs of the war. The aggressors and exploiters must pay — British and North American interests must be expropriated in order to strike another blow against imperialism and aid the Argentine people.

Anglo-American aggression has changed the conditions of the Argentine people's struggle for their just demands. The Argentine workers, correctly, have no illusion that the junta will take measures aiming to build a more effective resistance against imperialist aggression — its barbarous repression justifies this defiance.

That is why the battle against imperialist aggression does not imply any truce with the junta or any concessions on the independence of the workers and peasants in the struggle for their demands.

The Fourth International denounces the underhanded moves of the United States to set up, if possible, a new government in Argentina totally subordinated to their interests and even more repressive.

But in strengthening their organizations, struggling for their rights, mobilizing against imperialism, the Argentine masses will come to finish off the military dictatorship.

Each day, with the Argentine national anthem, the words of Jose Martí resound more loudly: "listen to the sound of our breaking chains." Every day longer that this people is tied down and gagged gives the British enemy and its allies a supplementary advantage.

The Fourth International will fully commit itself to mobilizing the broadest solidarity with Argentina against this aggression. We fully support the mobilization of the Latin American peoples in solidarity with Argentina.

The Fourth International calls upon European and North American workers to fight to end their governments' blockades and economic boycotts of Argentina and to halt military aid to Margaret Thatcher in whatever form. Neither the Argentine masses nor the victims of the junta's repression will benefit at all from these governments' support to Margaret Thatcher and Ronald Reagan.

The workers of Western Europe, Australia, New Zealand, and Canada have no interest either in supporting the alliance of their own exploiters against the Argentine people.

The working people of North America and the developing antiwar movement are perfectly right to demonstrate to demand a halt to all North American aid to this bloody colonial war, which can only reinforce Washington's warmongering course.

The Fourth International calls on the British labor and anti-nuclear-missiles movement to struggle against the chauvinist hysteria whipped up by the capitalist press. We also call for the broadest possible mobilization for the withdrawal of the British fleet.

We denounce the support of the principal British trade-union leaders and the Labour

Party to Margaret Thatcher's war. Any victory against Argentina will be the signal for an increased offensive against the rights of British workers themselves. A British defeat by Argentina would, on the contrary, constitute a powerful encouragement in the struggle against British imperialism and will strengthen the struggle to kick out this ultrareactionary Conservative government and strike a blow against Ronald Reagan's warmongering.

The real allies of British workers are the

workers and exploited, oppressed Argentine masses.

Down with British imperialism's dirty colonial war!

Immediate and unconditional withdrawal of British armed forces from the South Atlantic!

End imperialist boycotts of Argentina!

Long live international workers solidarity with the exploited and oppressed of Argentina and Central America!

The Malvinas are Argentine!

Defend the Iranian revolution!

[The following statement was adopted by majority vote at the meeting of the International Executive Committee of the Fourth International at the end of May.]

* * *

The International Executive Committee of the Fourth International stands with the millions of toilers among the peoples of Iran who have mobilized in the streets over the past several days to hail the defeat of the Iraqi invading army and the retaking of Khorramshahr by Iran. At the very outset of the war, 20 months ago, young Iranian fighters, joined by the Arab population of that region, put up a heroic but unsuccessful resistance to the Iraqi occupation of their city. This led the people of Iran to rename it Khuninshahr, "city of blood." Although not all Iraqi forces have yet been expelled from Iranian territory, the victory at Khuninshahr not only has tremendous symbolic significance for the Iranian masses but also goes a long way towards breaking the back of the war by imperialism and the Iraqi regime against the Iranian revolution.

In response to these decisive military advances by Iran, the spokespersons for imperialism and proimperialist regimes such as those in Egypt and Saudi Arabia are warning Iran of the consequences of any move by Iranian forces into Iraqi territory to ensure the defense of Iran's borders and prevent shelling of their territory. These regimes are strengthening a counterrevolutionary front aimed against the Iranian revolution.

What they actually fear is the impact which the revolution and the defeat of the counterrevolutionary Iraqi aggression will have on the class struggle throughout the region. It is for this reason that Washington and other imperialist powers, behind a smokescreen of "neutrality," have stood behind the invasion from the outset. They viewed it as a key front in their battle to crush the revolution of the workers and peasants of Iran. As Secretary of State Alexander Haig put it this week, expressing Washington's worries over the Iraqi retreat, U.S. "neutrality" in the war was not the same as "indifference."

The imperialists fear that further advances by Iran to expel the Iraqi army and secure its borders will set off a crisis for the Saddam Hussein regime and stimulate the mobilization

of the workers and peasants of Iraq. They fear the destabilization of the reactionary proimperialist rulers of Saudi Arabia, Kuwait, and Jordan. They fear the inspiration that will be drawn by the Palestinian people in the West Bank, in southern Lebanon, and inside the 1948 borders against Zionist repression and the Israeli drive toward war.

The imperialist-backed Iraqi war brought tremendous death and destruction in its wake. Thousands of Iranian fighters were killed or maimed and there are nearly 1.5 million Iranian war refugees. In conducting this reactionary war, the Saddam regime sent thousands of Iraqi youths to their deaths. Massive destruction was rained on the cities, villages, oil fields, and port facilities of Iran. This destruction, combined with the drain of resources to conduct the defensive war and the imperialist economic boycott of Iran, has seriously exacerbated the living conditions of the Iranian workers and peasants. The Iranian masses responded to this attack on their revolution by repeatedly pouring into the streets, supporting the war effort and demanding actions against the hoarders, capitalists, and officials who impeded this effort. They have also insisted on implementation of the broader social and economic program previously promised by the regime and rejected its repressive measures against the workers movement. The workers and peasants have continued the fight for their own economic, social, and democratic demands against the policies of the current government.

Although the imperialists have been dealt a setback, the defeat of Iraq will cause them to step up attacks on other fronts against the Iranian revolution, including their effort to topple the current government. They will continue the economic boycott of Iran and escalate military aid and cooperation with counterrevolutionary forces. In this context, the campaign of the Mujahedeen for the overthrow of Khomeini must be rejected. It is completely incorrect to believe that any help for the cause of the workers and peasants can come from an alliance with the current represented by [former President Abolhassan] Bani-Sadr. It is rather in the active fight *against* the monarchist and counterrevolutionary forces, especially in the army, and for their own demands that the Iranian masses, through their independent

mobilization, will confront the current regime and advance along the line of march towards a workers and farmers government.

When the Iraqi invasion was launched in late 1980, the October meeting of the United Secretariat adopted a statement entitled "Defend Iran against Iraqi and imperialist attacks!" At that time, the Iraqi invasion had already stalled following initial success. The October statement concluded:

"The initial hopes of both Baghdad and imperialism for a swift victory were thwarted, thanks largely to the mobilization of the Iranian masses against the Iraqi attack. The designs of imperialism in the region can be countered by urgently raising as widely as possible the demands:

"Iraqi troops out now!

"Imperialism hands off Iran!

"Full support for the efforts of the Iranian masses to defeat the hands of reaction!

"Defend the Iranian revolution!"

Two years later, the International Executive Committee reaffirms these demands in hailing the victory over Iraq at Khuninshahr. □

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Reproductive rights of women

Revolution confronts question of birth control

By Baxter Smith

ST. GEORGE'S — The capitalist hangovers of church, familial, and moral strictures upon women is a problem all proletarian revolutions have had to face.

The central challenge is how to eliminate the second-class social status of women that flows from their economic dependence. A precondition for this is to end the situation in which women are denied control of their reproductive capability. Unless women free themselves from a socially defined role as breeder and childrearer, they cannot participate fully as builders and defenders of the new society.

Here in Grenada, women leaders of the revolution are trying to do something about this.

Teenage pregnancy is a major aspect of the situation that women confront. Some 75 percent of all births are to teenage women.

"This poses a big problem," Claudette Pitt, a leader of the National Women's Organization (NWO), said in an interview.

"Sometimes these women haven't finished school, they haven't had a job," she added, and responsibility for caring for the infant often falls "back onto the parents of the teenager."

Need for birth control

The NWO, Pitt explained, has been trying to educate women about the need for contraception and family planning. "We hold talks with groups of women," she said.

Pitt wishes the group could do more on this issue. She said the NWO's involvement in the unemployment campaign and other issues means that "birth control takes less priority."

Pitt and Edlyn Calliste, another NWO leader, recounted obstacles they have faced in the birth control campaign. Some women do not accept the idea of contraceptive use because of moral objections and religious fears.

The notoriously antiwoman Catholic church is not alone in prohibiting birth control here. The Seventh Day Adventists and other religious sects have advised against it, too.

As well, the legacy of underdevelopment and generations of capitalist indoctrination about a woman's role in the family and society have left a heavy mark.

Most recently, further damage has been done through fears arising from a dispute over the use of one type of contraceptive, Depo-Provera.

Upjohn's gift to women

Depo-Provera is a drug that was developed by the Upjohn Co. of Kalamazoo, Michigan. It is a contraceptive that can be administered to women by injection. Depending on the dosage, it results in sterility for three to six

months. But that is not all that it causes.

In 1978, the U.S. Food and Drug Administration refused to approve Depo-Provera for use as a contraceptive because it caused malignant tumors in animals used in laboratory tests. Further tests resulted in additional evidence that the drug has deadly side effects.

In theory, U.S. companies are forbidden from exporting products banned for domestic consumption. Upjohn gets around this problem by manufacturing Depo-Provera in Canada and Belgium. It is used in more than 80 countries around the world.

Depo-Provera is popular among family planning agencies in underdeveloped countries dominated by capitalism because it is a cheap, easy to administer, and long-lasting contraceptive. Organizations such as the International Fertility Research Program (IFRP) have carried out an extensive campaign in favor of Depo-Provera. The IFRP is funded in part by contraceptive manufacturers such as Upjohn.

IFRP Executive Director Malcolm Potts argues, "We are not going to know whether Depo-Provera is safe until a large number of women use it for a very long time."

Some of the human guinea pigs are not so happy about being used in this manner, however. In Grenada, the NWO has advised women against taking Depo-Provera, and is



March 8, 1981, demonstration in Grenada marks International Women's Day.

presently conducting a survey to gauge women's opinions on the subject and on contraception in general.

"As a result of the controversy, some women have stopped using Depo-Provera and switched to other means," Rosamond George of Grenada Planned Parenthood explained. But the majority of women who visit the family planning clinic here still request Depo-Provera.

George says the drug has been used in Grenada for over 11 years. She could not gauge how many women have been frightened away from contraception altogether because of the Depo-Provera controversy.

Planned Parenthood has been offering a range of contraceptives here to both women and men for more than 15 years. The devices are free, and between 15 and 20 people a day visit the clinic to receive contraceptives. The association also counsels family planning in the schools and before community groups. It sponsors a morning radio program.

Abortion

There is no law here specifically dealing with abortion. But the operation is rarely performed, perhaps only in cases to save the life of a woman. According to Pitt, abortion has not arisen in Grenada as a demand in the course of women's struggles.

"It has been difficult enough just to get women to answer the birth control questionnaire," said Pitt.

"The big revolution in the revolution," Pitt explained, has been getting men's attitudes about women changed. Grenadian women are making some strides here, she said, although there is still a long way to go.

About half of all households in Grenada are headed by women, and women make up 45 percent of the workforce. This, combined with a lack of funding for sufficient daycare facilities, presents a formidable obstacle to full participation by women in the revolution. Presently, there are two government-run daycare centers operating.

"Household work shouldn't be a barrier to getting into the revolution," Pitt says.

This is the policy of Grenada's revolutionary government, which outlawed discrimination against women and legislated the right of women to paid maternity leave and equal pay within months of coming to power. The NWO, together with the Grenadian government, is seeking to ensure the full participation of women in the labor force and in political activity by encouraging their participation in educational programs and organizing women's cooperatives to provide jobs.

As NWO leader Phyllis Coard, who is also secretary for women's affairs in the government, put it in a recent speech: "We as women must be confident of victory, and we must be prepared to struggle increasingly. The movement of history is forward, not backward. And we are part of that forward movement." □