

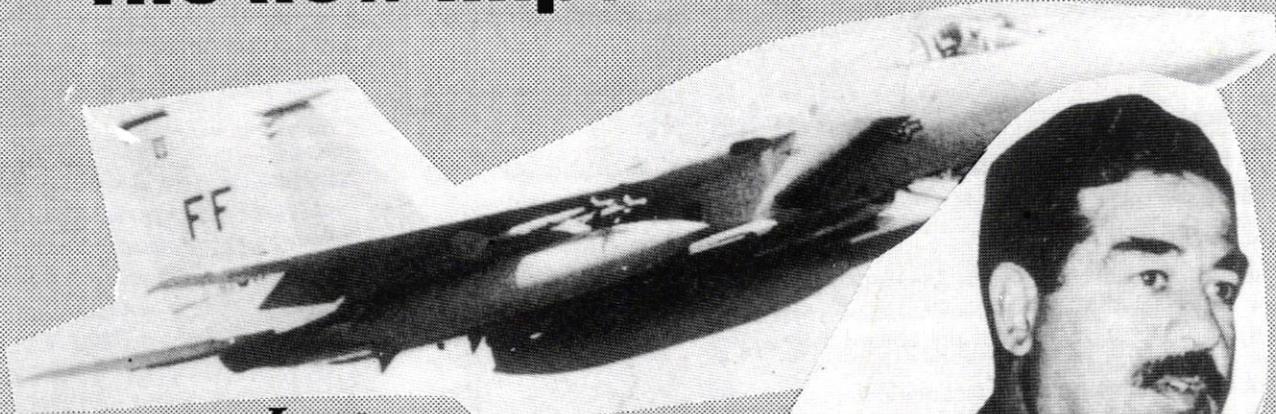
International VIEWPOINT

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The new imperialist crusade



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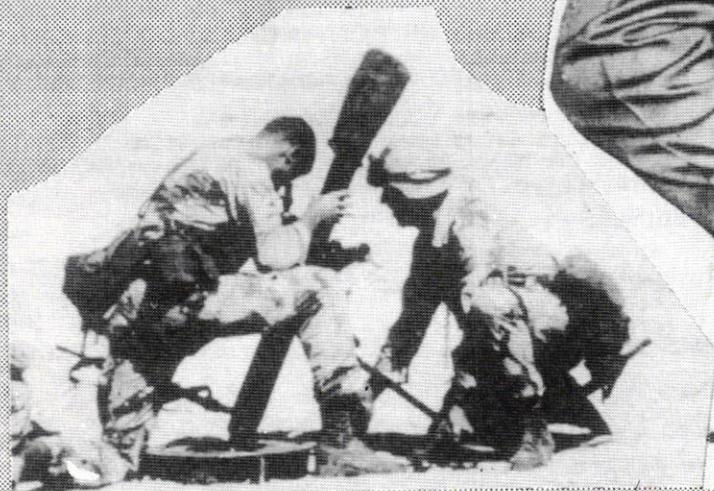
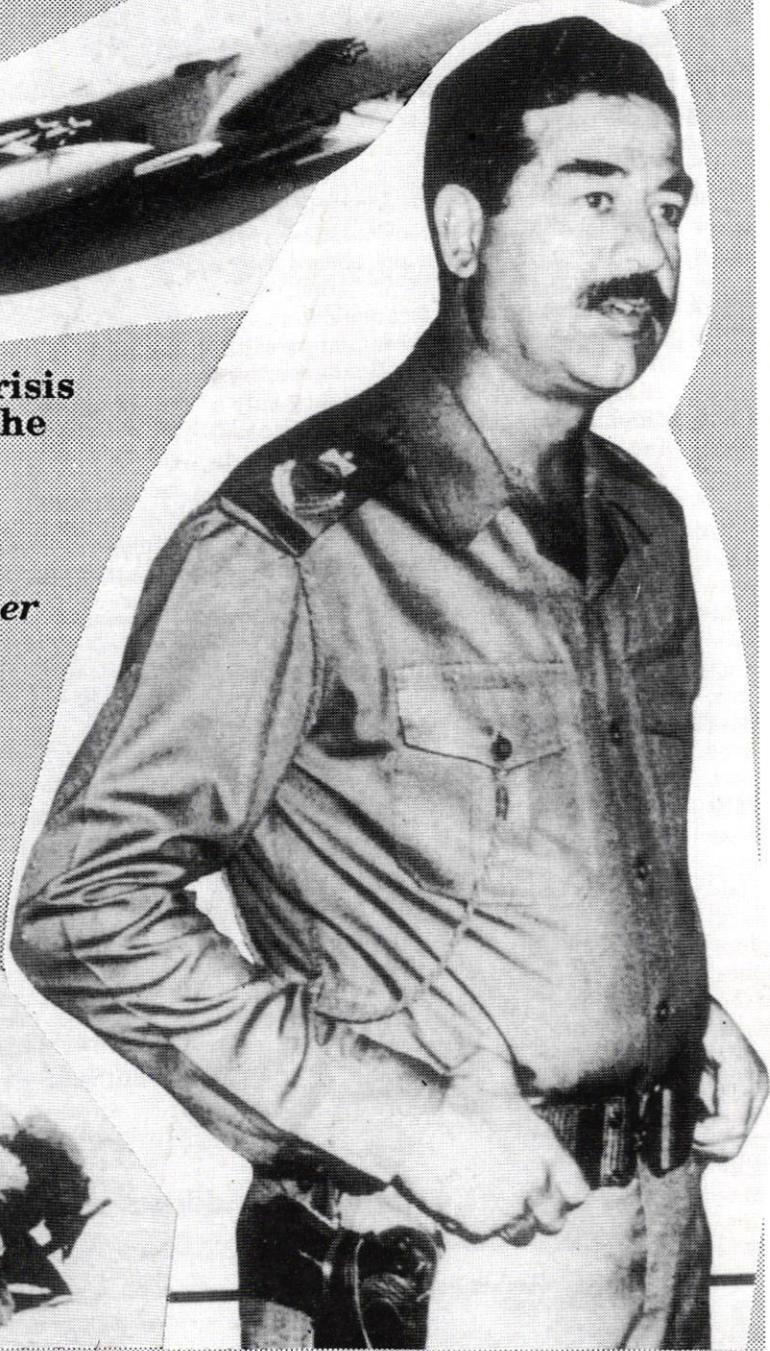
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OWING to the need to respond to the Gulf crisis, a number of important topics have not been covered in this issue of IV, including the 50th anniversary of the assassination of Trotsky.

The same applies to a number of articles received. We hope to catch up in the weeks to come!

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The new imperialist crusade

FOR THE SECOND TIME in three years, an imposing multinational imperialist armada has been concentrated in the Arab-Persian Gulf and surrounding area. The fundamental objective remains the same, that is, to defend and consolidate imperialist domination over this region. This area is of the greatest strategic importance, among other things, because it produces the greater part of the world's oil exports, and contains the largest share of the planet's reserves of this fuel, which remains the principal energy source in the ecologically irrational world in which we live.

The scenario of the new imperialist crusade is, however, different in many respects from the one in 1987. The "villain" this time is no longer Iranian but Iraqi. The imperialist intervention is being carried out under cover of the United Nations, as in the case of the Korean War, except that today — a sign of the times! — it enjoys the complicity of the USSR and China. And, finally, this time some of the imperialists' Arab or Muslim partners are directly involved on the ground alongside them.

SALAH JABER

BESIDES the various Gulf emirs, the imperialists' allies include the Saudi kingdom, which has been transformed into a gigantic US military base; Mubarak's Egypt, which receives the second largest share of US aid, after Israel; the Morocco of Hassan II, who is not embarrassed to intervene against the annexation of Kuwait, although he keeps trying to annex the Western Sahara; and a Pakistan dominated by military officers linked to the Pentagon. This combination has been joined by Baathist Syria, Iraq's "brother" enemy, which is hoping to be rewarded by a substantial Saudi and Kuwaiti contribution to solving its grave financial problems.

The scenario is different, and the production's budget too has been considerably increased.¹ The cost of the US deployment alone exceeds a billion dollars a month. The number of soldiers sent by Washington has already reached 100,000, and the Pentagon has made preparations to send double that number. The United States has concentrated a staggering panoply of engines of destruction and slaughter in the area. None of the most recent electronic gadgets for mass murder

has been left out, from the invisible bomber to the latest model tank, including the whole range of state-of-the-art missiles.

Not in the last 17 years, that is, not since the US withdrawal from Vietnam, have we seen such a buildup of an imperialist expeditionary force. Thus, despite the vast gulf between the bloody bourgeois dictatorship of Saddam Hussein and the Vietnamese revolution, the stakes of the confrontation underway are comparable to those in Indochina in 1965-1975 in one fundamental respect — its outcome will determine the extent of US imperialism's political and military dominance over the world, especially the Third World, for a whole period.

Freed from the "Vietnam syndrome" in a world where the Soviet deterrent is weaker than it has ever been, the American empire will no longer recognize any limits. That is why it is vital and urgent for all anti-imperialist forces in the world to mobilize to prevent imperialist aggression, and if it takes place, to work to defeat it, or at least to make its political cost as high as possible. Should we be taken aback to see that this time the



imperialist mobilization is directed against a bourgeois dictatorship and not anti-capitalist forces, as was the case in China, Korea or Indochina? In fact the imperialist rulers are no more tender hearted toward bourgeois nationalism when it dares to threaten their vital interests, than they are toward anticapitalist nationalism.

The misuse of a historical example

MODERN history is full of examples of Third World bourgeois leaders who have been pilloried by the imperialists. Without going back very far, Argentina's Peron, the Egyptian Nasser or the Algerian FLN were also compared to Hitler in their time. More recently the Libyan Qadhafi, the Syrian Hafez El-Assad, and of course the Palestine Liberation Organization and above all Iran's Ayatollah Khomeini have been accorded such a characterization.

However, it is true that among all these cases, Saddam Hussein's dictatorship is the regime most similar to bourgeois totalitarianism of the "national socialist" (Nazi) type. The tyrant of Baghdad came to power in 1968 through a counter-revolutionary putsch whose primary objective was to crush both a Che Guevara-inspired guerrilla focus in the southern part of the country and a left split from the Iraqi CP which was in the process of combining with the guerrillas.

In the following years (1969-1979), Saddam Hussein ruthlessly crushed any source of opposition to his personal dictatorship, and even the expression of the slightest independence from him. The

1. These movie metaphors are inspired by the American media's treatment of this conflict. You only have to consider the theme tune used by the American network CBS, under the title "Showdown in the Gulf."

Kurdish rebellion; Communists of all tendencies; and even fractions of his own party, the Baath (Party of the Arab Socialist Resurrection), were drowned in blood. Every recalcitrant group or even individual was liquidated or neutralized. The inexorable rise of Saddam Hussein had culminated in the concentration of all power in his hands before the war that he unleashed against Iran in September 1980. To top it off, he organized an official personality cult as revolting, intrusive and grotesque as all such masquerades.

Saddam Hussein's capitalist dictatorship

SADDAM Hussein's dictatorship rests on a civilian, military and police bureaucracy organized in concentric circles, based largely on family and clan ties and origins in the tyrant's native province (Takrit). This bureaucracy's privileges come from the Iraqi state's oil revenues. The latter, however, are not sufficient to meet at the same time the development needs of a country that has virtually no other source of foreign currency than oil, and which has to import the bulk of its food; the cost of maintaining a social base with various gratuities and payoffs, including the maintenance of a multitudinous bureaucracy; and a burdensome military budget made necessary by the permanent "pacification" of the part of Kurdistan under Iraqi domination and by conflicts with neighbors over territorial questions (the Iran of the Shah and then of the mullahs) or water problems (the Euphrates river question with Turkey) or political differences (Syria).

In 1974, a war of liberation was unleashed by forces in Iraqi Kurdistan, with the support of the Shah of Iran, the United States and Israel, all of which wanted to tame an Iraqi regime that was trying to outdo Egypt and Syria, its rivals for regional leadership, in anti-imperialist and anti-Zionist saber-rattling.² The year after, the Baathist regime, which had not yet been able to take advantage of the 1974 oil boom to step up its arming, found itself within an inch of defeat.

It was forced to save itself by settling the territorial dispute (on land and in water) with Iran on the Shah's conditions. The result was the Algiers accord of March 1975. In exchange, Tehran abruptly stopped giving aid and refuge to the Kurds. Having made the mistake of choosing such unreliable and ill-intentioned allies, their struggle ended in a debacle.

4 The following years, a breathing space for Baghdad, were devoted to perfecting Saddam Hussein's totalitarian dictator-

ship, as well as using the considerably increased oil revenues and the credit facilities they offered by virtue of the capitalist principle of "lending only to the rich." The Iraqi regime, an enlightened bourgeois despotism in the socio-economic sphere, was able to register some positive achievements — infrastructural works, investments in industry and agricultural, extension of literacy and education, improvement in the status of women and partial secularization of the society.

At the same time, Saddam broadened his social clientele by swelling the administrative, political and police apparatus. Above all, in the context of the stampede to buy both traditional and sophisticated arms in which all the oil states in the region participated (with the Shah leading the pack) he acquired considerable military means.

The sale of arms to the oil states was and remains one of the main mechanisms by which the imperialist states, as well as the bureaucratic workers' states, recycle the capital they inject into these countries in return for the imports of black gold. The arms industry is a major sector in most of the economies of both categories of states mentioned.

Saddam Hussein's Iraq supplied itself with arms mainly from those countries with the least ties to the Shah of Iran, and which had not contributed to bringing him near to defeat in 1975. They included, on the one hand, the USSR and its satellites; and, on the other, French imperialism, which after 1974 considered Baghdad its favored client in the Middle East. In the nonmilitary field, the French shared the Iraqi cake with the Germans and the Japanese.

The presence of the Iranian imperial army on its flank had both a deterrent and frustrating effect on an Iraqi dictatorship that dreamed of effacing the affront it suffered in 1975. Aware of Iran's advantages from the military point of view (a population three times larger, as well as greater financial means and correspondingly superior greater military means), Iraq tried, without success, to buy Hafez El-Assad's Syria (the aborted unification project of 1979) and get itself coopted to the rank of regional Arab leader in the aftermath of the isolation of Sadat's Egypt as a result of its US-sponsored Camp David accords with Israel.

The collapse of the Shah's regime in 1979, with the ensuing disorganization of the Iranian army and above all the break in this army's ties with its main tutor and supplier, the United States, offered Saddam Hussein an unhopd-for opportunity to take revenge on his neighbor. He took the chance all the more willingly because the new regime of the mullahs mounted an intense "Islamic" propaganda campaign against the "atheistic" government in Baghdad, appealing in particular to the Shi'ites, who represent the majority among the Iraqi Arabs (while Saddam's

clan is Sunni).

In attacking Iran, the Iraqi despot had several objectives. The first was to reverse the consequences of his capitulation in 1975; as a prelude to the hostilities, he renounced the Algiers accord concluded with the Shah. Next, in the context of dismembering the Persian empire, he sought to take the region of Khuzistan (Arabistan), Iran's main oil-producing region which was inhabited by an oppressed Arab ethnic minority. That would have made Iraq the world's main oil exporter, considerably reinforcing its potential in all spheres. Finally, he wanted to establish his regime as the dominant regional power, getting the other Gulf oil states, which were as worried as Iraq by the Khomeini regime's subversive behavior, to finance the Iraqi war effort.

Such were Baghdad's motivations in the war against Iran — bourgeois nationalist expansionist objectives. Saddam Hussein was not moved by any intention to serve Washington's interests, according to a black-and-white vision of things held by some supporters of Iran whom we had occasion to criticize.³ This view cannot integrate, with any coherence whatever, either Washington's secret contacts with Iran (Irangate) or still less the present behavior of the Iraqi regime.

The Pyrrhic victory over Iran

THE gamble taken by Saddam Hussein in 1980 was very risky, even adventurist. Carried away by his megalomaniac ambitions, he seriously overestimated his army's capacities against a large country with a much greater population. He did not foresee that by arousing a Persian nationalist reaction, his invasion of Iranian land would reinforce the cohesion of the mullahs' regime and therefore its ability to resist and later to mount a counterattack. In 1982, the Iraqi army became bogged down in Iran, and then went into retreat. The war was now on Iraqi soil.

In their turn, the expansionist Persian-Shi'ite nationalist Iranian mullahs made the same mistakes as their enemy had before. At the cost of terrible strain on the capacities of the Iraqi population; with increased support from its financial backers and its arms suppliers in both the West and East, who were frightened by the prospect of an Iranian victory; and by an increasing recourse to the deterrent horrors of chemical weapons, the Iraqi regime was able to turn the situation to its

2. This was the period following the October 1973 Israel-Arab war, which was supposed to be one of a negotiated settlement of this conflict.

3. See "Imperialism and the Gulf War," *International Viewpoint*, No. 132, December 21, 1987.

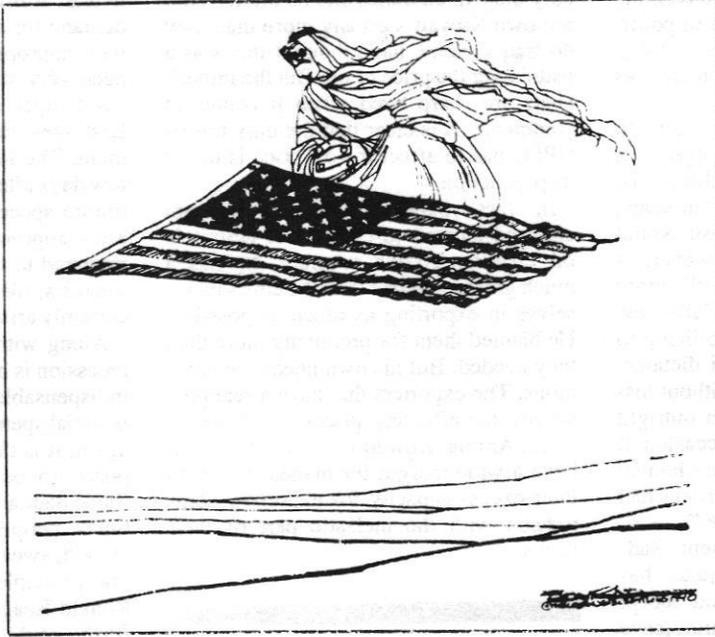
favor again. In 1988, Iran was forced to accept the ceasefire that it had stubbornly rejected when it was still in a position of strength.

Iraq emerged victorious from the military adventure launched by its tyrant, but at what a price! For Iraq alone, the war meant 300,000 dead and many more wounded, handicapped, widows and orphans. The overall military cost (destruction, lost earnings, the cost of the war effort) was around \$250 billion, plus \$60 billion in debts. It was a Pyrrhic victory in the full sense. Furthermore, the conflict with Iran was not settled, and therefore it was necessary to maintain a swollen army of a million soldiers, out of all proportion to a total population that the most generous estimates put at 17 million (that is, one in every 17 inhabitants were in the army).

Even before the war against Iran, the absorption of an important part of the Iraqi people's productive capacity in the military and bureaucratic apparatuses, as well as the lack of skilled manpower, and indeed the chauvinist policy of Arab colonization of the Kurdish areas, had led Iraq to open its doors to vast contingents of Egyptian immigrant workers (both skilled and peasants). Their numbers increased considerably during the war, reaching close to 2 million. The result was that a million Iraqis mobilized for war were replaced in production by Egyptians, with the oil emirs of the Gulf largely footing the bill.

Iraq became, to some extent, an Arab replica of the state of Israel, an overarmed state, whose place in the international (Israel) or regional (Iraq) division of "labor" was determined by its military role. However, the financing of Iraq to a degree equivalent to that of Israel would require \$20 billion a year. Even subtracting Iraq's oil income from this total, Saddam Hussein would need annual financing on the order of \$10 billion, without counting the enormous bill for rebuilding the country and the weight of its accumulated debt. Kuwait's oil income would just about cover the military effort and Kuwaiti capital invested in the West the reconstruction work.

Here was a terrible temptation, especially since the burden of the Iraqi regime's financial crisis was growing. The war was over. The Gulf money bags were cutting back their payments to Saddam Hussein considerably. They felt that they were caught in the trap of an endless racket, since militarized Iraq's appetite seemed



insatiable. They no longer had any illusions that the many "loans" to the Baathist regime would be repaid. As a result, Iraqi finances started to go under. Less and less able to pay back old debts, Iraq had more and more trouble in getting new ones. Even France, which not long ago encouraged it to buy, cut off credits and held back its deliveries.

The standard of living of the Iraqi population, maintained with difficulty during the war, started to plummet. It was necessary to "trim the fat." This took the form, not without problems, of beginning to send back the Egyptian workers. Foreseeing the growth of popular resentment, Saddam tried to gain some buoyancy in the same way as other dictatorships with statized economies — by offering facilities to the private sector and a simulacrum of multi-candidate elections (with all the candidates devoted to the despot). But in view of the gravity of the problem such expedients were no use.

The dictator tried to force the emirs to provide the funds he required by direct threats. He demanded that they officially write off Iraq's debts and pay him a substantial contribution toward rebuilding the country. From Kuwait alone, the most vulnerable because of its tiny size and common border with Iraq, he demanded \$30 billion. After all, had he not fought for their interests as well? Had he not defended the "Eastern Gate of the Arab Nation" against the Khomeinist Persian menace? Was it not right that the emirs foot the bill in dollars, since Iraq had paid in human lives?

Confronted with the stubborn refusal of the Gulf princes, Saddam raised his voice to point out, for the benefit of Iran, which had an equal interest in this aspect of the dispute, that Kuwait and the United Arab Emirates (UAE) by their unrelenting

greed in exporting far more oil than justified by the real needs of their Lilliputian states, were responsible to a large extent for the low price of crude, and were thereby depriving other exporters and their own needy populations of billions of dollars.⁴ In July, Saddam publicly threatened the emirs that he might resort to tough methods. Nothing happened. He massed troops on the frontier of Kuwait, but got no more results.

The emir of Kuwait stuck to his stubborn attitude, encouraged by the Saudis, Great Britain and the United States, which were highly upset by the Iraqi blackmail. Saddam was left without any other choice. It was double or quits. Either he resigned himself to the

inevitable collapse of his regime by renouncing its claims to the role of regional gendarme and "trimming" his armed forces — and then having to face popular discontent and the hostility of innumerable enemies with accounts to settle. Or else he upped the ante, in the illusory prospect of a success that would solve all his problems. It was illusory, because once again his megalomania blinded him to his own limitations with respect to the scope of his ambitions.

Hussein's Kuwaiti adventure

ON August 2, Iraqi troops overran the territory of Kuwait, almost as easily as if it were a routine exercise. Saddam Hussein's tendency to improvisation was once again striking. For him, like Napoleon, "you get involved and then you see." That is a valid maxim as long as you make sure you have an avenue of retreat. The characteristic feature of adventurism is neglecting this second aspect. Initially, it was announced that the Iraqi troops had intervened at the request of a Kuwaiti "revolu-

4. There is a wide-spread idea that Kuwait acted to bring down the oil price in the sole interest of the imperialists. This idea has some validity with respect to Saudi Arabia, but not for the state of Kuwait, which is more keen to pursue its own interests than the neighboring kingdom. In reality, if the Kuwaitis are exporting more than they need for the intangible needs of their state, it is because they are trying to maximize their profits, like any capitalist. The capitalization abroad of the income from their oil — an art in which they are past masters, for which they have won the admiration of international big capital — is much more profitable than leaving the oil in the ground, where its real price is declining inexorably.

tionary" government — a detail reminiscent of certain Soviet interventions in the past. But the lack of a minimum of political preparation in Kuwait for an invasion decided on in the heat of the moment was evident.

Saddam announced his intention to withdraw in exchange for the objectives for which he had crossed the Rubicon. To this end, his close friends of recent years, King Hussein of Jordan and Yasir Arafat offered their good offices. However, at this stage giving way was still more unthinkable for the emirs, especially now that world imperialism was mobilizing to come to their rescue. The Iraqi dictatorship, no longer able to retreat without losing everything, proceeded to an outright annexation of Kuwait. For the occasion, it was recalled that Iraq had long claimed this territory on which Great Britain had established an "independent state."

With the imperialist deployment, Saddam Hussein's double or quite has reached a fateful level. He could accept compromise solutions that would leave him a financial or territorial gain. But now the stubborn party is Washington, which has taken direct charge. Bush, with the approval of Thatcher, Mitterrand and other minions, is categorical — no concessions, an unconditional Iraqi withdrawal. Caught up in the toils, Saddam Hussein is preparing for a test of strength. In view of the scope of the challenge, he had to free his hands on the Iranian front. Making yet another turnaround, he accepted all Tehran's conditions for ending the state of war between the two countries.

The 1975 Algiers accord, which was declared null and void in 1980, was reactivated. The despot has once again changed the target of his Arab nationalism. The "Christian West" has replaced the "Persians." When you aim for Kuwait, Iraq's natural outlet to the sea, you can easily cede half of the Shatt-el-Arab to the Iranians, another Middle Eastern people and brothers in Islam.

The government of the mullahs, delighted with this manna from heaven, did not need much urging to accept the offer. At the same time, Iran could savor the spectacle of Iraq in its turn suffering an even more virulent hostility from the "international community," including from those who had only yesterday armed and financed it against Iran. In tragic farcical style so familiar in Middle Eastern politics, Washington even proposed an alliance against Baghdad to Tehran, calling on the Iranians to mass their troops against the neighboring country. For the moment, they have wisely declined the offer of Great Satan, with which they have no interest in getting too implicated.⁵ Iranian president Rafsanjani, who escaped by the skin of his teeth from the Irangate affair, knows something about that.

6 Why has world imperialism mobilized to such an extent, and why is it taking such an intransigent attitude? The ques-

tion has to be raised, because fundamentally the United States and its minions did not own Kuwait's oil any more than they do Iraq's. Some have thought this was a battle over the price of oil. But the imperialists are sharp eyed when it comes to commerce. It is clear that the only means OPEC has to affect the oil price is to cut its production.

In fact, Saddam Hussein has not annexed Kuwait to cut off the emirate's oil exports. To the contrary, he has a much greater interest than the emirs themselves in exporting as much as possible. He blamed them for producing more than they needed. But his own needs are enormous. The exporters that have a real possibility for affecting prices are those — Saudi Arabia, Kuwait or the UAE — that have a wide margin for maneuver, given their excess capacity for export by comparison with the inelastic part of their needs.

The fraud of "international law"

IT IS clear how much the "international law" evoked by the "international community" is worth. In the last 25 years alone, there have been so many invasions and de jure or de facto annexations that it is hard to count them. Let us take the annexations. For 23 years Israel has occupied Arab territories as populous as Kuwait, and officially annexed part of them. In 1971, the Shah annexed three Gulf islands belonging to the UAE. In 1975, Hassan II's Morocco annexed the Western Sahara. These spoiled children of imperialism have never suffered the least sanctions from their godfathers. Moreover we do not have to remind people that the imperialist great powers in the forefront in the Gulf conflict have maintained their annexations of a whole number of "overseas" territories.

As for the occupations and invasions in recent history, were the US actions from Vietnam to Panama, the Turkish invasion of Cyprus, South Africa's invasion of southern Angola, Iraq's own invasion of Iran, Israel's invasion of Lebanon, or the USSR's interventions in Azerbaijan and Lithuania, carried out in accordance with "international law"? Does not South Africa's apartheid regime deserve at least the same enthusiasm for sanctions and embargoes as the annexation of Kuwait? This talk about "law" is gross hypocrisy, coming from those who trample on it everyday around the world.

What then are the imperialists' real motives with respect to Iraq? Let us start with the reasons of convenience, for which the Iraqi invasion of Kuwait is only a good pretext. For the United States, fol-

lowed by France and Great Britain in particular, it offers an argument against any demand for a substantial reduction of military appropriations. Such pressures have been very strong lately, with the need to cut budget deficits coinciding with the East-West détente and calls for disarmament. The main lesson drawn by Bush a few days after the Iraqi operation (the Baltimore speech) was the need to keep the arms appropriations untouchable and be prepared to face new threats to American interests, like the Iraqi one, which would certainly arise, despite the Soviet debacle.

Along with this, at a time when a new recession is beginning, social cutbacks are indispensable. If budgets are to be cut, it is social spending that will be sliced. Once again, it is the oil exporters who are supposed to be responsible for this crisis. Since Saddam is the new Hitler of modern times, people have to get ready to shed "blood, sweat and tears" in defense of the big principles. One can imagine what Ronald Reagan, a much better actor than Bush, could have offered by way of a show on this occasion and theme.

There are still greater stakes for Washington. At a time when the economic power of the American empire is in sharp decline against German and Japanese competition, the United States is trying to restore the balance by playing on its unchallenged military supremacy.

The message is simple: "We are the world's gendarmes, the protectors of the imperialist order. This costs us a lot, while others who profit as much as we, if not more, from the maintenance of this order are not able to contribute effectively to the effort (for example, they are more dependent on Gulf oil than we are). It is only just therefore that they help to finance for exertions, or even give us trade advantages by way of compensation". Bush said this publicly in substance on August 30.

As for the direct motives of the imperialist intervention in the Gulf, these are fundamentally of two sorts. On the one hand, there is the defense of the Kuwaiti and Saudi states (as well as the UAE). Once again, "law" has nothing to do with it.

The Kuwaiti economy in exile

IN reality, for a long time, the Kuwaiti and Saudi ruling classes have been an integral part of imperialist world capital, not in the sense that their states (which have all the features of dependency) are

5. The enlightened interest of the Iranian merchants, who are the most advantaged class under the regime of the mullahs, would be to break the blockade of Iraq, at the high prices that the latter would not hesitate to pay (in oil, if necessary).

6. *The Guardian Weekly*, Vol. 143, No. 9.



imperialist, but in the sense that these classes have invested ("recycled") the better part of the assets accruing from their oil increases in the economies of the imperialist mother countries.

In this respect, the London *Guardian* recently published a very interesting article.⁶ It listed the big pieces of the Kuwaiti state's \$100 billion investments in the industrialized economies, showing that Kuwait is the main foreign investor in Japan and Spain and one of the main ones in Britain and the United States. But where this article offered an innovation was in introducing the concept of an "economy in exile" with respect to these immense assets of the Kuwaiti state, today deprived of its territory.

The ruling classes of such states own and run the state in a way that combines features of feudal lordship with the methods of the board of directors of a stock company. Their ability to do as they please with "public property" is not limited by any oversight outside their own narrow ranks. They are the state. They are multinational holding companies, for which territory is by no means essential. Imperialism defends them, as it would defend any of its big private interest groups.

Moreover, their use of their oil incomes is an integral part of the imperialist economies almost as if the money was in the hands of the imperialist companies themselves. This is all the more true in that a not inconsiderable part goes for uses that are unproductive or unprofitable for the buyers but highly profitable for the imperialist sellers, which would not be the case for ordinary private companies. For the United States, Saudi Arabia is a second Texas. For Britain, the Kuwait Investment Office (KIO), which owns 10% of the Midland Bank and British Petroleum (BP) is the equivalent of a big British investment trust.

It is not Kuwaiti or Saudi ownership of the oil fields as such that interests the imperialists. Iraq does not threaten their

oil supplies, because it has no other choice but to sell to them, which it has always done. What interests them is the use of the oil income, its recycling in their economies by exporter states that are rich, because they are underpopulated, with respect to their incomes.

Along with this economic motive,⁷ is a politico-military one. The imperialists cannot allow a regional power to emerge that is militarily outside their control, a state with hegemonic ambitions directly rivaling imperialist hegemony, as is the case with Iraq.

That country is not independent, because the country is structurally dependent in all spheres, aside from oil and dates. It is, notably, entirely dependent as regards arms. But it is uncontrollable, as Qadhafi's Libya can be, following a political course that the imperialists cannot predict — with the important difference that Saddam Hussein's military resources are much greater than those of Qadhafi.⁸

When, on top of this, such an uncontrollable power starts to challenge the great powers' dividing up the world into states in disregard for national realities and complementarity, thereby threatening to set a contagious precedent, it is high time to slap it down. This is the name of the game today. No one should be taken in. It is only hypocrisy when Moscow and Peking, who have agreed to give UN cover to the imperialist intervention, pretend today that they have only endorsed the blockade and are opposed to a military offensive against Iraq.⁹

The imperialist powers will not be satisfied with a simple return to the status quo ante, which would leave Iraq not only its war booty but also the possibility to prepare for new adventures. They are haunted by the idea that Iraq, which also has chemical weapons, could considerably reinforce its deterrent strength by joining the club of nuclear powers. For Bush, Thatcher and company, the watchword today is clear. Saddam Hussein is to be destroyed, as Carthage was for the

Romans.

To this end, two possibilities are envisaged. The first would be overthrowing (or assassinating) Saddam Hussein from within. This is the domain of the secret services, first of all of the CIA (certainly with the collaboration of the Israelis), the domain of covert action. But the chances here seem slight. Saddam Hussein is a specialist. He travels from bunker to bunker, with a surfeit of precautions, and his police control of the state apparatus is very tight. In fact, the CIA has already tried on several occasions to eliminate the Iraqi dictator, notably in concert with the Saudis in 1985-1986.¹⁰ It did not even manage to shake his regime.

The military option — overwhelming force

THE military option remains. The imperialists know, however, that it would be very hard to get domestic public opinion to accept seeing a lot of compatriots killed in a fight for the emir of Kuwait or the Saudi monarchy — the most reactionary in the world and more repressive than the Saddam Hussein regime itself as well as far more retrograde. Nonetheless, any confrontation on the ground, whatever tactic is adopted, is going to be very costly

7. French imperialism has invested a lot in Iraq. It would like to see the Iraqi economy reflationed by a reduction of military and unproductive state spending. Its interest is in seeing that this is done without too much damage, in order to maintain Iraq's capacity for repaying its debts and for importing. That is the reason it is showing little enthusiasm for a direct aggression against Iraq.

8. Qadhafi also had his Kuwait in Chad (the Aouzou strip).

9. Cuba's abstention in the UN Security Council on this question is deplorable coming from a country that has suffered so much from the American blockade.

10. For them it was a matter of removing an obstacle to settling the Gulf conflict.

in human lives against an Iraqi army with eight years of combat experience facing a numerically superior enemy. The main mission of the US land forces deployed in Saudi Arabia is in fact to protect the kingdom, in particular the oil fields bordering on Kuwait and Iraq

The no. 1 offensive option is air power. That is Iraq's Achilles Heel. It has a few sophisticated toys for aerial combat and antiaircraft defense, but remains in the poor house and vulnerable in this area. The Iranian airforce was in a dilapidated state, notably because of the lack of US spare parts (cf. Irangate), and Iraq has no real combat experience against a state-of-the-art airfleet. The region's desert geography, furthermore, makes it ideal for air power to play the decisive role, as illustrated by the Israeli-Arab wars since 1967.

The Pentagon has already worked out a plan for massive destruction from the air of strategic targets in Iraq (military concentrations, arms factories, infrastructure, communications and energy facilities). The American generals are getting ready to "flatten" Iraq by carpet bombing. They are rejoicing at the prospect of finally getting a serious chance to use such murderous gadgets as the Stealth bomber, whose prohibitive cost had aroused an outcry. They are getting ready to stage Apocalypse Now, Part II, for real, as son as they get the green light.¹¹ Such an action, the least costly in soldiers among the imperialists' military options, would destroy Saddam's military power, if not the regime itself.

The major risks of such an operation are the consequences it could have internationally and in the Arab world, which are being carefully weighed in Washington. Some of them are warning against the risk of a generalized upsurge throughout the Arab world, a sort of *Intifada* on a much bigger scale, which would do severe damage to the pro-imperialist Arab regimes.

These latter, moreover, are very worried by the prospect of a large-scale military offensive against Iraq. They are trying to wash their hands in advance in front of their populations. At any rate, the imperialist military forces will only withdraw from the region after irreversibly neutralizing Iraq, with or without Saddam Hussein.

The authority of world imperialism

WHAT is at stake is the authority and hegemony of world imperialism. This is why we cannot hesitate, whatever aversion we may have for the Iraqi despot. Everything possible has to be done to oppose the imperialist intervention, to force the withdrawal of the imperialist

troops and end the blockade inflicted on the Iraqi people. This is a task in particular for anti-imperialists in the countries involved in the intervention. The cost of any imperialist aggression against Iraq has to be maximized. In any confrontation between Iraq and the imperialists, we are resolutely on the side of Iraq.

But what about Kuwait itself? While there is virtual unanimity on the revolutionary left on the need to defeat imperialism, there is a broad spectrum of positions on the revolutionary left on the question of the annexation of Kuwait. This goes from those who call for a withdrawal of the Iraqi troops from this territory and self-determination for its population to those who support the annexation or even defy the Iraqi regime not to capitulate.

It is no paradox that the Palestinian masses on both sides of the Jordan river, those in the region for whom the right of self-determination is most important, are precisely those who are most energetically expressing their support for Iraq. To be sure, they have illusions about the Iraqi regime, illusions fostered by the close ties between the PLO leadership and this regime. However, more fundamentally, they do not class the Kuwaiti state in the category of the oppressed but in the class of creations of imperialism like the Zionist state.

Is this view well founded? It is unquestionable that the Kuwaiti state owes its existence to British imperialism. Of course, you could argue that all the states in the Arab region are products of the imperialist dismemberment of the Arab realm of the Ottoman empire over the last two centuries. Nonetheless, with the exception of a few such artificial ones as Jordan, these states correspond to the Ottoman administrative units or to regions that remained free of Ottoman domination (Morocco, North Yemen), and therefore have a long continuity as states. But this is not a decisive difference.

The real difference is that these states include active native populations that for the moment accept their state framework and could surmount it in the direction of a federation union or fusion with others if they had the active will to do so. This is not the case of the oppressed national minorities such as the Palestinians or Kurds. It is not the case either of the oil mini-states of the Gulf (Kuwait, the UAE, Qatar). The latter are bases established by British imperialism with the purchased collaboration of ruling clans coming from the Bedouin tribes of the Arab peninsula.

The strategic importance of these bases for the British empire's naval dominance was increased in the twentieth century by the discovery of the oil riches lying under the soil. They became oil concessions for the imperialist companies. British imperialism therefore had every interest in making them so-called separate "states" and later "independent" ones in order to pre-

serve its dominance over them and their wealth, enclaves free from the anti-Western subversion to which the other normally populated states of the region became exposed very early.

The creation of the "state" of Kuwait at the end of the last century was done against the will of the Ottomans, who demanded the withdrawal of the British and the attachment of the area to their province of Basra, the south of today's Iraq, of which Kuwait is a natural extension leading toward the waters of the Gulf. Under a British protectorate, this state was maintained by London against the will even of its own Iraqi agents (and the Iraqi population) under the monarchy that Britain set up in Iraq in 1921.

London had Kuwait firmly under its control, with the territory's few tens of thousands of inhabitants. Alongside an Iraq that would have eagerly annexed it at its birth, the state was entirely dependent on British protection. The English, moreover, were clear-sighted about the precariousness of their domination of Iraq challenged by rebellions as early as 1920. In 1958, the monarchy that they sponsored was finally overthrown by a republican, nationalist coup d'état carried out by forces openly hostile to them.

The new regime called still more forcefully on London to cede Kuwait. But with the growth of the territory's oil production, this was even less a possibility. And when in 1961, London granted an entirely formal "independence" to its protectorate of Kuwait (300,000 inhabitants at the time), a British military force had to be sent to prevent Iraq from annexing it. The conflict was finally settled by Kuwait paying Iraq a sum of money in return for its recognition as a state.

Self-determination for an artificial state?

LIKE the other oil emirates, Kuwait owes not only its creation but its survival to imperialism, as the events under way well illustrate. Applying the concept of self-determination to territories cut out by imperialism around mineral resources in order to be able to exploit them more easily, dividing them from larger units from which they are not distinguished by any national, ethnic, cultural or linguistic features, amounts to given the privileged minorities that live in such enclaves pre-

11. Alarming and light-minded references have been made to the possibility of resorting to nuclear weapons in response to Iraq's using chemical ones.

12. Of the 40% of Kuwait's inhabitants who hold citizenship in the emirate, less than 10% enjoy the right to vote, which in any case remains quite formal, since the emir is free to act as he chooses and dissolve his poor excuse for a parliament, as he did recently.

Drawing a line against the war drive

MOVEMENTS of protest against the US-led war drive in the Gulf are developing throughout the world. Below we outline some of the antiwar actions that have taken place or are being planned, along with some information on the state of play among the major political parties, and the impact of the intervention on the populations in different countries. The survey is both incomplete and behind the times, but we hope to bring you more information in future issues of *IV*.

We start with a contribution from Tom Barrett, dated August 29, on the situation in the United States.

THE spectacle of the President of the United States playing golf at Kennebunkport, Maine, as he deploys the US' largest military force since the Vietnam War, has begun to inspire distrust among Americans. In city after city antiwar activists are beginning to organize at the grassroots level, as it becomes clear there will be no early end to the Gulf Crisis.

A number of complex and contradictory factors are beginning to work against Bush as a consequence of his failure to end the crisis quickly. In a display of over-confidence after his easy takeover of Panama, (perhaps Saddam Hussein should have accused the Emir of Kuwait of trafficking in cocaine), Bush chose a strategy of military confrontation rather than compromise. Hussein might have been willing to come to an accommodation with the US in the early stages of the crisis, but the American president's insistence on asserting US authority in the region has made compromise much more



difficult now.

After an initial rush of support from a broad spectrum of bourgeois politicians, Bush's consensus appears to be cracking — in unexpected places. Patrick Buchanan, a former speechwriter for Richard Nixon and a spokesperson for the most reactionary sections of the US ruling class, has taken issue with Bush's policies. Jesse Jackson, on the other hand, has supported the Mideast intervention up until now.

There is a debate within the US bourgeoisie, and it is directly related to oil economics. The reason for Saddam Hussein's invasion — as he himself stated up front — was the relatively low price of crude oil, about \$17 per barrel at the time. A significant section of the capitalist class in the US — including oil people, but also bankers whose revenues depend on oil-company profits — shares the view that oil prices are too low. Low oil prices are the direct cause of the economic slump in the American South-West, which was in turn the biggest factor in the Savings and Loan debacle. Thus there is sympathy with Saddam's desire to push the price of a barrel of oil up to \$25 among this section of the ruling class.

Bush, the former president of Zapata Oil, clearly understands this point of view, and though another section of the US ruling class clearly desires lower oil prices, this is not Bush's motivation for intervening in the Middle East. His concern is to reassert US dominance in the region, which was seriously weakened when the Shah of Iran fell in 1979.

The longer the crisis continues the more the anti-intervention movement will grow. Weekly picket lines at federal buildings and oil company offices are taking place in many major cities. In New York different offices are picketed weekly, drawing between 100 and 150

each time. In Minneapolis protest pickets of about 50 were held at the federal building and outside a hotel where Vice President Dan Quayle was addressing a Republican fundraising event. A protest rally combined with a teach-in was held on August 23 in Minneapolis, drawing 150 to 200 people.

Similar protests are occurring in Cleveland, Philadelphia, Kansas City and other important cities. The biggest event so far has been a demonstration of 1,000 in San Francisco on August 28. Plans are under way for a major protest meeting in New York on September 13, which will feature former Attorney General Ramsey Clark among other speakers and a major protest march on October 20. More than 100 people met on August 28 to help organize these events.

Antiwar activists are attempting to come to grips with the Gulf crisis's political complexities. Saddam Hussein is, after all, not an anti-imperialist revolutionary, but a capitalist dictator. It is clear that Hussein is sending young men to die so that the price of crude oil will rise. Working people in the United States can have no sympathy for the Iraqi dictator. Anti-intervention activists are understandably confused on how to respond. Correctly, the overwhelming sentiment is to focus the demands of the various coalitions on the US government, demanding that it end its military intervention in Middle East. However, many want also to express their opposition to the invasion and annexation of Kuwait by Iraq — which in its turn may lead to ambiguity on the opposition to US war moves.

Under these circumstances we can expect a major discussion among US activists. The overriding factor must be maintaining a clear focus on the criminal role of the US government and the demand that it ends its intervention in the affairs of the Arab peoples. ★

PLANS are under way in Britain for a demonstration against war in the Gulf on September 15 in London, sponsored by the Campaign for Nuclear Disarmament. Speakers at the demonstration are to include Labour MPs Tony Benn and Dianne Abbott, Bruce Kent from CND and Fire Brigades Union chief Ken Cameron. The basis for the demonstration is No War in the Gulf. At the same time the Campaign Against War in the Gulf (CAWG) is building an anti-imperialist contingent for the demonstration, taking up the crucial additional demand for the immediate withdrawal of US and British troops from the region. The committee hopes to build on the success of a 2,000 strong demonstration on September 2 called by the British Socialist Workers Party.

The CAWG has so far been joined by a number of Labour MPs, including Tony Benn, and by London and Kent areas of the National Union of Students, Labour Party Socialists, Women For Socialism and a range of individuals and far left groups, including Socialist Outlook, Socialist Organiser and the Socialist Workers Party. The Campaign will be distributing 50,000 leaflets calling on people to attend the demonstration and support

the demand for the recall of US and American troops. ★

THERE is consensus among the political class over the involvement of France in the Gulf war. Noone is willing to upset President Mitterrand. The left is paralyzed, and this has allowed the far right National Front to fish in troubled waters.

Taken by surprise by Saddam Hussein's occupation of Kuwait, and faced with the fait accompli of the American armada on its way to the Gulf, the French rulers had no choice but to line up behind the US. The helicopters on the French aircraft carrier *Clemenceau* are to be part of the forces stationed in Saudi Arabia.

The Socialist government wanted to make sure that the right could not outbid it. Mitterrand has acted precisely as he was advised by Charles Millon of the right-wing UDF: "The rise in tension can only lead France to move significantly closer to the intransigent attitude of the United States." Even so the Iraqi lobby — France has had especially warm relations with Iraq — continues to make its weight felt in the state apparatus, both at the political level and in the military-industrial complex. The unforeseeable consequences of the American operation on the frame of mind of the peoples of

the Middle East threatens the "Arab policy" that, since De Gaulle, has allowed French imperialism to play its own game in the region.

As ex-Minister of the economy Jacques Chirac suggested, it is necessary to avert a redistribution of the cards from which only Washington would benefit. "Should we go further, as some of our partners are already envisaging? We do not believe so. Let us be quite clear. The operation must remain an international action with the aim of upholding the law and go no further." The government has dispatched a number of right-wing worthies to a series of Arab and Third World countries to explain the French position.

There has been a loud silence from the workers' movement. The Socialist Party was quick to support "the firm attitude shown by France." As for the Communist Party, the approach is to pretend that Mitterrand has not chosen military escalation. This orientation is likely to provoke tensions within the party's ranks.

The only well-known voice of open dissent thus far has been that of Le Pen from the far right. The National Front leader has revived an old theorem: each to their own nationalism. Thus opposition to the intervention goes hand in hand with the usual xenophobia. Nonetheless on the left, the French section of the Fourth International (LCR) has been circulating a petition of protest against the policy of the French state, and is planning a demonstration in mid-September. ★

SOME forty left-wing demonstrators held a demonstration at the American Embassy in Tel Aviv, Israel on September 4. The demonstrators, members of the recently-founded Committee to Prevent a Gulf War, carried signs reading: "Iraq — withdraw from Kuwait! US — withdraw from the Gulf!"; "Negotiations — the only way to solve conflicts!"; "Bush, did you already withdraw from Panama!"; "We will neither die nor kill in the service of the US!" and "Blood is more precious than oil".

The organizers say that they decided to take this initiative after some prominent Israelis urged the US to launch an attack on Iraq, and even to use nuclear weapons. "Such statements are a very ugly phenomenon, which constitutes a grave danger to our future. We want the American public and government to hear a sane voice out of Israel, a voice calling upon them to refrain from war and to solve the crisis by way of negotiations". ★

THE Spanish government is taking part in the armada in the Persian Gulf. Like the French SP, the Spanish Socialist Workers' Party (PSOE) has stood in the front line of the warmongers. However demands for a halt to the imperialist intervention and the return of those called up, as well as the fleet, have not been long in coming.

The first demonstrations took place in

Gulf crisis splits Italian CP

IN ITALY the sending of several warships to join the US-led fleet is yet to meet with a massive reaction from the workers' movement. Gianni De Michelis, Socialist leader and Minister of Foreign Affairs, has since the start been aiming at a military intervention to defend imperialist interests in the region, while the peace forces have been taken by surprise, and have been unable to respond. However, the events in the Gulf have brought to a head the crisis in the Communist Party (PCI).

The PCI is presently divided into three main currents: an openly Social Democratic rightwing, represented by Giorgio Napolitano, aiming at the complete liquidation of the party's tradition and integration into the "European Left"; a centre current represented by the party's secretary Achille Occhetto and the present party leadership, cautiously following a few steps behind the right, thus hoping to avoid a major crisis amongst the party militants; and finally a left whose diverse components include an old leader Pietro Ingrao, ex-leaders of the far left PdUP such as Lucio Magri and Luciana Castellina and the traditional spokesperson of Moscow orthodoxy, Armando Cossutta.

During the parliamentary debate on the Gulf crisis, after the government decided to send ships to the Gulf, the PCI deputies voted in different directions. At the moment of the vote the party leadership decided to abstain on the government's policy, since it believed that it had scored a big success by getting a statement that the United Nations should play a decisive role in resolving the conflict and a vague reference to a global solution to the Middle East crisis, including recognition of the rights of the Palestinian people, into the final resolution. In fact the government had decided to send the ships before the parliamentary debate, and well before the UN took any official position. Thus the PCI's abstention amounted to lining up with the interests of the great powers.

The left current publicly disassociated itself from the party's orientation, through an intervention by Ingrao in the parliamentary debate. After denouncing the Iraqi annexation of Kuwait, and criticizing Saddam Hussein's dictatorship, Ingrao stated his opposition to the military intervention to defend the West's strategic interests. The left's deputies then left the chamber without voting. The only votes against were thus those of the Democrazia Proletaria, some representatives of the Independent Left (tied to the PCI) and the Green

Left. — Enzo Traverso ★

New anxieties for Zionist leaders

AFTER the invasion of Kuwait, when the United States had just begun its preparations for the naval blockade and the imposition of sanctions, an atmosphere of war was created in Israel, accompanied by euphoria. It was clear to the Israeli leadership that now, as in every Middle Eastern war supported by the United States, Israel would be the main player. However, in contrast to these hopes, a novel situation was created: the response to the American plea for help was decisive — the European community, the Soviet Union, Japan and especially the coalition of Arab states. The strength of the American position and its effectiveness brought about an immediate drop in the strategic value of Israeli intervention....(now) any action which might be interpreted as the entrance of Israel into the network of American allies would bring about its immediate dissolution and the exit of the Arab coalition.

This new situation is a slap in the face for Israel. Its leaders have always had the feeling, which was nourished by the US, that Israel was the key strategic ally of America in the Middle East....in fact the very victory of American policies, and the significant changes that have taken place in the Soviet Union and its satellites, have decreased the importance of Israel to the status of an "ordinary" Middle Eastern state.

In this connection it was reported in *Ha'Aretz* August 15 that the Israeli ambassador in Washington, Moshe Arad, sent telegrams to Jerusalem following his two meetings with the Secretary of State James Baker, in which he warned that "the official statements of Israel concerning the violent character of the Middle Eastern states and the value of Israel as a faithful ally of the United States are liable to act against her in the long run, since the Arab states who are cooperating with the United States are apt to claim as compensation for their aid the withdrawal of Israel from the territories."

From the August 15 issue of The Other Front, published by the Alternative Information Centre in Jerusalem. ★

Cartagena at the time of the departure of two warships for the Gulf. This action was in response to an appeal by the Anti-NATO Movement, anti-militarist organizations and the far left, notably the Communist Movement (MC) and the Spanish State section of the Fourth International (LCR).

An emergency committee has been set up in Madrid and Cadiz, on the initiative of the anti-NATO Movement, the MC, the LCR, ecologists' groups and well-known individuals. A thousand-strong demonstration has taken place in front of the Foreign Affairs Ministry in Madrid.

On September 19 there are to be demonstrations in a number of towns. In Euskadi (the Basque country) a 2,000 strong demonstration took place in Bilbao. The United Left (IU) coalition, which is dominated by the Communist Party, has been steering clear of the campaign. On the other hand the Basque nationalist Herri Batasuna organization has called on Basques and Spaniards to disobey orders. As in France, the Spanish Communist Party has been criticizing the government, aligning its position on that of the USSR and recognizing the right of the United Nations to interfere. ★



planned for September 22 against Western intervention — the Dutch government has sent 3 ships to join the armada. The organizers of the demonstration include peace committees, Turkish, Kurdish and Palestinian groups as well as the far left. The Green Left, however, is not supporting the action. ★

A DEMONSTRATION of about 150 people took place August 31 in front of the American Embassy in Denmark's capital Copenhagen. Among the speakers were the chairperson of the Danish CP, representatives of the Left Socialists, the International Socialists and the Kurdistan Committee, sympathetic to the Kurdish Workers' Party (PKK). Talib spoke on behalf of the Danish section of the Fourth International (SAP) as well as an Iraqi opponent of the regime of Saddam Hussein.

Meanwhile the bourgeois parties and the Social Democrats have supported the imperialist intervention. The Socialist People's Party (SF), wants the war effort conducted more clearly under UN auspices. The right-wing Progress Party also voted against the motion to send a Danish contingent to the Gulf, because the Danish ship has orders only to fire in self-defence. ★

Oil rhetoric masks reality

SADDAM Hussein's invasion of Kuwait was a godsend for western bourgeois politicians seeking a scapegoat on whom to pin responsibility for the growing prospect of capitalist recession. However, there is little in reality to support the picture of a world economy at the mercy of greedy oil producers. The increase in the price of the oil which has so far occurred is the result, not of the invasion of Kuwait by Iraq, but rather the blockade which prevents Iraq and Kuwait from selling their production. Moreover, the price of crude oil remains at an absurdly low level.

According to the US economist Joseph Story, the real price of oil is today at a historic low, if inflation is taken into account (*Le Monde*, July 29, 1990). The price of a barrel of oil has been fixed since 1986 at \$18 a barrel. Against the opposition of Kuwait and the United Arab Emirates, an OPEC (Organization of Petroleum Exporting Countries) meeting on July 27 of this year decided to fix \$21 a barrel as a target price. This decision, taken under the pressure of Iran and Iraq, was judged eminently reasonable by most experts, especially given the decline in value of the US dollar.

The price per barrel surpassed \$30 after the imposition of the blockade against Iraq and Kuwait, then fell back to \$26. On August 29, a new OPEC meeting, boycotted by Iraq and Libya, decided to increase production so as to push the price back to \$21 a barrel — Saudi Arabia and Venezuela had said that they would increase production whatever the decision.

Following the increase in the price of oil in 1973 and the growing power of OPEC at that time, the western countries judged it profitable to concentrate their efforts in more politically secure zones such as Alaska and the North Sea. The share of OPEC in the production of oil has sharply decreased, from 54% in 1973 to around 30% in 1987. But the extraction costs of Gulf oil are still 12 times less than that of the United States, and it is of superior quality. As a result of the fall in the price of Gulf oil from 1985 onwards, the United States was, by 1989, importing 50% more oil than in 1985. Thus, its dependence on imported oil is much stronger than in 1973. Moreover, the identified reserves of oil in the United States constitute hardly more than 3% of global reserves, as against 60% in the Gulf. Whatever their other motivations in this conflict, the US and the other imperialist powers have a strong material interest in asserting their inalienable right to continue to plunder the oil wealth of the Arab East. ★

Latin American Marxism: the relaunch

A WHOLE series of recent developments — the US invasion of Panama, the collapse of the bureaucratic systems in Eastern Europe, the defeat of the Sandinistas in the Nicaraguan elections, the failure of the United Left in the Peruvian elections, the growth of social democratic currents inside some revolutionary organizations and the successes of the United States' strategy of "low intensity conflicts" — formed the background to the meeting of political parties of the Left from Latin America and the Caribbean which took place July 4, 1990, in Sao Paulo, Brazil.

The meeting gave the participants an opportunity to confront these new challenges. Among those present was Sergio Rodriguez, a leader of the Mexican Revolutionary Workers Party (PRT), the Mexican section of the Fourth International, who sent us the following account of the conference.

SERGIO RODRIGUEZ

THE meeting was hosted by the Brazilian Workers Party (PT), strengthened by the recent elections in which it got 31 million votes. The PT has 650,000 members and is the main influence in the most powerful trade union federation on the continent, the United Workers Central (CUT).

There were discussions on five main topics: the capitalist offensive in Latin America; the crisis in Eastern Europe; the current situation in Cuba; certain experiences of the Latin American left; and our project for a socialist and democratic society.

The discussion on the capitalist offensive involved an attempt to assess the present balance of forces and the austerity measures now being applied in Latin America. The Movement for Socialism (MAS), an Argentine organization founded by the Trotskyist Nahuel Moreno, claimed that the mass movement is more on the offensive than ever, whether in Eastern Europe, the Third World or the imperialist centres.

According to the MAS, the big losers today are the imperialist governments and the bureaucracy of the so-called "socialist countries". This analysis was rejected by the rest of those present, who found the MAS' assertion that the invasion of Panama was the swansong of imperialism especially hard to take.

Most of the organizations present explained the difficulties currently being experienced by the Latin American revolutionary movement by two factors; firstly the arrogant attitude of imperialism, taking advantage of the policy of peaceful

coexistence and *perestroika*, and secondly the use of the foreign debt and the "structural adjustments" demanded by the IMF, which are an essential economic means of disciplining our people. We tried to arrive at a deeper understanding of these processes and outline a way of confronting them, in the face of Bush's plan for a free trade zone including Latin America, the United States and Canada.

Discussion on crisis in Eastern Europe

The discussion on the crisis of the regimes in the East focussed on why it happened and the meaning of these events. For the great majority of the participants, the events represented a crisis of the model of bureaucratic domination. It was something of a surprise to hear the General Secretary of the Communist Party of the Dominican Republic, Narciso Isa Conde, describing what was happening with the traditional Trotskyist phrase "a political revolution".

The talk was all of the "fall of the bureaucracy", the "transition to socialism", the "crisis of the single party model", the "absence of socialist democracy" and so on. Most of the delegates insisted on the necessity of an answer to an urgent strategic problem; the reestablishment of the connection between socialism and democracy. PT leader Marco Aurelio Garcia explained the necessity of multipartyism in the construction of a socialist society. He pointed out that the achievement of a whole series of demo-

cratic rights — universal suffrage, religious freedom, national rights — had not been and should not be entrusted to the bourgeoisie. In fact democracy remained a terrain of struggle between the bourgeoisie and the society, headed by the workers. But, as he insisted, the bourgeoisie's present hegemony on this terrain needed to be contested.

Carlos Aldano Escalante from the Communist Party of Cuba (PCC) began his presentation of the situation on the island with the claim that; "Cuba is not in crisis and will not be." This was something like an attempt to exorcize the clear dangers threatening a revolution dear to the whole Latin American left. Aldano explained his views on the question of the single party, which he presented as a tactical rather than strategic problem depending on the objective conditions of imperialist encirclement. He said that the Cubans are faithful friends and had often supported Soviet actions that they did not agree with. He cited the example of the invasion of Czechoslovakia in 1968, which the PCC first of all analyzed as politically and morally unjustifiable. It was the need to give political support to the Soviet friends that changed this position.

Conditions for democratic elections in Cuba

Joao Machado, a PT leader, called on all the organizations present to come out clearly in defence of the Cuban revolution. Nonetheless he drew a sharp distinction between the question of the single party and the limitations of democracy in Cuba.

The representative of the Mexican PRT pointed out that nobody present had demanded that the PCC organize elections on the bourgeois democratic model, nor even on the Nicaraguan model — which the Sandinista ex-foreign affairs minister, Miguel d'Escoto, defined as a ballot conducted with a pistol to one's forehead. But he also underlined that there was no counter-revolutionary army in Cuba, nor a powerful bourgeoisie intent on treachery, and that the island had not just suffered six years of war. Thus the conditions existed in Cuba for real free elections, given that money would not be a source of inequalities. Multipartyism is a democratic right, and Marxism does not fear the battle of ideas.

Another PT comrade, Jose Dirceu, said that the main problem in Cuba stemmed from the fusion of the party and state. Aldana, who had defended in a very laconic way the execution of Ochoa (see IV 173), stated that the separation of party and state would be a key point at the next PCC congress.

This meeting marked the end of one period and the beginning of another. For some it confirmed the end of the period of armed organizations and the start of institutional activity, as shown by the experi-

ence of the M-19 in Colombia, an ex-guerrilla organization whose presidential candidate Navarro Wolf has accepted the post of Minister of Health in the new government of Gaviria.

Question of armed struggle reassessed

Others saw a more profound meaning — the Left had come to the end of a time when it saw the revolution as a confrontation between two camps or blocs. The collapse of the “socialist camp” has affected not only the Left’s strategy but also its vision of practical politics as well. Nobody wants to be identified any more with the bureaucratic deviations of the so-called countries of “really-existing socialism.” The question of armed struggle — in many respects a reaction to the militarism of the state — has also been approached differently; such a decision cannot be the authoritarian decision of a small group of courageous militants, it must have legitimacy based on the democratic sentiments of the population.

The turn of the wheel has also affected organizations that are not engaged in armed struggle. The Brazilian PT, the Peruvian United Mariateguist Party (PUM), the Uruguayan Tupamaros and the Mexican PRT are at a crossroads. How to combine the the struggle in the institutional framework and a revolution-

ary strategy for social transformation?

The question of the development of people’s power is a fundamental part of a resolution of this contradiction, since it rejects neither institutional participation nor the development of armed struggle. Popular power is a school of revolutionary strategy, taking up the struggle for reforms as a way of preparing for power; it struggles for a model of democratic socialism while educating the masses in democratic participation in the capitalist framework. There are some dangers in this line — including the confusion of popular power and charity — a traditional mistake on the Latin American Left.

Some present compared the Sao Paolo meeting to the experience of the Latin American Organization of Solidarity (OLAS — An anti-imperialist front founded in the 1960s under Cuban influence)..

However there are two very important differences. Firstly, the Left does not today have a model, such as Cuba was at the time, which dominates its political and theoretical considerations. Furthermore this meeting reflected the pluralism of a revolutionary thought that wants now to break with all dogmatism. This is the consequence of the appearance of a New Left on our continent. The gathering was thus a rejuvenating experience in the middle of the crisis of the international socialist left. ★

South Africa and socialism

WOSA (Workers Organization for Socialist Action) was founded a few months ago by the fusion of several groups of the socialist left (see IV 184). It has a national implantation and intervenes in the mass movement in a variety of ways. We publish below extracts of a “self-interview” in which the WOSA leadership explains its views. The interview is taken from *Workers Voice*, WOSA’s theoretical review.

Defend Mexican Trotskyists — and free elections!

FOUR MEMBERS of the Partido Revolucionario de los Trabajadores (Revolutionary Workers’ Party, PRT, the Mexican section of the Fourth International) were murdered on August 16 in Jolalpan in the state of Puebla, while defending the Jolalpan town hall. Those directly responsible for these killings are armed groups of the Partido Revolucionario Institucional (PRI), the party that has ruled Mexico for 70 years.

The town council of Jolalpan was won in the local elections by a slate including members of the PRT. The new council took over on February 15. This victory was formally recognized by the Electoral College of the Local Chamber of Deputies, as well as by the state government authorities. Since the day the new council took office, which was carried out in a peaceful and legal way, a group of PRI members stationed themselves at the entrances to the townhall, trying to block the town council from functioning. Throughout this time, they have been mounting all sorts of provocations, which culminated in the August 16 clash.

For their part, the authorities of the state of Puebla have not only not apprehended those responsible for the PRI attack, but have arrested other PRT comrades, who at this writing remain in prison. The clash was not, as the Puebla government represents it, the result of a conflict of armed groups of both parties (the PRI and PRT), but an attack by an armed PRI group against the legally constituted municipal authorities. Its purpose, therefore, is to oust the people’s elected representatives by maneuvers clothed in a false appearance of legality overriding the will of the people of Jolalpan.

We appeal to all democratic and progressive forces to send telegrams of protest and support for the Mexican PRT. They should be sent to Mariano Piña Olaya, Constitutional Government of the State of Puebla, Palacio de Gobierno, Puebla, Puebla, Mexico. Copies should be sent to the PRT via Edgardo Sánchez Ramírez, Avenida Xola 181, Colonia Alamos, C.P. 03400, Mexico, DF, Mexico. ★

IS WOSA a vanguard party of the working class that seeks to rival the South African Communist Party (SACP)?

We don’t believe that organizations can proclaim themselves as the leaders and vanguard of the working class. This is earned in the struggle itself. WOSA hopes that it can gain influence in the workers movement not by substituting for the working class. We do not proclaim that we have all the answers and denounce those we disagree with.

We will patiently but resolutely argue our politics before the workers, defend their struggles and attempt to lead them in a direction that strengthens them. It is inevitable that WOSA and SACP will compete for the allegiance of the working class to their different policies and programmes. The SACP has, as a result of its alliance with the African National Congress (ANC), its support (material as well as moral) for the armed struggle and its relationship with the heirs of the great Russian Revolution, won tremendous popular support. As such the SACP plays an important role in our struggle. WOSA will support the SACP where it strengthens the position of the working class and will join it in a united front manner to build the unity of the working class.

■ **Is the formation of the WOSA not a**

potentially divisive step?

No! The idea that political pluralism equals division is nonsense and thankfully now completely discredited with the collapse of Stalinism. Since 1928 when the Communist Party of South Africa, as it was called then, adopted the slogan of a Native Republic and developed the two stage theory, there have been essentially two traditions in the workers movement. On the one hand, was the Stalinist view, held by the SACP, that our struggle is firstly directed against national oppression or apartheid and that only once apartheid has been destroyed can we begin a struggle for socialism. On the other hand was the view that capitalism has been built on the foundations of national oppression. Therefore in order to secure national liberation a combined, permanent struggle against national oppression and capitalism is needed. This will put in place a workers state. WOSA seeks to represent the second view.....

■ What is WOSA's position on negotiations?

We believe that these negotiations between the government and sections of the liberation movement will not succeed in delivering the central demand of our struggle, i.e. full and equal democratic rights for all. This will amount to a handing over of power to the majority, which the government is dead against.

For the government, the strategy of negotiations represents a decisive initiative to win time and space to extract itself from the economic, social and political crisis that the system of apartheid is in.

Although the regime faces a deep economic crisis which makes it vulnerable to international pressure, power is firmly entrenched in their hands. State institutions rest on the military, police and the electoral support of the majority of the whites. This the government is still able to rely on.

While the government is prepared to get rid of most of the racial laws on the statute books, such as the Group Areas Act and even the Populations Registration Act, they are not ready to hand over power to the majority. The government could reintegrate the bantustans into South Africa and may even formally introduce some form of universal franchise. However the government will not grant majority rule. They will insist on some form of minority rights or veto for the whites. This is necessary to ensure not only that economic wealth remains in the hands of the small minority of whites, but also that material privileges are maintained for whites as a whole.

If the ruling white National Party (NP) is not going to break its pact with the white electorate, it follows that negotiations between the ANC and the government will not deliver a unitary, non-racial democratic South Africa in the current period.

The township war and the negotiations

WITHIN a few days the civil war in Natal, which has been going on now for several years, has spread to a whole series of black townships in the suburbs of Johannesburg. Groups of Zulus organized in the Inkatha party have been clashing with sections of the population, primarily young people, who support the progressive movements, above all the African National Congress (ANC). The government has profited from these clashes to impose a state of emergency on the black townships of Transvaal.

These terrible events are the fruit of a long process of deterioration of the political scene, and implicate all its major actors.

Firstly Inkatha, the single party led by Chief Buthelezi which rules over the Bantustan of Kwazulu in Natal. This movement appears as a reactionary "tribal" force. But it also expresses the specific political and social interests of the Zulu elites, who are in favour of a liberal desegregation of the country. Inkatha manipulates a significant proportion of the Zulu population in inter-ethnic conflicts, but also wants to play on the national scene. This is why Buthelezi has been regularly received abroad as a national political leader, notably by Thatcher and the American administration.

The South African government for its part has used Buthelezi for a long time. But since the opening of the negotiations with the ANC it has had an additional interest in showing that the blacks are divided among themselves, according to the logic of the racial ideology.

The permanent complicity of the South African police with the Inkatha armed groups is an open secret. But now the situation has got so out of control that the government itself needs to cool things down. Its objective is to engage in constitutional negotiations not only with the ANC but also with the representatives of the Bantustans, such as Buthelezi. Mandela's movement has been visibly taken by surprise by the turn of events, when it had been expecting a slow process of negotiation and compromise. Their new strategy seems now to have been dictated by a certain impatience — the shortcut of negotiations for a "post-apartheid South Africa" has been revealed as a trap and a dead-end. The regime is increasing its pressure and using the threat of repression as blackmail. In these conditions the ANC will have to choose between remobilization and increasingly risky compromises.

This is amply demonstrated when we see how personalities created by the racial system have found themselves pushed to the front. Not only Buthelezi, but also General Holomisa, the "progressive" leader of the Transkei bantustan, speaking in the name of the Xhosa population.

The present confusion is also partly caused by the ANC's recent policy of unreserved entente with the authorities, to the point where it has been putting itself forward as co-responsible for the reform process. The township youth, which is not very politicized, but has become used to hearing that liberation would be achieved through armed struggle, is in no way ready to appreciate the finer points or understand what Mandela is up to when he demands that the white army should intervene to stop the Inkatha attacks, or when the ANC meets officers of the army to discuss the army's future. It is thus not at all certain that the ANC today has the means to control parts of the township youth.

All this will not strengthen the workers' movement. It has already been subjected to important pressures to line up behind the secret negotiations, and there is a risk of deepening internal divisions.

Many militants are expecting the South African Communist Party — which is centrally involved in the ANC — to provide an alternative policy. A sign of this is the fact that leaders of the trade union left such as Moses Mayekiso have joined the CP. But the CP is going to have a hard job reconciling its socialist professions of faith with its unconditional defence of the ANC's current line and its sectarian reflexes towards other currents on the left. ★

WOSA absolutely rejects any settlement which offers "universal franchise" (as proposed by De Klerk) whilst still maintaining white privilege in any form. We support unconditionally the demand for one person one vote in a unitary non-racial South Africa/Azania.

Further than that, only when ownership and democratic control of the wealth of our society is in the hands of the majority, can we tackle the fundamental problems of poverty and social inequality for all. But historical experience shows that the owners and controllers of wealth do not "negotiate" away their ruling position. The majority must seize back the wealth they have created. We stand a long way from this situation and therefore believe in maximum discussion and debate and a democratic process of decision-making on *all* items negotiated in the name of the people of South Africa to ensure that the struggles of the people are not compromised.

As part of this process of democratic debate, we call for a Constituent Assembly based on universal franchise. Before that happens, NO organization can claim the right to negotiate with the government on OUR behalf and speak in the name of ALL of us.

■ In the light of what has happened in Eastern Europe how does WOSA see the future of socialism?

As a political tendency we always warned against equating socialism with what existed in Eastern Europe, China and the USA. We stood by the understanding that socialism meant an even more democratic society than what exists in the most democratic of capitalist states.

You see, we believe that it is necessary to renew the concept of socialism. There cannot be the slightest doubt that for more than 150 years there was a consistent definition of socialism, among the overwhelming majority of Marxist and non-Marxist socialists alike, which did not equate socialism with the disappearance of private ownership of the means of production.

Socialism meant for all these scholars and political agitators a society qualitatively superior to capitalism in terms of average standard of living, of social equality, of human freedom (including political freedom and civil rights), of pluralistic democracy and cultural diversity and of the weakening of institutionalized authority (the state, the bureaucracy and its "secular arm"). For Marxists that implied a withering away of commodity production, of market economy, of social classes and of the state, in short it meant a classless society.

Only in the late twenties and early thirties was that consensus broken in favour of a radically reductionist definition of socialism, identifying that new social system with the abolition of private property in the means of production. That reduc-

A view of the strike wave

SOME 1.2 million working days were lost during the first half of 1990, almost three times the number of days lost in the same period in 1989 (463,864), and five times the figure for the second half of 1988 (226,614). These figures do not include the approximately 3 million workers who stayed away on July 2 to protest against the violence in Natal....

- Workers are using the new political space to organize themselves, even in completely new sectors. New areas of organization are usually militant....
- All the sectors that have had protracted legal wage strikes are low-wage sectors....
- Employers generally seem more cautious than in previous years, particularly of dismissals in national strikes. However, they are sitting out strikes, and workers are coming out of protracted strikes with little or no material gain.
- In the new political climate, unions are already under pressure from employers and the media to negotiate "reasonably" and to take responsibility for the state of the economy.

● The level of unemployment is growing, as is the gap between the unemployed on the one hand and the employed, organized working class on the other. This is one of the root causes of the violence in Natal and elsewhere.

Employers are using scabs, and often along racial/ethnic lines....

From the unions' perspective, there are enormous new organizational tasks in a situation of growing unemployment and economic stagnation. On the one hand, the possibilities of making inroads into the prerogatives of capital, and of deepening the imprint of the working class on the struggle for democracy, have increased enormously.

While COSATU is best placed to take advantage of this new situation, its left critics are sceptical. They argue that a national general strike to further both economic and political demands of workers is now on the cards, but that COSATU is holding workers back, given their desire not to upset the ANC's plans for a peaceful, negotiated settlement.

(from an article by Renée Roux in South African Labour Bulletin, August 1990).

tionist definition was produced by Stalin.

In Eastern Europe (and in China to a more limited extent) what occurred were indeed mass uprisings of the workers and youth. That they have taken on a direction of restoring capitalism can be understood when one examines the consequence of 40 years of Stalinist rule that has led to these economies being wrecked, to them lagging far behind the West European economies and to the continued fall in the living standards of the people. It is understandable therefore that the masses identify prosperity with the market.

If we take this together with the way the Communist regimes acted to depoliticize the people as a means of retaining their control (as can be seen by the ease with which the Hungarians have embraced South Africa) then we can realize the extent to which the cause of socialism has been damaged in the short term. However in the medium term we believe that the future of socialism is assured. This is not simply because of the continued existence of revolutionary socialist organizations in most parts of the world. It is mainly because of the continued class struggle that arises out of the inherent contradictions of capitalism, [including] the periodic attacks on wages, the sackings of millions of workers in the interests of profits, [and] the growth of social inequality to the point that it provokes mass revolts....

■ What are the major challenges and tasks confronting WOSA?

We believe that our first task is to elaborate an alternative strategy to that of negotiations. It is not enough to denounce those who seek to resolve the conflict in South Africa if we are unable to chart a clear alternative. For us this means putting perspectives forward that aim at strengthening the strategic position of the working class. To take the question of the education crisis, for example, it means not only encouraging the students to go back to school, as all now agree. But it also means winning in the school the space for the operation of democratic SRCs and PTAs (bodies representative of students, teachers and the community) that can campaign against all the inequities of bantustan education and can put forward alternative methods of education — non-racist and non-sexist education.

Of course all this is meaningless if we are unable to develop strong roots in the working class. For us this means not only proclaiming that we defend working class politics but to be an organization of the workers. We see that the only means of establishing an influence amongst the working class is by defending their mass organizations and supporting their struggles.

Here, we see defending the independence of the trade union movement as crucial. The decision by the COSATU

(Congress of South African Trade Unions) leadership to form a strategic alliance much like the relationship between the Congress Alliance and the SACTU (South African Congress of Trade Unions) presents a great danger. Again we don't see defending the independence of the trade union movement by denouncing the leadership of COSATU, NACTU (National Congress of Trade Unions) and so on. We will attempt to do this by supporting

the campaigns of the labour movement and through promoting maximum unity in action. We see as a priority the need to contribute to the Workers Charter campaign both in ensuring the greatest participation of all workers and by making an input into the Charter itself so that working class perspectives such as workers' control, workers' unity, workers' leadership are concretized around an anti-capitalist programme of demands....★

labour within COMECON, the GDR was the 10th largest industrial power in the world. Industrial production has now fallen by nearly 10% and will continue to decline. The crisis is still more serious in the agricultural sector, despite a record harvest.

What about the receipts from privatization? Already under Modrow a Fiduciary Society had been set up. Its job is to manage the 8,000 Combines (nationalized industrial complexes) and VEB ("enterprises belonging to the people" — a euphemism for state enterprises) which employ more than 80% of the active population of the GDR, that is 6 million employees. The economy that was previously managed by tens of thousands of bureaucrats is now under the control of less than 150 functionaries. Of course, the chiefs of these institutions are West German top managers. At their head was the ex-chief of the West German railways, Reiner Gohlke, but he resigned after five weeks, despite an annual salary of 800,000 marks (about US\$530,000). Detlev Rohwedder, ex-president of Hoescht AG, one of the big West German steel trusts, took over in the third week of August.

How did Gohlke do? According to a statement quoted in the *Financial Times*, he said that none of the GDR's enterprises would be competitive. Some 730 of the 2,300 most important enterprises were beyond all help, and another 695 were on the edge of collapse.

The mounting cost of German unification

ON OCTOBER 3, East Germany is going to join the West. This is what the East German parliament has decided, as the country has ground to a halt.

MANUEL KELLNER

THE WEST GERMAN politicians warned us — before the citizens of the GDR could enjoy the benefits of the free market economy, there would have to be a tough transition period, during which unemployment and other unpleasantness would be inevitable. West German Chancellor Kohl and his East German sidekick de Maizière, as well as Count Lambsdorff of the already united FDP (the liberal party), never denied that national unity would necessitate a few social sacrifices.

On the other hand, Kohl also made a promise that has now been thoroughly discredited; "After monetary union", he said, "nobody will be in a worse situation than before." In fact the mood after the introduction of the D-Mark in the East has been anything but hopeful or enthusiastic. The failed attempt by Kohl/de Maizière to bring forward all-German elections to September was a sign of the beginning of panic amongst the political architects of the capitalist annexation. They wanted to get themselves reelected quickly, before the disastrous consequences of the *Anschluss* made too many of the people who had voted for the bourgeois puppet parties in March, in the hope of a rapid improvement in their living standards, think again.

One of the main dogmas of the governing conservatives and liberals, repeated over and over again, is that of the fabulous "purifying effects of the market". In fact there is nothing to justify the slightest optimism about the economic outlook for East Germany. The only success registered by the market so far has been in totally dismantling the GDR's infrastructure.

In the GDR's old economy, state orders played a key role. Already, under the Modrow government, this mechanism was seriously weakened.

East European trade undermined by D-mark

For example, the Postal Ministry cancelled almost all its orders with suppliers in the GDR. Now, this important aspect of the economy has been reduced to more or less zero. Commercial agreements with Eastern bloc partners remain in force, but the introduction of the D-mark means that the partners in the East cannot pay because they do not have the hard currency.

In the framework of its relative isolation from the world capitalist economy and in the framework of the division of

Capitalists not ready to pay a serious price

The idea of the Fiduciary Society, which had DM10 billion at its disposal, was to finance the recuperation of some of the enterprises by selling off the rest. But the Society's money is tied up as a guarantee of the credits of the big West German banks being used to pay salaries. Meanwhile the Society has been unable to find capitalists ready to pay a serious price and take the risk of investing in an unclear and unstable situation. The transactions that have so far taken place have been on an insignificant scale, and are often fraudulent, as with the Steigenberger chain, which is looking forward to profiting from the best hotels in East Germany at rents very much lower than they would have to pay in the West.

It is hard to see why Rohwedder should do any better than Gohlke. Except perhaps that after the fusion of the states on October 3 capital may have more confidence — and the Fiduciary Society's president even fewer scruples. In the meantime nobody knows how next week's wages or pensions are going to be



paid. This is why the GDR's political class has chosen rapid adhesion (Beitritt) to the FRG.

However West German capital is present in the East. Almost all the West German "majors" have found their "partners" in the East, which will soon become part of their respective enterprises and trusts in the West. For example, Siemens boasts that it wants to create 30,000 new jobs in a year, in the communication sector alone. And this is with a structure adapted to this great monopolistic trust and with an output and production methods up to West German technological standards. But this must imply the swift destruction of East Germany's existing productive potential in this domain. Thus Siemens' offer amounts to sacking 60,000 people before employing 30,000. Others, such as General Motors/Opel and Volkswagen are pursuing similar plans.

The economic and social consequences for the population of monetary union are drastic. It is true that there have been social conflicts, with strikes and demonstrations of support. There have been wage rises in chemicals, engineering and printing, and others will follow. There are now demonstrations and warning strikes in the public sector, and the negotiations will very probably have more or less the same results. The engineering workers demanded DM 400 a month. They got DM 250 with DM 300 from October. After the adoption of the West German taxation system and social security payments, there will be some DM 60 left. That might appear as a lot. Even so, as a result of these negotiations, salaries in the GDR are about half of those in the West.

This has not however prevented Tyll Necker, the head of the BDI (employers' association) from speaking of the "absolutely unjustifiable", the West German SPD's economics expert Wolfgang Roth of the "exaggerated" or the East German SPD ex-Minister Regime Hildebrandt of the "excessive" results of these negotiations. The wage-earners do not seem to share this opinion.

In engineering, 300,000 took part in actions in support of their demands. The enterprise managements raised time and again the threat that these were "illegal actions" and those who took part would have to face penalization through cutting their bonuses. The often militant character of these demonstrations and other forms of action should not lead to any illusions as to the relation of forces. Peo-

ple are in the grip of a great fear and a feeling of powerlessness. For example, in an important number of enterprises the first payment in DMs was arbitrarily reduced by 10%, without anyone knowing when this money would be paid, but there was hardly any protest about this. Workers in the GDR have few means of putting pressure as long as every action in defence of their basic interests is confronted with the blackmail of closure of the enterprise for being non-competitive

situation in the enterprise". This involves payment of 85% of the wage plus the financing of relocation and professional retraining (for which however there are no means available). One effect of this is to facilitate the distortion of the unemployment figures. In fact the 860,000 "partially unemployed" have no jobs but they are not counted together with the thousands of "real" unemployed.

At the time of signing of the State Treaty for Economic Monetary and Social

Union, the official prediction was that there would be 440,000 unemployed by the end of 1990. But this figure has already been left far behind and even the most optimistic experts speak of the inevitability of massive unemployment, up to three or four million in the united Germany in a few months — without taking into account the hidden unemployment created by redeployments to nowhere, the redefinition of women losing their jobs as mothers and housekeepers rediscovering their natural vocation, and by the elimination from the statistics of everyone who is too intimidated or resigned to sign on at the unemployment offices as looking for work.

Chancellor Kohl told the people of West Germany that the costs of unification could be paid by drawing on the "petty cash". In fact all

the calculations — if they were indeed made — have been confounded.

The so-called "impetus financing" by the federal government (Anschubfinanzierung) for unemployment payments is already exhausted — there is talk of a deficit of DM 1 billion per month. Sickness insurance is in the same state. There is a lot less than anticipated in the bank, while the price of medicines and medical services have risen considerably. The same goes for retirement benefits and services for the elderly. Taxes on wages are coming in, but tax revenue from enterprises — estimated at DM 10 billion — must be largely discounted. The shortfall by the end of the year will probably be around DM 30 billion. That means the "costs of unity" are now estimated at DM 100 billion per year. In June Kohl was speaking of such a sum being required over three years!

Kohl's government wants to give huge presents, such as a reduction of taxes by more than 30%, backdated to July, to employers prepared to invest in the East. To this should be added investment incentives for the "small businesspeople" so dear to the heart of conservative ideology, to the tune of DM 5 billion, billions in compensation for property owners expro-



or of massive sackings, and insofar as they do not see any overall alternative to submission to West German capital.

The GDR's workers have to pay the same or even higher prices as those in the West with only half the income. There has been a considerable decline in purchasing power, although rents will remain the same for a further six months. It is easy to imagine the consequences when rents are also "freed". At the same time the social services are disintegrating.

There are almost no GDR produced goods in the shops. The West German monopolies are dictating what is sold and at what price. Wholesalers are no longer accepting domestic agricultural goods. The Agricultural Production Associations (LPGs) can no longer sell anything unless they distribute it to the towns themselves by lorry. The peasants in the LPGs have shown their anger by demonstrating, sometimes violently. But, again, there is no credible perspective; the demands — to raise the prices paid to the producers and so on — do not amount to a systematic programme for changing the way things are going.

The engineering workers won the introduction of partial unemployment instead of sackings "for reasons inherent in the

propriated by "communism" and for state guarantees of compensation in cases where property rights are uncertain, further billions for communal infrastructure and so on.

Increased taxes bad for investors morale

For the third time the government has had to present a changed budget, with more than twice the originally estimated expenditure. Some CDU (Christian Democrat) politicians are asking for an increase in the state debt of DM 100 billion for 5 or 10 years. It is clear that increases in taxes for the capitalists would be bad for morale. On the other hand conservatives do not like debt, which could undermine stability. Already some politicians are calling for an increase in Value Added Tax (which puts up the price of goods) and other taxes on current consumption.

The authorities plan to pass on the "national sacrifice" — the "costs of unity" are going to be borne by the wage-earners and the disadvantaged. To get away with this, it is necessary to deepen division in the population, thus racism, anti-feminism and even anti-semitism are being stimulated and manipulated by the respectable bourgeois political forces. Even the social democrats have been joining in the hysteria about "asylum hunters" or "Gypsies" as they call the Sinti and Roms.

Kohl and co. are insisting that everything that is going wrong in East Germany is the fault of the old regime, of Honecker, the SED and socialism. But now that it is the West's rulers who are taking all the decisions, this theme is likely to lose much of its power. It is quite possible that catastrophic developments will be increasingly interpreted as a result of the economic incompetence of the coalition government in Bonn — above all if they start to affect working class living standards in the West. And "economic competence" is about the only — but decisive — area where opinion polls reveal popular confidence in this government. Despite the miserable role played by the SPD in the present public debate, the pan-German elections in December are not without risks for the conservatives and liberals. ★

Bulgaria — elections open period of crisis

WITH 211 of the 400 seats in the National Assembly after the June elections, the Bulgarian Socialist Party (previously the Communist Party) seemed to have a comfortable working majority, with the main opposition grouping, the Union of Democratic Forces (UDF), having only 144 seats. However the new government has plunged straight into crisis; there have been demonstrations and occupations by students in Sofia, claiming election irregularities and demanding the resignation of Petar Mladenov, a BSP member, from the presidency. Mladenov, it was alleged, had said, when he was booed by a crowd last December, "the best thing is to let the tanks come."

On July 6, Mladenov resigned to be replaced on August 1 by Zhelyu Zhelev, the leader of the UDF. Zhelev, in his inaugural speech to parliament set his goals as "a democratic society...with parliamentary democracy, a multiparty system with a guarantee of political pluralism, a free press, independent book publishing and a market economy". However his appointment has not calmed the situation, as was underlined by the sacking of the BSP's "Party House" in Sofia by thousands of demonstrators on August 27.

At the end of June, IV spoke to Ivan Kalchev, editor of the daily paper of the Alternative Socialist Alliance (ASA), a faction in the BSP, and Tikhomira Trifonova, a member of the occupation committee of Sofia University.

Ivan Kalchev — leader of a Communist Party faction

WHAT is your balance sheet of the legislative elections?

The Alternative Socialist Alliance (ASA) draws a positive balance sheet, because they reflected the will of the majority of population. But the ASA regrets the extreme polarization in the campaign. Personally, I would go as far as to say that this polarization — desired as much by the BSP as the opposition UDF (Union of Democratic Forces) — distorted the election from the beginning.

Out of this completely artificial line of divide came the victory of a party that has not been transformed and that has no perspective to offer the population.

■ But you are still a part of the BSP.

For the moment, yes. But in our opinion the BSP has betrayed its promise of November 1989 of profound change in the party and society. Their aim became that of victory of the election at any price. In my view, in fact the renewal of the party was the most important thing, worth even the loss of the elections.

■ What should the party do?

During its last congress, in January

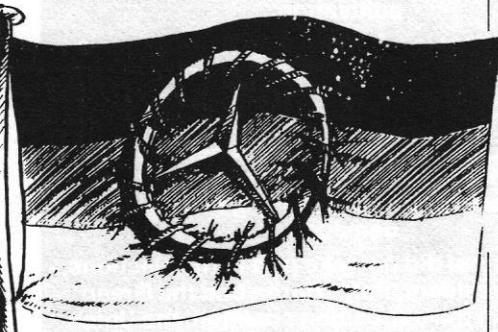
1990, it should have shed the Stalinists and conservatives. They make up about 100,000 of the party's million members. But the party leadership preferred to continue to base itself on the most conservative forces in the country.

Currently, we are proposing a refounding congress of the party and the re-admission of each member into the new organization. In the meantime, to denounce the candidacies of the most corrupt members of the old apparatus, we stood against them under the ASA label in 8 constituencies. We did not get elected, largely due to the slander campaign against us by the party, who tore down our posters and attacked us personally. I was a candidate in the village where I grew up. Although people there know me and have a good opinion of me, this was not enough, because the party has been whipping up fear of anything new, of anything that is not the BSP.

■ The BSP seems to be as diverse as the opposition.

Both are going to explode; it is only a question of time — perhaps after the municipal elections in the autumn. The Stalinist current is getting ready to form a new party, and it is possible that we will leave the party soon.

■ What will you do if you leave the BSP?



We are in favour of an alliance of all the social democratic forces which are presently dispersed¹ and hope that in the municipal elections, the Green Party and Ecoglasnost (see box) will also join us.

■ What are your basic economic ideas?

We are in favour of a moderate privatization programme and for careful control of foreign investments. We propose a monetary reform that will allow the recuperation with an indemnity of 10% of the funds confiscated from the old apparatus, which are currently frozen. We are against "shock therapy" on the Polish model. We want to avoid unemployment through a policy of careful reforms. ★

**Tikhomira Trifonova —
Member of student
occupation committee**

YOU have been occupying the university for 15 days now. What are your demands?

We do not want the first hours of democracy in this country to be stained by lies and trickery. For this reason, after the first round of the elections, we sent a list of demands to the different authorities, including the electoral Commission. We asked them to explain publicly on the television the number of contested results and of complaints of electoral fraud. We also asked the Interior Minister to explain the role of the security forces during the electoral campaign and vote.

We think that the National Assembly elected after the second round must meet as soon as possible to begin the look into these frauds. We want an independent organism to check the recording of the phrase used by the President Mladenov, talking of "calling in the tanks". Finally, the mass media did not have a neutral attitude during the election; the television hardly mentioned our movement. We are demanding the resignation of the TV president, Pavel Pissarev.

■ Did you get any reply?

Not a satisfactory one. The BSP Central Committee sent a representative to talk to us. We received the figures on electoral fraud, but nothing has been done publicly.

We will continue until we get real results. We met the police chief yesterday. We know that the government will not use force, but is looking forward to the summer when they hope the university will be deserted. Our means of pressure lie in the blocking of the university entrance exams and thus of income and above all in the strike's international impact.

■ Your demands are directly politi-

The Turkish minority

THE Turkish Muslim community in Bulgaria, living principally in the South East and the North East of the country, was about a million strong and formed about a tenth of the population before 300,000 left Bulgaria for Turkey in the summer of 1989.

In 1984/85, the Zhivkov leadership launched a radical "bulgarization" campaign aimed at the Turkish community. All Muslim names had to be changed, while speaking Turkish and practising the Muslim religion were forbidden. The campaign was accompanied by numerous acts of violence, leading finally to the massive exodus of Turks.

After the ousting of Zhivkov, the new communist leadership has, since January 1990, had the project of passing a law allowing Bulgarians of Turkish origin to rediscover their identity. This decision has led to big demonstrations by Bulgarian nationalists against any backing down on this question. Finally, in March 1990, after demonstrations and counter-demonstrations, the National Assembly adopted a law allowing Turks to re-adopt their original names.

In the June 1990 elections, the Turkish minority formed a party, the Movement for Rights and Liberties, which won 23 seats in parliament. ★

cal and are within the framework of the opposition Union of Democratic Forces (UDF). Are you working in its favour?

We are not directly involved in the election campaign, but it is true that the UDF supports us at all levels.

■ What is your balance-sheet of the elections, a few days after the second round?

The BSP got its absolute majority because people are afraid. Above all in the villages, people continue to vote as the mayor tells them to. People's pensions and allocations depend on it.

■ What kind of economic reforms do you think the country needs?

Above all to give people back their initiative. To develop free initiative and the market economy.

■ You do not fear the negative effects for a section of the population of the development of social inequalities or unemployment?

We educate excellent technicians, but they are not used to taking initiatives. They do what they are told. They should be given the means to go forward. As for the others, they ought to work more than they do at present.

■ What do you think about the Turkish problem and of the

Movement for Rights and Liberties, which stood in the first round of the elections to defend the Turkish minority?

They have an absolute right to stand in the elections, since they represent a part of the population. There are people here who want to chase them out, but the Turks consider themselves Bulgarians, so where are they supposed to go? It is necessary for them to feel welcome here, then perhaps they will integrate. ★

1. The ASA is both a faction in the BSP and a party in its own right. There is also an Alternative Socialist Party, a split from the ASA which has left the BSP; the Social Democratic Party which is at present part of the opposition coalition; and the New Social Democratic Party, whose leader, Peter Markov, has been elected to parliament.

A devastated environment

ACCORDING to figures provided by Ecoglasnost, the first opposition movement based on the defence of the environment, which was founded in April 1989:

- The atmosphere is polluted throughout a quarter of the country's territory.
- 71% of the main rivers are heavily polluted.
- 44% of the soil is polluted, including 69% of cultivatable land and 96% of land actually under cultivation.

Ecoglasnost is a front that includes associations, parties, such as the Green party and individuals. On November 3, 1990, (that is a week before the fall of Zhivkov) a demonstration called by Ecoglasnost brought together around 4,000 people which called for *glasnost* and democracy as well as raising ecological demands.

Ecoglasnost did not take part in the elections, but its president, Petar Baron and the Green Party are in the opposition coalition, the Union of Democratic Forces.

Last call for the CPSU

THE ELECTIONS to the local, regional and republic soviets in the winter of 1989 and spring of 1990 gave some impetus to the "democratic opposition" — symbolized by the new democratic majorities in the Moscow and Leningrad soviets and the election of Boris Yeltsin as the chairman of the soviet of the Russian Republic on May 29.

Inside the CPSU this trend expressed itself in the appearance — for the first time in 60 years — of public platforms opposed to the policy of the central leadership. The largest of these was the Democratic Platform (published in *Pravda*, March 3 — see IV 188) which attracted many prominent party intellectuals, but gained no broad support from the workers' sections of the party. The Democratic Platform advocated the democratization of the party and society, but had no unified social and economic project, although most of its leaders support liberal market measures. The Platform was from the outset marked by strong impatience with the internal regime of the CPSU, and already in May some of its "radical" members broke away — among others Nikolai Travkin, who went off to found a "Democratic Party of Russia".

Alongside the Democratic Platform another current, the "Marxist Platform", growing out of the Moscow Party Clubs, was set up (see IV 187). The Marxist Platform supported most of the democratic demands raised by the Democratic Platform, but criticized the option of a liberal market reform and emphasized the idea of self-management in all spheres of social life. The Marxist Platform however, was much smaller, primarily gaining support from intellectuals and functionaries at the lowest levels of the party.

Neither of these platforms managed to get a significant share of the delegates for the 28th Congress. In spite of the popularity of some of its leaders with the general public, the Democratic Platform got little more than a 100 out of the Congress' 4683 delegates, and the Marxist Platform only a handful.

In spite of a cautious democratization of the election procedures for delegates — giving local party branches some influence, but still excluding the election of delegates according to platforms — the majority of the seats were taken, sometimes with less than democratic methods, by "apparatchiks" from the middle and higher layers of the party apparatus.

By January 1, 1990, the CPSU numbered around 19 million members — 34.4% of these being state and party employees, 20.2% workers, 15% peasants, 12.5% intellectuals, and the other 17.9% not engaged in active employment (pensioners and so on).¹ The picture at the con-

THE 28th CONGRESS of the Communist Party of the Soviet Union (CPSU) opened on July 2, 1990 in the midst of a period of tumultuous changes in Soviet society. The congress was originally scheduled for the autumn, but the CC plenary meeting of February 5-6 — which also took the historic step towards the abolition of the sixth clause of the Constitution, thus giving up the CPSU's political monopoly — brought it forward by several months.

POUL FUNDER LARSEN

gress was however considerably more one-sided, with party employees occupying more than half the seats, state functionaries another 20% and workers and peasants less than 10%.

This composition gave the conservative currents inside the party some room for manoeuvre. The conference of the Russian Communists, in mid-June, was turned into the founding congress of the Russian Communist Party (RCP). This project had been advanced by conservatives (notably in Leningrad) to give them a new platform utilizing the "national awakening" of Russia. The RCP congress, which was dominated by Brezhnevite rhetoric and populist attacks on the market reform, elected the conservative Ivan Poloskov as the chairman.

Gorbachev controls Congress

But at the 28th congress the Gorbachev leadership was in control, pushing its pragmatic programme of political and economic liberalization — a central ingredient of this being a market reform, in spite of the failure of the reform launched by the Ryzhkov government in late May.

Another aspect of this is a downplaying of the role of the CPSU as a central tool for the maintenance of bureaucratic rule in society and a mediator between the different bureaucratic strata. It means a CPSU which retains its governing function, but which is not necessarily the chief source of power for the leadership of the state apparatus. Instead this role would be played by the new

presidency and presidential council organized around Gorbachev².

In his opening speech at the congress, Gorbachev vigorously attacked the conservatives, stating that the current problems "have been accumulated over decades". He went on to present the cornerstones of his policy: a market reform, which includes a change in the whole system of prices and the abolition of the central ministries, a new treaty regulating the structure of the Union and a "renewal" of the party. This renewal would imply more freedom to the local party branches and the right to set up platforms inside the CPSU, but no de-politicization of the army and KGB and no significant concessions on the party's property.

Despite their strong numerical presence at the congress, the political showing of the conservative, "anti-*perestroika* forces" in the party was very weak. This was evident in the speech of the conservative rising star Ivan Poloskov. While keeping himself inside the general consensus around the vague concepts of *perestroika* and "renewal", he tried to get some profile through traditional "Marxist-Leninist" rhetoric and some populist suggestions. He put emphasis on the need for social protection for all groups threatened by the market reform, and he also tried to play the Russian card. "The main thing for the destiny of Russia is unity — unity of the people, unity of the country and unity of the party."³

Poloskov concluded on a defensive note; "Today we cannot find one person in this hall who is against reform. Not one who wants a return to the past." But the striking thing about his speech was the absence of any political ideas for the future — he did not put forward any political alternative to Gorbachev's line.

The weakened position of these tendencies was illustrated by the failure of Ligachev to get elected as Gorbachev's deputy. He got only 776 votes, against 3109 for Ivashko, the first secretary of the Ukrainian CP. In mid-August Ligachev was given his pension together with three other members of the old guard, Vorotnikov, Zaikov and Shlyunkov.⁴

The congress saw thoroughgoing changes in the party's leading bodies, including

1. *Moskovskie novosti*, July 8, 1990.

2. A tendency confirmed by the fact that after the 28th congress a number of prominent leaders, including Ryzhkov, Shevardnadze, Yakovlev, Yasov and Maslyukov are present only on the presidential council, and not in the politburo.

3. *Pravda*, July 9, 1990.

4. The conservatives still retain a strong position in many party organizations in the provinces and inside the armed forces. The main part of the 300 delegates from the army at the 28th congress supported conservative views, though not necessarily those of general Makashov, head of the Volga-Urals military district, who at the RCP congress made veiled threats about a military coup.

a removal of many of the traditionalist forces. Only 56 members of the old Central Committee were elected to the new one consisting of 412 members — and only two members of the outgoing Politburo are on the new 24 strong Politburo.⁵

Yeltsin opened his speech to the congress with an attack on the conservative wing and "their" RCP; "...in the CPSU (there was) created a secure environment for the conservative forces, which supported their certainty that they would have the chance to retaliate. This was also demonstrated by the founding congress of the RCP." He underlined that the CPSU was now only one party among others; "Therefore the main subject for discussion at the congress is not the question of *perestroika* in the country and its development. This question is being solved by the people outside the walls of this building, it is being solved by the soviets of people's deputies. This congress first of all poses the question of the destiny of the CPSU." Yeltsin's answer to this challenge was immediate changes in the CPSU including the right for members to set up platforms and the dissolution of all party organizations in the army and KGB, and other government institutions.

This line of reasoning was supported by another leader of the Democratic Platform, Shostakovsky, who, in a very flamboyant speech, attacked the very foundations of Soviet society; "Yes, the people went with the slogans of the Bolsheviks in 1917. Seventy three years later we still repeat them over and over again — Land to the peasants, factories to the workers, power to the soviets, peace to the people. But we have not carried out these slogans. The land belongs to the state, that is — it has no owner. The factories belong to the bureaucracy, the power to the party and there is no peace at all among the peoples. I will remind you of one more slogan from October: "Bread to the starving". This one is getting some new, tragic topicality. Why?" And in answering his own question he vehemently attacked the "social Chernobyl" created by the CPSU and demanded: "We must speak out honestly: People of the Soviet Union! The party regrets its mistakes; it will never again force its will on the people, and it will never again fail to ask the people instead of arrogantly abusing its name."⁶

The contradictions between the majority at the congress and the ideas of the most prominent leaders of the Democratic Platform, opting for political pluralism, a market economy and the transformation of the CPSU into a party of the "parliamentary type", were impossible to reconcile.⁷ At the end of the congress this led to the

departure of several well-known "democratic leaders" including Yeltsin, Popov, Sobchak, Stankevich and Lysenko. From the platform of the congress Shostakovsky announced the formation of a new party, the Party of Democratic Socialism, which will be founded this autumn. However, it should be kept in mind that the Democratic Platform was an umbrella for many different interests and political currents, with some of them still remaining in the CPSU. It is today highly unlikely that all these forces could come together in one party.

Marxist Platform draws attention

Although it constituted only a tiny minority at the congress, the Marxist Platform managed to draw considerable attention to its programme, and one of its leaders, the economist Alexander Buzhgalin, was elected to the Central Committee.

In his intervention Buzhgalin rejected

the ecological movement.⁸

For Buzhgalin the decisive test for the CPSU will be its ability to intervene in the new movements in Soviet society — particularly the workers movement: "We have to strengthen the ability of Communists to work in different democratic mass organizations, not only in those which are orientated in a socialist direction... The Marxist Platform works in the "Confederation of Labour", which, broadly speaking, supports anti-socialist positions. But when you suggest concrete slogans, protecting the interests of working people, they will support this." For Buzhgalin this was the only viable alternative to the increasing isolation and rejection of the CPSU among the people.

The same subject was taken up by the chairman of the central trade union confederation, Janaev⁹, who noted: "Comrades, we have lost the political initiative." And he went on: "It is necessary to have a special programme for action in the workers' organizations, both in the official and the informal ones."¹⁰ The situation for the

central trade unions and their leaderships is indeed very difficult, as independent unions are forming rapidly, as workers' conventions — for example, the independent miners' congress this spring — are calling on all workers to leave the CPSU, and as the Confederation of Labour is becoming a new rallying point for the opposition. This pressure from below makes it urgent for the union bureaucracy to pursue a line independently from the party in one way or another¹¹. Janaev tried to emphasize this by

attacking the "paternalist commandist attitude" of many party organs to the TUs and underlining the doubts of the TUs about the way the market reform is being implemented — demanding that priority is given to social security.

A recurrent theme in this and many other interventions at the 28th congress was the pressure on the CPSU from the people and the new social movements. This means that the centre of political gravity is



both the conservative and liberal solutions to the crisis of party and society. Instead he tried to present the idea of the real democratization, based on self-management; "a multi-party system, pluralism, democratization? Without any doubt — yes. But if it will be only this, then professional politicians will be in power... It is necessary to give real power to every working person. How is that possible? There is a way, and we have known it for a long time. The power of the soviets, when they get real economic authority, when questions concerning housing, health, education and culture are under the control and responsibility of the soviets; when the people and not the apparatus give everyone the feeling that they can go to the soviet — and the soviet decides how he will live, where he will live and what rent he will pay. To prevent people being alienated from the soviets it is necessary for them to be founded on the masses, on the self-management organs in the local areas, on the soviets of workers collectives, on the consumers' clubs and

5. *Izvestia*, July 16, 1990.

6. *Pravda*, July 8, 1990.

7. During the 28th congress there were some joint initiatives of the Democratic Platform and the Marxist Platform trying to set up a bloc of "Democratic Unity" together with a group of Young Communists. On July 27, a common statement of the two platforms concerning the democratization of the party and society was issued.

8. *Pravda*, July 8, 1990.

9. Yanaev resigned as the chair of the official unions after being elected to the politburo at the 28th congress.

10. *Pravda* July 9, 1990. After the congress the CC set up a new department for cooperation with other organizations.

11. The populist workers fronts inside the OFT current have links to parts of the TU bureaucracy.

increasingly to be found outside the CPSU.

A trend strengthened by the departure from the party of leaders of the Democratic Platform. Even during the eleven days of the congress, which ended on July 13, there were several clear manifestations of the political activities outside the framework of the CPSU. In Moscow the democratic movement arranged a demonstration shortly following the congress (July 15) as well as a public meeting on July 3.

Miners challenge Communist Party

But the most explicit challenge was staged by the one-day nationwide miners' strike, which took place on July 11 in spite of the congress calling on the miners to cancel it. The demands of the strike committees included a depoliticization of the army, KGB and the legal system; a nationalization of the CPSU's property; the resignation of the Ryzhkov government and a reconstruction of the trade unions. Demands not far from the programme put forward by the Democratic Platform. As in the strikes in the summer of 1989 this warning strike proved the extraordinary strength of the miners, and their ability to coordinate in spite of the huge distances separating the coalfields.¹²

Since the end of the congress the political pressure on the CPSU has been mounting — the question of the property of the party has been carried to the forefront of public debate and the new press law, put into force by August, has opened new possibilities to political forces outside the party. This tendency is also leaving its mark on the membership of the CPSU. In the first six months of 1990, 27,000 members left the party organizations in Moscow and another 19,000 — half of these workers — left in July.¹³ Also in July 162,750 members left the Russian Communist Party, 90,000 of them workers.¹⁴

In spite of this exodus the CPSU is still by far the strongest political force in the Soviet Union, as the new parties are still small and scattered. But the 28th congress was a clear sign that the party is now entering a new period of fierce political struggles. In this period the new workers movement can pose a serious challenge to the hegemony of the party in certain areas. The party will be forced to engage in the broad struggles of society or risk the fate of its unfortunate sister parties in Eastern Europe. ★

12. There have been various estimates concerning the size of the strikes. It seems safe to assume that the strike had a massive following in the Donbass, with most pits joining, in the Kusbass, with more than 60 pits and a dozen other enterprises striking, as well as in Vorkuta, Karaganda and some minor fields in the Urals and the Far East.

13. *Pravda*, August 14, 1990.

14. *Sovjetskaya Rossia*, August 19, 1990.

Eastern Europe — the imperialists close in

EAST EUROPEANS tend to overlook the fact that for the Western states, and most especially for the USA, the region is of little importance in itself. Eastern Europe's destiny is to be a lever for opening up the USSR. The overriding priority, therefore, in Western policy in the region is to achieve the swiftest and most thorough transition to capitalism possible and to destroy the political influence of all forces which seem inclined to drag their feet on this.

OLIVER MACDONALD

THE entire framework of Western policies and institutions for the privatization drive in Eastern Europe is designed to result in the shortest possible transition to capitalism in these states. When that transition has taken place and is judged secure, these states will certainly be fully integrated into the institutions of the world economy. But two additional points about this process are worth stressing.

First, the planning of the integration of these states into the global and regional division of labour will largely be determined outside the borders of the states concerned. For example, one of the most vital sectors for most of these states is agriculture. The really big decisions about the future of this sector are not taken in the market but by public bodies. And the fate of this sector in Eastern Europe will be very largely be decided by such bodies as the EC and the EBRD (see following article).

The same pattern will be repeated in most other key branches of these economies, given the fact that institutions like the EBRD conceive their function as being to plan the shape of the private sector in the East. Planning is not finished as far as Eastern Europe is concerned. The really big strategic issues will still be decided by planning, but in new decision-making centres located in the West.

The effects on Eastern Europe have been profound. In every case where the West's policy objectives have been carried some way into domestic life, enormous strains have started to emerge. Leaving aside Yugoslavia, where the IMF drive is literally fragmenting the state, the Polish case is a sombre warning of what may be in store in the rest of the region.

Here, the so-called Balcerowicz Plan has cut living standards by some 40% this year — an austerity drive of unparalleled scope in postwar international history. The government's increasingly desperate pleas for the removal of Western financial

pressure have been ignored. The new government has enjoyed immensely strong political authority but it is being undermined as its economic policy strikes at the heart of its legitimacy. Tensions within the political elite have now burst forth in a bitter struggle between Walesa and the government and parliamentary leaderships of Mazowiecki, Geremek and Michnik. There is a very real prospect of the breakdown of the new liberal democratic order itself in Poland, if the one political movement with popular roots is torn apart.

Hungarian government in crisis

In Hungary, the newly victorious Democratic Forum has been plunged into a crisis deriving from the West's backing for the Free Democrats, the one political group in Hungary unequivocally in favour of a wrenching turn towards capitalism. The Democratic Forum contains not the slightest hint of leftism, yet it is not trusted in the West to carry through the kind of harsh programme thought necessary. This is precisely what endeared it to the Hungarian voters. The Free Democrats' poor election result brought a swift Western response — financial institutions withdrew funds and financial backing from the Hungarian economy. Democratic Forum leader Antall's initial attempt to denounce these moves gave way to offering the Free Democrats a coalition government and the presidency. These moves have produced a deep split in the Democratic Forum, threatening its integrity.

In Romania and Bulgaria there has been no overthrow of the Communist Parties and a prime Western or at least American objective has been to achieve just that through the spring elections. But the West's means of financial and economic diplomacy have been weaker in these two countries — Romania does not have significant debts, while in March the Bulgarian government took the step, unique in the

region, of putting a moratorium on repayments of principal on its very large debt. Great efforts were made to back the opposition parties in both states, with demonstrative American funding and guidance being proffered to the Romanian liberals and the Bulgarian coalition of opposition groups. Yet this failed to produce success — the National Salvation Front overwhelmingly triumphed in Romania and the Bulgarian Socialist Party (the reformed Communist Party) won an overall majority in Bulgaria. The West has not been able to challenge the validity of the election results themselves, but in Romania there are strong indications of an attempt to destabilize and split the National Salvation Front, targeting President Ion Iliescu. The EC's swift decision to cancel its aid package to Romania following the June clashes between miners and anti-government demonstrators in Bucharest is evidence of this.

Only in Czechoslovakia does there seem to be some sort of consonance between Western diplomacy and the popular democratic will. But even here the West's policy is generating tensions. Civic Forum's election manifesto is far from Thatcherite. As in Poland, the impact of Western diplomacy will cause disputes in the dominant political group. At the same time Western financial leverage is far weaker in credit-strong Czechoslovakia and the CP's showing as the second strongest electoral force stands as a warning against over-harsh measures. Yet the divisions in Civic Forum over how to respond to Western pressure are already out in the open and will sharpen in the coming months. When President Havel attempted to remove the West's favourite, Klaus, from the Ministry of Finance, Klaus felt strong enough to resist.

Wide enthusiasm for capitalism

The enthusiasm of Western policy-makers for capitalism is, of course, widely shared by the various new political leaders in Eastern Europe, including, it should be said, many leaders of the erstwhile Communist Parties. But the unbending, coercive drive for a wrenching social transformation was not at all what the current leaders of the new regimes could have expected or wished for. There must be a genuine puzzle as to why this line has been adopted.

One part of the answer is that Western policy-makers are well aware of the real attractions to large social groups in Eastern Europe of the social order established by the Communist Parties there in the

postwar era. "Communism" was never simply an external administrative machine standing above society and oppressing all groups with totalitarian methods. These regimes were genuinely rooted in the interests of important social groups, even if those roots became increasingly rotten as the economic system failed to compete against the West. A strong authoritarian state is needed to force through the transition to capitalism. The fact that the new regimes, although strongly backed in the main by the intelligentsia in Poland, Czechoslovakia and Hungary, lack the buttressing of entrenched, already-existing capitalist institutions and social processes means that backbone must be supplied from external diplomatic sources.

But there is also the cost to the West of Eastern Europe not going down the capitalist road to the end; in other words pursuing some variant of the Third Way. There is no technical obstacle to a successful pursuit of market socialism in these societies, provided they can operate

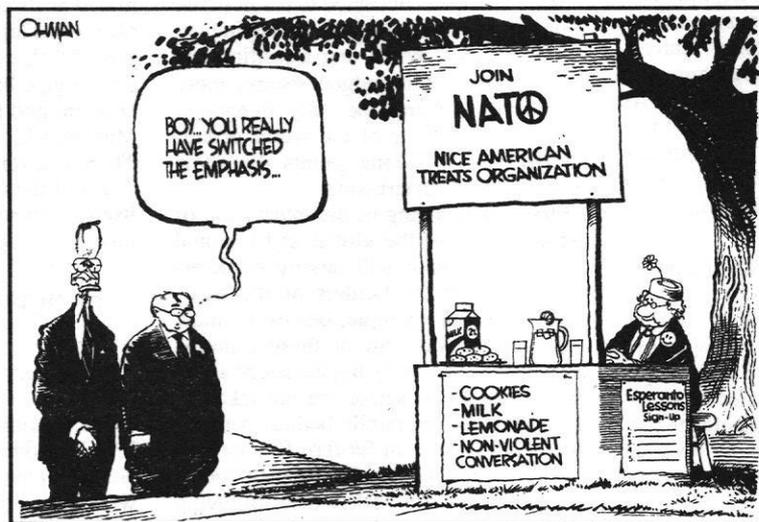
fails tomorrow, market socialism of some sort will be the end result of the process, while Western economic diplomacy will have been disarmed. The social democratic parties of Western Europe could not easily be immunized against the new socio-political model in a post-Communist Europe.

Supine collusion of social democrats

So far, we have treated Western diplomatic efforts as a united force. On the main issues discussed here that unity has indeed been impressive. Particularly striking has been the supine collusion of the social democratic leaderships of Western Europe in the West's strategy over recent months. The consequences of this social democratic abasement are visible in the derisory showing of the new social democratic parties in Eastern Europe in the Spring round of elections. In countries like Czechoslovakia and Hungary these parties were indistinguishable from the

Right programmatically, while lacking all the virtues of the parties of the Right for implementing such programmes, above all the trust of Western capital. If the West's current diplomatic effort succeeds in Eastern Europe there will be little chance of a strong social democratic movement in that part of the continent; the political cleavage will far more likely pit parties of liberal capitalism against authoritarian populist and nationalist movements.

But divisions have nonetheless surfaced in



as normal states integrated into the institutions and division of labour of world capitalist economy. The failure of attempts at market socialism in Kadar's Hungary and Jaruzelski's Poland were failures of weak regimes without political authority. But what if this course was adopted by a strong, authoritative government in, say, Czechoslovakia today?

This would pose a genuine threat to the future stability of the social systems of the West. A coupling of pluralist democracy, public ownership and social citizenship in the post-Communist states of Eastern Europe is not an acceptable option for Western policy makers. And they know very well that the current support for capitalism in Eastern Europe is no more than a policy idea backed by a professional middle class; there are no actually existing capitalists with a real stake in the circuits of capital. There is thus the risk that if the edifice of controls and exclusions from the world economy is dismantled today and the drive for capitalism in these states

the West in recent months, differences of expediency and state interest. The former acquired near-panic proportions in May when strikes burst out in Poland; the IMF made a tasteless attempt to disclaim responsibility for the entire package of Polish government measures and voices were raised criticizing the folly of driving for capitalism at the expense of democracy and political stability. Equally significant have been divisions of state interests over current Western strategy. The Italian and French governments, reeling from the historical consequences of German unification, have been unhappy with continued economic warfare against the USSR, wishing to maintain the integrity of the Soviet state and ensure that it remains strong enough to counter-balance Germany in the new Europe. The French have also been far more ready to accept the existing political leaderships in Romania and Bulgaria.

In line with the perspective of building a stable Eastern Europe, including the

USSR, to offset German power, Mitterrand has envisaged NATO's survival as a new, strong pan-European security framework in which the East is included as friend rather than enemy. At the same time, with unification assured, the Bonn government is now eager to gain Soviet acceptance of the new balance in Europe. For the USA (and Britain), however, NATO is the key instrument through which their political influence in Western Europe is secured. It is strengthened by the existence of a possible threat in the East and weakened by a pan-European collective securi-

ty community including the USSR. Therefore the collapse of the Gorbachev government and its replacement by a more anti-Western style of leadership in the USSR would not be a disaster. The same could be said for the break-up of the USSR into a Balkanized cauldron of national tensions. These overarching political interests incline the American government (and Thatcher) towards a tough stand against any concessions to the USSR until an unequivocally restorationist government emerges there. This policy applies all the more to Romania and Bul-

garia and the rest of Eastern Europe. Yet neither Bush nor Thatcher can afford to be seen as responsible for Gorbachev's downfall.

Any understanding of the dynamics of change in Eastern Europe must start from an appreciation of the central political role of the Western states in the internal affairs of the East European states. That role is made possible by the West's coercive power to exclude the East from a world economy managed by political institutions controlled by the leading capitalist states. It is further buttressed by the

US-led blockade of Soviet Union continues

THE Gorbachev team did not set out to restore capitalism in the USSR, but rather to rebuild Soviet political influence in the West in order to use it as a lever for gaining concessions which would enable the Soviet elite to restructure and preserve a non-capitalist state.

The Gorbachev strategy threw the leaderships of the capitalist world into confusion for a while, but at the 1987 Venice summit of the Group of Seven richest countries a Western counter-strategy was agreed which has proved astonishingly successful. The West has engaged in an orgy of rhetorical support for Gorbachev whilst continuing its cold war policy of blockade and economic warfare against the USSR.

That this blockade could go unchallenged partly derives from the way the world economy has been politically managed in the postwar Pax Americana. No longer has such management been achieved by juridical-military control over the dominated countries. Instead, the American way has been to exercise political control over economic processes via a series of multilateral international institutions which appear as largely technical-economic bodies and seem largely autonomous of political control by any individual capitalist state: bodies like the IMF, the World Bank, the GATT, the OECD and so on. More obviously political instruments like Cocom are provided with a low profile.

The US government's policy has been summarized by the *Financial Times'* Peter Riddell (March 19): "There is a strong feeling in Washington, both in Congress and the Administration, that providing assistance which would shore up the existing economic structure would be money wasted and that the US should wait for moves towards a free-market system."

The word "assistance" here does not mean aid: it simply means treating the USSR as if it were a normal state doing business in normal conditions on normal terms within the world economy.

Thus the Cocom list is to be stringently maintained against exports to the USSR. The G24 package of measures for Eastern Europe specifically excludes the USSR until it adopts "the economic preconditions of democracy". The EC has also ruled out the possibility that the USSR may be offered an Association Agreement. The agreement establishing the EBRD specifically bans the USSR from borrowing significant amounts of money from the new bank for the next three years.

On the other hand the US administration is under a great deal of pressure from those sections of US capital strongly interested in the Soviet market, and it genuinely fears losing this prize to West German business. Therefore, at the Malta summit in December 1989, Bush indicated that the USSR would probably be granted Most Favoured Nation status (MFN) at the June meeting of the Group of Seven in Houston and would also be allowed to gain observer status at GATT. In fact in June the US rejected the granting of MFN status and the trade pact signed there is of little or no economic significance to the USSR. The tariff barriers continue, involving an overall 45% tariff on Soviet exports where they are not banned outright, and sweeping embargoes on exports to the USSR have enormous consequences for Gorbachev's domestic and political options.

The Trade Pact's main provisions grant US companies the same rights in the USSR as they enjoy in Western countries: intellectual property rights, no discrimination against them, faster accreditation, rights to media access for advertising and to carry out market research, and so on. All this was one of the preconditions for the US granting the USSR MFN status. Otherwise the Pact simply sets up an information exchange system speeding up information on US agricultural products available for Soviet purchase and on Soviet agricultural products needed for US agribusiness.

The Houston summit does, however, indicate that there are growing policy differences in the West over whether this drive to destabilize the Soviet economy and thus the Gorbachev leadership should continue. Partly these differences are prudential: there is no desire, even among most of Bush' advisors, to see the break up of the core of the Soviet state, for this would jeopardize not only world political management but also possibly world peace.

Thus the US agreed at the Washington summit to end its substantial covert operation in Ukraine.

More importantly, the FRG's problems of consolidating its new power in Europe have led it to seek Soviet acquiescence in the 2 plus 4 talks on German unification by offering substantial credits. France too desires a stable Eastern Europe and USSR to counter-balance the enormous new power of Germany. Yet overall it is still the US which remains the gate-keeper over the world economy, and it can continue to successfully block the commercial and financial integration of the USSR into the world economy. A few billions from Western Europe will not alter overall US control. ★

West's maintenance of the instruments of economic warfare developed in the Cold War. Insofar as the governments in the East respond obediently to Western demands, exclusions from the institutions of the world economy will be lifted and the instruments of economic blockade will be put to one side, though not abolished, just as immediate debt repayment problems may be eased but overall debt obligations maintained.

West promotes new totalitarianism

The entire Western operation flies under the banner of political democracy and the fight to destroy totalitarian politics. Yet it is guided by precisely totalitarian efforts at grandiose social engineering. And the end result may well be, not only the destruction of the fragile new liberal democratic politics in the East, but growing civil strife.

Some commentators declare that the West is simply being realistic, seeking to establish a system that works — capitalism — rather than engaging in yet another utopian experiment — the Third Way. This is a spurious argument: capitalism works, but so do collective farms. A big problem for the present governments of Czechoslovakia and the GDR is the resistance of prosperous and productive collective farmers to privatization. Stalin's great crime lay in the methods, the path chosen towards a theoretically workable system. But blundering and coercive means for theoretically workable ends, with violent and unforeseen consequences, are far from being exclusive to Stalinism. Nor is the Third Way a utopian experiment; it is quite simply the existing situation in Eastern Europe today — democratic political systems combined with an economy dominated by the public sector, but with the mechanisms of both market competition and redistributive social policies.

More generally, this survey has implied a basic problem already familiar to those concerned with North-South relations; by what right do a handful of powerful capitalist states assert their political power over the world economy? The decisive political power of the West lies in that very "apolitical world market", with military force representing an auxiliary instrument.

Only a new internationalism, invoking such principles as self-determination, popular sovereignty and a new understanding of the relations between political and economic institutions can grasp the real significance of events in Eastern Europe from the point of view of their populations. Such an approach will highlight the role of apparently technical multinational financial organizations which are working away in the shadows, beyond the frontiers of the national political systems to which the attention of the mass media is restricted. ★

The instruments of control

TO SURVIVE, the new governments of Eastern Europe have to offer their voters a credible prospect of higher living standards in the medium term future. This requires investment resources, and the West's instruments of control are designed to achieve one overriding objective — to make these governments turn to the political institutions of the capitalist world market for such resources.

OLIVER MACDONALD

THESE instruments of control are first of all the old Cold War controls on Comecon states. These have not been dismantled by the West, and indeed new barriers are being erected to deny the Comecon countries access to the resources of the multi-lateral institutions of the Western economic system.

To lower these barriers, governments in Eastern Europe must embark on a *transformation* of a scope not seen since the Sovietization of the region in the late 1940s.

To briefly summarize the system of controls:

1. **Cocom** is still very much in place and many items remains barred from export to Eastern Europe.

2. **Barriers against imports from Eastern Europe into Western Europe** remain high, especially in the sectors most important for East European economies, like agriculture, textiles, coal and steel. These barriers are enshrined in trade agreements already signed or currently being negotiated.

At the start of the year the EC did introduce its Generalized System of Preferences (GSP) for Poland and Hungary, but GSPs make a marginal difference for most sectors and in any case are granted for one year only.

3. **Debt and debt relief:** Western public policy on the debt issue has been geared to both avoiding a crippling break-

down of the Polish and Hungarian economies in the short term and maintaining the full weight of the long term debt burden.

This ensures maximum political control, making East European governments desperate for rollover credits and bridging loans, which requires them to negotiate terms with the IMF and other western financial institutions.

Thus not a single dollar of debt has been written off by the West. Only Poland has so far been granted any rescheduling arrangement, and that only on public debt up to March next year. All the desperate appeals by the Polish government since February have been ignored. The Hungarian government feels itself too weak to even contemplate making a public demand for rescheduling, let alone a moratorium.

Government officials in Budapest explain that any talk of rescheduling would produce a flight of Western capital and a financial crisis — Hungary has gone furthest towards developing a free capital market and its political system is thus uniquely vulnerable to Western private capital's mood. Bulgaria, also heavily indebted to the tune of about \$11 billion, is the only East European state to officially and unilaterally suspend repayments of principal on its debt.

Czechoslovakia does not face a repayments crisis as its \$6 billion debt is small in relation to its economic capacity and its credit rating in the West is the highest of all the East European economies, while Romania, at enormous cost to domestic living standards, has paid off all its significant debts to the West.

4. **The new drive against counter-trade:** High levels of debt, acute shortages of hard currency and continued barriers to free trade with the West make the search for exports all the more urgent and the bottle-necks caused by an inability to secure key imports all the more acute.

One way round this problem is counter-trade, in other words barter, involving exchange of a given volume of East European exports for an agreed equivalent of imports from the West. This form of East-West trade has been quite common, reaching some 30% of East-West trade by the mid-80s.

But Western governments are now seeking agreement from East European governments to end the practice.

The effect of this new policy is to remove one escape route for East European governments from complete dependence on the political institutions of Western financial management.

5. **The IMF enters the scene:** The IMF's preferred mode of operation is to

engage in a period of negotiation with the government concerned over the latter's domestic economic and social strategy. The outcome of these negotiations is a letter of intent from the East European government, followed by an eventual approval of the package by the IMF's executive board.

The IMF then gives the go-ahead for other Western institutions to offer loans and investment projects to the government concerned. This has been the pattern both in the case of Yugoslavia in autumn 1989 and of Poland in December 1989.

The IMF has been locked in debate with the Hungarian government over similar arrangements throughout the first half of 1990, and in the spring of this year began discussion with Czechoslovakia and Bulgaria about their membership, while renewing dialogue with Romania, a long-time IMF member.

The terrible debt burdens, the balance of payments difficulties, the obstacles to free trade and the ban on counter-trade all tend to throw these states into the arms of the planning agencies of Western capital in order to stabilize their finances and gain new investment resources.

Since the events of 1989 the credit rating of all the East European countries has declined, with private sector Western banks holding back from involving themselves in Eastern Europe unless they are given legal guarantees by the governments concerned that such private finance will be insured in hard currency against risk of loss.

Most of what these planning agencies have on offer is called aid but is in fact no such thing; it is simply the normal battery of instruments available to players in the world economy — standby credits, loans, infrastructure projects and aid. What is new is the scale of the social engineering objectives linked to these instruments in the East European case.

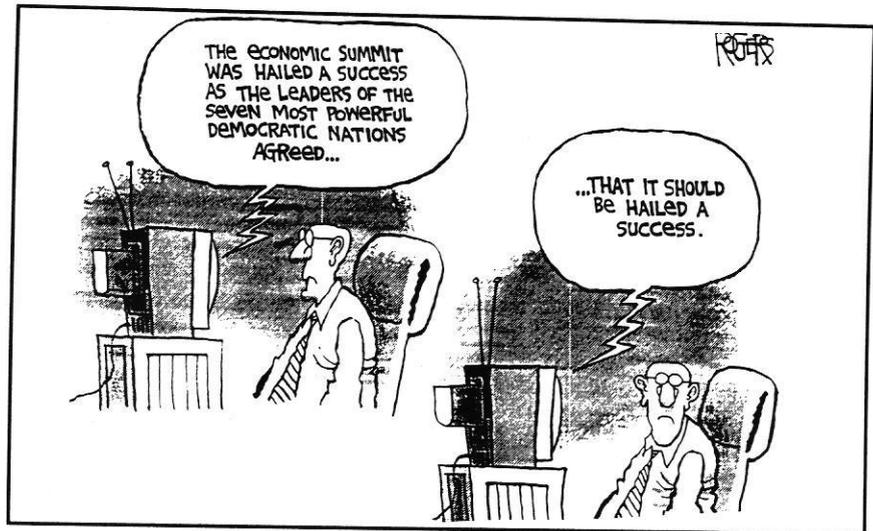
We can run quickly through the range of agencies involved:

1. The World Bank: In February 1990, the World Bank announced it would lend \$5 billion to Eastern Europe (excluding Czechoslovakia, which is too advanced to qualify) over the next three years.

Its President made clear that this money "will focus on restructuring all facets of the economy and market-oriented change" and he underlined that the World Bank was working for a new system in Eastern Europe "vesting economic decision-making in the individual and in private enterprise" (*Financial Times*, February 23).

2. The European Community (EC): The same bottom line for new agreements with Eastern Europe has been adopted by the EC. We should note that the EC plays three distinct but overlapping roles in current economic diplomacy towards the East.

On the one hand, its institutions speak for the 12 member states in the traditional



fields of EC competence, above all trade and economic cooperation agreements with non-members.

But since the summer of 1989, the EC Commission has been made into an executive agency acting on behalf of the Group of 24, the OECD countries. The third dimension of EC involvement will be through the preponderant stake held by the twelve members in the EBRD.

In its purely EC role, the Community is offering credits only to back "market oriented reforms" (Commission Communication, February 1, 1990)

The European Investment Bank (EIB), an EC institution, is to be phased out of project funding in Eastern Europe because of US hostility, but in the spring of 1990 it did lend 1 billion in ECUs (European Currency Units), initially for transport projects in Poland and telecommunications in Hungary.

However, the EIB's president has stressed that these must be geared to assisting the private sector's growth. Another direct EC operation is Economic Cooperation Agreements with individual East European states, usually as part of general trade agreements discussed above.

These are aimed at structural reform (meaning privatization) and at opening up the Eastern economies to full penetration by Western business; no discrimination against EC companies in the granting of import licences, no discrimination against EC countries over the giving out of hard currency to pay for imports.

Help must be provided for EC firms wishing to establish themselves and international invitations to tender for contracts must be offered to EC firms; Western firms must be helped with "investment promotion and protection, including the transfer of profits and repatriation of capital" (as article 8 of the Polish agreement puts it).

To round off its efforts the EC will be offering "vocational training" which turns out to be training for "executives, instructors, managers and students" linked to

vital need for "economic reform", which is "especially urgent" in the fields of banking and finance.

3. The Group of 24 "Aid": the resources for which are drawn from the 24 OECD member states and administered through the EC Commission. But this money is only for projects which "must benefit the private sector in particular" and is limited to states committed to "economic liberalization with a view to introducing market economies".

And the money largely takes the form of counter-part funds: in other words, to get the aid, governments must switch parts of their own budgetary resources towards projects backing the private sector of their economies. The choice of projects is in the hands of the group of 24. On May 3, the Commission decided to recommend that G24 be extended to cover Bulgaria, Czechoslovakia, the GDR, Romania and Yugoslavia. But in June, its hostility to the newly elected Romanian government led the Commission to recommend denying Romania access to this aid.

4. The projected new European Bank for Reconstruction and Development (EBRD) has been a source of bitter disputes, especially between the US and West European states. It is the first major multilateral institution within the international financial system in which the US does not exercise a controlling vote — insofar as the 12 EC members act together they can dictate the bank's policy.

But the fundamentals of that policy are not in dispute. The original document laid before the EC in December spells out that one of its central objectives is to "assist moves to market-oriented economies and structural adjustments" in Eastern Europe. This privatizing mission is enshrined in the EBRD's legal constitution: at least 60% of the funds disbursed under the bank's aegis must be directly devoted to private sector development, while the remaining funds earmarked for public sector infrastructure projects must be geared towards indirect assistance for the private sector. ★

Imperialist troops out of the Gulf!

THE warmongers in Washington, London, Paris and elsewhere are attempting to outbid each other every day in making the most sinister and bloodthirsty threats. It had seemed that the days when a John Foster Dulles could suggest the use of nuclear weapons in Vietnam were over. In fact, nothing could be further from the truth. The current debacle of Stalinism, paralyzing to a large extent the deterrent force of the USSR, gives a free hand to the audacity of US imperialism and its partners.

Parallel to this, what is at stake is the reorganization of the imperialist military system, the future of NATO and of an eventual integrated and autonomous European "defence". The United States wishes to illustrate its point of view in this debate.

Nothing can justify the complicity with imperialism shown in this conflict by the bureaucrats in Moscow and Beijing. Whatever the limits established by the "international legality" under whose banner the imperialist forces of intervention are parading while it is at their disposition, it can escape nobody that this concentration of US troops, with their impressive panoply of the latest destructive technology of the electronic warfare era, is being deployed for offensive purposes.

The imperialist hawks do not hide their true objective, which cannot be accommodated through compromise solutions — the crushing of Iraqi military power.

US seeks to reimpose hegemony

Their motivations are several. Imperialism is demonstrating, for the benefit of the entire world, that it will not tolerate the growth of regional powers with ambitions contradictory to imperialist interests. Practices which the great powers casually permit everyday — occupation, annexation, violation of United Nations resolutions — are strictly forbidden to those who are not members of their club. At a time when US imperialism feels itself more than ever master of the world, it wishes to make its military hegemony felt in the most brutal and peremptory manner.

It is doing so with all the more enthusiasm in the current conflict, where it is intervening to protect its privileged clients, the oil sheikhs of the Gulf, monarchies whose existence and maintenance is dependent on world

THE ONGOING deployment of imperialist forces in the region of the Arab-Persian Gulf has already reached a level unequalled since the war of aggression in Indochina. This formidable multi-imperialist war machine is preparing to go beyond the stage of blockade to that of direct aggression against Iraq.

Statement of the United Secretariat Bureau of the Fourth International
September 6, 1990

imperialism.

The billions of dollars of oil revenues pocketed by these regimes, the most corrupt and anachronistic on the planet, are diverted from the immense needs of the Arab populations, of whom the great majority are sunk, like the rest of the Third World, in poverty and distress.

In the most scandalous and revolting manner, these billions are deposited or invested in the imperialist economies. They are, at the same time, put outside the reach of all subversion in the oil producing regions. At a time when world capitalism faces the beginning of a new recession, these sources of capital are all the more precious to it. The conflict taking place has moreover come at an ideal time to furnish an easy explanation for the imperialists and for all their clients concerning the developing economic crisis.

Once more, the oil exporters, the Arabs in particular, are designated as the source of evil in public opinion. This makes it possible to hide the fact that the tendency towards recession was present before the new Gulf crisis and that the "new oil shock" is considerably exaggerated, given the relatively modest recent increases, up until now, in the price of oil. This effort to intoxicate the masses, on the basis of warmongering and dramatic speeches evoking the war against Hitler, provides the justification both for the austerity measures implemented at their expense and the exception made for the military budgets.

The crowning irony of the affair is that the regime of Saddam Hussein has survived largely thanks to those who portray it today as a new Hitler and who, only yesterday, treated it as an ally.

The ferocious dictatorship in power in Iraq was encouraged by the imperialists in its insane war against Iran. It is only because of the support of the imperialists, France in particular, the USSR and the Gulf oil sheikhs that Iraq was able to resist the Iranian counter-offensive from 1982 onwards, and come out of the war with an unscathed dictatorship and a disproportionately powerful army. Where were those who today deploy their troops for the Emir of Kuwait when the Kurdish people of Iraq suffered a war of extermination waged with poison gas by Saddam Hussein?

The Arab workers and those of the entire world have nothing to gain from a war between the executioner of Baghdad and the potentate of Kuwait, supported by the Saudi monarch, and the Arab regimes in the pay of the latter two and imperialism — such as the Egyptian regime, currently being rewarded with largesse for its complicity. They must refuse to serve as cannon fodder in such a war, either for the ambitions of Saddam Hussein or for the interests of his adversaries.

But in sharp contrast to this, in the face of the imperialist intervention, the workers of the region and of the world cannot remain neutral.

Resolute fight needed

Their interest is to fight resolutely for the withdrawal of the imperialist troops, in order to prevent a carnage whose price the entire people of the world will pay under one form or another. In the case of confrontation, they must fight for the defeat of imperialism, to dissuade it from pursuing its policy of aggression against the peoples of the third world.

Revolutionaries must mobilize urgently and energetically for;

- *the immediate withdrawal of the imperialist forces from the Gulf region;*

- *the ending of the blockade imposed on Iraq and the release of its overseas assets;*

- *opposition to all costs of military intervention, immediate annulment of arms expenditure and of austerity measures imposed on the masses. ★*