

International VIEWPOINT

Issue 192

October 15, 1990

£1; \$2.25; C\$3; 14FF

USSR: on the edge of the abyss



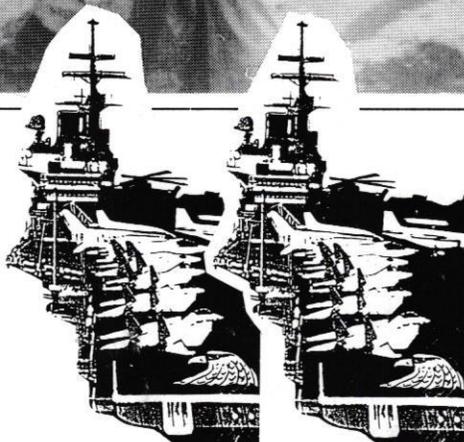
INSIDE:

GULF CRISIS

Winfried Wolf on the economic background to the war drive

Plus

Fourth International declaration



SOVIET UNION

Catherine Verla and *David Seppo* describe the growing political and economic crisis

Plus

Interviews with Leningrad activists

Turkey ★ Canada ★ India ★ Germany
★ Yugoslavia

Contents:

USSR

3

THE BUREAUCRACY'S stampede to privatization. *Catherine Verla* analyzes the plans for transition to a market economy and the growing chaos

Plus

- DISCUSSION with representatives of political currents in Leningrad
- INTERVIEW with member of new Socialist Party
- MULTIPLYING contradictions reflected in press

And

REACTIONS of workers to the privatization plans — *David Seppo*

GULF CRISIS

15

THE GULF EXPEDITION and inter-imperialist rivalry — *Winfried Wolf*

Plus

- BUSH'S adventure threatens

to assure a recession

- EXPLOSIVE potential of accumulating petrodollars

GERMANY

18

A LEFT ALTERNATIVE for the upcoming elections

Plus

“SOCIALISM is not Stalinism. It is necessary to begin again.” Speech by Jacob Moneta, candidate on the left slate

CANADA

20

IMPLICATIONS of first labor party victory in the Ontario provincial elections — *Barry Weisleder*

TURKEY

21

A MAJOR ALLY of the West in the Gulf crusade; the history of Turkey's alliance with imperialism — *Fuat Orçun*

INDIA

22

ANOTHER EXPLOSIVE national conflict flares

in Kashmir, on fire line between India and Pakistan. *Document* from the Inquilabi Communist Sangathan examines the problem

YUGOSLAVIA

24

RESISTING the repression of the neo-Stalinist regime in Serbia, Albanian workers have built a network of independent unions. *Document* from the Croatian weekly *Danas*

Around the world

25

- Ecuador ● Peru
- Czechoslovakia

GULF CRISIS

25

RESPONSES and antiwar mobilizations:

- Palestine ● Jordan
- Algeria ● France
- Netherlands ● Britain

STOP the imperialist war drive —

26

Statement of the United Secretariat of the Fourth International

International VIEWPOINT

A fortnightly review of news and analysis published under the auspices of the United Secretariat of the Fourth International, in conjunction with the French language *Inprecor*, which appears on alternate fortnights.

All editorial and subscription correspondence should be mailed to: International Viewpoint, 2 rue Richard Lenoir, 93108 Montreuil, France. Fax: 43 79 21 06.

Published by Presse-Edition-Communication (PEC). Directeur de publication: Christian Lamotta. Commission paritaire: 64324. ISSN: 0294-2925. Imprimé par Rotographie.

International Viewpoint is catalogued by the US Alternative Press Index.

- News closing date: October 5, 1990

Subscribe now!

Subscriptions and correspondence to International Viewpoint, 2 rue Richard Lenoir, 93108 Montreuil, France.

SUBSCRIPTION RATES:

All Surface Mail and EEC airmail: □ 1 year 220FF; £21; \$38 □ 6 months 120FF; £11; \$20
Airmail (non-EEC): Europe outside EEC □ 1 year 240FF; £23; \$41 □ 6 months 130FF; £12; \$21.50

Middle East, North Africa, North America

□ 1 year 280FF; £27; \$47 □ 6 months 150FF; £14; \$24.50

Asia, Africa, Latin America □ 1 year 320FF; £31; \$54 □ 6 months 170FF; £16; \$28

Oceania □ 1 year 360FF; £35; €60 □ 6 months 190FF; £18; \$31

(BLOCK LETTERS PLEASE)

Last name First name

Address

City Country Code

Renewal of existing subscription/ New subscription (please tick)

The dictatorship of the pro-marketeters

ALREADY president of the Soviet Union and head of its ruling Communist Party, Mikhail Gorbachev became even more powerful on September 24 when the Supreme Soviet granted him the authority to rule by decree. Gorbachev's new powers will be used to uphold the authority of the central bureaucracy in the Soviet Union in the face of the challenge from the Union's constituent Republics which are more and more taking matters into their own hands. The crucial challenge in this respect comes from Boris Yeltsin, now president of the Russian Federation.

At the same time Gorbachev is expected to push through an across-the-board pro-market reform, a project on which he and Yeltsin seem to be in agreement. The weakening of central authority comes at a time of acute economic crisis in the Soviet Union, with fears of food shortages in the winter. Catherine Verla looks at the current state of play.

CATHERINE VERLA

THE soviet of the Russian Federation, newly constituted as a sovereign republic, and led by the currently very popular Boris Yeltsin, recently voted (without even having read the text) for Professor Stanislav Shatalin's radical "500 days" plan which proposes a rapid "transition to the market". While agreeing to support the 500 Days plan rather than that of his prime minister Ryzhkov, Gorbachev has also taken some centralist measures with his new powers. The resulting confusion has meant that the implementation of the Yeltsin reform has just been postponed — perhaps for a few months.

Beyond these different programmes or divergent strategies, growing conflicts over ownership can be expected to break out when the question of privatization is discussed. This has already been seen in regard to gold and diamonds: do they belong to the Federation? To Russia? To the region where they are found in Russia — which has just declared itself autonomous? To the workers in the mines which exploit them?

The struggle over what privatization means is likely to express itself in powerful resistance to any decision of the "Centre" which goes over the heads of the Republican parliaments. It will be the same for each of the republics, but it must be remembered that the Russian federation covers more than half of the Union's

territory, and the essential supplies of many of its resources. Given this opposition to central decisions, and supposing (we will return to this point) that there are genuinely distinct "programmes"; what mechanisms will the supreme president have to impose his views?

Social divisions in army

The army is obviously the great unknown and a major stake. It has derived its unity from its function in the system of the single party/state. Far from being autonomous (whatever the specific interests that it expressed) it was the executive organ of the Politburo from the time when this body became the country's centre of power. Thus the challenge to the "leading role" of the party, the growing affirmation of political pluralism and the break up of the Union cannot but be reflected in the army as multiple lines of political, social and national disintegration.

● Political divisions; between conservative and liberal reformist currents but also, more broadly, between those who want the army to take the lead in (re)establishing order and those, more and more numerous in the officer corps, who declare themselves resolutely opposed to any use of the army against the people.

● National divisions; with the growing demand by the conscripted youth to be

able to do their military service in their native republics and the recent positions taken by the Russian Soviet and the officers from the non-Russian republics, ruling out the use of the army against the people.

● Social divisions, finally, between those who benefit from the regime on the one hand and the new poor and declassés of the army on the other; this latter category includes the thousands who are now returning from the former brother countries where Warsaw Pact troops were stationed, or those who have lost in Afghanistan often much more than an arm or a leg, but as the saying goes, their soul.

A recent congress of mothers of conscripted youth gave some indication of the violence which reigns inside this divided army, with claims that more than 15,000 youth have been savagely killed in the last five years during their military service (as many as in ten years of war in Afghanistan). Yeltsin has promised these mothers protection for their children, pledging that they will be able to do their service in their republics of origin, on the one hand, and on the other, that the process of forming a professional army will be accelerated.

In short, the army would not be a stable point of support for a repressive policy. And yet in the face of growing chaos a strongarm policy is more and more expected. But expected by who, and to do what?

Disappearance of bread

It is being said that the breakdown of consumer supplies is the product of sabotage, undertaken so as to justify an army intervention. The sudden disappearance of bread has been the object of a multitude of speculations (not necessarily mutually incompatible); from the discontent of particularly underpaid workers to the decay of obsolete equipment to the deliberate sabotage of liberals or conservatives preparing to impose their respective policies by force.

Indeed, such an intervention could be aimed either to impose the market or to block the process of liberal reforms, or to bring both the tigers under leash. This last, even-handed, approach would seem to correspond to the pragmatism of Gorbachev whose policy appears ever more incoherent.

A return to the centralism of the past is now quite simply impossible, at least on the scale of the "Union". The conservative apparatus certainly remains rooted in the system, but it really has no credible orientation to offer. The shunting aside of the leader of the conservatives Yegor Ligachev at this summer's party conference, the moderation of the delegates from the apparatus during the same congress, the vote in the Russian soviet (very divided when it came to electing Yeltsin, then suddenly virtually unanimous in support of his line for economic reform) are suffi-

cient indications of this.

The only forms of political expression which the conservative currents have today are the Great Russian nationalism of Pamyat and the United Front of Toilers (UFT), which overlap to some extent.

But, for the moment, Pamyat is less strong in Russia than, for example, Le Pen in France. It has had little electoral success and its meetings remain very small. The UFT meanwhile is a heterogeneous force, and has not succeeded in really breaking through among the workers.

The word "conservative" describes a fluid reality; the apparatus in itself is openly conservative, that is, against change, to the extent that it identifies this with its self-interest. In the context of the political crisis of the party/state (where being a party member no longer assures a person's future) and of economic crisis, the old mechanisms of power are no longer "paying".

Everything is a question of the relation of forces and the credibility of the different orientations; is it better to bloc with the centre against the workers, with the workers against the centre, or against the centre and the workers in favour of money and the market?

The reply changes, depending among other things on the behaviour of the workers faced with the reforms, and the position occupied with regard to the market. The factories or branches in a good position to export, for example, will have directors who are more ambitious in their desire for emancipation from the central powers.

Yeltsin represents for now a radical liberal market course. And he benefits from a huge capital of confidence, linked to his past conflicts with the apparatus, to his speeches against privilege, and finally to his role in the assertion of a sovereign Russian federation able to establish bilateral relations with other republics bypassing the centre.

But while the partisans of Thatcher-style liberalism are proclaiming more and more vociferously the need for a strong hand to impose unpopular measures, Yeltsin (in line with the presentation made by Shatalin of the "500 days" programme) promises well being for all, and quickly.

Hence the paradox; the supposedly more "conservative" reform programme proposed by the Ryzhkov government has been criticized for threatening the people's living standards whereas the liberal market orientated Yeltsin/ Shatalin project is supposed, by some operation of the

Holy Spirit, to protect this standard of living.

What are the differences between the two programmes? The ultimate objectives are without doubt the same — to establish a functioning liberal market economy. The real differences at the top are for the moment centred on questions of strategy (or risk evaluation). The issue is; how to go towards a generalized market economy, without losing power, that is, without a social explosion with an uncontrollable dynamic?

Ryzhkov accused of conservatism

The Ryzhkov project was accused variously of being too "administrative" because it sought to retain price controls whilst changing their structure in the direction of world prices; of not placing its confidence in commodity mechanisms; and, moreover, keeping (at least during a transition to an undetermined future) a degree of centralization of investment and putting limits on privatization, notably in agriculture.

The Shatalin/Yeltsin project, on the other hand, would rely on the market to establish "real prices" and production decisions, but only after a so-called *period of stabilization*; to avoid an inflation-

Shatalin programme was sold far from being an appeal to inevitable sacrifice so as to gain the benefits of capitalism. The USSR is not (yet) Poland. Liberty and human rights have been invoked to sweeten the pill, reference has been made to the "anti-popular" policies of the past which rested on a "concentration of virtually all property in the hands of the state", property which should now be "returned to the people" (thus Shatalin in an article entitled "Man, Freedom, Market" published in the big press on September 4). It is stressed here that "privatization must be an absolutely voluntary process and not like forced collectivization in reverse", and reference is made to the "free choice" of each person and their right to "live better afterwards".

But despite this soothing tone, there is an irresistible evolution towards meeting the desires of the western creditors whose support is expected. There is an increasingly heavy censorship of all reference to a "third way".

Two currents essentially have the right of expression in the media; the conservatives, and the radicals who are presented as providing the sole hope of "living normally" (a common expression used to designate the Western way of life).

Furthermore, in addition to state censorship, there is also self-censorship, the difficulty of using devalued words and thus appearing to be in the same camp as the conservatives, or of appearing to be naive utopians blocking the way forward for those who have at last decided to do what is necessary to get out of the tunnel. In this situation, radicalism appears to be on the side of the market.

The buzz word of the previous phase was "the regulated market", to be combined with the new rights (certainly still very ill-defined and contradictory) of the workers collectives. But since last June, the law has modified these rights, which certain workers

had here or there begun to put into practice. The tendency at work throughout Eastern Europe is manifesting itself also in the Soviet Union; we have passed from the era of reform to that of restorationist projects.

At the same time it is being said that capitalism is no longer what it was, that workers have been empowered by shareholding, and that socialism will flow from this in a natural manner; and that to go in this direction is equivalent to resuming the normal course of history.

The crisis of Yugoslav self-management, and the need to be reason-



ary take off. It would also seek to diminish the quantity of money in circulation by selling the maximum quantity of durable goods — housing, privatization of the kholkoz (collective farms), sale of shares and diverse forms of destatization of enterprises. Faced with the pressing demand for consumer goods, it envisages an increase in imports, and the dismantling of the monopolies. Prices will then be freed, except for some essential consumer and strategic production goods. Subsidies and foreign aid will be drastically reduced.

The way in which the radical Yeltsin/

able to obtain foreign capital, give a "rational" basis to the calling into question of even the weak elements of workers' self-management which could previously be appealed to. Ownership, it is now said, must pay its way to make people responsible. In this theory, the main form of destatization must be shareholding.

Several factors are working against these trends. First, the amount of available money. The quantity of disposable savings has been estimated by the experts as at best amounting to only 20% of the value of the social funds which can be privatized — and this estimate lumps together popular savings with those of the millionaires or the mafia.

Beyond this, why buy shares in enterprises which are manifestly unable to stand up to the shock of world competition at the very time when the ending of subsidies has been announced?

The privatization of workshops and small service and commercial enterprises will not pose too many problems. But, as in Poland and Hungary, the stumbling block will be industry. The price of shares can certainly be fixed at a very low rate, indeed they can be distributed free, as has been proposed in the USSR, in spite of the talk about how only a person who has bought something will manage it well. But this would only replace subsidies according to output/efficiency by pseudo dividends on profits, accompanied by the risk of bankruptcy or dismissal. How will the workers benefit?

Bureaucratic/capitalist chaos

A "front of the self-management forces of the left" has just been formed around an "open letter" expressing opposition to the process of transforming the USSR into a vast bureaucratic-capitalist chaos in hock to foreign capital. But the signatories represent very small forces; the new Socialist Party (some 300 to 500 members), the self-management wing of the Marxist Platform of the CPSU, what remains of the now very scattered socialist forces in the Democratic Platform, the anarcho-syndicalists, the ecologists and the left social democrats.

Parallel to this, a meeting was held in September of some 40 collectives of workers in the big enterprises, in the factory in Togliattigrad where the Lada cars are made. Their resolution protests against the law passed last June which reduces the workers' powers to the benefit of the directors. The aspiration to control of the process of destatization expresses itself in workers' reactions of this type, for simple reasons of self-protection. But the workers suffer also from the lack of a coherent alternative project supported and articulated by significant forces.

We have said that the partisans of a third way have been stifled. On the other

INTERNATIONAL MARXIST REVIEW



Contents include:

- Environment: Our common future — *Francois Moreau*
- Documents of the International Executive Committee of the Fourth International on Cuba and Central America
- Articles and documents on the national question in Ireland and Spain
- Nationalism, internationalism and the revolutionary party — *Salah Jaber*

Subscription rates: Britain £8.50; Europe 120FF; USA & elsewhere (airmail) \$20; all countries (surface) £10/120FF/\$17.

Please make cheques payable to "PEC". Bank transfers to PEC, BNP Robespierre Acct 120179/90. Postal transfers to PEC CCP no 2 322 42 T Paris. Please mark clearly "IMR".

For subscriptions and single copies please write to:
IMR, 2 rue Richard Lenoir, 93108 Montreuil, France.

hand, in the face of conservatism the media are very open to liberal propaganda which receives substantial material support among the workers from the US trade unions, which have sent permanent representatives to the USSR and have invited miners' delegations to the US. These have then sung the praises of capitalism upon their return.

This is not only the effect of propaganda, of course. The conditions of work and the standard of living in the developed capitalist countries are incomparably better than in the USSR. The liberal propaganda works on the one hand to give the impression that the workers gains are the "natural" product of the market and of capitalism; and on the other and above all, that the opening of the USSR to the world capitalist market will lead just as "naturally" to the same results. The monstrosity of the bureaucratic apparatus and its deprivations lead the workers to wish for market decentralization — which they believe will leave them free to react, pragmatically, against its side effects.

Sovereignty is now no longer the demand of the republics alone; each region, each quarter, each factory, inasmuch as they contain resour-

ces which can be consumed or exported, wants to control them — it is the logic of everybody for themselves. In the midst of this growing chaos there appear from time to time, here and there, and usually in a disjointed fashion, molecular processes of resistance which are both anti-bureaucratic and anti-capitalist. The front of the left which has just been established is starting off with very weak forces. But it is a solid point of support for rebuilding from below a socialism worthy of the name. ★

Invest in the New Europe!

OUR readers will no doubt have been hurrying to sell their shares as the world's stock markets tumble. But do not lose hope. The Fourth International is offering a *unique investment opportunity*. This May we launched an appeal for funds to help make our views known and to assist our supporters in Eastern Europe and the Soviet Union. As recession bites in the West, so the need for an alternative to both capitalism and Stalinism will become apparent in the (ex-?) Stalinist countries.

You can help turn the tide of history by a donation, however small.

The address to send donations to is:
Eastern European Solidarity, AMRO Bank,
account no. 444 531 092, Amsterdam.
(AMRO Central agency, Rembrandt Plein 1).

Views from Leningrad

OVER the summer Anne-Marie Fanon talked to supporters of a number of political currents in Leningrad. Their responses are here arranged in the format of an interview. The people who express themselves here were in reality interviewed successively between July 20-25. All quotations are exact.

COULD you describe the political parties to which you belong?

Piotr (member of the Democratic Party of Russia): It is not a political party in the proper sense of the word. It consists of organizations of some dozens of members.

Alexander (member of the Social Democratic Party): The SDP has some hundreds of members, in 78 towns, 300 in Moscow and 100 in Leningrad. We have only had official authorization for our existence for three weeks; we do not yet have a newspaper.

It is a very small party but we do not have the ambition of becoming a mass party. We are social democrats, not socialists. Our membership consists for the most part of intellectuals, but our programme must be aimed at the workers. Our objective is not that of building a big party — 2,000 to 3,000 members seems to us the optimum size. We want to educate the working class through a concrete programme. We envisage an electoral strength of about 25%.

Sacha (CPSU full timer): There are 40,000 members of the CPSU in my municipality which has about 500,000 inhabitants. The working class and the technical intelligentsia are leaving the party.

Some scientists and higher level teachers are attempting to take their places in the apparatus. The full timers of the party live completely cut off from the membership and no longer know what they think.

Vladimir (sociologist): There is only one party in the Soviet Union, the CPSU, which has 18 million members, 500,000 in Leningrad. The others are only at a formative stage.

On the other hand there exists a very large social base for the democratic movement, on an anti-totalitarian basis, against the party machine and the state.

6 Two thirds of the deputies in the Leningrad Soviet have come from this base.

■ How would you summarize the programmes of your parties?

Alexander: We are close to the German social democracy. Society must guarantee private property, but its wealth must be utilized for the common good. There should be coexistence of different forms of property... Nobody can buy the big factories; the workers will buy the small ones — they are ready to do it. The municipalities of Leningrad want to be independent and look after

their own factories. Maybe they are right. In any case nobody can decide from on high. Each community must choose freely what it decides to delegate to a higher level. The plan is not necessary, the market will regulate.

Sacha: Our country is backward and that is why we need private property. The competition of all forms of property is necessary. Everybody understands this, even the [bureaucratic conservative] United Front of Toilers. But today property is in the hands of the state and we know neither how to privatize it, nor how to create a balance of interests.

Piotr: It is necessary to give people the possibility of feeling the spirit of competition, enterprise and liberty. The principal question is that of property.

Everyone must understand that if there are more rich people, there will be less poor. In any case there is no solution to the social problems without economic reforms.

Vladimir: The natural way is the market, political democracy, common principal values.

■ What are the urgent tasks in today's situation?

Piotr: It is necessary to change the deformed psychology inculcated under Stalinism. The majority wants justice but only the minority understands how it is possible to have a higher standard of living. It is necessary to restore moral qualities.

Alexander: Our society is at a very low political and moral level. Seventy years

of Communism have destroyed all ethics. No reform is possible without changing human beings. In this sense, we are not Bolsheviks.

Vladimir: The principal question is of moral rebirth....The land must be given to those who work it, the factories sold by shareholdings....The

problem is of reviving the motivation to work so as to be able then to help the least advantaged. Those who can work must make their own way in life....The Church has a role to play in this moral renaissance.

Sacha: The CPSU has led this country into such a crisis that there is no other solution than the market. It is contradictory for the apparatus but it is unavoidable.

Everybody knows what we have to avoid;

— throwing ourselves into the market without taking account of the reaction of the masses;

— drawing in foreign capital without preparing the national framework;

but what it is necessary to do, nobody knows. There is no market without proprietors, but who will be the proprietors?

No foreign capital, the population will not accept it. But our current proprietors would be worse.

If we knew what kind of planning allowed a response to urgent needs, there would be no need for *perestroika*..

■ What are the principal problems of the population in Leningrad?

Sacha: First, housing; in my municipality there are 10,000 people on the waiting list. The norm is 18 square meters for three people.

Next, the destruction of the environment; you cannot

drink the tap water; in the majority of industry, the machines are very old and cause a lot of pollution.

Alexander: Next winter will be a decisive stage. There will be neither fuel nor food. It is a favourable terrain for a revolution which would be catastrophic. It is necessary to try to avoid unemployment, to favourise reconversion by training. It is necessary also to increase pensions which are today 30% of earnings.

Vladimir: The supply difficulties resemble those at the beginning of the blockade. The children lack vitamins and yet in Leningrad life is better than elsewhere.

Strikes can be explained by the very hard conditions of life and the revolt against the privileges of the bureaucracy. For a long time now people have heard talk about change and see that nothing changes. We want things to go more



quickly.

■ **How do you see the national question in the Soviet Union?**

Piotr: Conditions are ripe for the decomposition of the empire and it will take place. A new treaty of union is indispensable.

Alexander: The tensions are extreme between the republics and the USSR. It is impossible and illusory to wish for a single system of laws. The republics must have a greater level of independence. Gorbachev has made very many errors with Lithuania.

Vladimir: The empire is finished. We are at the stage of the collaboration of nations. Each will have its own police force but it is not necessary that each have its own army.

Sacha: The exasperation of the nationalities is the fruit of the policy of the Minister of the Interior. But this has no great echo amongst the population.

■ **Does the army represent a danger for Russia today?**

Vladimir: The army could represent a danger. The conditions of life of a number of officers are close to those of the population. 100,000 among them are without housing and this is going to get worse with the return from the East.

Sacha: I have myself spent my life in the armed forces, in particular in the strategic rockets sphere. In February 1989, I understood that my place was in the democratic movement. I resigned from the CPSU for moral reasons and demanded my expulsion from the armed forces.

There is today a great difference in the army between the high command on the one hand, the soldiers and the inferior hierarchy on the other. Very many officers are ready to leave the army; it is often the question of housing that stops them.

Recruitment by examination is now done at the lowest level — one place for one candidate. It is the more uncultivated who remain, those who are ready to do anything.

The most reactionary are those who occupied Eastern Europe. Their living conditions there were excellent. If they return to the USSR, they will lose all their advantages.

A new law is in preparation to give the right to retirement. After this law, the army will decompose very quickly. We could then be the hostages of the lower officers, which is very dangerous.

I do not rule out the possibility of atomic blackmail inside the country. That is why the democratization of the army is the most important thing. There is a constant struggle between the army and the party.

The army has colossal financial means, immense territories and very sophisticated means of communication. Those who have the information have the power. ★

“We have entered into a revolution”

Interview with Nikolai Preobrazhensky

NIKOLAI PREOBRAZHENSKY is a veteran of the anti-bureaucratic opposition in the Soviet Union, active in attempts to create independent unions and in the People's Front of Leningrad, where the democratic opposition now controls the city government. He is a member of the Socialist Party, a recently formed left party, of which Boris Kagarlitsky is one of the most prominent figures. He gave the following interview to Anne-Marie Fanon in Leningrad at the end of July.

VISITING Leningrad, you're struck by the fact that all the politicians, regardless of what tendency they belong to, have the same refrain. According to them, the catastrophic situation of the economy can only be solved by market reforms. What is the reason for this mind set?

In fact, most politicians think that in the future our economy can function efficiently only through the market. This is the fruit of the propaganda deluge turned on by the party leadership. For years, it has been advocating the market. The journalists, researchers, scholars and so on have taken up its line. Also, you have to realize that today such ideas can be proclaimed out loud (before, those who thought that way kept quiet or intoned that our “socialist economy” was the best).

You have to put this together with the fact that for years the West's standard of living, production and efficiency have been far superiors to ours, and the various attempts at reform have failed.

In the last few months in particular, people have recognized the total failure of the existing system in East Europe with the plunging of the countries of the old “socialist camp” into the market.

■ **You were explaining to me just now that the most revolutionary perestroika measures have themselves had contradictory effects. In particular, the increased rights given to the workers in the workplaces**

have brought on a disorganization of the production and distribution systems and deepened the crisis.

In fact in 1987, when the mass movement was very weak, Gorbachev gave the workers' councils full powers over the internal organization of workplaces. This was an attempt to get the economy out of the crisis into which it was sinking.

The councils could appoint or elect the managers, set wages, organize production and divide up materials. In 90% of the cases, this changed nothing, given the inactivity of the

working class. The old managements got themselves reelected.

In the other 10% of cases, the workers really took the initiative. But the results were not always what Gorbachev expected.

Sometimes they elected managers who were “better at cheating the central administration.” Since the managers had no power over the targets of the plan or the sources of supply or the ends of production, the best manager was the one that obtained the most wages.

They often rejected work on the state farms in the summer, a system that required a certain number of workers to sign up as “volunteers” in order to relieve the chronic shortage of labor in the countryside at harvest time. So, this fall, when the potato crop has reached a record level, a large part will be lost because of a labor shortage.

Finally, there has been no push for the investment envisaged in those enterprises that most need it. The habit was established long ago of asking “what's the use” before undertaking anything.

■ **In any case, people are left with the impression that the economic situation is going from bad to worse; that is, worse than under Brezhnev, and even under Stalin, at least in the big cities.**

Those who claim that it is worse than under Stalin are indulging in demagoguery. Under Stalin, maybe you could buy vodka or caviar, but few families had a home of their own.

But if you compare the situation with

ten years ago under Brezhnev, or even three years ago under Gorbachev, it is evident that it has gotten a lot worse. The population is suffering especially from shortages of consumer goods, which aggravates their discontent. But the problems in the system of production should not be forgotten. The overall situation is deteriorating very rapidly.

■ **Is it necessary to resort to Western market-type solutions in order to get out of the mess?**

It is certain that a turn has to be made. The majority of the solutions proposed are market oriented. In the short term, I think that we will experience a transition toward the market in which two different tendencies will coexist. On the one hand, there will be a need for administrative and command measures.

On the other, market measures will be applied. If all the reforms that go in the direction of the West European or American market are instituted immediately, they will bring chaos. The problem is what such a market involves concretely for the East European countries and for the Soviet Union in particular.

■ **In fact, while all the economists declare themselves advocates of the market, none is able to tell us how the Soviet Union is going to get there or how to resolve the question of the coexistence of different forms of ownership. Is there going to be opposition in the coming months to this privatization policy, and from whom?**

That depends on whether this policy is actually applied. Privatization is a very broad concept. A lot of things can be put under this heading — giving factories to the workers or stores to merchants or to foreign capitalists, and so on.

■ **But what can be envisaged? Most of the economists seem to rule out selling to foreign capitalists.**

Nonetheless, a lot are hoping to see foreign capital come in. Before 1917, Lenin said that foreign capital could be a blessing for us because the foreign capitalists were more cultivated than the Russian ones. But I do not think that in the present state of things the Western capitalists are very eager to invest here.

What is really in the works for the Baltic countries, Moscow and Leningrad is privatization of the tertiary sector, commerce, small services, and so on. I do not think there will be any great resistance to that, as long as the living conditions of the population do not suffer as a result. But if privatization brings unemployment, if one monopoly is replaced by another, there will be protests.

For example, in Moscow a lot of [subsidized] popular canteens have been closed. They have been replaced by cooperatives charging prices five to ten times higher.

In my opinion, people are not fighting first of all against the privatizations but against the bureaucracy and the existing political system. It is only after this system is destroyed that we can go on to a new phase of struggle.

■ **Does this struggle against the system involve rejecting all that the Bolshevik revolution represents, or is it directed only against the present role of the party and the state?**

Everything is being rejected. The media are reinforcing this rejection of the October revolution. Anti-Communism is really very strong in the USSR.

■ **What are the left-inclined political tendencies saying about this?**

Such tendencies are going to grow. But it is hard to say how quickly. Today, they have hardly any weight. There are left organizations, but they are very small. They exist in the trade-union movement, and can have an influence in strikes, as we have seen in the mining regions. In the coming year, we will certainly see political differentiations. Objectively, there is a place for the left, but we cannot say today who is going to fill it. The great unknown is how the working class will react.

■ **You hear people saying that this winter, because of supply problems, we can expect riots or upsurges of protest.**

I don't want to play at crystal ball gazing, but I think we can expect violent protest actions in the Soviet Union. The system of production is collapsing, the distribution system too. We are not going to get through the winter without serious supply problems. Today, there is bread in Leningrad, Moscow and the big cities. But in the countryside there are places where there is none.

■ **What solution can the Gorbachev team find for such an eventuality?**

To maintain himself in power, Gorbachev cannot do without alliances with certain new forces or fail to invite them to take part in the government. I am referring to the People's Fronts and the so-called independent deputies, to sections of the so-called democratic movement, such as Yeltsin.

That can enable him to defuse the social movement a bit. Even if social turbulence does not exist yet on a large scale, everyone knows that it is inevita-

ble.

■ **Is Gorbachev going to face strong opposition from the conservatives?**

Certainly; we could even envisage attempts to liquidate him physically. For some conservative forces (certain sections of the army, both on the right and left) that appears to be the only solution. Gorbachev is mixing up the cards of the traditional political system and concentrating more and more power in his person (he is president of the USSR, general secretary of the party and so on).

He has a great personal influence. Within the CPSU itself, the secretary-general in fact is rising above the Central Committee, even contradicting its decisions. But if he ever disappeared from the front of the political scene, the divisions would appear much more clearly.

■ **We met a former Red Army officer who drew quite a worrying picture of the evolution of this institution. He told us that the most progressive officers are leaving the army to join the democratic movement, and that soon only the most conservative people will be left, and that is a real danger.**

That is true to some extent, but I don't have the impression that the departures are as massive as that. Reading *Red Star* [the army paper] you always wonder why a military coup has not yet happened! In this paper, you can read many letters of complaint about the deterioration of the state, about the republics where there are national movements, and so on. You can see the great discontent that is afflicting the army as a whole, all layers of it. The military feel that they have been chased out of East Europe. They are experiencing housing problems, a 20% cut in wages for the present year, and above all they feel that the USSR is disintegrating.

If you pose the question of whether the army can be used to stabilize the situation, you have to ask yourself in which direction it would turn. Some sections even of the state apparatus are surely aggravating national and social tensions, a bit like Chile on the eve of the 1973 putsch, in order to impress on the mass of officers and politicians the need to call on the army to restore "order."

■ **But it seems difficult to believe that people could think of stabilizing the situation by a putsch, given where things are today, with the collapse of the economy and the fact that the population has plunged**



through the democratic openings.

I am not sure that this situation is completely irreversible. If people think their house is on fire, they don't resign themselves to the irreversibility of such a situation. They try to take urgent measures. I would remind you of Poland in 1981, and that happened overnight.

However, it is certain that the army cannot hope to eliminate the economic chaos. It could, on the other hand, for example, try to resolve the inter-ethnic battles. It could restore at least a superficial peace and order, a certain status quo. But if the army feels it can accomplish this, it will not do that on its own (that is not in our traditions), but through the political apparatus or some of its factions, which will be officially given responsibility for restoring order.

■ **What is the attitude of the Soviet masses toward the West European societies? They seem to have a very ill-defined image of our countries and to know only about the very high levels of consumption (by comparison with theirs) that may exist there. They seem to be largely ignorant of the real situation of the working people. Moreover, you seem to be saying that the situation in the USSR will evolve in accordance with what happens in West Europe.**

In fact, here people admire first of all the United States, then Japan, and after that West Europe. Margaret Thatcher gets a high rating, because she seems to be a great friend of Gorbachev! A lot of people declare themselves supporters of social democracy, and Sweden is often cited as a model, along with West Germany. These countries can in fact seem to represent great progress by comparison with the present Soviet situation, but no one is saying how we can match them, or whether that is possible.

In my opinion, we have entered on a revolution, the second great revolution, a little like France in 1848 or the United States at the time of the Civil War. It is hard to predict how we will come out of it. I think that we will see great mass movements, perhaps clashes, and that the working class will play the decisive role. But I don't think that this is going to develop in accordance with the ideals of the left.

After 10 or 15 years of this new course, we will in any case be living in a society that will have a lot more capitalist features than today, and the workers' movement will be much stronger and more experienced.

But we will depend a lot on what happens in the West, because economic developments are very much linked, at least in their structure. This is certainly not an optimistic vision, but you have to be clear sighted and look at what's going on around you. ★

TROIKAGLASNOSTPERE
STROIKAGLASNOSTPER
ESTROIKAGLASNOSTPE
RESTROIKAGLASNOSTP
ERESTROIKAGLASNOST
PERESTROIKAGLASNOS
TPERESTROIKAGLASNO
STPERESTROIKAGLASN
OSTPERESTROIKAGLAS
NOSTPERESTROIKAGLA



THE MAIN publication of the Latvian People's Front, *Atmoda*, published the note reproduced below in its August 14 issue. Edgar Savisaar, now premier of Estonia, was formerly its finance minister and is credited with authorship of the plan for regional self-financing for Estonia within the context of *perestroika*. He is also the leading personality in the Estonian People's Front. It should be noted that in general the cultural unions have been the launch pads for the people's fronts in the Soviet republics.

"WITH THE FIRST HUNDRED DAYS of Edgar Savisaar's stewardship over, the new Estonian [People's Front] government is beginning to be criticized from both right and left. The criticism is not coming just from the Central Committee Bureau of the Estonian Communist Party and the Committee of Estonia [fundamentalist nationalists]. The leadership of the Estonian cultural workers' union has made the following demands on the government (as strange as it may seem to demand something from one's own government):

1. Without delay, to establish a minimum income, and to adjust wages, pensions, scholarships and support in accordance with it.
2. To submit the government's plan to the people for judgment, and to delay full implementation of its specific features until it gets full approval.
3. To set a maximum price for necessities and farm produce.
4. To put the question of the Estonian government's cultural policy on the Supreme Soviet agenda". ★

THE LATVIAN Front itself has been showing signs of sharpening social contradictions. In an interview in the August 28 *Atmoda*, Uldis Augstains, leader of the Front's Political Committee, was asked about what changes he thought were necessary in the organization's program. The first program (see *International Viewpoint*, No. 169, September 18, 1989) placed itself in the context of

the Leninist tradition. The second, adopted last October, eliminated that, but left the general references to democratization and social protection. Augstains called for new changes in the upcoming third congress of the Front:

"I express my own conclusion and that of several members of the Political Committee. In accordance with the status of the state, the part of the People's Front program on demilitarization has to be entirely changed. At the same time, the entire program has to be cleared of vestiges of the Communist ideology, which remain even in the second program. For example, the Leninist national policy is very positively regarded.

It has to be said clearly and openly that Stalinism is the price for Marx's economic utopianism, for Lenin's categorical principles about class and deviation from general humanitarian values. Without violence against people such a system cannot be implemented, and we must totally distance ourselves from this ideology."

In the same issue of *Atmoda*, an article on the first hundred days of the Latvian People's Front government said: "The government's lack of enterprising spirit on a question as important for restoring the health of the economy as privatization is explained by the fact that immediate privatization is opposed by Communists — Marxists, whose thinking is determined by the dogma that all evils come from privatization — and nationalists — Latvianist leaders of citizens' movements, who are concerned that capital and the means of production should be Latvian or at worst in the hands of citizens of Latvia according to the 1940 criteria [that is, before incorporation into the USSR]."

Such equating of "Communists" and nationalists in a pro-capitalist economic article in the newspaper of a mass organization built as a national democratic front cannot but be a symptom of sharpening contradictions.

An editorial in the August 14 issue (signed A. Kesteris) tried to put such contradictions in perspective. "The People's Front fundamentally includes conflicting ideas and currents. By its essence, it cannot be any 'smooth lake' [literally, "pond

for swans"). The main contradiction that has existed in the organization's work until today is that between the need on the one hand to lead a democratic citizen's association that is getting rid of the leeches of the bureaucratic state, and on the other, a movement for social security, which is traditionally linked to the state as the 'just distributor.'"

The major debate in the paper in recent months has been over the idea of some leaders to form a center party. One problem that this debate reflects is how to respond to the centrifugal forces of political differentiation — which also affect the Estonian Front — but another concern seems to be a perceived need to find a way of resisting the pressures of right-wing ideologies. ★

REPORTING the debate on the Soviet government's economic program, *Pravda* noted in its September 19 issue:

"HE [Shatalin, author of the 500 day program for transition to a market economy] recognized that the standard of living in the various republics was uneven. For example, in Estonia it is more than three times higher than in Tajikistan. But in the present situation, he said, "it is an unrealizable task" to give the various republics equal starting positions. A regional development fund can play a role. But the republics themselves have to strive to develop their own measures for social protection." ★

Gorbachev was quoted as follows in the September 18 *Pravda*:

"IF IN the first stage centrifugal tendencies, to speak frankly, isolationist and even separatist tendencies appeared, the further we have taken and deepened the program for transition to a market economy, the more agreement has developed not only about what the market should be like but about what our union of sovereign states should be like. In any case, the work on the economic aspects of the future treaty of union has shown that in the judgement of all peoples an advance to a new level of cooperation and collaboration is essential, with an understanding of the vital importance of maintaining the Union as a multinational state, based on the principles of free will, equality and collaboration of sovereign states."

In the same issue, *Pravda* published a dispatch from the official Soviet press agency, TASS, which condemned the Estonian People's Front government and identified with the Moscow loyalist "Strike Committees." These organizations

have tried, unsuccessfully, to prevent Estonians from gaining their national rights by staging strikes of Russian workers. The dispatch was a reply to a protest by the press service of the Supreme Soviet of Estonia against an article published in *Pravda* on September 11 and in



other official publications. The TASS dispatch said notably:

"A big role in increasing tension, in a witch-hunt against Communists, in whipping up inter-ethnic tensions has been played by the mass media in the republic [Estonia], and in fact there has been a news blockade of the healthy forces in Estonian society.

"The Republic Council of Strike Committees considers that the open letter of the press service of the Supreme Soviet of Estonia was itself an attempt to shift the blame for the mistakes and incompetence of government circles from the perpetrator to the victim, to drive a wedge between workers of different nationalities, to reverse the tendencies toward inter-ethnic consolidation in the struggle for the the basic rights of the working people of the republic." ★

THE FAILURE of Gorbachev's initial attempt to tighten the centralism of the USSR has been confirmed by the official self-criticism of the Soviet authorities for the repression in Alma Ata, Kazakhstan in December 1986 (see *International Viewpoint*, No. 116, March 23, 1987). The September 29 *Pravda* reported:

"IN THE course of the investigation facts came to light about violations of socialist legality by units of the internal security forces. According to the commission's assessment, more than 1,700 people were physically harmed.

It was established that...the number of those jailed...or taken from the city was

about 8,500.

"In the resolution of the Presidium of the Supreme Soviet of the Kazakh SSR, it was noted that the actions of the Kazakh youth in December 1986 in Alma Ata were not nationalistic, and in the initial stage did not have an illegal character. The direct cause of the protest by the youth was open contempt for the opinions of the population and the mass of party members in the republic by the center, which, in accordance with pre-perestroika stereotypes appointed a party worker little known in the republic as the first secretary — an underestimation of the increased self-consciousness of the people." ★

AN ESTONIAN *Pravda*'s editors apparently liked was J. Sillaste, who was presented in the September 24 issue as an expert on the problem of unemployment. In an interview, he said the following, among other things:

"ANOTHER disturbing feature appeared. The percentage of women in work in Estonia is, I fear, not only a 'record' for the Soviet Union but for the world. Now we are paying for this in the health of children and the worsening 'quality' of the working class.

"When we divided the wages of professionals in three, women could no longer remain home. They were 'driven' into social production. And so we began to constantly proclaim that employment was the greatest good for women, that the emancipation of women helped them to realize themselves in work. We deviated from human nature, which manifested itself in the rule that men are always more inclined to realize themselves in the external world and women first of all in the family. Their main goal is always their concern about those close to them, raising children who will be higher 'quality' than the preceding generations.

"Now, this does not exist, and as a result the quality of life has declined. From generation to generation, the health of children has declined. They have become weaker in body and spirit. Women are torn by a contradiction. Their hands are occupied with work, but their thoughts are at home. And they cannot do anything about that. That is their social-biological function." ★

THE CONSTITUENT ASSEMBLY of the Federation of Independent Trade Unions of Russia (FNPR) drew the following comment in the September 21 *Pravda*, under the headline, "Will the Unions Defend Us?":

"THE INDEPENDENCE from the manipulation of the government and trade-union apparatus and from all parties proclaimed by them in March impressed a lot of local unions. And today, the Russian Confederation includes 94 member organizations, 74 regional unions and 19 industrial unions. It includes more than 328 thousand base organizations, embracing 54 million union members.

"It should be noted that the process of forming the FNPR proceeded without any pressure, on the bases of freedom and free will. Thus, the congress completed the formation of the biggest union in the country, which will be an integral part of the renewed of VTSCPC [the All Union Central Council of Trade Unions]. In the political arena a trade-union body has appeared that will conduct direct dialogue with the government of Russia. The forms of collaboration have changed fundamentally. They will be determined from now on by agreements between the FNPR council and the government of the Russian Federated Soviet Socialist Republic."

Then the commentary moved on to more delicate subjects: "The congress did not reject the 500 Day Program adopted by the Supreme Soviet of Russia, although it expressed serious concern about the vagueness of social guarantees in the transition to the market. In connection with this, the trade-union representatives expressed the view that it was essential to call a 'round table' of representatives of the unions and the government. At this 'round table,' in the view of the delegates, it was necessary to assess the whole spectrum of problems bound up with the social consequences of the transition to the market.

"First of all, the unions expect the government to work out a program for creating new jobs and defending employment, material and social guarantees for the unemployed.

"Second, the market must not lead to increased exploitation of labor, and the present workweek must be maintained.

"Thirdly, the FNPR called for the introduction of dynamic scale of wages and pensions corresponding to the contribution of each worker and compensating for inflation and increases in consumer prices.

"The independent unions insist on an immediate improvement of guaranteed annual leave. They declared that the most important social task was the supply of the consumer market as soon as possible with at least the necessities."

The sting was in the final paragraph:

"The extensive and at the same time concrete program of the Russian unions is certainly impressive by its radicalism, novelty and its concern for the pressing needs of the people. But it is still only a piece of paper. *The market will show how they are going to be paid.*" [Our emphasis.] ★

Towards market Stalinism?

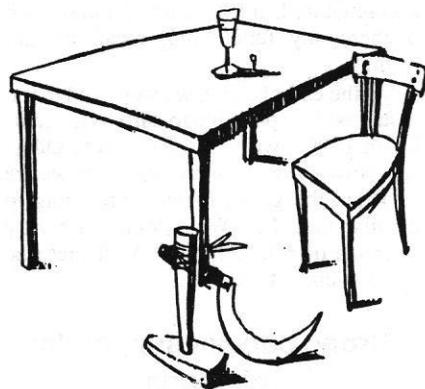
FACING economic catastrophe, the path to reform of the Soviet economy is now the subject of intense political struggle (see article by Catherine Verla on page 3). All the running in this debate seems to be coming from various pro-capitalist currents, but below the surface other tendencies can be detected, as David Seppo explains in an article written on August 31, 1990.

DAVID SEPPO

THE STORM of protest provoked last May by the government's "Programme of Accelerated Transition to the Regulated Market" came from two sources. The liberals were upset that the programme was too gradual and timid. They want a bold, swift transition to capitalism and cast admiring glances at the decisive policies of restoration in Poland and Hungary.

The population at large, on the other hand, was worried by the effects of the reform, most immediately the price rises, on their living standards, and by the spectre of mass unemployment. As one commentator put it, the government was wrong to propagandize only the positive side of the market, its efficiency, while failing to prepare the people for its "extremely cruel" side. For the market, he continued, "does not encourage, but rather forces, people to work well in order to live well. It is a system that deals mercilessly with slackers... and that holds unemployment, like the sword of Damocles, over everyone's head"¹.

But people were also angered by the secretive, undemocratic nature of a reform process that aims to fundamentally transform their society. The following are excerpts from telegrams sent by worker collectives to the Russian trade union federation in response to the May reform programme; "We demand a referendum and the publication of alternative reform conceptions". "People do not know what a regulated market economy is. There is little information. The toilers of our enterprise demand a national discussion of this question". "The immedi-



ate publication of other, less painful, alternatives for the transition to the regulated market is necessary". "We must put an end, once and for all, to secrecy and incomplete information in discussing questions that are vital to people"².

Responding to the popular reaction, the trade union leadership, while continuing to support the regime's basic reform orientation, retracted its initial endorsement of the new programme and demanded a national referendum on the issue. This idea had originally been floated by the government itself — before it became aware of the intensity of the popular opposition.

Gorbachev aide berates popular prejudice

The liberals, for their part, rejected the idea out of hand. For example, N. Petukov, personal adviser to Gorbachev on economic issues, while recognizing the existence of deep popular "prejudices" against the market, explained that "you can't ask people their opinions about things they don't know"³ (no doubt Stalin failed to consult the peasants about collectivization out of similar considerations).

Opinion surveys show that, despite the elections and other political reforms that have occurred, three quarters of the population do not feel any increase over the past two years in their ability to influence political life. This is especially true of workers (with the partial exception perhaps of the local soviets in the coal mining regions), whom *perestroika* has bought no closer to the institutions of power, political or economic. Workers constitute only a few percent of the delegates elected to soviets at the various levels.

1. *Praviteľ' s'ivennyi vestnik*, no. 28, 1990, p. 1.

2. *Trud*, June 16, 1990.

3. *Moskovskie novosti*, no. 22, 1990, p. 4; *Rabochaya tribuna*, April 4, 1990.

This would not be so important if democratic workers' parties existed, with clear programmes to which elected representatives who are not workers could be held accountable. But this is not the case. Nor is there any functioning recall mechanism.

"At the end of 1989, we were told that it would be irresponsible to shift to the market in 1990", wrote a worker from Odesa. "Now, only a few months later, we are told that the government is preparing to do just that. [...] Why do the arbitrary methods of rule continue? Will there be real soviets of toilers?"⁴.

Strong popular support for referenda

It is not surprising, therefore, that support for referenda is very strong among the population. According to opinion surveys, three quarters of the population want referenda on key questions of national and republican life and feel that they are a necessary measure for further progress in democratization⁵. A reader of the trade union paper *Trud* writes: "The Supreme Soviet blocked the passage of a law on referenda and thereby pushed people away from participation in the key issues of the reform. Yet just recently, the Supreme Soviet and the government assured the people that no important matters would be decided without their agreement"⁶.

Responding to protests against the reform programme presented in May, the trade union leadership has also demanded that measures of social protection be given priority over narrow considerations of economic efficiency in the reform⁷. This popular stand, which, however, has not been backed up by any noticeable action on the part of the trade unions, has also earned them the anger of the liberals. Petrakov has castigated "the populist line of unions of the stagnation period" whose "socio-political demagoguery" seriously complicates the reform process⁸.

The Supreme Soviet itself, after heated debate, endorsed the general direction of the government's programme but sent it back to be reworked, postponing any decision on prices until the September session. It instructed the government to spell out more concretely the measures to be taken in the transition to the market, to incorporate suggestions made in the parliamentary debate and to prepare estimates of the social and economic impacts of different reform alternatives.

Although it was not immediately clear whether the Supreme Soviet was responding to the liberals' objections or those voiced by the general population, Gorbachev interpreted the Supreme Soviet's decision as a mandate to move even closer to liberal positions, including large scale privatizations and the accelerated opening of the Soviet Union to the direct

influence of the world capitalist economy. On the sensitive issue of prices, the government was more cautious, speaking of a differentiated approach that would retain central control over the prices of basic goods and services.

According to Vice Prime Minister L. Abalkin, the transition to the market was now going to be accomplished within a maximum of six months. This new shift in the government's programme (more an acceleration than a change of direction) was formalized in Gorbachev's agreement with Yeltsin to jointly formulate an "economic concept" of a union treaty among the republics. The liberals widely greeted this as a sign of Gorbachev's final conversion to their cause.

One of the most striking aspects of the government's latest reform activities is its abandonment of even the pretence of democracy. Over the summer, Gorbachev has been widely using his presidential powers to issue far reaching decrees, such as the one providing for the creation of joint stock companies including full property rights for private stockholders. These decrees are presented as "temporary", pending parliament's decision.

Government aims for a fait accompli

The government cites the urgency of the situation to justify its attempt to introduce the reform behind the people's backs and to create as much of a fait accompli as possible before they realize what has really happened. Of course, the situation is indeed urgent.

But it is Gorbachev's own reforms, by his own admission, that have created the situation of urgency by seriously aggravating the crisis inherited from the Brezhnev era. If this were a responsible government, it would have to resign, as the miners demanded in their one day political strike last July (it should be noted, however, that the miners did not include Gorbachev — despite his obvious unpopularity — in their demand that the government resign).

The government also retracted its hasty proposal of a referendum. Abalkin offered the following rather curious explanation — if the government's programme received a majority vote, it would become independent of parliament in carrying out the reform. Abalkin was apparently saying that this would be undemocratic. He failed to mention what would happen in the case that the reform was rejected by a majority. Abalkin noted that there are other ways of knowing public opinion and he claimed that opinion surveys show two thirds are for a transition to the market⁹. Even if this is the case, the Prime Minister himself (one of the more honest of the top officials) admits that it is not a conscious choice. It merely represents the hope for a better life. He too complained that the massive

pro-market propaganda has left people unprepared for its cruel sides¹⁰.

Of course, there is almost no one in the Soviet Union today who does not recognize the need for the expansion of market relations. But the vague phrase "transition to the market" can mean anything to the Soviet people from increased decentralization and producers self-management to the full restoration of capitalism. Abalkin forgot to mention that all opinion surveys that propose concrete questions concerning such matters as large scale privatization, unemployment, price rises, decline in living standards, or economic differentiation, show that public opinion is strongly opposed to these crucial elements of the government's programme.

The government also responded in a curious way to the parliament's request that it examine alternatives. It set up a "committee on alternatives" and packed it with "radical liberals", appointing A. Agenbegyan and N. Shemlev as chairmen (the latter is a vociferous advocate of capitalist restoration).

Not surprisingly, according to Agenbegyan, his committee could find only three alternatives: maintaining the "command-administrative system" which has shown its inefficiency over the years; "market radicalism" whose social costs are too high; and the "regulated market", which is the government's position. There was no mention of a democratic and socialist alternative. The committee agreed with the government that the third alternative was the only acceptable one. The differences with the government centered mainly on quantity and pace rather than quality; it wanted even more far reaching privatization, more encouragement to "free enterprise" and closer integration into the world market¹¹.

Programme prepared behind closed doors

In September the government, therefore, was to present the Supreme Soviet with a finished programme, prepared largely behind closed doors at a government complex in the woods outside of Moscow (according to Abalkin, the secluded location was chosen to allow the policy makers and experts to avoid distractions) a programme which, furthermore, was already being partially implemented.

As one government official commented: "By the method of amendments, it is as hard to change fundamentally a well prepared document, as it is to turn a wag-

4. *Trud*, June 6, 1990.

5. *Nedelya*, no. 28, 1990, p.2; *Trud*, July 7, 1990.

6. *Trud*, July 26, 1990.

7. *Trud*, July 7, 1990.

8. *Rabochaya tribuna*, June 22, 1990.

9. *Argumenty i fakty*, no. 32, 1990, p. 2.

10. *Pravitel'stvennyi vestnik*, no. 34, 1990, pp. 6-7.

11. *Pravitel'stvennyi vestnik*, no. 34, 1990, pp. 6-7.

12. *Pravitel'stvennyi vestnik*, no. 34, 1990, pp. 6-7.

on off a well rutted track"¹².

In any case, this parliament was elected in the absence of contending parties, a free press or free and universal suffrage. But even if these had existed, the Supreme Soviet would no longer reflect the electorate's will, since the issues have changed so drastically over the past year and a half since it was elected. The liberals, who present themselves as the champions of democracy in the battle against the "partocracy", are silent on all this. For they have since been admitted into the halls of power.

As usual, the debate in parliament will not focus on the basic orientations of the reform but on the details of price rises and measures of social protection. One cannot expect real opposition within this parliament to the reform as such, except perhaps from the diehard wing of the liberals who will accept nothing less than the literal implementation of the teachings of Milton Friedman.



apparatus (some of its members, of course, are managing or hope to manage quite well under the reforms, and the process of transforming office into capital is already underway). As much as they loathe Gorbachev's policies, he remains their only hope and bulwark against their total liquidation "as a class" at the hands of the people. Gorbachev is in many respects a Bonapartist figure propped up by the apparatus, on the one hand, and the liberal-bourgeois-mafia alliance on the other. Both sides are casting worried glances at the masses.

Foodstuffs Minister walks the plank

These masses are becoming increasingly restless, as the recent agitation over the cigarette shortage showed (this unrest forced Gorbachev to sacrifice the Chairman of the Commission for Foodstuffs and Purchases). By contrast, the miners have been unable to obtain the dismissal of the Minister of the Coal Industry.

Whatever opinion surveys may reveal about attitudes to the "transition to the market" (their methodology and results are never fully presented) there is abundant evidence that the mass of the population is not at present prepared to accept a decline in living standards, mass unemployment and much else that the "regulated market" reform threatens to bring. The degree of politicization of economic issues and the readiness to strike over them are very high in the working class.

It is therefore difficult to see how the government's reform could be implemented with any significant degree of consistency. The government lacks the legitimacy to ask for sacrifices. And the consequences of an attempt to use repression to implement the reform (for example, by outlawing strikes in practice — in theory, most strikes that occur are already illegal but the workers ignore the law) would be fatal to this government. In

present Soviet circumstances, any independent labor movement, including one whose official positions might seem partially to reflect liberal positions, is a major obstacle to the government's plans, although — and one cannot stress this enough — opposition to the social consequences of the government's reform is not necessarily the same as support for a socialist programme.

Working class support for liberals declining

Despite their dominance in the mass media and increasingly in the government, there are signs that the liberals are failing in their efforts to win mass support among the working class. The popularity that they enjoyed was, in any case, always more linked to their image as "radical democrats" than to their programme of capitalist restoration (which in any case is never stated so bluntly). This is true even in the mining regions, where the liberals managed to acquire significant influence with the leaders of the workers' committees in the months following the July 1989 strike.

However, Yurii Boldyrev, a leader of the Donetsk miners and himself close to the liberal Interregional Group of the Supreme Soviet, recently told an interviewer that the "Democratic Platform" [the liberal-social-democratic fraction in the CPSU], Travkin [leader of a new People's (liberal) Party] or Korotych's [liberal] magazine [Ogonek] "have no real future in the labor movement"¹⁵. He said that the labor movement will take its own path and he warned that some of its fel-

13. *Trud*, July 15, 1990.

14. *Trud*, June 6 and August 24, 1990.

15. *Nedelya*, no. 28, 1990, p. 2.

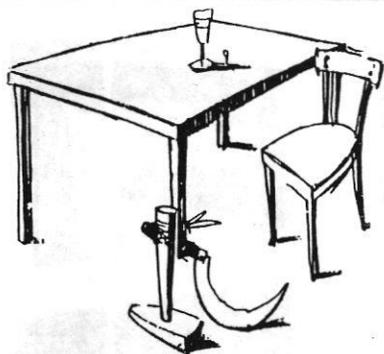
16. *Rabochaya tribuna*, August 16, 1990. In October 1917, the vast majority of the intelligentsia, including its social-democratic and populist wings, refused to support the soviet seizure of power and to participate in a coalition soviet government. As a result, they were largely discredited in the workers' eyes.

Trade union apparatus looks for palliatives

The trade union apparatus, regardless of the liberal hostility it has provoked, has accepted that "a decline in employment and the loss of a series of social gains are inevitable" under the new system¹³. Its policy is to push for the establishment of programmes to palliate the negative social effects of the market (while the trade union apparatus accepts the eventuality of mass unemployment, its legislative proposal on employment is considerably stronger than the government's and calls for reaffirmation of the constitutional right to a job and concrete programmes to make good the commitment to full employment). Nor has it shown any real will to mobilize workers behind its positions.

The government, for its part, is ignoring the trade unions. "There is no dialogue with the trade unions", complained the council of the Russian trade union federation in August. The government has not responded to its proposal, first made in May, to hold round tables on the reform at the national, republican and local levels and it has also rejected the unions' draft law on the rights of trade unions. The Supreme Soviet too has ignored the unions' urging that it debate this matter and take appropriate legislative action¹⁴.

Gorbachev need not fear much opposition from within the party-state apparatus either. The 28th Party Congress, which was largely a Congress of the apparatus, showed the impotence of the nonetheless deep dissatisfaction that exists within the



low travellers may share the fate of the Russian intelligentsia after October 1917¹⁶. Teimuraz Aviliani, a former member of the Interregional Group and a leader of the Kuzbass regional strike committee during the 1989 strike, has also remarked: "I can see how they will gradually nudge us toward private property. Maybe some clever person will manage to buy up the shares of a mine. I don't envy him. Capitalism won't worm its way into the Kuzbass"¹⁷.

The Donbass miners, in particular, are deeply worried about unemployment. Enterprise autonomy and the freedom to sell coal abroad, which the liberal press touted as the most important gain of the 1989 strike, turned out to be a cruel joke here, where the cost of production is many times higher than in the eastern regions of the USSR.

Liberals and democrats from the Arbat

It is now estimated that the shift to the market and the ending of subsidies will put 50,000 Donbass miners out of work. According to Viktor Alekseenko, former leader of the Makeevka workers' committee, "someone wants to climb to power on the backs of the workers — the liberals and democrats from the Arbat [a fashionable Moscow district]. And we will be left with closed mines"¹⁸.

In Yaroslavl', where at the end of 1987 one of the first major strikes of the *perestroika* period took place at the giant Diesel Motor factory and where one of the first popular fronts was formed, *Ogonek* recently reported a growing reaction against the government's reform orientation and mounting support for the anti-liberal positions of the United Front of Toilers¹⁹.

A worker at the motor factory explained: "Personally, I was a very active agitator for the Popular Front a year ago. Without my help, the leader of the Popular Front would not have been elected as a people's deputy of the USSR. I thought they wanted to improve our life...But it turns out they are aiming at the system. This is where our paths parted. I don't want our country to be divided among rich and poor". In July, the local soviet here introduced rationing for a broad array of consumer goods, as a measure of social justice in a

period of growing shortages and speculation²⁰.

It is very difficult to judge the extent of these views from the press (which on these issues remains only slightly less biased than under Brezhnev) and from the one sided presentation of opinion surveys based upon dubious methodology. Some enterprises, especially those that can export goods, stand to gain immediately from the reform. This will no doubt be an important source of division in the labor movement. But even where liberal influence is strong, it is often based on a fundamental misunderstanding (consciously and assiduously fostered by the liberals).

Workers who support the liberal market reform see enterprise autonomy as giving them control of their enterprise and its products. As a leader of the Vorkuta miners stated "Our main goal now is the liberation of labor, that is the right ourselves to dispose of our product"²¹. And according to G. Mikhailets, chairman of the Kemerovo workers' committee: "We have to become the complete masters of our enterprises"²². The illusions here are striking: "In other [capitalist] countries, the toilers dispose of the greater part of their product", claims another leader of the miners²³.

In fact, the liberals' (and the government's) programme of large scale privatization provides only for "self-management" by owners.

Management to control everything

It leaves little place for producers' self-management, except in the unlikely event the workers themselves become majority stockholders, something that is specifically discouraged, for example, in Hungary²⁴. To cite Petrakov once again, "the council of founders or of stockholders will appoint the directors and the management and will have every thing under its control". This he actually presents as "a kind of" step towards self-management²⁵. The press has been intensively propagating the US experience, where allegedly 11 million workers own their enterprises.

In reality, these are merely employee stock ownership plans, more public relations gimmicks than anything else, aimed at creating a commitment on the part of the workers towards the enterprise. In very few cases do the workers have any say in the major decisions concerning the enterprise, including layoffs, the distribution of profits and even the sale of the enterprise²⁶.

The trend all over Eastern Europe, and increasingly in the Soviet Union also, is strongly against producers' self-management, as interfering with the full powers of private owners and with the free movement of capital and labor.

Some workers have shown that they are

prepared to mount political strikes and even to seize their factories and run them on their own in order to prevent layoffs and closures. This is what occurred at a Vilnius transport enterprise last May, when the workers found their jobs threatened by the Lithuanian republican government's reforms, as well as the effects of Moscow's oil embargo. When the republican government failed to respond to their demands to provide normal work conditions, their general assembly decided to form a workers' detachment to physically protect the enterprise and elected a workers' committee, which was mandated "to organize the full normal functioning of the enterprise, that has been undermined of late". This workers' committee replaced the "labor-collective council", a largely formal self-management body provided by law, which had included the enterprise's director. The workers took over the factory, declaring it the property of the Lithuanian republic and concluded contacts with enterprises in Byelorussia that agreed to provide them with oil and gasoline²⁷.

This incident, reminiscent of 1917, gives an indication of the lengths some Soviet workers will go to protect their enterprises and livelihoods. It is worth noting in this context that the government's draft laws on employment provides for unemployment payments only at the level of the minimum wage (70 rubles a month) — and even that only for 26 weeks.

The average wage in industry today is more than three times as much, and miners can earn over 600 rubles a month. The trade unions' proposal is more generous — 50% of the workers' average wage for 12 months, if he or she was working 12 continuous weeks. Otherwise it is 75% of the minimum wage. The minimum wage, 70 rubles a month, is below the poverty line even for a single person without children²⁸.

The coming months promise to be the most turbulent so far of the *perestroika* period. The chances are good that the present leadership will not survive them. The question is: who will replace it? The answer to that question depends very much on whether the labor movement can maintain and increase its level of mobilization and organization and on the ability of the socialists to convince them of the realism of their alternative. ★

17. *Rabochaya tribuna*, June 8, 1990.

18. *Rabochaya tribuna*, August 17, 1990.

19. The United Front of Toilers was founded in the summer of 1989 with some aid from conservative elements in the party and trade union apparatuses.

20. *Trud*, July 26, 1990; *Ogonek*, P. Nikitin, "Yarosl'vaskii barometr", no. 20, 1990, p. 3.

21. *Rabochaya tribuna*, May 1, 1990.

22. *Trud*, July 10, 1990.

23. *Ibid.*

24. *Moskovskie novosti*, no. 28, 1990, p.12.

25. *Pravitel'stvennyi vestnik*, April 22, 1990, p. 3.

26. *Komsomol'skaya pravda*, July 27, 1990.

27. *Rabochaya tribuna*, August 15, 1990.

28. *Trud*, April 12 and July 15, 1990.

A declining imperialism lashes out

MILITARY and economic adventurism on the part of the USA is quite possible. Its roots lie in the strategic position of the world's strongest power at a time when it is suffering a long-term decline. This article and the two which follow are taken from the September 13, 1990 issue of SoZ, paper of the German United Socialist Party (VSP).

WINFRIED WOLF

The new Gulf crisis is taking place in a period of massive changes in world politics and economics.

Since the mid-60s, the USA has been losing its dominant economic position in the face of competition from Japan and Western Europe.

This process is now being accentuated and speeded up. Until recently it seemed that the big winner in an increasingly competitive world economy would be Japan. On the other hand, Japan is a military lightweight and the US remained the uncontested military number one.

Since 1989, however, the situation for the USA has got dramatically worse. The indisputable victor in the current round of inter-imperialist economic struggles is German capitalism, the strongest power in Europe.

With the collapse of the bureaucratic regimes in Eastern Europe, and the annexation of East Germany, Germany will become the leading power on the world market and the leading challenger to the dominant position of the US.

Deep conflicts among imperialist powers

In the slipstream of Germany are such countries as France, the Benelux countries, Austria and Switzerland, all due to benefit from the opening up of Eastern Europe. The Ridley affair in Britain this summer — in which Thatcher's trade minister (who has now resigned) compared Kohl to Hitler and the new united Germany to the Third Reich — was an expression of the deep conflicts even within the European Community itself.

It will take some years for the changed conditions, and above all the strengthened

position of German imperialism, to work their full effects on the world scene.

In such a situation the USA profits from taking a straight line towards war. The diplomatic efforts are probably only a way of passing the time until the US military build up has reached the necessary weight for an attack.

The USA must "take into account the risk that an aggressive course may forfeit some international support." Thus Henry Kissinger, who, however, considers "the central question to be the precise and graded destruction of Iraqi military capacity" — meaning first and foremost the bombing of Iraq's nuclear and chemical warfare facilities

(*Welt am Sonntag*, August 19, 1990).

Survival of "civilized" nations at stake

Former defence minister Caspar Weinberger, speaking in the name of "the civilized world", adopts an equally bellicose pose: "The only way to ensure the survival of the civilized nations, who want nothing more than peace and freedom, lies in the maintenance of military strength."

He states his closeness to the arms industry and demands that Washington

must "turn back from the catastrophic course that it has been going down. I am speaking here about the dangerous cuts which Congress wants to make in every defence budget"....(*Forbes*, 9/90). This despite the fact that the USA had until 1990 raised its defence budget each year since 1979.

Time (September 9, 1990) quotes a "spokesman for the Bush administration" as saying: "We are not going to sacrifice the interests of 250 million US citizens for the freedom of 2,500 Americans" (meaning the hostages).

The representative states quite openly that US war aims cannot be restricted to getting Iraq out of Kuwait. "Any withdrawal that left the Iraqi war machine intact would be unacceptable."

US involvement will not be shortlived

It is also being openly stated that the US involvement in the region will not be short-lived and the issue of who will pay will be discussed.

The same issue of *Time* brings together "experts" to consider the question of "whether the USA's military presence in this region" should be "more or less permanent."

The Allies would be expected to pay the costs — including a billion dollars from West Germany, the same for Japan and so on.

Once again we find repeated evidence of the timely appearance of Saddam the Enemy — there is now a prospect of direct access to oil sources, new mineral rights, new negotiated agreements for oil companies — the fantasies are proliferating as fast as the troops. ★

Precedent for US crusade

HISTORY has known similar imperialist adventures to the present Middle East crusade. The American historian Paul Kennedy comments in a round table in *Time* (September 9, 1990): "Great Britain was capable of a similar display of power in 1899/1900, when it got involved in its bitter conflict with South Africa's Boers, 10,000 kilometers from home. London mobilized more than 300,000 soldiers from all parts of the world.

"The Royal Navy ruled the waves, no other power was capable of such an effort.... This impressive military expedition... changed the view of the weaknesses of the British great power.... It was these weaknesses, not the defeats in the military field, which were later to lead to the downfall of British power."

For Kennedy these weaknesses were economic: "The USA relies on the fact that every quarter Japan buys some \$14b of American government bonds. If Washington one day irritates Japan and the Japanese government says to its stock market makers, don't buy American government bonds, then the USA's military muscle is a thing of the past. A Great Power only remains truly great when it can provide the means for its own independent action. When the British could no longer do that, they lost their status as a first class power. The Suez crisis — with its catastrophic fall in the pound — is a good example." ★

War, Crash, Crisis

THE oil price rises of 1973 and 1979/80 played the role of catalyst in the recessions that followed. The present state of the world economy as a new "oil shock" strikes has some similarities, but also some important differences, with those experiences.

WINFRIED WOLF

THE first similarity is that, until the middle of 1990, the economic cycle had gone through a long upturn, but from the turn of the year signs of recession appeared in a number of countries. The oil price rise in 1973 ended an upturn that had started in the middle of the 1960s, apart from a small setback in 1970/71. Subsequently, in 1974/75 there was a recession. Similarly the oil price rise of 1979/80 saw the end of the 1975-79 boom. The present boom lasted from 1982-89, with a slight setback in 1986/87.

In the USA signs of recession began to accumulate in the last quarter of 1989, and in the first half of 1990 this tendency has been confirmed. In this period, most of the leading US firms and banks have seen a slump in profits, led by the crucial automobile sector. The same is true in Britain. In Japan, the economic climate is changeable. At the turn of the year there were collapses and a fall in profits — since then there has been a renewed upturn, but the onset of the Gulf crisis has once again darkened the skies.

An important difference with 1973 or 1979/80 is this — other major imperialist countries, above all West Germany, found themselves in mid-1990 in a strong and continuing (but also over-heated) boom. One factor in this is the collapse of Comecon and the annexation of East Germany along with the extra profits to be gained, or which are expected to be gained — expectations being a crucial economic factor on stock markets. Thus we are seeing a *de-synchronized* economic situation.

Another difference concerns the financial sector of the world economy. For the first time since the 1920s, this sector is in an extremely volatile condition, shown by the stock market crashes of October 1987 and 1989 and of February 1990 in Tokyo. Big banks and entire banking

groups are today destroyed or in the bankruptcy court. The costs of sorting out the US savings system — the "Savings and Loan crisis" — will cost some \$1,000 billion, leading financial circles to talk of a "financial Vietnam". The institution specially created to finance bank collapses has run out of money.

The extremely nervous reaction of the stock markets when Iraq invaded Kuwait is an element with no parallels in 1973 or 1979/80. Then stock market reactions did not have an important impact on the economy as a whole. Now the panic shows the chronic instability of the financial sector. In September the business weekly *Forbes* carried the headline WAR — CRASH — CRISIS.

Boom based on war and credit

Connected to this, and part of the simmering crisis of the financial sector, the eight-year long boom was to a large extent brought about by the imperialist states' new debt policy. This policy has reached its outer limits, particularly in the USA. Thus, as *Business Week* wrote before the Gulf crisis:

"If nothing is done to deal with the US budget deficit, then the public debt of the US government will reach \$4 trillion in 1994 — twice as much as 1988. Current payments of interest on this sum would amount to \$300 billion a year and devour more than half of all tax revenues." The journal proposes a massive reduction of this deficit through severe attacks on social spending, and tax increases, above all of indirect taxes.

Reductions in arms spending would also be part of the package. And in fact, President Bush, who was elected on a pledge of "no new taxes", declared that raising taxes was no longer a taboo sub-

ject just before the Gulf crisis.

All observers agree that such an austerity drive would unleash the recession in the USA and could lead to a new worldwide recession.

What this means is that *before the Gulf crisis*, there were unmistakable signs that the world's leading economic power was ready to enter on an economic course towards world recession. Unleashing an economic crisis through policy is clearly a tricky business from a political point of view.

It is at least thinkable that in such a mood, the leading capitalist circles have been ready to consider seriously any other way of introducing a recession, particularly one which can be presented as "external", as some kind of fate or historical challenge. Such a policy would be in the interests of certain important sectors of the US economy — in a way in which the "civilian" variant of an austerity policy would not be. Certainly two sectors — the US arm industry and the US and British oil multinationals — stand to gain by the way things have turned out. Arms spending, rather than being cut back, will be increased. President Bush is an oil man. War minister Richard Cheney and the Pentagon are close to the electronics and arms industry.

The bourgeois experts are openly discussing the catastrophic consequences of US policy. *Time Magazine* concludes that the forthcoming war would "make a recession in the US a certainty and it could be very deep." The magazine quotes Robert Holmats of brokers Goldman Sachs; "If the Japanese stock market has fallen four percent already, then if there was a real war, there would be a 40 to 50% fall. This would shatter the international financial system" (September 3, 1990). And the much-hyped historian Paul Kennedy shares some gossip with us in *Der Spiegel* (no. 36, 1990): "I know leading New York bankers, Felix Rohatyn for example, who are saying; 'What we need is a proper crash on Wall Street, a financial disaster, to wake everybody up...'" ★

Iraqi gas made in Germany

THE poison gas used to decisive effect by Iraq in the war with Iran, as well as in Saddam Hussein's war on Iraq's Kurds, was provided by West Germany. The West German weekly, *Der Spiegel* (No. 33, 1990), explained that "No other nation helped Saddam Hussein like Germany to construct the largest and most comprehensive arsenal of chemical weapons in the Third World. ... Scarcely another country has lavished so much highly dangerous material on the wild elements in the Middle East." According to Rio Federico Fülgraf, in the leftist daily *Tageszeitung* (August 23, 1990), there is conclusive evidence that a West German-Brazilian-Iraqi connection has been providing Iraq for years with the means to develop nuclear weapons.

On top of this, since the 1980s and until August 1990 the West German army and big business have been training Iraqi officers. This has been financed firstly by the Bundeswehr (West German army), secondly by firms with armaments interests (Daimler-Tochter) and thirdly, by the Carl Duisberg society financed by Bayer Leverkusen. Carl Duisberg, together with Professor Haber, is known as the "discoverer" of poison gas prior to its use in the First World War. ★

THE most recent analyses from Shell suggest that, at current levels of production, those known oil reserves which can be exploited at a tenable cost will be exhausted in 40 to 50 years. This fact is a striking expression of the "after us the deluge" principle on which capitalist society works. The whole economy has been constructed around the presence of oil. Power stations, roads, bridges, tunnels have been built which will last 50 to 100 years and must be used for this period of time. This raw material, which ensures mobility and provides a large part of disposable energy, will only suffice for a few decades. The search for new sources will in all probability lead in short order to big price rises to cover investment requirements.

It is thus likely that a war in the Gulf, simply through creating a shortage of oil, will have a decisive influence on world politics and the world economy. When in 1973 the OPEC states found themselves able to coordinate their policies, above all by lowering demand, it seemed at first that the law of the jungle which governs relations between imperialism and the Third World had been broken. This law states that the Third World shall sell cheap raw materials and buy expensive industrial goods from the industrialized countries. OPEC defied this law, imposing, or so it seemed, a sharply higher oil price.

Oil companies reap huge profits

The industrialized countries were in no position, at least in the short term, to find alternative energy sources, while OPEC had an effective monopoly on the world oil market. And since, furthermore, there was a certain community of interest between OPEC and the oil multinationals, these latter reaped huge surplus profits while the oil-producing countries accumulated hundreds of billions of dollars, the so-called "petrodollars". At the same time the cost to the imperialist countries was



Oil fuels drive for profits

OIL HAS BEEN a basic factor in the world economy since the start of this century, when Rockefeller/Standard Oil became the leading capitalist group in the USA and thus in the world.

Oil, in all its forms, is the fuel which has driven the world economy since the end of the 2nd World War, both directly, and indirectly through its role in capital accumulation. In the postwar world, firms connected to oil — in oil-producing, oil processing, cars and chemicals — have formed the decisive imperialist cartel.

WINFRIED WOLF

passed on to the consumers, through oil price rises, and inflation.

The rise in oil prices had a terrible impact on the Third World. It had much to do with the massive borrowing of the 1970s and the subsequent debt crisis, with its concomitant "adjustments". For the imperialist countries, however, mechanisms were found to ensure that the petrodollars were "recycled". The first and most basic form of recycling was the transfer of the petrodollars to the imperialist centres via capital investments. This process showed that the OPEC countries, as well as Mexico and Nigeria, remained thoroughly capitalist countries, dependent on imperialism. Their ruling classes showed no interest in developing their countries, concentrating their efforts on maintaining their power and the accumulation of private fortunes. Under these conditions, the bulk of the oil profits found their way back into Western banks as capital deposits. The oil states engaged in speculative buying into such firms as

Krupp, Daimler, Fiat and so on.

Kuwait has been the model recycling state. Kuwait has over \$100b invested abroad. Big stakes have been bought, for example, in West German firms such as Daimler (14%), Metallgesellschaft (20%) or Hoechst (a shareholding of some 20%), or in Britain the Midland Bank (10.2% shareholding), and the oil multinational BP (14% shareholding). The *Washington Post* claims that Kuwaiti assets in the US amount to \$40-50b. Leading US brokers Morgan Stanley handle some \$3b of Kuwaiti speculative capital. "If the Emir sells, the stock market will tremble" remarks *Forbes* (September 1990).

Kuwaiti economy in exile created

All this money will now be managed by the Kuwaiti Government in Exile, creating a sort of "economy in exile." The US government has been negotiating with the Kuwaiti leaders to get them to pay a part of the cost for the US military operation.

The total foreign holdings of Saudi Arabia, Kuwait, Qatar and the United Arab Emirates were already worth \$200b in 1986. Their current value can reasonably be rounded up to \$250b. This form of recycling, as well as deposits in banks and stock market investments, has an important implication; these oil states hold further property titles in firms, share packages, bank deposits and stock market placements. A quite different form of recycling took place through the Iran/Iraq war. The war involved two further forms of recycling:

- Two of the leading oil states undertook a war to the death which used up hundreds of billions of dollars (as well as a million lives). This required huge arms purchases, above all from the USA, the EC countries, Japan and Brazil. The war

thus supported the international arms industry and the general economic situation in these countries.

An additional stimulus to demand, above all for arms, came in the wake of the war; for example, Saudi Arabia made the "biggest arms deal of the century" (*The Guardian*) in 1987 — 50 tornado jets from West Germany and Britain.

● The two warring states, and to some extent other OPEC countries, were forced to sell as much oil as possible to cover the costs of the war.

The oil cartel, which had already been weakened by North Sea oil production and efforts at energy saving, was thereby undermined. There was a massive fall in the price of oil providing an additional present for the imperialist centres.

Petrodollars recycled through Gulf War

The Iran/Iraq war therefore recycled the petrodollars in a way which left the OPEC countries holding no property rights. The income from increased oil production went straight out again. Indeed as the oil price fell the extra income itself melted away.

The volume of demand that Iran and Iraq alone generated during their war in the West — almost exclusively, in Japan, the USA, Western Europe and Brazil — was around \$200b. And this is without the expenditure occasioned by the war in the other countries in the region.

The savings made in the imperialist countries owing to the fall in the oil price by around 40% came to an even higher sum. Thus the war was effectively a counter-cyclical programme for the imperialist economies, and had a lot to do with the eight-year long boom in the industrialized countries.

What this adds up to: Capital is power. This simple lesson, drawn from the analysis of capitalism and its 200 year history also implies: the bigger the capital, the greater the power and the stronger the desire of other powerful owners of capital to increase their capital through robbery of other capitals which are themselves the product of similar robberies — even when this is done through the extraction of surplus value in production.

It is also the case that the capitals amassed by the individual OPEC countries are worth almost any action. The "thief of Baghdad" has stolen from the bulging coffers of Kuwait. The thief of Washington (or Wall Street) understands this kind of business well.

Finally, the history of capitalism shows that this kind of trigger happy covetousness always arises when a powerful imperialist country finds itself in economic difficulties and on the strategic slide. And this is true today of the USA. ★

German left faces elections

THE mainstream political parties have accepted the logic of the new *Anschluss*; thus the Western parties have swallowed their junior partners in the East. The conservative parties — the Christian Democrats (CDU), the Christian Socials (CSU) and the Liberals (FDP) — have annexed former satellite parties of the Stalinist regime (now "reformed"). In what way have they been reformed? In the old system they served the regime, in the new, larger Federal Republic, they will do the same. The East German Social Democrats, the SPD, at least had the merit of being formed in opposition to Honecker.

MANUEL KELLNER

THE UNITED SPD, however, is having trouble finding a coherent oppositional line; it was the first to launch the slogan "Germany, one country", leading to the ideological hegemony of the right; secondly, it has participated in the capitulation government of De Maizière; thirdly, it has no alternative to rapid unification. The authorities have furthermore adopted an electoral law favouring the conservative groupuscule the DSU and discriminating against the PDS and other party poopers [on September 29 the West German constitutional court ruled that this law contravened the principle of equal chances for the parties].

Greens ally with civic movements

The Greens have made an electoral alliance with a large proportion of the groups coming out of the ex-GDR's "civic movements". This alliance has developed a far more serious critique of the *Anschluss* and of present German reality, espousing principles that could be described as radical democratic. The Greens have, even so,

become the dominant force in this alliance, which is not altogether to the liking of the civic movement groups. The left wing of this latter movement has been marginalized — the United Left, for example, is no longer supporting this alliance.

On September 15 and 16 in Berlin the Left List/PDS electoral alliance was formed and adopted a platform for the elections. In the east, the United Left and some other socialist groups are supporting the PDS. In the West personalities from different small currents — left Social Democrats, parties and groups from the far left such as the Communist League (KB, ex-Maoist, non-Stalinist), the VSP, the reformist socialist wing of the Greens, the "renewers" from the (West) German Communist Party (DKP) and what is left of the DKP itself have formed a list to make an alliance with the PDS.

Problems in forging alliance

There were many problems in forging the alliance, above all owing to the different weight of the small Western left and the PDS. But the Berlin congress reflected the alliance's pluralism and allowed real debates.

The Left List/PDS alliance's platform is to the left of the profile established by the PDS in the East. The programme contains a lot of progressive demands, but with an overall reformist logic. The question of principled opposition to the system and the expanded German state is left in the shadows in the interests of the unity of the alliance. Even so, the Left List/PDS slate will be public enemy number one and is the only participant in the election to put forward anti-capitalist ideas, or to propose a democratic socialism. ★



Germany — still a divided country

WE publish below a speech by Jakob Moneta, formerly editor of the IG Metall journal, a member of the VSP (United Socialist Party) and a candidate on the Left List/PDS slate.

AT A TIME when we are threatened with a "historic date" — October 3 — we are embarking here on a risky enterprise, whose future is not completely clear. It would be catastrophic to sow illusions in this "beginning again from the beginning." It would be even more serious to denounce the hope, simply because we have lost it for a certain time.

My tradition is that of the current in the workers' movement known as the "left opposition". This current paid with tens of thousands of victims for its opposition to the bureaucratic dictatorship in the USSR. Today, many years after their murder, these victims are being rehabilitated.

But their real rehabilitation, and that of the victims from the other socialist, communist and anarchist oppositions, will be when we begin again to get to know and discuss their ideas, their critiques and the alternatives they put forward. It is the eternal lie of all conservative historians that whatever happened *had to* happen. There have always been alternatives in history, on the condition that human beings have had the courage to defend them and find the strength to realize them.

It is this which the Left List/PDS is trying to do now. It aims to show another way out to those who see the collapse of the bureaucratic command economy as the opportunity for them to increase their markets, and reinforce their position on the world market. We have two important traditions to communicate to those who, above all in the GDR, are placing their hopes in "really existing" capitalism.



Firstly: the uncontrolled market mechanisms of an economy based on the search for private profit do not bring well-being to the mass of humanity, but increasing misery, including mass hunger and the death of millions of children — not to say the murder of millions of children.

Secondly: what is now being advertised as the social market economy only came about as the result of the social struggles of powerful trade unions, capable of organizing resistance to capital's insatiable hunger for enrichment and tendency towards concentration of power. If the Left List/PDS alliance, which is composed of diverse tendencies, wants to gain real credibility as an opposition both in parliament and in society, it must have nothing to do with parliamentary cretinism.

Only links with extra-parliamentary forces can give it credibility. These links must begin with combative unions, the feminist movement, with ecological, anti-militarist, anti-fascist and anti-racist movements, and take in the initiatives of the unemployed and all those forces for which the Left List/PDS can be the parliamentary voice.

Socialist democracy provides alternative

Only in this way can this opposition take the offensive — as Karl Marx said "it is necessary to overthrow all the relations in which man (sic) is humiliated, subjugated, abandoned and despised." This is precisely the road which leads to an alternative for society — to socialist democracy.

To all those who are today singing the hymn of "Germany, one united country" and "we are one people", I would like to commend the words of Kurt Tucholsky, who said a long time before the "fascist community of the whole people" and the division of Germany by the Wall: "Germany is a divided country and we are one part of it".

● In 1525, when the German nobility massacred the German peasants who were in rebellion, was Germany "united"?

● Was it united in 1848 in Berlin, when the Royal Prussian army crushed the insurgent democrats?

● Or when Germans repressed the workers and soldiers councils in November 1918?

And what happened to those Germans, who in November 1989 demonstrated with the shout, "We are the people"? This meant, without any doubt, "it is us down here who are the people, you up there are not." They were pushed back by those shouting "We are one people".

But this is the beginning of the stigmatization of citizens from other countries, and of "foreign races." Does this not mean the exchange of the rights of man for the privileges of the "ethnically German", those supposedly tied together by blood?

When the Emperor does not know of parties, only of Germans (Kaiser Wilhelm II in 1914), it is time to get worried.

Even before the big show begins and before the hosannas of Helmut Kohl for the "one country" — with or without the ringing of bells — we should note the participation of the new expanded Germany in the "military actions" in the Gulf. There is even an attempt to sell this as support "for international solidarity" that is, the action decided by the United Nations.

But when did the UN ever call for such support when small nations have been attacked by great powers? What happened in Grenada, Panama or Nicaragua? Nor was anything done when Saddam Hussein killed hundreds of Communists or killed thousands of Kurds with poison gas.

Has the UN become an "intervention force" for the big powers, with which not only Helmut Kohl can feel solidarity, but, apparently, a lot of social democrats and even some Green deputies?

War — key test for workers' movement

The question of war has always been the key test in the German workers' movement — and not only there. It shows who seriously defends the ideas of socialism and who does not. Perhaps there will be some people who consider that I have not marked myself off sufficiently from Stalinism. I think that, having fought Stalinism for half a century, this is not the time to do it, when Stalinism is disappearing from the historical stage.

But allow me to finish with a quote from an independent theoretician of the Uruguayan left, Eduardo Galeano, the author of a moving book, "The Open Veins of Latin America":

"I believe that the inquisition was not Christianity. In our epoch the bureaucrats have degraded the hope and sullied the most beautiful of human endeavors, but I believe that socialism is not Stalinism. It is necessary to begin again. Step by step; our only shield that provided by our own bodies." ★

New openings for left

THE stunning victory of the New Democratic Party in the September 6, 1990 elections in Ontario heightens the crisis of Canadian imperialism. Ontario is the largest and richest province in the Canadian state with over 40% of the population and the bulk of its industry.

By a quirk of the first-past-the-post electoral system, the labour-based NDP was able to capture a majority of the seats (74) with less than 38% of the vote. The former ruling Liberals got 32.4% (36 seats) and the Conservatives, 23.5% (20 seats). What are the implications of this victory for socialist activists in Canada?

BARRY WEISLEDER

THE closest the NDP, or its social democratic forerunner, the Cooperative Commonwealth Federation, ever came to forming a government in Ontario, was in 1943 when the CCF came within four seats of overtaking the Tories who then held onto power for the next 42 years.

However, the election of the first ever provincial government in Ontario represents more than just some parliamentary history in the making. It opens a little wider the road to political action for hundreds of thousands of working people, women, natives, youth, visible minorities and other oppressed layers of the population.

But there can be no reliance on this government, formed by an arch reformist party. Already NDP Premier-elect Bob Rae has gone out of his way to issue abundant assurances to big business that they have nothing to fear from the new provincial administration. Most business leaders understand this quite well, without being told; nonetheless, business will fight tooth and nail against every mild, reformist initiative of the new government. They will seek to vilify and isolate the NDP, and hasten the return of their more reliable political representatives, their big business partners of first choice, the Liberals and the Conservatives.

And within the state apparatus, long-

tenured and powerful mandarins, bureaucrats, jurists and police chiefs will apply the brakes and pull every lever to stymie and smother every attempt at minor reform.

How did the NDP victory come about, and what does it mean for labour, the social movements and left in Ontario? The NDP victory was not the result of a mass radicalization. But it does reflect the deep dissatisfaction of the working class with governments that have increased taxes, diminished social services and undermined job security. Many people have noticed that "free" enterprise doesn't distribute opportunity, much less wealth — it merely concentrates both.

Then there's the resentment of arrogance and manipulation, triggered by the premature election call. It turned what was to be a droll summer exercise into a rather prickly political experience.

Moreover, the rejection of the Liberals, who were elected in 1985 as a minority government, and in 1987 with a majority — both times on the promise of sweeping reform — indicates a basic change in the political atmosphere. Today many workers are prepared to test political alternatives hitherto considered too "risky" because they are very annoyed at, and distrustful of, the

familiar politicians they have come to loathe.

Red-baiting flops

More than that, the old reliable, rigidly ordered world is gone. Stalinism being in an advanced stage of decomposition, the imperialist bourgeoisie has been deprived of a useful political bogey-man to instill and/or invoke the fear of "socialism". Former Liberal Premier David Peterson now knows first hand that such red-baiting and fear-mongering has lost much of its political punch.

And then there's the crisis of the federal state. When the Meech Lake Accord died, something snapped in the ideology of the ruling class. Since then the psychological shackles have been slipping badly across the country. This is especially apparent in the rise of Quebecois and aboriginal peoples struggles (see *IV* 191). Images of armed native blockades and Quebecois nationalist sentiment at its peak, ensure that the summer of 1990 will not soon be forgotten.

It is also a question of growing social and political polarization. The recession is upon us. Thousands of jobs have been lost in industry. Capital is relatively mobile. Yet the majority of the population wants social justice and an interventionist gov-

ernment to bring it about.

On the far right, too, forces are gathering for the struggle ahead. In fact the NDP was only able to capture many constituencies because parties like the anti-French Confederation of Regions Party, the anti-abortion Family Coalition Party and the fanatically free enterprise Libertarian party took tens of thousands of votes away from the Conservatives. The Green Party took far fewer votes away from the NDP, and generally trailed the far right parties. But the total vote of the minor parties surpassed 7% — triple their 1987 figure.

So what should the NDP do? Clearly, it should move to bolster its narrow base — and expand it — by taking bold and decisive actions in the interests of the working class and oppressed. The NDP should seek to mobilize those who stand to gain by the reforms it has promised: increasing the minimum wage, improving welfare benefits, strengthening the rights of workers and their unions (especially in terms of work place safety, injury compensation, and the scourge of strike-breaking), and putting a halt to land speculation and rent-gouging.

Make the rich pay

The NDP could rally hundreds of thousands to a campaign to make the corporate rich pay for major improvements in child-care, public housing, social services, education and environmental protection. The party would inspire and involve even more people by democratizing the electoral and policy-making process, by leading a mass campaign of protest and non-compliance with the [indirect] federal Goods and Services Tax, and by refusing to enforce any new federal anti-choice abortion law. But the NDP cannot succeed by being content to "rule from above", much less by abandoning its commitment to implement progressive and significant social change.

Yet, with the benefit of historical hindsight, socialists have reason to suspect that the NDP, like its predecessors across Canada and around the world, will precisely seek to "rule from above" and put the needs of capital ahead of any commitments to labour and the oppressed.

Already the evidence is mounting. The day after his election Bob Rae reneged on his opposition to Toronto's bid to host the 1996 Olympics — which would have meant underwriting outgoing Premier Peterson's commitment to cover deficits in the billion dollar range, devouring funds projected for the expansion of social programs.

The same day, Rae seemed to put in doubt the NDP's pledge to phase out the expansion of nuclear power. He also played down the bite that promised new corporate tax would put on business. This is a prescription for alienating the social and labour movement activists who helped the NDP catapult to victory on Sep-

tember 6.

Later the world learned that instead of a much publicized \$23m surplus, the Liberals bequeathed to the NDP a \$700m deficit. This sets the stage, in the context of the hard economic times ahead for a confrontation between workers and the government.

The trade union leaders are already trying to head off any such confrontation by issuing "their" party a blank cheque for its first term in office.

Nonetheless, struggles will occur — outside the NDP, in the streets, on the campuses, in the plants and communities. It's already evident. The industrial scene vividly demonstrates the restiveness of workers. More than 36,000 are now on strike at companies in the auto, steel, transportation and forest product sectors.

There will also probably be struggles in the NDP itself. The party will attract many new members over the next couple of years. Some will join in order to feed at the governmental trough. Some will want to ride the popular bandwagon. Yet many will be inspired by visions of a socialist Ontario.

Activists elected

Even among the large new flock of NDP MPs, some 25 — one third of the total — have been active in the labour movement, and there are several left wing local movement activists who accepted nomination never expecting to be elected.

We may include in this latter groups several of the 19 NDP women MPs — a record high for female representation by any party in the Ontario legislature. The NDP left will soon have a wider audience. Not just inside, but outside the party as well.

The commercial media will be only too happy to amplify internal as well as external criticism of the NDP government — so it is important that left critics couch their criticism of the NDP leadership in the framework of criticism of the capitalist system and the forces of big business and the growing right wing.

Nonetheless socialists must maintain a critical and independent stance while agitating for socialist policies and extra-parliamentary mass action inside the NDP.

In the period ahead there will be much better opportunities to build a class struggle current inside the NDP and the unions. Such a current, also drawing on leading activists from the other social movements, will furnish a broader basis for the revolutionary alternative to social democracy.

But those forces on the left which, on the one hand, abstain from the struggle to forge this alternative inside the NDP, or on the other other hand, dissolve into the NDP without maintaining an independent socialist structure and programme, will both miss and weaken the greater possibilities that the new situation presents. ★



ONCE Turkey had been excluded from the oil-producing regions after World War 1, imperialist domination of the Middle East did not meet any major problems until the foundation of the State of Israel in 1948. The awakening of Arab nationalism over the Palestinian question, the eviction of the traditional Arab leadership by a nationalist petty bourgeoisie, the entry onto the scene of the Soviet Union as an ally of such regimes, and the replacement of Britain by the United States as the main imperialist great power changed the rules. The issue of control of the oil supply became the occasion for a series of crises and complex struggles, which demanded of imperialism a series of new and changing strategies and alliances.

Neutral during the Second World War, Turkey was drawn into the Western fold during the Cold War. Under the "Truman doctrine", Turkey became a beneficiary of US aid from 1947 onwards, benefiting from the Marshall Plan and seeking to join NATO (founded in April 1948). Greeted cautiously at first, Turkey's candidacy was looked on with more favour after the Iranian Prime Minister Mossadegh nationalized the oil in 1951. Turkey finally became a member of NATO at the start of 1952, after sending 4,500 troops to Korea as its entrance fee.

The supposed function of Turkey in NATO was to combat the "Soviet menace." In reality, it found itself more and more required to defend Western interests in the Middle East, undertaking in particular to defend British interests. Indeed, before Turkey joined, the British had vainly supported the creation of an armed intervention force for the region.

A first step in this direction was taken by the Baghdad Pact, which brought

A faithful ally of Washington

ON SEPTEMBER 5, at the behest of President Turgut Özal, Turkey's parliament voted through a law authorizing the despatch of Turkish troops abroad. The parliament also agreed to permit the stationing of foreign troops on its territory.

Both these measures are evidently meant to open the way to Turkish participation in the imperialist crusade in Saudi Arabia. Despite a shared interests with Iraq's Saddam Hussein in repressing the Kurds, Turkey is taking its habitual stand as a resolute supporter of imperialism in the Middle East. The following article looks at the history of Turkey's postwar pro-western alignment.

FUAT ORÇUN

together Turkey and Iraq before being signed by Britain, Pakistan and Iran. The US was content to participate as an "observer", partly because Israel had been excluded, partly to avoid extra friction with the Soviet Union. The pact guaranteed British military bases in Iraq.

Turkey at the Bandung conference

After the establishment of the Baghdad Pact, Egypt and Syria founded a unified military command, while Saudi Arabia signed agreements with these two countries. Turkey was despatched to the Bandung conference in 1955 of Afro-Asian countries by the US to put the pro-imperialist line to an audience from countries seeking a "third way" between imperialism and the Soviet bloc. Iraq, Jordan, Lebanon and Libya were on the Western side at Bandung, while Egypt, Syria, Yemen and Saudi Arabia took a neutral stand — the Saudi attitude being above all determined by a dynastic conflict with Jordan.

However, the Baghdad Pact did not survive its first real test. In 1956, France and Britain intervened militarily in the Suez canal to oppose the nationalization of the canal by Egypt's Nasser. None of the members of the Baghdad Pact, apart from Britain itself, supported the Western intervention in Suez, and they took the Arab

side in the Palestinian conflict.

On July 14, 1958, Iraq's King Faisal was overthrown by a military coup, on his way to a meeting of the Baghdad Pact, an event that upset the existing structure of the Middle East. The following day, the United States sent the marines into Lebanon and the British intervened militarily in Jordan — both at the "request of their legitimate governments."

Turkey unconditionally took the imperialist side, allowing the US to use the Incilik air base at Adana, close to the Syrian frontier. For a period Turkey refused to recognize the new Iraqi government and supported the federation of the two Hashemite kingdoms, Jordan and Iraq, formed in reaction to the United Arab Republic of Egypt and Syria, which lasted from February 1958 to September 1961.

A founding member of CENTO

After the Iraqi coup and Iraq's departure from the Baghdad pact, the remaining countries founded a new pro-imperialist alliance, CENTO, (the Central Treaty Organization).

Turkey's pro-imperialist activities were by no means confined to the Middle East. In the 1963 debate at the United Nations concerning Algeria, Turkey took the Western side. It was the first state to apply the embargo on Cuba and it was Jupiter rockets in Turkey which were withdrawn in exchange for the withdrawal of Soviet rockets from Cuba.

However Turkey's relations with the US suffered a crisis in 1963, over Cyprus, when the West tended to support the Greek position. After this Turko-Soviet relations improved. Turkish policy in the Middle East also became more even-handed. A policy of non-intervention in

Arab affairs was adopted, although with a tendency to look more favourably on the pro-Western Arab regimes than on the radicals. At the same time Turkey took the Arab side on the Palestinian question.

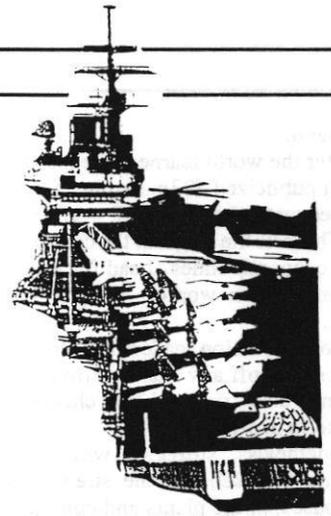
This more independent attitude began to erode after Khomeini's victory in Iran in 1979, the Soviet invasion of Afghanistan and the return of the military to power in Turkey itself.

Rise of Kurdish and Palestinian movements

At this time two new factors also entered the picture: the rise of the Kurdish — and indirectly the Palestinian — national movements; and the radical variant of Islamic fundamentalism espoused by Khomeini's Iran, which has become as important a factor as Arab nationalism in the region. Even before 1979, the Islamic party had been an important factor in Turkish political life, significantly increasing its strength through participation in various coalition governments in the 1970s.

At the moment Turkey plays a complex role on the international scene. It remains a member of NATO and wants to join the EC. Compared to the East it is a Western country, compared to the West an Eastern country. The official ideology and institutions are Western, but social mores and the popular mentality reveal the East. Turkey has limited options: it can be pro-Western or neutral but never radical. The Kuwait crisis has been a golden opportunity for Özal to make a change of line.

Starting from the supposition that this crisis is going to radically alter the map of the Middle East, Özal has decided to abandon non-intervention in Arab affairs and to lead an active pro-American intervention in the hope of being among the



victors at the negotiating table and there gaining some choice morsels in the share-out.

Differences in ruling party over Gulf

However Özal's hawkish policy is far from drawing unanimous support within his own party. Furthermore, Turkey has neither the economic nor military means to play a key role in the region, despite being the most industrialized country in the Middle East. The crisis could cost Turkey \$10b in the space of a year.

Özal has based his entire policy on the immediate fall of the Iraqi regime and the removal of Saddam Hussein. But the US has not yet attacked and this aim seems still some way off. The only tangible gain for Turkey so far has been a payment of \$3b in hard currency, provided by sources in the Middle East. On the other hand, the oil bill is continuing to mount, threatening the stability of the Turkish economy, especially given that a third of Turkey's exports are to the Middle East.

The Iraqi invasion of Kuwait has revived all the chronic problems of the region: the partition of the Ottoman colonies after the First World War; the Palestinian question; the Kurdish question; the demagogic nationalism of the bureaucratic castes in some Arab countries, which the USSR designated, in the 1950s, as "pioneers of the non-capitalist third way for development"; the reinforcement of Islamism, whether in its Saudi pro-Western, or its radical forms; the contradictions between the oil mini states living in luxury and the Arab masses... and finally, the presence of a bellicose imperialism wishing to ensure secure cheap oil supplies in perpetuity.

Such a line up of forces cannot produce any fair and democratic solution. There is a bad tradition amongst the progressive forces of the region of waiting for a saviour from outside — and supporting various dubious candidates for the post. No doubt some will succeed in finding hitherto unnoticed virtues in Saddam Hussein. But without real, organized and independent progressive forces inside the Middle Eastern countries, the wind can change at any moment, leading to new disillusionments.★

The heritage of imperialism

THE current crisis in the Gulf cannot be understood without remembering the recent history of the region. The present map of the Middle East is in large part the result of the break up — and carve up — of the Ottoman Empire at the end of the First World War. Starting in May 1916 with the Sykes-Picot Accords, French and British imperialism showed their desire to partition the Arab lands previously under Ottoman control. Even during the war, the Balfour declaration from Britain laid the basis for the creation of the State of Israel. This process took a further step forward in 1919 with the signing of an agreement between the World Zionist Organization and the Hashemite dynasty, the main ally of the British against the Ottoman Empire.

In 1916 the Kingdom of Hedjaz was founded around Mecca. The Emir of Mecca, pursuing the chimera of a pan-Arab empire, opposed British interests. In 1920, the San Remo Accords put Lebanon and Syria under French mandate, while Jordan, Palestine and Iraq were given to Britain. As an integral part of the Bassorah province in the Ottoman Empire, most of which was subsequently to be included in Iraq, Kuwait came under British control in 1913. Meanwhile the Emir of Mecca was defeated by the Saudis and the Kingdom of Hedjaz gave way in 1932 to the Saudi Kingdom. ★

The Kashmir question

THE CRISIS in the Gulf has drawn international attention away from the dramatic increase in tension in the state of Kashmir, on the Indo-Pakistani border. Since last December, the movement for Kashmiri secession from India (Kashmir is India's only majority Muslim state) has gathered pace and has been met with increasing violence by the New Delhi government.

In August, the crisis led to the most heavy shelling since 1971 between Indian and Pakistani troops on the disputed Kashmiri border — India accuses Pakistan of backing the Kashmiri rebels. The following statement, received from the Inquilabi Communist Sangathan (ICS), Indian section of the Fourth International, examines the background to the Kashmiri national question. It has been shortened for space reasons.

DOCUMENT

BEFORE the British-engineered partition of India in 1947, "Kashmir" as a political unit included the Kashmir Valley, the Jammu area, Azad Kashmir — known as Pakistani Kashmir — and Ladakh. The Kashmir Valley and Pakistani-occupied Kashmir are predominantly Muslim areas, whilst Jammu has an overwhelming majority of Hindus and Ladakh is Buddhist. They are geographically distinct and the languages of Jammu and Kashmir are different.

In 1947 various princely states were incorporated into Pakistan or India, depending on the decision of their heads of state. Kashmir (in the wider sense described above) had a predominantly Muslim population, but the King, Hari Singh, was a Hindu. Initially he chose neither India nor Pakistan, seeming to be in favour of an independent state.

However, in 1947, Pakistan attacked Kashmir and took over a proportion of the territory. Hari Singh sought help from India, which forced him to sign the Instrument of Accession of October 10, 1947, stipulating that "the question of the state's accession [to India] should be settled by reference to the people of Kashmir". The Kashmir Constituent Assembly created by Sheikh Abdullah's National Conference, which had won all the seats unopposed in the elections of September 1951, was supposed therefore to take the decision on taking Kashmir into India.

Subsequently it was agreed by the United Nations that a referendum should be held to decide Kashmir's future. Furthermore, article 370 of the Annexation Docu-

ment was included in the state's Constitution, giving Kashmir complete autonomy on all subjects including Foreign Affairs, Defence, Communications and Finance. It also lays down that non-Kashmiris cannot buy land in Kashmir.

However, the Indian state never had any intention of letting the Kashmiris decide their own fate. When in 1953 Sheikh Abdullah tried to give vent to Kashmiri feelings he was jailed and held for about 15 years.

Pakistan and India bargain over Kashmir

Most elections in Kashmir have been rigged and Article 370 completely undermined. In 1972, after the Bangladesh War, Indira Gandhi and Pakistan's President Bhutto signed an agreement which took the fate of Kashmir out of the hands of its people and converted it into an issue to be resolved by the two governments. The situation has been the same in the Pakistani controlled part of Kashmir as on the Indian side.

Extreme corruption, electoral malpractices, economic neglect and historic factors have all led to massive support in Kashmir for secession from India, this support coming almost exclusively from the Muslim population. One trend has called for joining Pakistan, another supports an independent Kashmir.

Not surprisingly — if unfortunately — religion is an increasingly crucial factor. In the Kashmir Valley, Hindu pandits (4% of the population) occupy 90% of government jobs. In the context of an

inflamed communal atmosphere in India, genuine grievances can take on fanatical proportions. More than 65,000 Hindus have left the Kashmir Valley and many of them have camped in Jammu.

No genocide of Hindus has taken place, nor are there any significant instances of Hindus being killed because they are Hindus. On the other hand, in predominantly Hindu Jammu, no demand for secession or any other form of self-determination has been heard, and the same is true of Buddhist Ladakh. It is highly probable that with increasing repression by the Indian state, coupled with communalist propaganda from organizations such as the BJP and VHP (two Hindu chauvinist organizations), the communalist aspect may acquire more and more importance.

Against such a background, socialists and democrats must recognize the right of the Kashmiri people to determine their own future. At the same time we cannot support the right of the Kashmir Valley to impose its decisions on the people of Jammu or Ladakh, especially when the demand for Kashmiri self-determination is likely to take on the form for a Muslim state. The fact that historically Jammu and Ladakh have been part of Kashmir cannot override the fact that self-determination also applies to the peoples of these two predominantly non-Muslim regions.

Kashmiris have genuine grievances

At the same time, we cannot forget that the overwhelming majority of the population of the Kashmir Valley have taken to the streets demanding secession. Whatever the religious overtones, the demand has been raised by an oppressed community with genuine grievances. In the present national situation which is characterized by a strong and aggressive Hindu communalism throughout India, and when hundreds of Muslims have been butchered at places like Bhagalpur, the communal reaction of the oppressed minority is inevitable.

We have to fight against communalization, not by denying the right to self-determination but by strongly stressing secularism and class. Nonetheless we have to respect the right to self-determination and call upon the Indian state to take immediate measures to grant it. We have to fight for the right to self-determination while at the same time struggling against its communalization. To give an analogy, if freedom of speech is misused, we have to mobilize against the misuse, not against freedom of speech. There are reports that even in Pakistan-occupied Kashmir there are groups calling for self-determination, and if a significant number of people in this area do support

such a movement, the demand for self-determination too must be supported.

Another aspect which needs serious attention is the extreme repression carried out in the valley by the Indian security forces. Repression has been taking the form of detentions, molestations, torture and even killings. We condemn all forms of repression carried out by the Indian state in the Kashmir valley and resolve to work towards strengthening the secular and class struggle aspect of the ongoing

struggle.

We call upon the Indian state to immediately withdraw its army and other coercive forces from the Kashmir valley and similarly call upon the Pakistani state to stop interfering with the genuine aspirations of the Kashmiri people. We also condemn the rightist parties for trying to communalize the whole issue and the other mainstream parties for justifying repression under the guise of unity and the integrity of the country. ★

Kosovo workers fight back

THE LEAD STORY in the main Croatian weekly news magazine, *Danas*, of September 11, described the repressive terror imposed on the Albanian majority in the province of Kosovo by the Serbian national-Stalinist regime of Slobodan Milosevic. It dealt in particular with attempts to destroy the independent union movement and the persecution of Albanian doctors and patients in the Pristina university clinic. The following are major excerpts from the article.

DOCUMENT

IN these days in Pristina [the capital of Kosovo], the illogicality and irrationality of the situation, the persecutions, injuries of people, tear gas, systematic humiliation and the triumphalist propaganda on the radio recall the Stalinist purges of Soviet dissidents.

Arrest threatens the present moderator of the Coordinating Committee of the Federation of Independent Unions, sociology professor Dr. Agim Hyseni, who took over after the arrest of the former leaders, Professor Hajrullaha Gorani and Dr. Ilira Tollai.

[But] the independent unions cannot be extinguished by the arrest of their leaders, because they function on the principle of an umbrella organization. Every profession has its own independent union, every branch has its subbranch, and all have their own committees. Serbia's jails do not have room enough for all of Kosovo's workers, that is, all the Independent Unions.

Systematic arrests and terror only reinforce the revolt of the citizens against the emergency measures of the Serbian Socialist Republic, which even independent observers perceive as the police boot.

It is hard to say if there is any area of life not dominated by the emergency measures. Elektroprivreda Kosovo iz Obilica [an electricity supply company] is not going to get the \$75 million that the Serbian Socialist Republic owes it. Even organizations to which the emergency measures do not apply have been affect-

ed, as in the case of the SOUR Trgovina Kosova. There the director was taken away with a police escort so that the mother republic [Serbia] could get access to the money kept in the bank.

The independent miners' union at Stari Trg has announced that for five months 2,700 of its members have stayed at home because the police have a list of those who are allowed to go down into the mines, and they are only Serbian and Montenegrans. The independent miners' unions at Goles report that 7,000 miners at this previously profitable mine are staying home because they do not want to sign a resolution approving the emergency measures. They want their legally selected hiring system, they do not want to have the question of who can work determined by a list of the acceptable and unacceptable.

Chased away by soldiers with automatic weapons

On the day of the strike, they could not even show that they were on strike. They were chased away from the pit [by soldiers] with automatic weapons. So, Goles threatens to show unforeseeable losses. The twenty-first face is flooded, and if it started to be pumped day and night now it would take at least two weeks to dry it out.

It would take as long to completely clean up the mine and clear away the damage caused if it was shut down. It is also being said that the mine's equipment is being taken away by trucks to an

unknown destination. Before the strike, 170 miners were asked to go down into the pit on September 3, a strike day, to show that the mine was functioning. They refused. Moreover, the pit is no longer safe. "Who will guarantee me that the mine is not mined, who will guarantee me that the Albanian miners will come out of the pit alive if they go down into it."

If more repressive measures are imposed, the Goles miners are ready for further protests. They do not think that they have anything to lose. The worst off families of Independent Union members are being given flour, cooking oil, sugar and pasta.

Miners prepared to hold out

The treasurer who gave a supplement to children has been arrested. If they get their last strike pay, they will give part of it for the miners' families in Krek. If they do not, they will send symbolic help. From others, they expect solidarity for their strike. But Kosovo is seen as a place that can defend itself. They also say that they can hold out as long as necessary against this [repressive] policy.

They think that a general strike should have been set earlier. They think that it is shameful that the state arrested Professor Gorani, because strikes are a legal instrument of trade-union struggle recognized in the civilized world, where no one arrests trade-union leaders.

It seems that no one is concerned about Kosovo. Miners are being expelled by the thousands; 50 per cent of the workers in Kosovo have been fired because of the emergency measures, and when anyone calls for a strike, they are arrested. A few more and there will not be anyone left to call a strike.

"Don't they have enough to be ashamed about? All Yugoslavia has to know that. It has died, we know that it doesn't exist any more, but we are surprised that the democratic forces tolerate this. They have expelled us from apartments, supposedly because of bad housing conditions, but where are we going to live? We have built apartments for gents in Belgrade and Pristina, but we live in dumps, and now they are expelling us from those. Where is this state based on laws? Write that down, that is my message for them.

"Let them know that we are not going to tolerate the policy Serbia is conducting against Kosovo anymore. We Albanians are no longer going to accept being a minority. We are the people. We are no longer going to accept living under this terror. If Yugoslavia thinks that we are people, let it know that we are no longer going to accept living this way. From now on we can be a republic, a sovereign republic in a confederation or a federation of Yugoslavia. Nothing else is possible any more. There is no longer any force that can compel us to live under Serbia. Is that clear?"★

AROUND THE WORLD



ECUADOR

Indian uprising

IN RESPONSE to the celebrations of the 500th anniversary of the "discovery" of America, the Confederation of the Indigenous Nations of Ecuador (CONAIE) — which was formed in 1986 and brings together 29 organizations — issued in 1988 a programme for a campaign entitled "500 years of Indian resistance." The campaign aims to be "the strongest possible political expression of the mobilizing and fighting capacity of the Indian organizations." This objective has been fulfilled, if the unprecedented size of the national Indian uprising that took place June 4-10, 1990, during the Ecuadorian general elections, is anything to go by.

Entitled the "Mandate for the defense of the life and rights of the Indian nations", a list of 16 demands was presented in May to the social democratic government of Rodrigo Borge. The demands centre on agrarian reform, constitutional recognition of the Indian national question and compensation for ecological damage done by oil companies.

The government turned a deaf ear, so 200 Indian leaders staged a peaceful occupation of the San Domingo church in the Ecuadorian capital, Quito, on May 28. CONAIE called for actions in support on June 4-6, 1990. Churches were occupied, roads blocked, towns blockaded, *haciendas* occupied and big demonstrations staged.

The Borge government has no intention of accepting the Indian demands. Nonetheless it has been unable to directly attack this movement. Indians make up 40% of Ecuador's population and 80% of the rural population. Since 1979 they have had the right to vote, which they had previously been denied on the grounds that they were illiterate.

After army intervention had caused a death and some dozens of wounded — as well as hundreds of arrests — the government has heeded the advice of the Bishops' conference and the Bishop of Riocamba and opened negotiations. ★

PERU

Hugo Blanco elected Senator

LONG-TIME Trotskyist militant Hugo

Blanco, a leader of the peasant movement in Peru between 1958 and 1963, was elected Senator at the June 10, 1990 elections. As a member of the Party of Mariateguist Unity (PUM) Blanco was part of the list which also figured Javier Diez Canseco, Carlos Malpica and Andres Luna.

Overall these elections represented a big setback for the Peruvian Left. Nonetheless, the Peruvian people, above all peasants, were ready to put their trust in revolutionaries who have shown they are prepared to fight, such as Hugo Blanco.

The candidature of Alberto Fujimori led to a big debate in the United Left (IU), of which the PUM is a part. The IU called for a vote for Fujimori to defeat right-winger Mario Vargas Llosa. However Fujimori has immediately embarked on an austerity drive of the sort that Llosa would have implemented if he had been elected. ★

CZECHOSLOVAKIA

Monopoly capital

IN THE September 19, 1990 issue of the independent Czechoslovak weekly *Respekt*, the paper's editors raise their eyebrows over the reaction of an American firm, Warburg Pincus, to a plan to break up a state marketing conglomerate, Staviva.

The Americans are claiming that someone in the Czechoslovak government promised them that Staviva would remain a unit, and that breaking it up would reduce its value by \$45m.

Warburg Pincus, keeping a straight face, insist that in a democratic country the issue would go to court, and the court would "decide whether from the point of view of society it would be profitable to destroy state property."

Or whether from the point of view of Warburg Pincus it would be profitable to destroy a ready-made monopoly. ★

Gulf crisis: actions and reactions

PALESTINE

Mass support for Iraq

THE Palestinian masses of the West Bank and Gaza have shown overwhelming support for Iraq in the Gulf conflict. Explicit support for Saddam Hussein has been expressed on their demonstrations. Part of the explanation for this is the close relations between the leadership of the Palestinian Liberation Organization (PLO) and Iraq, but the main reason, of course, is that the Iraqi dictator is confronting Israel's main benefactor, the United States.

At the same time, the Palestinian masses feel a strong hostility towards the Gulf Emirs, who are viewed as flunkies of imperialism, all the more because most Palestinian workers (unlike the bourgeoisie) in the Gulf suffer all kinds of persecution there.

The United Patriotic Leadership of the Intifada, in which the main Palestinian organizations supporting the Palestinian uprising are found, has issued a statement which stresses the need for mobilization against the imperialist intervention. The statement explicitly refuses to take any position on the occupation of Kuwait.

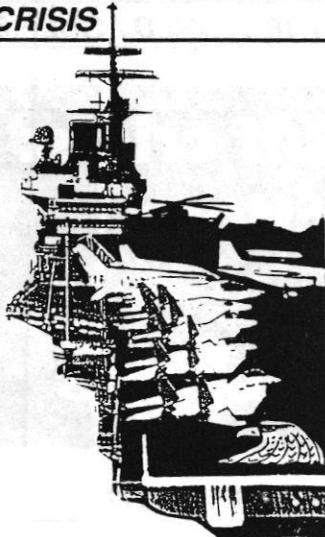
At the same time the West Bank's Palestinian notables — whose most prominent representative is Faisal al-Husseini

Continued on following page

Trotsky commemorated in Berlin

MORE than 200 persons were present at a meeting on September 22 in East Berlin called by a working group of supporters of the Fourth International in East Germany to commemorate the 50th anniversary of the assassination of Leon Trotsky. The subject of the debate was: "Trotsky's contribution to Marxism". The meeting was introduced by Ernest Mandel representing the United Secretariat of the FI. Other participants were Thomas Klein, the United Left's deputy in the Volkskammer (East German parliament), comrade Czollek, the president of the organization Die Nelken (the Carnations) and a representative of the Communist Platform inside the PDS (the ex-Communist Party). A long and fruitful debate took place at the meeting.

This was the first public meeting ever organized in Eastern Europe by the FI. ★



— have come out for an “Arab solution” to the crisis, including an Iraqi withdrawal from Kuwait, at the behest of Jordan’s King Hussein. ★

JORDAN

ON August 7, 1990, a group of Jordanian revolutionary Marxists issued a statement on the Gulf crisis:

“The Iraqi action objectively represents a challenge to the historic project of imperialism to divide up the region....

“Any illusion in the nature of the Iraqi dictatorship and on its abilities, notably in the case of a conflict with imperialism, would have serious consequences for revolutionaries; for the Iraqi bourgeoisie cannot mobilize the masses of the region, in the first place the working class, and thus prepare the defeat of imperialism.

“It is necessary to struggle for the formation of workers and peasants’ militias against the imperialist offensive and for the election of an Iraqi-Kuwaiti constituent assembly as the basis for the union of the two countries, and, in the other Arab countries, to boycott and strike at imperialist interests as well as putting pressure on the Arab regimes to support Iraq.” ★

ALGERIA

On September 26, 1990, the Algerian Socialist Workers Party (PST — Algerian supporters of the Fourth International) organized a public meeting on the Gulf. At the start of the conflict it issued a declaration in which it emphasized: “Of course, Saddam Hussein has no right to Kuwait — he has no mandate from the Kuwaiti masses and does not represent the Iraqi masses.

“This war started a few months away from the promulgation of a new constitution, through which Saddam has promised to establish a multi-party system. The first result of the war is to draw the Iraqi population behind its leader — at least temporarily.

“The popular sympathy for Saddam throughout the Arab region shows the persistence of anti-imperialist aspirations despite all the defeats and disillusion-

ments.

“What is at stake is not to “defend the holy places against the strangers”, but to defend the sacred right of the peoples of the region to determine their own future, and control the wealth of their territories without imperialist intervention. They have the right to fight against all the dictatorships, such as in Iraq or Egypt, but also against the reactionary monarchies, such as Kuwait and Saudi Arabia.”

The statement underlined the effect of the blockade on the Iraqi people. ★

FRANCE

A DEMONSTRATION against war in the Gulf drew over 5,000 people in Paris on September 29. The demonstration had broad support on the left, including young workers from the CGT trade union, the Greens and the far left. A nationwide day of action is being prepared for October 20.

Meanwhile, an opinion poll published in *Le Monde* (October 3, 1990) found that, while 71% supported French involvement in the Gulf, 83% believed that “no cause, however just, was worth a war” and that it was “always better to negotiate or find a compromise even with an aggressor like Saddam Hussein.” ★

HOLLAND

OVER 3,000 people demonstrated in Amsterdam on September 22 calling for an end to the intervention in the Gulf and the recall of the Dutch ships. The demonstration got wide media coverage. The committee that organized this action now hopes to draw in broader forces in particular from the peace movements and the Green Left.

Voices have also begun to be heard in the trade union movement questioning the costs of the war and an independent Womens’ Union has taken positions against the war. A further demonstration is planned, and the committee is considering what to do if war breaks out. New Dutch ships will be dispatched in November, and this may provide a focus for antiwar action. ★

BRITAIN

(CORRECTION) THE 5,000 strong antiwar demonstration in London on September 15 reported in the last issue of IV (#191) was called by the Committee to Stop War in the Gulf. The Committee has the support of left Labour MPs, the Campaign for Nuclear Disarmament, the Greens, and Plaid Cymru (Welsh Nationalist party) among others. The Committee is also calling further action for November 24.

The conference of the Green party on September 22 and 23, voted against any action in the Gulf outside the United Nations and explicitly opposed war. ★

THE following statement was adopted at the October meeting of the United Secretariat of the Fourth International, a worldwide Trotskyist organization.

DOCUMENT

Stop the imperialist war drive!

1. THE present concentration of imperialist troops in Saudi Arabia, on the coast and in the waters of the Persian-Arab Gulf, the Oman sea and the Red Sea, is unequalled at least since the American war of aggression in Indochina. The fact that back-up troops from Arab, Muslim or Third World countries — up to and including the Argentine military — have joined the mobilization, does not change its imperialist nature.

The leader and organizer of this formidable build up is American imperialism. Its first concern is to confirm United States military supremacy in a world where the debacle of the Stalinist states has left the US freer than ever to do as it likes. Today, the Third World has become the main target for their “deterrence”.

The hawks in the White House and the Pentagon have found an ideal opportunity to decisively overcome the “Vietnam syndrome” which, only yesterday, checked their aggressive momentum. Grenada, Lebanon and then Panama were the stepping stones on American imperialism’s way to recovering its role as world policeman, ready to intervene to prop up the imperialist order wherever it is threatened.

2. Preceded on this path by the Chinese regime, the Soviet bureaucracy is today a direct accomplice of the imperialist project. Confronted by very serious political, social and economic problems in the USSR itself, the Kremlin bureaucrats are today begging for imperialist economic aid. In exchange, as the Helsinki summit has once again illustrated, they have abandoned all opposition — however minimal — to the plans of their new financial backers.

This unprecedented collusion, a sign of the decrepitude of the bureaucratic system, has been made plain at the UN Security Council. The five “big powers” at the UN

were unanimous not only in condemning the Iraqi invasion of Kuwait, but also in endorsing the blockade decreed by the imperialists, including legitimizing the use of their intervention forces to impose it. At Helsinki Gorbachev effectively acquiesced in advance to the American aggression which was being feverishly prepared.

3. The new imperialist crusade against Iraq has nothing to do with any "international rights" that it claims to be upholding by force. Even from the most formal point of view, so-called "international rights" cannot be arbitrated by the select club of big powers seated permanently in the UN Security Council. Each of these great powers can, by its right to vote, block any resolution from all the other countries in the world. Thus, the resolutions of the Security Council express nothing more than a consensus between the great powers.

No credit whatsoever can be given to these "upholders of law and order" who mock these same "international rights" blithely and every day. No credit whatsoever can be given to these "judges", who use different criteria depending on whether those who contravene these "rights" or those who suffer from such acts figure or not among their clients.

Their hypocrisy is utterly flagrant; there are many peoples who can testify to this, including in the region where the imperialist intervention is now taking place. Here Kurds, Lebanese and Palestinians know what to think about the big powers' guarantees of "international rights", not to mention the application of UN resolutions.

4. The imperialist powers' pretence of defending "democracy" against the despotic dictatorship of Saddam Hussein is even more laughable. How many tyrants have been installed and maintained all over the globe by the imperialist states?

Only yesterday, the Iraqi tyrant himself — whose regime has not changed its spots one iota — was still their respectable ally when he fought against Iran and didn't hesitate to gas the Kurdish population. Today, these so-called ardent upholders of "democracy" are intervening against Iraq in defence of an anachronistic regime that is at least as undemocratic — that of the Emir of Kuwait. And their base is a state — the Kingdom of Saudi Arabia — that is the least democratic and most reactionary (particularly in relation to women) in the world.

And this is not to mention the reinforcements from Third World countries such as Syria, Argentina or Pakistan, members, as everybody knows of the proud circle of "democrats".

5. Even the most pernicious explanation being sold to consumers in the petrol-importing countries — according to which the goal of the imperialist intervention is to stop Iraq from increasing oil prices — is in fact nothing but deceit. The present increases in petrol prices — the new "oil shock", whose real scale has been deliberately

exaggerated — has nothing to do with the annexation of Kuwait by Iraq.

Iraq wants nothing more than to export as much oil as it can produce, a policy which could only contribute to maintaining low prices given that the world supply of oil exceeds demand. If there is an "oil shock" which is feeding speculation on the world market, it is caused by one thing only — the embargo on Iraqi-Kuwaiti oil exports decreed by the big powers.

Thus, those who are inflaming public opinion in their countries against Saddam Hussein as the devilish instigator of world inflation are quite simply pulling the wool over the eyes of consumers. They, and they alone, could bring down oil prices to their previous levels by lifting the blockade imposed against Iraq.

6. The imperialist governments, and that of Washington in particular, know that there are difficult times ahead economically. The Gulf crisis offers an undreamed-of scapegoat for the recession, the indications of which were mounting inexorably in the USA well before the Gulf crisis. The same goes for the austerity plans that several European governments are endeavouring to implement. The difficulties facing the capitalist economies, like those facing state-controlled economies that are undergoing privatization, are from now on to be laid at the feet of Saddam Hussein, who is accused of making prices zoom up.

Workers in the imperialist countries are being asked to make sacrifices in the name of the crusade that their governments are carrying out. It is the height of dishonesty: they are being asked to tighten their belts at a time when millions are being squandered to bring Iraq to its knees.

Social spending is being cut, but military spending remains intact — when it is not being increased. An answer has been found to fend off the pressures, based on the detente in international relations, for a drastic reduction in military spending.

7. The immediate objectives of the imperialist intervention are two-fold: reestablishing and consolidating the imperialist order in the Gulf region, and neutralizing or destroying the Iraqi military potential that is today threatening this decades-old order. World imperialism has an obvious and considerable interest in maintaining the oil sheikhdoms that it has created or contributed to creating in this part of the world.

These states, or mini-states, dispose of far greater resources than they can invest in their own countries, which are mostly under-populated, arid and deserted, when they are not simply minuscule. Thus, in general, most of their oil income becomes "surplus capital".

Far from being put at the disposition of the peoples of this region where, as elsewhere in the Third World, poverty and unemployment are rife, these "surpluses" of capital are placed in the imperialist economies in the form of bank deposits,

real estate or the acquisition of holdings. They also serve to finance the imperialists' budgets, such as the American budget with its enormous accumulated deficit, through the purchase of Treasury Bonds.

8. To begin with, the mini-oil states of Kuwait, the United Arab Emirates and Qatar were so many staging posts established by the British empire on the flanks of the Arab peninsula during the last century. The discovery of the "black gold" concealed beneath their land led British imperialism to establish states whose frontiers corresponded to the extension of oil concessions accorded by London to imperialist companies.

They also wanted to separate these riches from the populous adjacent regions, from which they were previously indistinguishable. The tribes who installed themselves there thus found themselves in a privileged position, benefitting from the royalties — minimal at the beginning — paid to them by the oil companies. In the same way, these tribes found themselves entirely dependent on imperialist protection, with their oil reserves well-guarded.

At the time of its "independence" in 1961, Kuwait had only 300,000 inhabitants; the "independent" UAE in 1971 had 180,000; and Qatar, the same year, even less. These populations were already largely made up of immigrants excluded from the profits reserved for the "natives".

The oil boom that began in 1974 led to a massive influx of immigrant workers, whose proportion reached 60% of Kuwait's population and 75% of that of the UAE. These immigrants live in very precarious conditions, subject to all sorts of harassment and discrimination. A majority of them, notably workers from South and South-East Asia, are there uniquely with a temporary status. Moreover, the "natives" themselves have very unequal access to state wealth and to the exercise of political rights, where they exist (only 10% of Kuwaiti citizens enjoy the right to vote, something that is symbolic of the situation with respect to other rights).

The notion of the right to self-determination, when it is applied to the privileged minorities formed by the citizens of these states, excluding the majority of those who live and work there, is a pure mystification. It is not about the freedom of their "natives" to live as they like.

In fact, it is all about their freedom to enjoy the wealth flowing underground all by themselves, to stop their workers and the adjacent populations getting their hands on it and about recycling the "excess" revenue that results from this state of affairs into the imperialist economies.

But in any case, whatever one's point of view on the applicability of the right of self-determination in these particular and limited cases, this right must mean first and above all that it is for the people of the region to settle their own problems, without external interventions that they mas-

sively reject.

9. Thus the invasion and annexation of Kuwait by Iraq cannot be judged through the prism of formal "international rights", based on the division of the world by the big powers.

From a revolutionary Marxist point of view, this question demands a political and social analysis of the actual events and the real stakes involved. Such an analysis reveals that the tyrannical dictatorship of Saddam Hussein has nothing in common with the wishes of the Iraqi people, and nor does it represent their true interests.

This bourgeois bureaucratic regime, founded on the physical liquidation of the organized workers' movement and all political opposition, as well as a permanent war of extermination against the Kurdish people, is attempting to annex Kuwait for its own expansionist interests.

The invasion of Kuwait by Iraq is a continuation of the same logic that previously pushed Saddam Hussein to invade Iran; this is why we condemn it.

The new invasion, moreover, is certainly a direct consequence of the previous one: having been bled dry economically after its long, mad military adventure against Iran, the Iraqi despot had no other choice than either to renounce his military resources and ambitions, and thus bring about his own downfall, or relentlessly pursue them by taking over Kuwait.

10. The very way that Kuwait was annexed is a good illustration of the sort of policies of which this act is the continuation. The invasion of Kuwait by Saddam Hussein's army was carried out as an occupation and not a liberation.

It has treated local workers and residents — both Arabs and others — with complete contempt, putting its own men in charge of everything. The occupation has been accompanied by rapes and plundering, to the profit above all of the privileged layers of the dictatorship's apparatus, and a massive transfer of goods to Iraq. Nonetheless, even the Iraqi regime's recourse to large-scale hostage-taking — a choice that reveals its own cynicism — cannot justify the imperialists' actions. The Baghdad Ba'athist dictatorship's seizure of Kuwait's wealth will not benefit the workers or peoples in either Iraq or Kuwait. It only serves to increase the privileges of Saddam Hussein's personal clique and to feed his megalomaniacal plans and ambitions.

It is therefore impossible from the workers' point of view to identify with the actions of the Iraqi tyrant and to support his occupation of Kuwait.

11. In the same way, the struggle being carried out by the Emir of Kuwait to recuperate his position is still less our struggle, even leaving aside the imperialist intervention in his support. Workers cannot take sides between the Iraqi despot and the Kuwaiti potentate. Their interests are trampled underfoot by both powers. The

October 20 — an international day of action against the war

AS WE went to press, we received the following appeal. Other signatories are being canvassed over the next few days.

The sending of hundreds of thousands of soldiers to Saudi Arabia and the accumulation of tons of armaments in the Gulf can only lead to a murderous, ruinous and devastating war — a war that can only benefit the arms merchants, the oil companies and the banks.

Such a US intervention has never been seen since the Vietnam War. Such a military adventure has never involved so many soldiers from European countries since the Algerian war.

The peoples of the world have no interest in a war against the peoples of the Arab region.

We are not the ones who waited until August 1990 to denounce the fact that Saddam Hussein is a dictator — a dictator yesterday still supported by the French, British and American governments in particular — nor did we wait until the invasion of Kuwait to denounce the massacre of the Kurds or the war against Iran.

But it is not by engaging in a war against the Iraqi people that a solution will be found to the rights of peoples, or by using a food blockade that will starve the inhabitants of Kuwait and Iraq without affecting Saddam Hussein. This blockade is already an act of war, it is an element of the "logic of war".

On Saturday, October 20, in the United States, there will be a national day of demonstrations organized by all those who do not want a new Vietnam in the Middle East. We therefore call on all those forces who want peace everywhere in the world to demonstrate on October 20, at the same time as the US anti-war movement, their rejection of the war. We call on them to step up their campaign against the war after this first international day of action.

We can and must act massively before it is too late:

- Against the Gulf War
- For the immediate lifting of the blockade
- For the immediate and unconditional withdrawal of all foreign troops from the Gulf region.

United Secretariat of the Fourth International, October 3, 1990. ★

demand from the emir and his protectors for Iraq to withdraw from Kuwait in the name of "international law" is being used today to justify the presence of imperialist troops in the region, all the more so because their governments have declared themselves ready to withdraw as soon as Iraq has withdrawn its own troops from Kuwait. The emir's demand legitimizes the embargo decreed against Iraq as a so-called "peaceful" means of making it respect "international rights".

12. In the face of the massive imperialist intervention in the Gulf region and the blockade of Iraq imposed by the imperialist powers, with the backing of the Moscow and Beijing bureaucracies, the central task for all anti-imperialist forces is to do everything possible to put an end to this strangulation.

Outside of the hypocritical claims of the imperialists and their allies, there is absolutely no doubt in our eyes that the same mechanisms being used today to asphyxiate Iraq, and which are being prepared to deal it a devastating blow, will serve tomorrow in other blockades and aggressions against real popular revolutions and anybody daring to defy the imperialist

world order.

In this sense, we do not have the least hesitation in opposing all the imperialists' actions against Iraq, independently of the nature of the Iraqi regime.

We are for the immediate and unconditional retreat of imperialist forces and their reinforcements from Saudi Arabia and other Gulf states, and for the immediate and unconditional withdrawal of imperialist fleets from the waters of the Gulf, adjacent waters and the Red Sea. In case of an armed confrontation, we are unconditionally for the defeat of the imperialist troops.

We are for an immediate and unconditional end to the blockade imposed on the peoples of Iraq and Kuwait, for the unconditional liberation of Iraqi holdings frozen in the imperialist countries, and for an end to the harassment of Iraqi citizens abroad.

We will work to build urgently the broadest possible international anti-war movement.

The level of collusion with imperialism reached by the Kremlin bureaucrats means that revolutionaries have to redouble their efforts. Imperialism must be prevented from dictating its law to the peoples of the world. ★