



What died with the Soviet coup?

State-capitalism in tatters



People in Moscow surround tanks on the first day of the reactionary coup

The upheaval that swept much of Eastern Europe in the fall of 1989 is now being felt in the Soviet Union. The old machine in power is collapsing in disgrace and mass rejection. The KGB is on the retreat; the military-industrial apparatus is on the defensive; and the party of the false communists is in shambles. The union itself is dissolving.

Ironically, the collapse of Soviet revisionist rule is taking place as the aftermath of a last-ditch effort by the vested interests to hang on to their privilege and power through a coup d'etat. But the putsch of August 19 was a pathetic fiasco. No section of the people stirred on their side, while those who did act, resisted them. And the few troops the coup leaders managed to muster didn't have the will to carry through with their mission.

The coal miners who struck, the youth who defied tanks in Moscow and sacrificed several of their number, the soldiers who went over, and the others who demonstrated against the "emergency

committee" deserve applause. They showed once again that people taking mass action can stay the hand of tyranny. The world needs more of such a spirit: the same spirit we have seen resisting racism in South Africa, opposing occupation in Palestine, squaring off against dictators — from South Korea to dozens of countries in Africa.

Here in the U.S. we need a mass movement too, to say no to our own rich and corrupt tyrants. We need to stand up against the wealthy capitalists who get rich off our exploitation, and give us ever more poverty and unemployment. Against the generals who defend a bloated war machine at the cost of the ruin of the masses. Against the Republi-crut politicians who monopolize society for the rich. Against the lying media in the pockets of big business.

The fall of the old order in the Soviet Union is long overdue. *The Workers' Advocate*, a newspaper which upholds communism, sheds no tears for the

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The meaning of Wichita

DEFEND WOMEN'S RIGHTS

For a month and a half, the anti-abortion crusaders of "Operation Rescue" descended on Wichita, Kansas. Their prey was women going to family planning clinics that perform abortions, and their method was mob intimidation. They massed in front of clinics, forcing them to close down for a week in July. They roughed up clinic personnel. They blocked cars carrying patients and hurled abuse at them. And they did not even hesitate to order their children to lie down in front of automobiles.

This was OR's kick-off for a new campaign of religious fanaticism, a new crusade against the rights of women.

OR's activity had declined for some time. Their blockades of women's health clinics had faced stiff resistance from pro-choice militants in a number of cities. Their harassment of women and medical personnel had aroused indignation nationwide. They had grown tired of posing as martyrs. So the clinic blockades dwindled, and OR itself faced organizational crisis.

The invasion of Wichita was designed to reverse their sinking fortunes. They

want to spark a new round of attacks on clinics across the country.

OR gathered their supporters from across the country. They picked a city which they hoped would not have much of a progressive movement. OR claims god is behind them, but the real power

backing them is Bush and the conservative offensive of the ruling class. So they picked a city with an anti-abortion city government, in a state with an anti-abortion governor. They knew the local officials would wink at them and coddle them no matter how much mayhem they

caused.

And yet, OR did not have the smooth sailing they expected. Even in Wichita, people turned out for big pro-choice demonstrations, and a small number turned out at the clinics themselves to

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Racist system ignites Crown Heights

For the better part of a week, the neighborhood of Crown Heights in Brooklyn, New York was rocked day and night by mass disturbances. As many as 1,500 people at a time poured out into the streets, brandishing home-made signs, and rocks and bottles as well. In the course of repeated confrontations with the police over a dozen police cars were trashed and scores of cops claimed injuries.

This mass outburst was touched off by a traffic accident that left one child dead and another critically injured. There was more to this than just another tragic accident. The car that struck the children was part of a caravan organized by leaders of the Lubavitcher Hassid sect (a fundamentalist Jewish grouping) and escorted by an unmarked police car. And the immediate cause of the accident was the driver speeding through a red light. Moreover, the first ambulance on the scene — a private ambulance associated with the same sect — did not attend to the children. At the direction of the police, it took off with the driver and his passengers, leaving the more seriously injured children for arriving City EMS crews to attend to.



Crown Heights youth attack police van during anti-racist outcry

A backdrop of racism

The issue is not that the Lubavitcher sect is Jewish, but that Crown Heights is beset with the same problems that face every black community in the U.S.: police who carry on like an army of occupation, jobs that are few and far between, schools that are little more than warehouses for kids, not enough decent housing and at too high a price. The concentration of such problems in black communities shows the racism endemic in this society. But in Crown Heights the

presence of a white religious sect that enjoys a special relationship with the police and government — and whose leaders are permitted to act as a self-styled, unofficial neighborhood government — lends an added complexity to the situation.

Black tenants and even some black homeowners in the vicinity of Eastern Parkway are subject to ongoing harassment by Hassidic real estate interests

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BCCI scandal

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Defend women's rights!

Wichita: anti-abortion thugs on display

The holy bullies of Operation Rescue (OR) descended on Wichita, Kansas like a flock of vultures. They surrounded the clinics with their goons, tried to block the entrances, and roughed up their opponents. They sought to humiliate any women coming to the clinics, and they trampled at least one pro-choice activist. They even sent their children to block cars.

And all the time, they were praying and beating their chests that god was on their side. Their real allies were the four horsemen of the apocalypse: ignorance and intolerance, bigotry and brutality.

In league with the big shots

They like to present themselves as suffering martyrs to state repression. Actually, they were treated with kid gloves. Oh yes, a big fuss was made about the 2,300 arrests. Moreover a federal judge, U.S. District Judge Patrick Kelly, was promoted as the savior of the pro-choice movement.

In fact, the anti-abortion mayor and chief of police welcomed OR to town, and so did the Democratic governor of Kansas, Jean Finney. They winked at all of OR's activities. As did the federal government. For a week OR was allowed to block clinics and harass patients and clinic personnel.

Then on July 23 Judge Kelly issued a court order barring OR from directly blocking clinic entrances. However from the beginning it was apparent that the local authorities would not really enforce this. After the July 23 court order, Mayor Knight and the police chief met with OR leaders and agreed not to arrest them until they had closed the clinics they were blockading. There was no shortage of arrests, but it was all a big game. Those arrested would be fined \$25 and released to harass women over and over again.

So on July 29, Kelly called in federal

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The meaning of Wichita

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counterdemonstrate against OR blockades. Meanwhile the more OR displayed themselves, the more they showed their ugly features. By putting their kids in front of cars, in a modern version of the medieval children's crusade, they even succeeded in horrifying some of their own supporters.

By accident, they encountered a federal judge, Patrick Kelly, who wouldn't simply smile at them. As a result, the police could no longer simply collaborate with OR. Federal marshals were directed to actually do something and give some protection to two health clinics under attack, and OR could no longer close down these two clinics altogether. However, Kelly and the marshals allowed them to continue harassing the clinics and assaulting their opponents. Judge Kelly's nationally publicized threats of heavy jail sentences and fines proved rather hollow.

Only mass confrontation can really deflate OR and show the country the

fraud of its pose as a people's movement. But the leaders of bourgeois-led pro-choice organizations like NOW and NARAL didn't organize mass counter-demonstrations to take place at the clinics, and they advised those activists who did come to the clinics to avoid confronting OR. This gave OR a way out. As a result, while OR didn't have everything their way in Wichita, they weren't routed either.

Meanwhile the Bush administration intervened on behalf of OR. The Justice Department opposed Judge Kelly and advocated that OR should be immune from federal law. It wanted the local officials to be free to allow OR to do as it pleased. "Law and order" is only supposed to apply to strikers and anti-war demonstrators and minorities, not to right-wing thugs.

The events in Wichita show that the campaign against women's rights is dead serious. The right-wing fanatics don't just want anti-abortion laws, but also to develop a struggle in the streets to harass and bully their opponents.

It is time once again for the defenders

of women's rights to galvanize their forces and confront the religious fanatics. It is time to go to the work places, communities and schools to rally support among the workers and the oppressed. The police and courts and politicians are

not going to defend the people's rights. Only a movement of the working people can really serve notice on the right-wing thugs and their government supporters that women's rights are not up for grabs.

Clinic defenders confront OR in Los Angeles

100 bible-thumping sheep of ignorance and bigotry harassed the Family Planning Associates Clinic in Los Angeles on Saturday, August 24. But this "massive prayer watch" by Operation Rescue (OR) was dwarfed by 400 rambunctious defenders of women's rights. The pro-choice demonstrators ridiculed, laughed at, and drowned out the sanctimonious mumbo-jumbo of the fanatics who preach against women's clinics.

Private security guards kept OR away from the clinic doors. The police also arrived. They didn't defend the clinic, but instead formed a line on horseback to defend the OR's crestfallen bullies from the ongoing confrontation by pro-choice activists. The mounted police faced the pro-choice activists in an attempt to intimidate them, leaving OR to gaze on the horses' behinds.

Anti-abortion crusaders bomb out in the Bay Area

The anti-women crusaders of "Operation Rescue" hoped their antics in Wichita, Kansas would spark a new nationwide campaign to ban abortion and close down health clinics. On the West Coast, they made a big fuss over a "Turn the Hearts California" campaign. One of their key goals was to resume work in the San Francisco Bay Area, where they had flopped previously.

But so far, OR has been dispirited and outnumbered at event after event in the Bay Area. Sometimes it hasn't even shown up at the targets it has announced with such fanfare.

On August 17 they tried and failed to blockade women's health clinics that perform abortions. Defenders of women's rights outnumbered them at clinics in Oakland and other areas around San Francisco or San Jose, sometimes by as much as four to one.

OR also staged a prayer rally in Fremont on August 17, but were outnum-

bered three to one by several hundred pro-choice activists. Meanwhile, hundreds of cars that were driving by honked in support of pro-choice positions. OR had chosen Fremont because they believed it is a reactionary bastion, unlike liberal San Francisco. Events proved otherwise, verifying the view of our Party that the workers and oppressed masses provide a good base for pro-choice activity. Restricting access to legal abortion or family planning clinics has always borne especially heavily on working people, resulting in many personal tragedies. Prayer vigils and religious fanaticism cannot hide the hatred for existing human life, that is demonstrated by every action of the "pro-life" forces; it cannot hide their revulsion at the thought that life might be free and happy.

The next week, on August 24, OR tried to blockade a clinic in San Jose. Again they were outnumbered and unsuccessful.

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If the Cold War is over, Why are closed nuclear bomb plants being restarted?

The U.S. and Soviet Union have signed a new nuclear weapons treaty. The Bush administration is parading itself as an historic peacemaker, negotiating the end of the cold war and the arms race. The military apparatus is even undergoing a few cuts.

But before you celebrate, look at what's happening with the nuclear weapons facilities. Right in the midst of the ratification of the START treaty the Bush administration is planning to reopen closed nuclear bomb plants, and it is trying to protect the nuclear weapons design labs from cuts.

Contaminated nuclear weapons plants to reopen

Energy Secretary James Watkins has announced the reopening of the Department of Energy-operated Rocky Flats plant in Colorado this fall. Rocky Flats produces plutonium cores for bombs. It was closed in '89 because of radioactive contamination and safety violations. The plant is poisoning the water supply for Denver, 16 miles away.

The DOE is also restarting one of the closed tritium production reactors at its Savannah River Site in South Carolina.

More bang per bomb

Watkins justifies this move by arguing that, with a weapons treaty in the works, each remaining weapon is more important. By this he means that each one should be more destructive. For example, Watkins claims Rocky Flats is now needed to produce more W-88 nuclear warheads for the new Trident 2 missiles. He says he will not accept any delay, or substitution of the older W-76 warheads, which have the same range, but less explosive power.

So, while bragging about a 25% cut in nuclear warheads through the new

treaty, the government is looking to wield a meaner, if leaner, arsenal.

Coddling the weapons labs

In budget debates, the administration is also opposing cutbacks at the DOE's three nuclear weapons design labs. Lawrence Livermore in California, Los Alamos in New Mexico and Sandia (in both states) have a combined staff of 24,000 and spend \$3 billion a year. Even the duplicate work at Livermore and Los Alamos — competition to stimulate faster and more "brilliant" invention of weapons — is to be preserved.

Why are the death labs to be run at virtually the same capacity as at the height of the arms race?

Nuclear terror for world hegemony

In recent testimony to a Senate committee Watkins argued: "I believe this nation must still have a strong cadre of the world's best nuclear weapons designers and engineers." He said the labs are necessary for nuclear "deterrence" in "an international scene that is multipolar rather than bipolar." (*New York Times*, Aug. 3)

Watkins won't come out and admit this straight up, but the truth is, the nuclear weapons program is not really for defense and has not been solely aimed at the Soviet rival. It is a blackmail threat to terrorize any would-be challenger of U.S. world dictate — whether that be a rival imperialist power (such as the Soviet Union, Japan, or a United Europe), a smaller government that won't "toe the line," a popular liberation movement, or a workers' revolution.

This "might makes right" nuclear policy began with the World War II slaughter of 200,000 civilians in an already defeated Japan. And in every world

conflict since, the U.S. government has considered using nuclear weapons again.

"Peaceful" and "green" missions for the weapons labs

Since "blackmail," "world policeman," and "mass murder for corporate profit" are not exactly popular concepts, the DOE has thought up a whole list of "sugar and spice" assignments for the weapons labs, to justify keeping them on maximum budgets.

***"PEACE TALKS." The DOE says the bomb experts are crucial advisers in arms control talks. In other words, they can defend U.S. military superiority.

***"STOPPING PROLIFERATION." The labs help keep nuclear weapons out of the "wrong" hands through spy technology. As if U.S. imperialism were the "right" hands.

***"SAFETY." A high priority at the labs is said to be making the bombs "safe" from accidental detonation. Wouldn't it be safer to do away with the bombs altogether?

***"INVENTIONS." All the scientific muscle at the labs can supposedly be used for technological improvements. One example cited is lasers. But how does the development of laser technology require an anti-ballistic missile system to go with it?

***"ENVIRONMENTAL CLEANUP." The labs are now claiming they will whisk away environmental poisoning, save us from the greenhouse effect, and develop revolutionary pollution control methods. These "knights in shining armor" will tap this year's \$4 billion "green" fund at the DOE to clean up the nuclear weapons plants which have contaminated the country. This is presumably so the plants can operate longer, instead of closing

down.

Pentagon turns green to avoid the budget axe

The government has never given much of a hoot about the toxic waste, nerve gas and radioactive poisoning from its military research, testing and production. Millions of people here and abroad are victims of this poisoning.

Now, not only the DOE weapons labs but the Pentagon too has suddenly taken on costly environmental clean-up and "green" research projects. While they may do some cleanup, because environmental damage has gotten so out of hand, the Pentagon's green camouflage has mainly been set up to avoid budget cuts.

The Navy now has one sixth of its budget earmarked for "green" projects. The Pentagon promises to clean up over 11,000 of its contaminated sites, and will spend \$400 billion over 30 years. But even federal managers of this program are skeptical of any real results being achieved, admitting the project is padded, uncoordinated and mismanaged.

However, the environmental kick has already worked to keep open and expand weapons plants, including Hanford Military Reservation in Washington and the Feed Materials Production Center in Ohio.

The nuclear complex has been a heavy yoke on the working people: we have to pay for it as well as suffer its unsafe consequences. We should not be taken in by the "green" camouflage of the death machine. The generals and the men who make money off weapons are simply maneuvering to keep their war apparatus intact. ■

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marshals to enforce his orders. This was after the Wichita authorities had already been playing footsie with OR for two weeks.

Harassment of women continues

But the federal marshals soon showed that they too had little interest in defending the clinics. And OR bought itself some more time by promising city officials that it would cool down its activity in exchange for the removal of police and marshals. This was just a pretext to let OR do whatever it pleased, for the the next day OR was back terrorizing the clinics in violation of their word.

Not until another week went by did Kelly issue new orders on August 5 telling the federal marshals to immediately arrest those who directly blockaded the clinics, rather than taking hours to clear clinic entrances by letting blockaders take "baby steps." He also promised \$25,000 fines and jail sentences for second offenders. He threatened that those who violated his order should bring toothbrushes because they would be in jail past Christmas. Indeed he promised to fill every jail in Kansas if need be.

Kelly succeeded in getting the federal marshals to actually do something and keep the clinics open. But his dramatic threats proved largely empty. Yes, there continued to be lots of arrests on petty charges that were quietly winked at by local authorities. But only a handful were hauled into Kelly's own court to face more serious charges.

Bush chimes in

Meanwhile the Justice Department rushed to OR's defense and supported OR's court appeals that Kelly had no right to intervene. Attorney General Thornburgh argued that Kelly's use of an old anti-KKK law of 1871 that prohibits efforts to deprive "any person or class of persons of the equal protection of the laws" did not apply because OR was targeting "abortion itself" and not "persons of any particular gender." (*U.S. News and World Report*, Aug. 19) Sure, and the KKK doesn't target blacks but

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200 protest planned toxic dump near Detroit

On August 10th, 200 people went on a lively march in Melvindale, a Detroit suburb, to protest the possible placing of a national toxic waste dump in the local salt mine. The community has opposed the proposal for eight years, and a lot of outreach work was done in the neighborhoods to mobilize for the action.

The march succeeded in drawing in a number of residents along the route. At the rally afterwards activists discussed how to approach various environmental

problems, including the serious local issues of industrial water pollution, chemical dumps, and several poisonous incinerators nearby.

The Marxist-Leninist Party joined in the action, with placards and literature. This included a leaflet speaking to several environmental issues. Several activists commented that they appreciated that a left-wing party was taking the environmental movement seriously and joining in. ■

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BCCI scandal — we accuse capitalism

Every day we hear: socialism is a failed system. The charge is based on the plight of the Soviet Union and other lands which have claimed to be socialist. Whether these countries have represented socialism is a proposition this communist newspaper disputes — but that is another story and it is discussed elsewhere.

The rise and fall of BCCI

BCCI was launched in 1972 by Agha Hasan Abedi, a Pakistani banker who forged an alliance with financial interests from the Persian Gulf. In 1973, it had some \$200 million in capital. By the time BCCI was closed this July, it had climbed into the top 25 international banks, with \$23 billion in assets. At its peak, it operated in 70 countries.

Besides ordinary depositors, like migrant workers in the Gulf and minority businessmen in Britain, BCCI solicited deposits from every sort of shark and scoundrel. It set itself up to evade scrutiny by banking regulators. It promised open-door banking, facilities for capital flight, evasion of taxes, etc. It became the bank of choice for wealthy people in third world countries to smuggle loot out to the West. It was used by the CIA and other intelligence agencies, both Arab and Israeli. It was a favorite of drug runners from Afghanistan to Colombia.

BCCI's tools of trade included deception, bribery and outright terror. According to *Time* magazine, the bank operated its own network of criminals — called the black squad — which smuggled arms and drugs, bribed officials, and kidnapped, even murdered, the bank's enemies. (July 29)

The financial scandal

What is the financial infamy BCCI is accused of? Fraud and the theft of perhaps as much as \$15 billion. If true, this would be the biggest banking scandal in history.

BCCI took its chief losses in financial trading, like many "upright" banks and financial institutions. After all, the 80's was a time when the rich gorged themselves on financial swindles. BCCI lost \$849 million between 1977 and 1985. The bank apparently became insolvent by then. Also, like many other banks, BCCI had made big loans to customers who did not pay.

But instead of admitting its losses, the bank opted for massive fraud. It took out fictitious loans, generated false income, and drew them down to cover losses. It juggled its accounts, failing to record some \$600 million in deposits. It kept secret sets of books to deceive auditors.

The protection BCCI received

It took banking regulators six years to act against BCCI. U.S. officials and the Bank of England claim lack of knowledge, but this is a lie. Examine the facts.

**The CIA prepared a brief intelligence report in 1986 supposedly describing some of BCCI's illegal acts. But although it was given to the Justice Department, the Federal Reserve — the agency which would have been responsible to act — claims never to have seen it. The document remains classified.

**In 1988 federal prosecutors in Tampa indicted some BCCI employees on charges of laundering drug money. The case also produced evidence of other illegal activities, but the Justice Department did not pursue it. Instead, a plea bargaining agreement was made in which the U.S. pledged not to bring charges against BCCI itself.

Jack Blum, who had done a Senate investigation which touched on BCCI at that time, says he gave federal prosecu-

However, is capitalism and its political rule as wonderful as we are being told daily? Take the scandal which has emerged about the Bank of Credit and Commerce International (BCCI).

Here is a bank which took in money from over one million depositors worldwide — many of them laborers from Asian countries toiling without rights in

tors in Florida detailed depositions from two BCCI employees describing a broad range of illegal activity. But the government did nothing.

**In July this year, Manhattan District Attorney Robert Morgenthau finally indicted BCCI, after pursuing a case for two years against BCCI on money laundering charges. He has charged the Justice Department not only of foot-dragging with respect to BCCI but also of obstructing his investigation.

**The Justice Department denies such accusations, claiming it is actively pursuing its investigation. But according to the *London Economist*, "One BCCI insider says no subpoenas for documents — without which an investigation can scarcely be said to be running — arrived from the department until June 14th this year." (July 27, 1991)

Meanwhile the record of the British government isn't much better. It is reported that the British intelligence agency MI5 knew four or five years ago that the Abu Nidal group was using BCCI in London. Nidal is the head of a Palestinian terrorist group with a shadowy reputation as a group for hire which rents itself out to various intelligence agencies. The Western media makes much anti-Palestinian hysteria around Nidal, but if Britain knew he was using BCCI in London, why did it never act against him or the bank?

The governor of the Bank of England admits he heard of BCCI's connection to Nidal in 1988. And last year the Bank was informed by BCCI's auditors of fraud there, but it didn't act.

Something very rotten has been going on with respect to BCCI. We have perhaps only seen the tip of the iceberg.

The bribery of influence peddlers in London and Washington is obviously one part of the picture. But something bigger must be at stake when the U.S. government — with both Republicans and Democrats being responsible — and the British government refuse to, and even obstruct, going after BCCI for almost half a decade. The most likely explanation that has surfaced so far is the significant use which the U.S. CIA made of BCCI. (See adjoining story.)

There is a footnote which may explain why the BCCI scandal did not break a little bit earlier. Apparently in October last year, the auditors again warned the Bank of England that there were serious problems.

But that would have been a very embarrassing time for London or Washington to act against BCCI. That was during the Persian Gulf crisis, and the U.S. and Britain were busy rigging up the famed "coalition" to restore the monarchy of Kuwait from Saddam Hussein. BCCI's owners include powerful people from Pakistan and Gulf states, such as Abu Dhabi, Kuwait, and Saudi Arabia, stalwarts of Bush's coalition. The exposure of BCCI at such a time would have risked fracturing the U.S.-led imperialist coalition.

As the *Economist* puts it oh-so tenderly, "the [U.S.] administration may have wanted the scandal's emergence delayed until several intelligence-related threads had been pulled straight. These would include...the end of the Gulf war." (August 3, 1991)

the Persian Gulf. A gang of fabulously wealthy thieves...er...businessmen ran BCCI and perhaps pocketed as much as \$15 billion. The bank had failed by 1985, but only this July was it ordered shut by regulators from Britain and other countries. BCCI leaves behind a trail of tragedy, but it is doubtful if any of those who benefited will suffer one day for their crimes.

Is this not an indictment of the capitalist system? A system in which rich businessmen pocket the fruits of the labor of working people — and get away with it. What morality is there in such an order?

It will be said that BCCI was a "rogue" operation. And it will be suggested — in racist overtones — what else can you expect from Arab and Pakistani businessmen? But greed and swindling are no monopoly of businessmen who are foreigners. Each and every crime of BCCI's owners have been duplicated in the "civilized" capitalist lands — in Europe, Japan, and the U.S.

**BCCI made much of its gains (and losses) through financial swindling. Well, so did insider traders and junk bond kings like Michael Millken, Ivan Boesky, and the Salomon Brothers' house. The finest of Wall Street's cultured, "old money" houses have been tainted by financial scandals in recent years. The line between "upright" money and "rogue" money is a thin one.

**BCCI played games with fictitious loans which were never going to be repaid. So did U.S. Savings and Loans associations -- a crime for which taxpayers will have to fork over \$500 billion.

**BCCI laundered drug and rackets money. So do major U.S. banks, from the finest of New York to small ones in

Florida. Hardly any are ever investigated or charged.

When all is said and done, the crimes of BCCI are quite typical in modern-day finance. BCCI was part of the ultra-greedy money culture which has become the fashion. This kind of parasitism is a major feature of world capitalism today — where the fastest buck is to be made via financial speculation, racketeering, and straightforward theft. BCCI reflected this side of capitalism.

Why did the authorities wait so long before acting against BCCI? It wasn't because there were no reports of wrongdoing — there were plenty. But these were consciously ignored. Partly, because BCCI, like other moneyed interests, used millions to court influential people in Washington and London. Like Clark Clifford and Jimmy Carter of the Democratic Party. And, even more significantly, because BCCI was for years a politically useful tool of the Republican Reagan-Bush governments. It allowed itself to function as a bank-of-all-trades to the CIA for its covert operations: from funneling money to drug-running Afghan guerrillas and Nicaraguan contras to every-which-side in the Iran contra affair.

Capitalist economics brings misery to the laboring millions and wealth to the rich few. And its system of government is weighted in favor of the same holders of money. Talk of equal rights and democracy for all are convenient screens behind which the rich laugh all the way to the bank. The BCCI scandal, along with the S&L mess and the other financial scandals worldwide, has proved these "outdated Marxist views" as still very relevant to the late 20th century. ■

From Noriega to Carter: Bribery on a world scale

How did BCCI grow to worldwide status within such a short time? One way was the age-old business practice of greasing palms. BCCI feverishly courted powerful friends — both those it could buy as its agents as well as those whose name would bring respectability to the bank.

Bribery was a global project of BCCI, from small African countries all the way to Washington, D.C.

Across the third world, the bank aggressively solicited interest in national banking systems. In return, favors were generously spread. BCCI helped rulers and their cronies to smuggle money out — like General Noriega of Panama. It paid off officials, like officers of Peru's central bank. It awarded cushy jobs, like those given to relatives of the last two military rulers of Bangladesh.

It wasn't just greedy officials in the third world who took from BCCI. The bank courted kings, presidents, and prime ministers on a world scale, including some shiny personalities in Washington.

Clark Clifford, a former defense secretary and long-time power-broker of the Democratic Party, was chief of a bank in Washington which BCCI secretly owned and used to mask its losses. According to investigators of BCCI, the bank developed a sizable coterie of influence-peddlers in the U.S. capital. This included politicians from both the Democratic and Republican parties.

Where possible, BCCI gave direct bribes. Others were paid off through the pretense of being hired on as "consultants." And still others were bribed through being given more sophisticated favors. One way of doing this was by giving contributions to the favorite charities of many eminent personalities.

This was how BCCI bagged Jimmy

Carter. The founder of BCCI Agha Hasan Abedi became a close personal friend of Carter's. Several times the two went globe-hopping on Abedi's private plane. Abedi gave over \$8 million to Carter's foundations. Carter thought Abedi a saintly figure.

In return BCCI got the prestige Carter brought worldwide, thus helping to open doors that may have been harder to open otherwise.

Some of Carter's cronies were more direct beneficiaries. Carter had been introduced to Abedi by Bert Lance, who had resigned as Carter's budget director in 1977 after being accused of banking fraud. Lance later sold his controlling interest in the National Bank of Georgia to Saudi businessman Gaith Pharaon, a BCCI operative. Meanwhile Lance was retained as a consultant.

Another Carter crony involved was Andrew Young. During the three years he was mayor of Atlanta, Young's consulting business received a \$50,000 annual retainer from BCCI for his influence in foreign countries. Young later became a consultant to BCCI. Young has continued to defend BCCI. "I am reluctant to see BCCI as this sinister operation everybody is making it out to be," he has said.

Bribery — both crude and sophisticated — was a method long used by Abedi. For example, to woo clients for his bank, Abedi provided rich Arab businessmen harems and prostitutes in Karachi and set up falconing expeditions in the Pakistani desert.

High living was not just what Abedi encouraged among BCCI's rich clients and associates. It was also an integral part of the bank's internal working style. He encouraged his managers to live beyond their means. ■



The CIA connection

Why was the Bank of Credit and Commerce International (BCCI) — a bank which had failed years ago — allowed to operate without action by banking regulators? The biggest reason may well be its use by the U.S. Central Intelligence Agency. Only a small amount of information about the CIA connection has come out so far, but it already shows that BCCI was a very important tool used by the CIA.

Some of the scandals revealed so far include:

The link with drug-running from Afghanistan

The largest CIA operation of the 1980's was funneling billions of dollars to Islamic fundamentalists waging war against Soviet-occupied Afghanistan. Between themselves, Soviet and U.S. imperialist rivalry had created a tragedy of huge proportions in Afghanistan. BCCI was a player on the U.S. side.

According to reports in the *Financial Times*, the CIA used BCCI to funnel covert aid to the Afghans. A lot of this money went directly into the pockets of Afghan leaders and Pakistani officials. Meanwhile, many of the Afghans and Pakistanis were involved in heroin trafficking and BCCI was used to launder heroin profits.

According to *Time* magazine, BCCI's role in the Afghan operation may be one of the main reasons why the U.S. government has stonewalled investigations of BCCI. The magazine quoted a U.S. intelligence official saying, "If BCCI is such an embarrassment to the U.S. that forthright investigations are not being pursued, it has a lot to do with the blind eye the U.S. turned to heroin trafficking in Pakistan." (July 29)

Funding the contras against Nicaragua

The CIA also used BCCI as part of its operations to back up the dirty contra war against Nicaragua. The Nicaraguan people had thrown out Somoza, the U.S.-backed tyrant, in 1979. But the United States wasn't willing to allow the Nicaraguan people to enjoy the fruits of their revolution. An army of contra terrorists was armed to bleed Nicaragua — helping to create the economic disaster which eventually allowed a pro-U.S. government to come to power in 1990. The CIA deposited millions into contra accounts at BCCI.

BCCI was an important outpost in the Iran-contra scandal. This was the operation in which the Reagan administration sold arms to Iran, and then used the profits to fund the contras in Nicaragua. BCCI accounts were used to funnel money in various directions of this operation.

Paying off "assets" in Britain

BCCI was also used to pay CIA "assets" abroad; this refers to officials in foreign countries who work in various capacities for U.S. intelligence. According to the London *Guardian*, the CIA used BCCI "as a conduit for payments to nearly 500 British citizens on the CIA payroll." Many of these were in senior positions in government, commerce, and industry.

Many CIA assets also had their own personal accounts in BCCI. In many cases these people were up to their necks in drug trafficking or other shady pursuits. For example, Mrs. Manuel Noriega

deposited millions in BCCI's London branches on behalf of her husband. Interestingly, these were the same branches used by the CIA to pay its British agents. Coincidence?

BCCI is but the latest in many such banks used by the CIA. Back in 1980 another scandal involving a bank broke out which also implicated the CIA.

The Nugan Hand Bank scandal

That was the Australian-based Nugan Hand Bank which had started in 1973 and spread to some 26 countries.

The Nugan Hand Bank was the brainchild of Frank Nugan and ex-Green Beret Michael Hand. By the time Nugan died in mysterious circumstances in 1980 and Hand disappeared, the bank had long collapsed. It had been a BCCI-like operation. It recruited a number of prominent U.S. generals, admirals, and ex-CIA personnel. They included William Colby, former CIA chief, who became legal advisor to the bank. The bank roamed U.S. military installations worldwide looking for deposits, promising double-digit interest, tax free because it was offshore. The money was used to fund criminal operations far and near.

BCCI was launched by bankers from Pakistan and several Arab countries. It cultivated an image as the premier bank of the third world. It promoted itself as a friend of development. It set up the weekly *South* as the third world's alternative to *Time*, *Newsweek*, and the *Economist*.

Today, BCCI's defenders argue that the bank is just another third world victim of the imperialist big powers. The facts speak differently.

In truth, BCCI was the vehicle of a few wealthy sharks from the third world, set up to make themselves even wealthier and more powerful. And this was to be done mainly at the expense of ordinary people in the third world.

BCCI was not a challenge to Western imperialism by any stretch of the imagination. Rather, it was an active collaborator. Those who ran the bank are representatives of the capitalist ruling class of Asia, Africa, and Latin America. This bourgeoisie may make some noises against the big powers, but it works in a close alliance with imperialism. Look at the fact that BCCI was an eager tool of the CIA — one of the greatest enemies of the people of the third world.

The U.S. and Britain long protected BCCI. Banking authorities were eventually forced to take action against BCCI this summer — not because they could not tolerate a third world bank but because allowing this bank to continue operating had become a liability to the financial system. The risk of continuing to protect BCCI was outweighing the usefulness the bank provided. BCCI had engaged in financial fraud on such a scale that a scandal was bound to erupt sooner or later. In the meantime, the main CIA operations through the bank — which were the principal benefits imperialism gained out of BCCI — were over or winding down.

Whether BCCI was friend or foe of the third world can easily be seen from who lost and who benefited from the bank's fraud.

The ex-CIA agent Edwin Wilson funded his arms selling empire through Nugan Hand. Wilson fell in official disfavor because he also sold weapons to Libya. Filipino dictator Marcos used Nugan Hand to smuggle money out. The bank financed and arranged for the transshipment of millions of dollars in heroin, often by the contract pilots of Air America, the CIA airline. According to a study done by Australian officials, the CIA used Nugan Hand as a blind depository. (For more on the Nugan Hand scandal, see *The crimes of patriots: a true tale of dope, dirty money, and the CIA* by Jonathan Kwitny, 1987.)

From the earliest days

From its origin in the late 1940's, the CIA has needed banking operations like Nugan Hand and BCCI to handle its huge undercover money transfers worldwide.

According to an opinion piece in the *Los Angeles Times* (August 4), the CIA's "bank of choice for many years" was the Schroder Trust. This was an offspring of the Schroder combine which had originated in Germany and had operated as the instrument of Nazi international policies. Allen Dulles, the first head of the CIA, had served as general counsel and board member of the New York affiliate of Schroder. Dulles brought to the CIA the use of the international network of Schroder. The *Times* describes that "Schroder retained its long-standing ties throughout South and Central America, as well as durable associations with senior German industrial and intelligence personalities — including many former Nazis. It was this network that became

the flywheel of innumerable CIA projects in Europe...."

The CIA and its banking assets

Why are banks like BCCI so useful to the CIA and its criminal friends like drug-runners? Because of their convenience and because these players had common interests in favor of the rich and powerful. A bank like BCCI groomed a reputation for a no-questions-asked policy of money transfers. It naturally attracted every scoundrel on a world scale.

Banks like BCCI may develop out of shady backgrounds of their own. But once they emerge, they become enormously useful instruments of the rich rulers of the U.S. And once they prove so useful, such banks are provided protection from the highest levels of the government.

Only the powerful profit. On the other hand, these banks leave behind a trail of suffering and broken lives. Ordinary depositors often lose their life savings. And whole countries are victimized. Some are robbed of their money, as the Philippines were by Marcos. Others like the Nicaraguans have their dreams stolen from them by the savage operations of the CIA. And the plight of the victims of global drug-running is well-known.

It is not just the Frank Nugans or the Abedis of BCCI who profit from these tragedies. U.S. imperialism is one of the biggest beneficiaries. The BCCI scandal is another indictment of the cruelty of imperialism and the rich against the working and poor peoples of the world. ■

Who profits, who loses?

Who loses?

Not every depositor in BCCI was a crook. While the bank had a core of some 3,000 customers, most of whom were corrupt, it also had over one million depositors. In fact, those who stand to lose the most from BCCI's shenanigans are ordinary people. Thousands of migrant laborers in the Persian Gulf from Asia are among the worst hit. Small businesses from Britain to Hong Kong are affected. Several local governments in Britain had their money in BCCI. And at least 12 central banks in the third world had a major portion of their reserves in BCCI.

Most of these depositors are not covered by deposit insurance.

Who will end up suffering in all this? You can bet it won't be the rich. The burden will fall on the poor, mainly in the third world.

Who made out?

An inner circle of bank managers, owners, and "investors" are the main beneficiaries.

Most of the "bad" loans were made to Middle East investors in the bank. BCCI's beneficiaries include personalities with close family ties to the capitalist rulers of Oman, Saudi Arabia, Kuwait, United Arab Emirates, and Pakistan. Among others, they include Kamal Adham, former head of Saudi intelligence, and Faisal Saud Al-Fulaij, former chairman of Kuwait Airways.

And the list of those who profited from BCCI also include wealthy personalities in Europe and North America. Politicians in London and Washington were paid agents and "consultants" to the bank. ■

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toil, a few receive a top piecework rate of \$5 to \$6 per hour. Half of them earn the minimum wage of \$4.50 an hour. A third make less than that. It has been documented that the older workers and newcomers often work for as little as \$1 an hour and some have been forced to work days without pay, under the threat of losing their jobs. What this means is that a seamstress receives from \$3 to \$5 for making a dress that sells for \$120...if they are paid at all. Recently the *Oakland Tribune* carried stories of a garment shop owner who shut down his nine shops and skipped town owing 450 seamstresses nearly a million dollars in wages and savings. And such unannounced closings have become all too common.

It is not unusual for these workers to work 10 and 12 hour days, six and seven day weeks, without overtime pay. Many are put in the position of having to take work home, where their family members

assist them for no pay. On top of this there is no health care or other benefits paid to these workers, in an industry where stress, dust, overwork, speedup and noise are damaging to their health.

And what does the government do? Inspections are infrequent and fines are a mere \$100 to \$500 per employer violation. At the same time, the government pours millions into terrorizing the immigrants through a system of roundups, deportations and harassment.

Super-exploiting the immigrants goes hand in hand with wage cuts, speed-up and layoffs for the rest of the workers. Stripping immigrants of their rights goes along with new reactionary Supreme Court decisions depriving the rights of blacks and minorities, women and all working people. The immigrants must be defended. This is a struggle in defense of the entire class.

(Based on Aug. 8 "Bay Area Workers' Voice," paper of MLP-S.F. Bay Area.) ■

It deserved no better

The coup that fizzled

The coup in Moscow represented a last-ditch effort by the diehards of the old, state-capitalist order to preserve their power and privileges. Such a clash within the Soviet establishment was in the making for some time.

How the soil was created for this clash

By the late 1970's the Soviet economy was stagnating. As the Brezhnev era passed away, the ruling bureaucracy in the "communist" party chose Gorbachev and opted for market reforms — which would adapt the state-dominated economy towards greater room for private capitalism. The hope was that this would do away with unproductive enterprises, bring in new technology from the West, and also provide the goods and services the state sector could no longer provide.

Gorbachev also initiated political reforms, loosening the overwhelming domination of political and social life by the party. He concluded early that market reforms were not going to work without changes in the system of rule. Knowing that his reforms were going to step on some toes, he needed to bring public opinion to bear against resistance from within the bureaucracy. He needed to groom a middle class outside the traditional elite. And since economic changes were going to be painful, some concessions had to be offered to the masses in the realm of political rights.

Conflicts among the elite began coming out publicly. While the ruling class as a whole supported the idea of going over to a more Western-style system of exploitation, differences grew over such questions as how far, how fast, and who would administer the process and hold state power. Gorbachev played a balancing act, dancing with "reformers" one day and "hardliners" the next.

The reforms had consequences not foreseen by Gorbachev. The economy went from stagnation to collapse. Mass dissatisfaction grew. Strikes and protests emerged, as even working people — not just the elite or the middle class — took advantage of the new openness. Nationalism in the republics also raised its head. Private capitalist interests gave birth to their own political trends which sought a more thoroughgoing "free-market" system. The Western imperialist powers greeted Gorbachev's reforms, but they also began to work in favor of a more fully private capitalist system.

Divisions deepened within the ruling class. Conservatives drew back in horror at the chaos. They screamed for law and order. Gorbachev ordered strikes illegal and supported some crackdowns. But he also looked for new compromises. Meanwhile, reformers like Yeltsin bolted from the party and sought to organize new parties manipulating mass grievances against the old order.

Furor over the new union treaty

The key thing impelling the different forces toward a showdown has been the economic collapse. This has produced a deep well of dissatisfaction.

In particular, this crisis has impelled the republics to spin further out of the control of the center. Besides old grievances over domination by the center, the republics are scrambling to defend their own interests in the face of economic disaster. Even Russia opted for this course.

The union was either going to be held together with force — which carried the danger of civil war — or a new deal. This

summer Gorbachev negotiated a union treaty, which would give more powers to the republics, but keep them inside a looser Soviet Union. He got nine out of 15 republics to agree to sign the treaty. This was a major victory for him. By setting the course for this concession, Gorbachev was also able to win over Yeltsin's help in ending the coal miners' strike last spring.

But for the diehards in the central apparatus — in the bureaucracy, the KGB, and the military-industrial complex — the treaty represented disaster. It meant the biggest blow yet to their powers and perquisites. They were determined to prevent the treaty being signed and implemented. This was why the coup was timed for the day before the treaty was to be signed.

What the junta represented

Look at who the junta was made of. The heads of the KGB and the Defense Ministry. Gorbachev's Prime Minister, in charge of the central bureaucracy. And powerful men of the military-industrial complex.

While in favor of some degree of privatization, they were opposed to Yeltsin's demands for more rapid privatization and reforms, which would cut their budgets and influence. They also wanted more "law and order." Gorbachev gave in to their demands last December. In January he formed a much more conservative government. Nearly this entire cabinet would either lead or support the August coup. This government showed its colors in January when Interior Minister Boris Pugo's forces cracked down on the Baltics, killing 14.

Meanwhile, the economy remained in a spin. Miners struck in the spring, followed by other sections of workers. Nationalist upheaval continued. And in

the Russian presidential elections in June, Yeltsin defeated Gorbachev's candidate.

The conservatives were distressed. In July some of them published an appeal for a military takeover and the creation of a "national salvation front." They tried to get the Supreme Soviet to agree to giving emergency powers to Prime Minister Pavlov, but this was defeated. This was their attempt at a "constitutional coup." When that failed, they decided they had to take the emergency powers anyway.

Farce in Moscow

From the outset, the coup turned out to be a farce. It was ill-planned and badly executed. The coup showed how little control the old-line "dinosaurs" of the Soviet Union can command, not just among the masses but even within their own state apparatus.

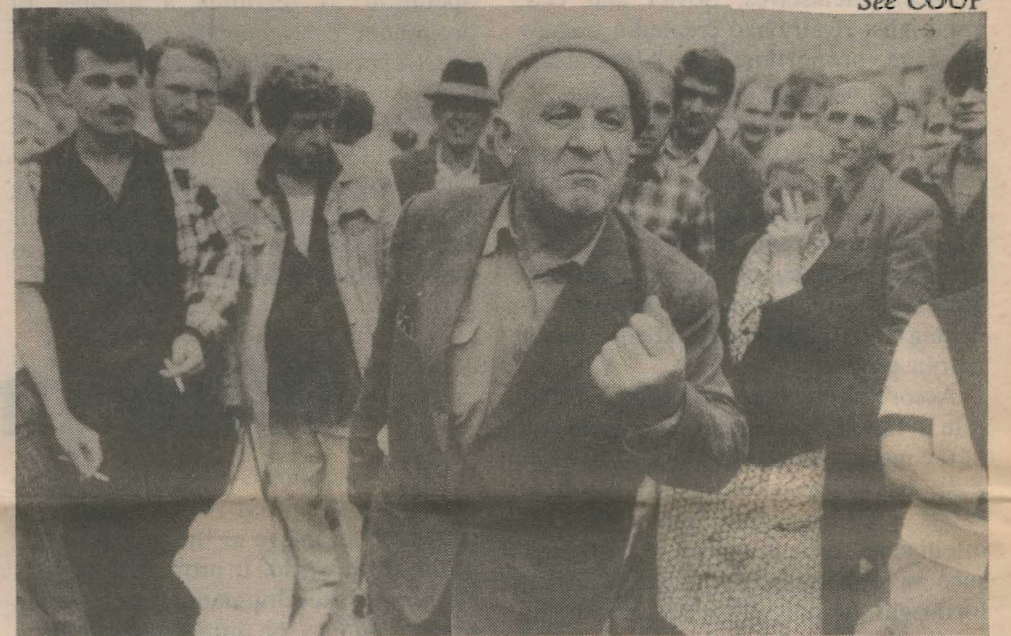
Clearly, they were usurping power. But they tried to give this a constitutional color, basing the junta on Gorbachev's cabinet. Unfortunately this was based on the lame lie that Gorbachev had fallen ill.

They put Gorbachev under house arrest. But even at their first press conference, it was said that he may return to power.

Some of the media was closed down, and the junta forbade all gatherings. But it did not even bother — or failed — to implement many of these harsh decrees. Communications remained open, allowing opposition to the coup to organize.

Tanks were sent into Moscow. And troops in the Baltics took up strategic positions inside major cities. But in general there were few major troop movements.

No wonder this coup has given rise to
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Thousands of people, like this man in Moscow, took to the streets to say no to the coup

Neither the coup nor Gorbachev — Support the Soviet workers

The Marxist-Leninist Party condemned the reactionary coup in the Soviet Union as it took place. Here we reprint excerpts from a leaflet issued by the New York branch of the MLP on August 19, 1991.

In the last 24 hours, the Soviet army and the KGB has mounted a reactionary coup and installed a "hard-line" regime more to their liking. They have removed Gorbachev, declared a state of emergency, and banned all demonstrations, strikes, etc. Under Gorbachev, talk about "democracy" went hand in hand with an economic drive against the working class. Now it seems repression will be the order of the day, but for the workers, there will be no relief from the economic crisis that continues to beset them. Thus, the reactionaries' ability to rule will rest primarily on how much military force they can bring to bear against the mass movements that will surely rise up.

Today, the Soviet economic and political system bears no more resemblance to socialism than TV commercials do to real life. Political power in the Soviet Union has long been in the hands of the managers of a giant bureaucracy. It exploits the workers just like privately-owned corporations do in other countries. In recent years, the bureaucratic state-capitalist system in the Soviet Union has stagnated and begun to collapse. While the ruling class as a whole has supported the idea of going over to

a more Western-style exploitation, divisions have developed over questions such as how far, how fast, and who will administer the process and hold state power?

It appears that what will be uppermost in the minds of the new regime is rolling over the republic governments and disarming the republic militias, where they exist. Meanwhile, they will institute Gorbachev's economic policies, but with the mailed fist instead of the velvet glove.

But the reactionaries' seizure of power is by no means a settled issue. It is easy to disperse politicians with bayonets. But it is not clear that the junta can "put the genie back in the bottle" and restore the political repression of just a few years ago, or run the country in the "old way." In contrast, for example, with China, the Soviet working class is larger and much more organized. Just in the last year, big sections of the working class — the coal miners, steel and oil workers, the air traffic system, just to name a few — have defied the Gorbachev government and its anti-strike laws. They have had a taste of their own power. Now, it is up to them to intensify their strikes and actions. Already it is reported that the mines are closed. And a general strike has been called. In addition, the reactionaries also face the problem of trying to put down opposition in the secessionist Republics.

The junta will also have to gauge the sentiment of the rank-and-file soldiers. Will they obey the orders of their generals or will they fraternize with the protesting working class? If the Soviet troops refuse to move against the mass movements, this would spell the end of the junta's only base of support.

Seventy years ago, the fraternization of the army with the Russian workers spelled the end of the czarist regime. The working class was not content then with replacing czarism with bourgeois democracy for the rich. They went further and made the world's first socialist revolution. They brought to power a government of, by and for the working class. That this revolution was perverted into the rule of a "state capitalist" class does not take away from the greatness of their deed.

Today again the Soviet working class needs to rise up and sweep away a reactionary government. To do this they must build up and strengthen their own independent organization, not relying on Gorbachev and Yeltsin, but their own forces. For the Soviet workers to hitch themselves to the Yeltsin-Gorbachev agenda (which includes their increased economic exploitation) would be a big mistake. Yeltsin needs the workers to protect his political future. But what use does the Soviet working class have for Yeltsin's program of more unrestrained capitalism?

Privatization in Latin America

Public misery, private profits

In early July the World Bank, the biggest lender to third world countries, officially endorsed the policy of emphasizing private ownership and encouraging the sale of government-owned businesses to imperialist corporations and domestic businessmen. "World Development Report — 1991" calls this reliance on the private sector the "best hope for reducing global poverty in the 1990's."

Whether such privatization and further openings to imperialist investment will lead to some temporary growth or further undermine third world economies is yet to be seen. But the immediate results, far from "reducing global poverty," is bringing increased loss of jobs and hunger to the masses for the sake of swelling the profits of the multinationals and the local capitalists.

Privatization sweeping Latin America

Of course the Bank's policy is really nothing new. For a number of years it has been complaining about the "inefficiency" of the state-sector in third world countries and pushing for privatization. Run by a bureaucracy enriching the local bourgeoisie, the companies in the state sector have in many cases gotten bogged down with old technology and stagnated. But whether inefficient or quite profitable, the Bank wants them sold off to the imperialists and the local elite. Although the state sector of these countries is not socialist, but rather state-capitalist, the bank still wants to chop it down.

And the enormous third world debt has provided the imperialist bankers a powerful lever to pry concessions from these countries. From 1970 to 1982, third world debt rose from \$75 billion to \$763 billion. It now stands at about \$1,200 billion, with over 35% of it in Latin America.

As the debt soared, the World Bank,

and also the International Monetary Fund (IMF), demanded ever harsher austerity measures against the masses as a condition for new loans or for the renegotiation of old loans. Since the early 1980's, they also began specifically demanding that countries sell off government-owned businesses and further open themselves up to foreign investment from the imperialists.

One result has been the privatization and new openings to imperialist investment that is sweeping through Latin America. As *U.S. News and World Report* explained, "The generation now in power was raised on 'dependency theory' literature that expounded the dangers of reliance on overseas capital. But those books are now gathering dust, in part because international banks have made it clear they were not about to resume the massive lending of the 1970's. Events in the East bloc also have helped to galvanize Latin Americans into opening their doors to foreign investment rather than risk being left out of the capital flows." (June 18)

Facing economic crisis and imperialist pressure, the Mexican government has sold off or shut down over a thousand state-owned businesses. This has included steel mills, copper mines, the state airline, the phone monopoly, and a series of state-owned banks. Even Banamex, the country's biggest bank with \$26.2 billion in assets, has been sold.

Similarly, the Argentine government has sold off its telephone company, utilities and railways. And it is now in the process of privatizing the country's biggest company — the state-owned oil monopoly.

Likewise, Venezuela has sold two banks and is looking for buyers for its telephone company, airline, ports and so forth. Brazil recently announced plans to put up 27 state-owned companies. And

similar steps are being taken in Chile, Bolivia, Honduras and other countries.

Who benefits from privatization?

According to the current vogue in capitalist economic theory, privatization is supposed to lead to increased foreign and domestic investment, which is supposed to lead to economic growth, which is supposed to eventually trickle down benefits to the masses. But the initial results have meant nothing but job cuts and tightening austerity for the working people.

In Mexico, the privatization of mining and metal alone led to the elimination of 60,000 jobs in 1989. Union contracts have been smashed up, wages have been cut, and social subsidies have been slashed. Similarly, the privatization of Argentina's oil monopoly is expected to cost 17,500 jobs and new contracts have undermined worker protections. And the list goes on.

But while the workers suffer, the imperialists and domestic capitalists are gorging themselves. For example, to make Argentina's telephone monopoly more attractive to buyers, the government guaranteed the new owners a 16 percent profit. (*U.S. News and World Report*, June 18)

Or look at the deal for Telefonos de Mexico. To make it appear that the government is protecting Mexican national interests, it limited foreigners to minority shares and also established strict limits for personal holdings. But the actual result was to allow Carlos Slim, a Mexican financier, to buy effective control of the giant monopoly with only 5% of its shares — an outlay of some \$400 million. And to finance this he formed a block with Southwestern Bell and France Telecom.

Privatization only means that rich Latin American capitalists are joining

with giant imperialist multinationals to make a killing. And the Latin American masses are left to foot the bill.

The push for a free trade zone

Although privatization is not a new policy for the World Bank, it apparently came out with its latest declaration in order to appease the U.S. government — the Bank's biggest stockholder.

The Bush administration has been complaining that the Bank is not doing enough for private business and has gone so far as to call for changes in its charter. It is pushing the Bank to speed up the process of privatization and the further opening of Latin America to the American multinationals in order to lay the basis for a free trade zone spanning North and South America.

Facing increasing competition from the Japanese-dominated Pacific Rim and the European Community, Bush launched the "Enterprise for Americas" in June 1990 to try and put together a U.S. imperialist trading block "stretching from the port of Anchorage to Tierra del Fuego." The free trade agreement now being negotiated with Mexico and Canada is seen as the first step towards a free trade zone of the Americas.

Whether such a formal free trade zone is established or not, U.S. imperialism, together with the Latin American bourgeoisie, is sinking its claws deeper into the hides of the Latin American working people. But such bare-faced imperialist and capitalist exploitation is also making the common enemy for the workers and the need for international unity in the class struggle clearer and more open. U.S. workers must take their stand on the side of the Latin American workers and toilers.

What died with the Soviet coup?

Continued from front page

collapse of Soviet revisionism which betrayed the cause of the workers and the socialist idea many decades ago.

With the collapse going on in the Soviet Union, the rich are jumping with glee and once again declaring the "end of communism." We do not agree. Not because we think there has been anything communist remaining in the Soviet Union. A long time ago now, the workers of the Soviet Union did build a communist movement to fight for a society run by ordinary, laboring people for their own interests. Rallying to Lenin and the Bolshevik Party, they made a revolution which smashed the power of the exploiters and put workers in charge. Today many a lie is being told about the 1917 revolution, but neither these lies nor what the Soviet Union turned out to be can detract from the immense significance of the workers' revolution.

Unfortunately, the dream of the workers could not be fulfilled. The young workers' power was not left alone to freely build a new society. The exploiters from every big power tried to strangle it in its infancy. The conditions of poverty, ruin from war, and general underdevelopment proved in the end too daunting. The system of popular rule broke down, and the regime evolved into a new op-

pressive order. They rigged up capitalist society but of a distinct type, a state-capitalist system in which privileged bureaucrats exploited labor mainly through their control of the state as a whole.

Soviet revisionism retained the claim to be communist, but it had twisted the liberating ideas of Marx and Lenin into excuses for oppression. This is the system which is being rejected today. Because the labels were continued, and because anti-revisionist communism did not become a mass trend, many in the Soviet Union attribute the evils of the old system to communism, and for a while they will be suspicious of socialism.

This is unfortunate. But does this mean the Soviet people are enthusiastically fighting for capitalism? It is not so simple. They want democracy after years of police-state rule. If they think democracy is just what the West offers, this is because they have lost faith in conceiving an alternative. And they do not yet see that behind parliamentary democracy, it is the power of big money which will rule. And that the rights of ordinary people will be restricted in favor of the larger interests of capital. The Soviet people want economic prosperity. If they think this is synonymous with the free market, it is because they hate the present state-run bureaucratic system and do not see any other alternative. And they have yet to experience that the free market will mean more of the treatment they have been facing: wage cuts, increased prices, massive layoffs. Such things are already widespread in Poland, eastern Germany, and the rest of Eastern Europe.

Eventually if the working people of the Soviet Union are to liberate themselves, they will be the ones who will have to do it. It will not be handed to them by the Gorbachevs, Yanayevs, or Yeltsins — who are all part of an elite with interests hostile to the laboring millions. The working class has to organize itself as an independent force, with its own program and its own goals. They will have to find their way to communism

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so many conspiracy theories trying to explain such a fiasco! And right away this coup ran into trouble. The mayor of Leningrad made a deal with the local army commander that prevented troops from entering the city. In Moscow, troops went towards the parliament building of the Russian republic, but then stopped, as thousands of people gathered around the building.

The junta had difficulty mobilizing military units. Many refused, only a handful followed orders. But after several people were killed, the troops did not pursue their attempt at the crackdown.

Meanwhile, the junta's attempt at public relations was pathetic. In their news conference, they promised a raise in wages for workers, and to restore order in the economy. But there was no outpouring of support for them. Even if disgust with economic chaos generated any sympathy for the coup, it was passive.

On the other hand, people poured into the streets in numerous cities to protest.

once again. The real thing, not the forgery the Soviet system had become. Workers' communism is far from dead. Because the communism of workers' revolution emerges out of the soil of exploitation, out of the class struggle. And who will be the fool to say that class struggle is over in the Soviet Union? Or anywhere else in the world?

Besides the thousands who gathered outside the Russian parliament, thousands more demonstrated in Leningrad. There were also large demonstrations in the Ukraine, Kazakhstan, Siberia and the Far East. Coal miners — the most active section of the Soviet working class — went out on strike in Siberia and the Donbass.

The coup is stymied

The junta had counted on mass dissatisfaction with how things were under Gorbachev. They had also counted on the army, or at least an elite unit, to carry out their orders. But neither plan was working out. Moreover, unrest was breaking out against the coup. At this point the coup began to unravel. On August 20 two of the junta came down with "illness."

As a last desperate ploy, on August 21 the leading plotters flew to the Crimea to plead with Gorbachev to side with them. But Gorbachev had them arrested. They had completely misread Gorbachev.

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DOWN WITH RACISM!

Protesters hit Milwaukee cops over case of mass murderer

1,500 people marched in Milwaukee on August 5 against police racism and anti-gay bigotry. The protesters charged the police allowed Jeffery Dahmer to get away with mass murder.

Dahmer has confessed to killing and dismembering eight black men, two white men and a young Laotian boy. He admits his motives were hatred of minorities and gays. Dahmer was known as an open, vicious racist during his time in the U.S. Army. And he had been convicted of child molesting in 1988, molesting the brother of the Laotian boy he later killed.

On May 27, the Milwaukee police had a chance to stop this monster but their own racism and bigotry made them his accomplices. On that day, two black women called 911 to report a white man chasing a naked, bleeding Laotian boy. The police responded by returning the boy to Dahmer's apartment. At that very moment the apartment had a corpse in the next room and photos of Dahmer's mutilated victims were lying on the floor. But the police didn't bother to look in.

In fact, they never even bothered to check Dahmer's record on their car computer. After the police left, Dahmer killed Konerak Sinthasomphone and four other victims. How could this happen?

The partial transcripts of police dispatcher conversations with the cops on the scene reveal the mindset of police at "work." As we have come to expect, the transcripts are loaded with racist and anti-gay slurs. The police take the word of a white man over the reports of black witnesses, and despite what their own eyes should tell them, because they are blinded by prejudice themselves.

The Milwaukee police department, just like others throughout the country, is built on racism. The department remains 80% white. Nazi graffiti adorn the station house walls. Far from protecting working people and minorities, the police are a vital part of the system that oppresses them. The demonstrators in Milwaukee should persist, despite the news blackout about them, in exposing the role of the police and in building the mass movement against racism. ■

Latinos riot against Los Angeles police murder

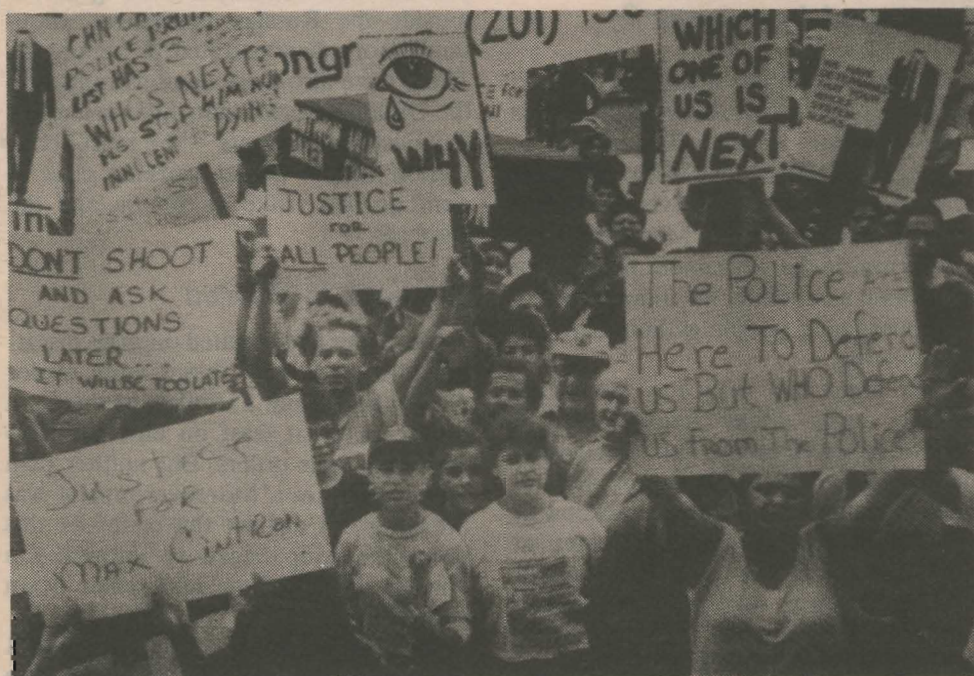
Saturday evening, August 3, a number of residents of the Ramona Gardens housing project in Los Angeles were enjoying a birthday barbecue. An L.A. County sheriff's car drove quietly into the projects, with its lights off. Someone threw an empty beer can at the car to shoo it away. The cops stopped their car. Deputy Mann pulled his gun and aimed it at everyone who was gathering around. The cops hassled one of the young men who they thought had thrown the can. Arturo "Smokey" Jimenez asked the police why they hit his friend, and told them to leave him alone. Deputy Mann aimed the gun at him. People in the crowd shouted "Don't shoot!" "Don't shoot!" "He doesn't have a gun!" Mann shot Smokey three times in the chest.

Mann was a notorious member of the

"Vikings," a vigilante organization within the police department that encouraged racist attacks. The masses had seen these kind of racist attacks over and over. They had had enough.

Some began to throw rocks and bottles at the cops. As Smokey lay dying on the ground, the crowd grew angrier and the fight intensified. Some tried to take him away in their own car. The sheriffs refused to allow them. It was a half hour before the ambulance arrived. Eventually 300 people joined in the four-hour battle with the police. Six residents of the projects were arrested on charges ranging from assaulting police to inciting to riot. A young man trying to flee with a video tape of the event was chased down the street, tackled, the tape was seized, and he too was thrown in jail. ■

No more racist murders in Jersey City!



Protest against racist police murder in Jersey City, N.J. July 25

More than 1,000 angry Latinos marched on the City Hall at the end of July. The demonstration began on 6th Street where Maximino Cintron Ortiz was killed

by a cop on July 16. Maximino was a 22-year-old Puerto Rican meatpacker. Police stopped to ticket him for tinting the window of a

friend's car out on the street. When he tore up the summons in disgust, one cop threw him against a wall and hit his ribs with a flashlight. While trying to break loose, the cop and Maximino fell. Another cop drew his gun. When Maximino got up he had his hands up and said "Are you going to shoot me now?" The cop shot him in the stomach.

When an ambulance arrived, it was to take care of the police who complained of minor injuries while Maximino lay

bleeding to death. A second ambulance eventually arrived to take him to a hospital and he was then flown to a trauma center in Newark. Maximino died on the operating table.

The county prosecutor declared that the shooting appeared justified and local politicians argued the killing was not racist. This is how the racist system tries to let racist cops off the hook. But the masses in Jersey City won't let this murder be swept under the rug. ■

Black people rally against New Jersey cops

100 people rallied in Trenton, New Jersey on July 28 against killer cops. Thirty of them, including the families of four kids murdered by New Jersey police, marched 100 miles to the rally in an effort to focus attention against the increasing police brutality.

As a result of almost weekly protests earlier, the police officer Gary Spath has been indicted for reckless manslaughter in the killing of the black teenager Phillip Pannell. Activists called for another rally on September 8, the day before Spath's trial, to keep up the pressure. ■

Racism ignites Crown Heights

Continued from front page

seeking to warehouse apartments for arriving Hassidic immigrants. Many local black youth break their backs to find jobs at \$5 an hour, while their Hassidic counterparts have jobs waiting for them in Hassidic-owned businesses at \$7 an hour. Black residents of Crown Heights are subject to racist harassment and beatings not only by the police, but also by Hassidic vigilante patrols that are supported and assisted by the police.

All this is seconded by an atmosphere of hysteria, kept to a feverish pitch among the Hassids, that equates blacks with street crime. This atmosphere feeds on the self-isolation of the sect. And it serves the interests of a section of Hassidic businessmen, politicians and religious leaders whose prospects hinge on keeping the sect at arm's length from the world around them. These are small-time interests compared to the Fortune 500 and the big Wall Street banks who call the shots in Washington D.C. and at City Hall. But they can weigh heavily in a single neighborhood, especially when city officials and the police are all too happy to let them throw their weight around.

The building-up of an apartheid-like atmosphere in Crown Heights over a period of years is the reason why a fatal traffic accident touched off a local rebellion. "We are tired of being treated like animals" said a hand-made sign carried by local teenagers. This is what the rebellion in Crown Heights is about.

Anti-Semitism is dead wrong

The media have made a point of portraying the events in Crown Heights as anti-Jewish. In a spontaneous explosion like this backward features can show up, and in Crown Heights anti-semitism is prominent among them. If an anti-racist movement is to develop and go forward in Crown Heights it will have to overcome such influences, which would

otherwise lead it into a dead end. Chasing down a Hassid to stab in revenge, to take a case in point, is dead wrong and has nothing to do with fighting racism.

But to pretend that anti-semitism is the cause of the rebellion would be like blaming Hurricane Bob on the thunder that accompanied it. The underlying issue in Crown Heights is not Hassidic Jews and not anti-semitism, but rather the systematic oppression of blacks and other minorities; and that not just at the hands of a backward religious sect, but of the White House and on down.

Masses target the police

Indeed, once people took to the streets, it was the police they faced off with. Years of anger at police harassment and abuse — that is, at the official face of racism — came to the fore.

The masses in Crown Heights showed a strong spirit of standing up to the police and refusing to be cowed into silence. They also revealed an inclination toward taking the form of a political movement, with people repeatedly attempting to form marches with homemade signs. These events also highlight the yawning gulf between the politicians and businessmen tied to the city government and the mass of people Mayor Dinkins' administration has left out in the cold.

But spontaneous outbursts like this also show their limits: they get diverted into looting sneaker stores, and chasing down Hassids to brutalize, and burn themselves out in a few days. To go forward, the energy and anger shown in Crown Heights this week must be poured into building an organized movement that squarely confronts racism, the government machine that presides over it, and the capitalist system of exploitation that stands behind it all.

(Based on the August 25 "New York Workers' Voice," paper of the MLP-New York.) ■

Defend the immigrant garment workers

"Exploitation and Oppression" should be the names stitched into the fancy labels of the clothes produced in the sweatshops of San Francisco and Oakland, California. Some 20,000 immigrants, mainly Chinese and Vietnamese women, are crowded into some 650 sweatshops.

They produce over \$1 billion worth of clothes a year.

Due to poverty, discrimination and language problems these women can find no other jobs. In return for their frantic

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See GARMENT

No to police brutality!

Why have UC and the police started a war at People's Park?



Confronting the police during protest vs. demolition of People's Park

With a hail of wooden and rubber bullets, the police launched an assault on activists and homeless people who have occupied People's Park in Berkeley, California. On August 1, some 400 police attacked about 200 people who were defending against bulldozers sent to dig up the park for volleyball courts.

The fight over People's Park dates back to 1969. Anti-war activists fought for and wrested control of a three-acre parcel from the University of California. During that struggle with the police,

activist James Rector was killed. Since then, the park has been a rallying point for struggle against U.S. aggression. More recently, it has also become a haven for homeless people.

UC regents have repeatedly tried to take back the park. They hate the protesters and homeless people. As well, with the skyrocketing land values in California, the parcel is worth millions of dollars. Having homeless people and leftists doing as they please in the park is intolerable to the UC regents and the

real estate and business interests.

The UC attack is aimed at suppressing the right of left-wing political dissent. At the same time it is part of the Bush administration's attempts to "disappear" the homeless from the parks and streets. One may not agree with everything that

is said and done in defense of the park. But it is important to take a stand against the police assault on the activists and homeless.

(Based on Aug. 8 "Bay Area Workers' Voice," paper of MLP-S.F. Bay Area.) ■

Chicago marchers decry racist and anti-gay attacks



Shouting "Racist, sexist, anti-gay, Chicago police go away!" and "Whose streets, our streets!" hundreds of people marched through Chicago's north side on August 24. Recently there has been a

series of attacks in the area against gays and minorities. The angry protesters denounced police brutality and called for self-defense and more demonstrations. ■

WICHITA Continued from page 3

just "integration itself."

Embarrassed at being caught backing mob violence against women, the "law and order" president, Bush, had to say something. The national media made a big deal that he repudiated OR's "excesses" and called on them to stay "within the law." Actually, his statements also referred to demonstrations by AIDS activists and as well denounced a protest against his veto of the unemployment compensation bill. (*New York Times*, Aug. 17) Meanwhile the Justice Department continued to back OR's appeals, and thus insure that OR's "excesses" would be "within the law" by exempting them from the law.

Much smoke, little fire

Throughout this entire period, while the local authorities were making their famous 2,300 arrests, they merely slapped OR thugs on the wrist, with some of them getting arrested eight or nine times. And of those brought before Judge Kelly, only 17 were jailed for any time at all. All it took to stay out of jail, or to be sprung after being jailed, was to tell Kelly that one wouldn't sin any more.

Most recently, three OR leaders Rev. Keith Tucci (executive director of OR), Rev. Patrick Mahoney (OR spokesman), and Rev. Joe Slovenec were freed from jail on August 29 after their lawyers told Judge Kelly these three would abide by his court order. The next day Tucci and Mahoney denied that they had agreed to this. Kelly and others acted surprised as if this was the first time OR had lied to them, as if OR had not been violating its pledges and agreements one after another, as if OR spokesmen hadn't appeared on national news vowing defiance at the same time as they appeared before Kelly pledging to be good boys.

When the police and courts deal with workers on strike or progressive movements, they aren't so finicky.

Take their attitude toward anti-war protesters at the New York "victory" parade on June 10. Police blocked protesters from reaching the parade route and busted people for having the nerve to counterdemonstrate against the war. A number of these activists face charges that could lead to years in prison.

Or again, consider what happened on August 1, when defenseless people protesting the destruction of People's Park in Berkeley, California were fired on by the police with rubber bullets.

Yet somehow, the police and courts could barely keep the entrances clear to two clinics, and couldn't stop harassment of patients and medical workers. And even this sorry show only took place by accident. Judge Kelly is a hold-over liberal appointed by Carter while the majority of federal judges are now Reagan or Bush appointees.

A civil rights movement or a lynch mob?

All the while OR leaders like Randall Terry defended this abuse of women as following in the footsteps of the civil rights movement. But the only historical link the anti-abortion fanatics have with the civil rights movement is with the racist mobs that forcibly tried to keep blacks "in their place" just as OR is doing to women. Indeed, they are supported by the same Bush who, back in the old days, opposed the Civil Rights Act of 1964. But Bush looks milder and gentler compared to various "pro-life" bigots who fret about abortion cutting down the number of white babies while third world birth rates soar. The "right-to-life" forces assert that they, like the civil rights movement, followed "god's law" not "man's law." Sure, there were some priests and religious influences in the anti-racist struggle, but it was not a religious movement. Its militants were not religious fanatics but fighters for freedom. It was not out to impose religious law on the country, as OR is, and it fought against the bible-thumpers who

sanctified segregation as god's law.

Terry claims OR is just taking to the streets like other protest movements. But the issue is why they are taking to the streets. Lynch mobs took to the streets too, as did the KKK and southern politicians when they blockaded high schools and universities from the entrance of James Meredith and other black students.

Among the people

Among the people, however, OR actions created outrage. From the start, they were disliked, and by the weekend of July 27-28 were greeted with a sizable pro-choice demonstration. At the end, on August 25, about 5,000 people came to another pro-choice rally.

But officials from the National Organization of Women (NOW) like president-elect Patricia Ireland, and the National Abortion Rights Action League (NARAL) spokeswomen, lectured the people to rely on the courts and legislatures. These pro-establishment groups learned nothing from the events, and they sought to put a wet blanket on any

idea of confronting OR. When they showed up at the clinics, they tried to stop pro-choice activists from actually confronting OR, from tearing up OR signs, or from doing much of anything.

Proving their loyalty to the establishment is more important to NOW and NARAL than organizing for women's rights. While OR fraudulently claimed to be a militant people's movement, NOW and NARAL raised their hands in horror at the very thought of being a militant movement in the streets.

But there are others who were outraged at OR and unwilling to sit on the sidelines. This is why the Wichita events not only marked a new drive by religious fanatics on clinics elsewhere, but also sparked mass determination to defend the clinics in a number of cities. (*See the articles on clinic defenses in California.*) The only answer to the Wichita events is not crossing one's fingers and hoping for a benevolent judge (sort of like buying lottery tickets instead of going to work), but organizing a militant struggle for women's rights. ■

COUP Continued from page 7

True, last winter Gorbachev had leaned over backwards to accommodate them, but how could they have hoped that he would take their side after they had arrested him? After they had overthrown him over the union treaty, which was one of the few political successes Gorbachev had managed?

Why the coup failed

The plotters had reason to believe the masses were dissatisfied with Gorbachev. This was true across the political spectrum. For example, when the coal miners struck in the spring, their main demand had been "Gorbachev, resign!"

But the plotters completely misread the mass sentiment on this point. True,

people were fed up with Gorbachev. But they saw a fascist junta as only making things worse, not better. The masses did not want to go backwards. The people did not believe that these men who were already in power had any solution to the economic mess; and they threatened only to take away political freedoms that many people had begun to cherish.

And the plotters completely misread the army. The mass of Russian soldiers are demoralized from the Afghanistan experience. Far from supporting the dinosaurs, the majority of Russian soldiers had voted for Yeltsin. The plotters hoped that their special, elite units had not been infected by any liberal virus. This turned out to be wrong. The masses turned out in protest, and the army refused to shoot them down. ■

Bush slaps the unemployed in the face

President Bush has once again turned a cold shoulder to the unemployed.

On August 2, Congress passed a new unemployment bill. It was supposed to give from four to 20 extra weeks of unemployment compensation to the laid-off workers, in addition to the standard 26 weeks of benefits.

But Bush, while signing the bill, refused to declare an unemployment emergency and release the \$5.3 million needed to put the bill into effect. Bush showed his "sympathy" for the unemployed by

slapping them in the face.

In justifying his view that no unemployment emergency exists, Bush pointed to a recent Labor Department report that claimed the rate of unemployment in July had dropped 0.2%. Unemployment, he said, is "moving in the right direction."

But Bush failed to mention that the Labor Department also admitted that there were not more jobs. The official rate fell because more people had given up the hopeless search for a job and

dropped out of the labor market.

What is more, the number of workers who can't find a job during their 26 weeks of benefits has nearly doubled in the last year. Indeed, the Labor Department figures also show that more workers ran out of unemployment benefits in July than during any other month in the last 40 years.

Bush once again used the budget deficit as an excuse to refuse relief for hard-pressed workers. "I won't bust the budget," he snorted.

But in this case the budget appeal simply won't wash. According to the AFL-CIO Legislative Director, "the Extended Benefits Trust Fund now has a surplus of \$8 billion." (AFL-CIO News, Aug. 5) That means there is \$8 billion that has already been collected from employers and is sitting unused in a fund for extending unemployment benefits.

Bush is not saving the budget, he is busting the unemployed workers.

Bush made it clear that his real concern is for the capitalists. He declared that, instead of providing relief, Congress could do more for the unemployed if it cut taxes on the capital gains of the capitalists. Of course this would "break the budget," but what does Bush care? He claimed a cut in the capital gains tax "would create jobs instantly." Well, we are yet to see tax breaks for the rich create jobs. Indeed often they are used to pay for more technology and other productivity measures which only lead to more layoffs.

But what this shows is that Bush is not really worried over the budget. He simply prefers to give tax breaks to the capitalists instead of relief to the suffering unemployed workers. ■

Strikes and workplace news

Decker coal miners win four-year strike

On October 1, 1987, some 240 miners went on strike against the Decker Coal Company in Wyoming. Decker tried to force the miners to shoulder most of the costs of the family health care plan. But the miners wouldn't hear of it. For almost four years they have held fast in their strike, confronting scab replacements and court injunctions. And they won wide support from workers in a number of other industries. Now victory is within sight.

Under a tentative agreement, Decker must reinstate each striker with \$35,000 in back pay and fire the scab replacements. The health care benefits are

defended and improved. Wages are to be raised to \$18.50 per hour and another 3% in the second year of the contract. And there are improvements in job security, job bidding and other work rules.

One possible sticking point is Decker's proposal to "buy out" 15 strikers. Decker has offered them early retirement on full pension and lump sum payments as high as \$100,000. Why? Apparently they were among the most militant miners who kept the strike together and Decker wants to get rid of them even if it is costly. ■

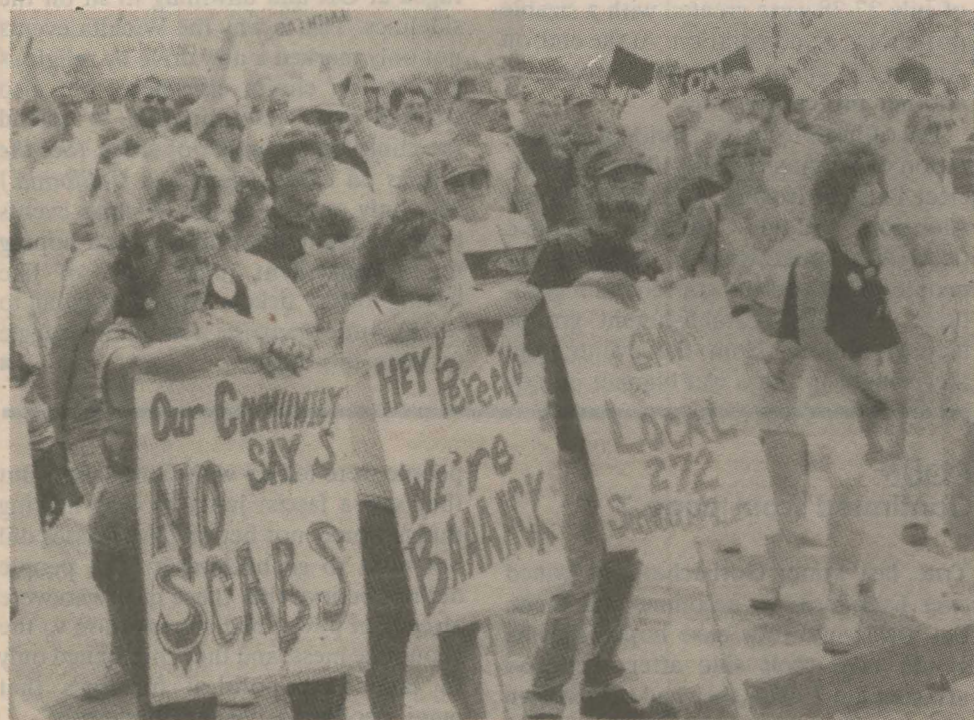
GM strike wins return of some of the laid-off

The 3,200 workers at the GM mini-van assembly plant in Baltimore ended their four-week strike for safety at the end of July. GM had laid off 400 workers in February, and the resulting speedup had led to skyrocketing injury rates. The strike forced GM to call back 64 of the

laid-off workers and to relax the speedup.

However, it has leaked out that GM plans to speed up the line in October from 42 to 47 mini-vans per hour. The workers have declared they will strike again if more workers are not called back to deal with the speedup. ■

Canonsburg Hospital strikers rally



On August 4, over 600 people rallied in support of the Canonsburg strikers in North Strabane Township, Pennsylvania. The workers at Canonsburg Hospital have been on strike since April 4 against cuts in medical benefits and for higher pay.

While the workers have remained militant, the union leaders at the rally made it clear they are willing to accept concessions. The workers will have to get organized on their own to carry through this struggle. ■

Brooklyn nursing students sit in

About 50 nursing students and supporters loudly entered the State University

of New York (SUNY) Downstate hospital July 30. They refused to leave

Don't expect relief from the Democrats

If Bush's treatment of the unemployed is outrageous, then the Democrats who claim to support the workers are disgusting. It was the Democrats who pushed through the new unemployment bill. But they specifically designed it to ensure that Bush had the authority and justifications to withhold the funds needed to provide the unemployed some relief. Look at the dirty history of the bill.

Originally, a much stronger \$23 billion bill was put up. It would have permanently reformed the unemployment laws to allow an early triggering of extended unemployment benefits, made the extended benefits last longer (to 20 weeks from 13 weeks, under the current law), and paid for the cost by increasing the tax on employers. This would have reversed a few of the huge cuts in unemployment benefits that were put into place under the Carter and then Reagan administrations.

But as soon as that bill got to committee, the Democrats began cutting it. First they slashed down the relief so it would cost only \$5.6 billion, instead of the original \$23 billion. And they changed it from a permanent reform of the unemployment system into merely a one-year measure.

Ever concerned about the capitalists, they then eliminated the proposed in-

crease in employer taxes. And they provided no alternative for funding the bill, like stipulating the money be taken from the existent Extended Benefits Fund. Instead they made funding dependent on suspending the current budget with an "emergency declaration." This provided Bush with the excuse that to release funds would break the budget.

And finally they rewrote the bill stipulating that Bush could sign it without declaring an emergency. Originally Bush would have been forced to veto the bill to prevent the relief, and Congress could have voted to override the veto. Now, to override Bush, the Congress has to go through the entire procedure of writing and passing another law.

As Dan Rostenkowski, the Democratic Chairman of the House Ways and Means Committee, admitted "We gave the president every way out." (Congressional Quarterly, Aug. 3)

But then that's not too surprising. The Democrats are a party of the capitalists, just like the Republicans. While they continually make sweet-sounding promises to the workers, at every crucial turn they end up taking the side of the capitalists. The workers will have to look to themselves, to their own independent organization and struggle, if they hope to win any relief. ■

until SUNY administrators listened to their demands.

For years, the students have fought the racist school policies that have resulted in over two-thirds of minority

students flunking out. Hospital workers and clinic patients voiced their support for the students. SUNY administrators were forced to show up and begin negotiating with the students. ■

Clerical strike at CMU

365 clerical workers struck Central Michigan University (CMU) on August 21. They are fighting for higher wage rates, benefits for part-time workers, and job security for all. The strikers have set up picket lines on the campus in Mt. Pleasant, Michigan.

Various university and community groups have expressed support for the strikers. It has been reported that faculty members in many departments are contributing money to supplement the reduced income of their secretaries during the walkout. ■

White Rose truckers strike

200 White Rose strikers rallied outside the Bankers' Trust headquarters on Wall Street during the last week of July. Bankers' Trust has supported White Rose Foods in its attempts to break the strike of 400 truck drivers and warehousemen.

The strike began February 1. The workers rejected dozens of takeback demands from the new owner, takeover artist Arthur Goldberg. ■

The strikers are also up against their own union leaders. The local officials, who are part of the Teamsters for a Democratic Union (TDU), have bowed before a judge's injunction against picketing. Meanwhile, leaders of the New Jersey Council of Teamsters have ordered workers to cross the picket lines at a grocery warehouse that is owned by Goldberg and services the grocery chain. ■

New elections, old solutions in Mexico

The PRI (Institutional Revolutionary Party) swept the elections in Mexico in August. It snatched 290 of the 300 directly elected seats to the Chamber of Deputies, 31 of the 32 Senate contests, and five of six governor races.

This was billed as a vote on the policies of PRI President Salinas for free trade with the U.S. and on new election procedures that were supposed to bring democracy to Mexico. Salinas called the vote "a confirmation that people want the changes to continue."

But the election confirmed nothing. Once again the PRI put into motion a vast machine of voting fraud. And the working people are yet to speak on Salinas' policies of bringing austerity to the masses to enrich the Mexican capitalists and U.S. imperialism.

Voting fraud and bribery

The PRI has traditionally monopolized power through repression and thuggery, voting fraud and cheating, and a whole system of patronage, bribery and control of unions and other mass organizations. This year's elections show that nothing has changed in this.

Charges of fraud began to surface even before the voting began. New voter registration cards were sent out, but opposition officials claim that far too few were delivered to areas that had voted strongly against the PRI in the past. As well, bribes and positions were handed out to woo opposition politicians to the PRI side and to buy votes.

Once the elections were to begin, polls opened late or not at all. Ballots for governors' races were not delivered. Forms to tally results were missing, unusable or invalidated. Opposition officials charge that voters sympathetic to the PRI were allowed to vote without credentials. In some places vote counts were higher than the number of registered voters. And the legally mandated announcements of early election results were repeatedly postponed, recalling the "mysterious" breakdown of the computers in the 1988 presidential race. A spokesman for the PRD (Democratic Revolutionary Party) announced that his party could substantiate voting irregularities at more than 20,000 of the country's 88,226 polling places.

As the fraud became known, demonstrations broke out in a number of cities. Up to 20,000 people marched against the voting fraud in one city on August 20.

Fearing that this might turn into another political crisis for the government, the PRI rushed to conciliate some of the opposition. After the victory of the PRI candidate for the governor of Guanajuato was confirmed, he declined the post saying he wished "to maintain harmony and peace." A politician of PAN (the ultra-rightist National Action Party) was made temporary governor until new elections can be held. The elections in the port town of Guaymas in Sonora state were also set aside.

With these few concessions the PRI hopes to quiet the outrage. But all they have done is confirm the massive voting fraud that everyone suspected.

Decline of the PRD

Despite the voting fraud, one thing the elections did indicate was the decline of the Cuauhtemoc Cardenas party, the PRD.

In 1988, the PRD officially won 31% of the vote in the presidential elections. And most people believe that Cardenas, whose party was then called the FDN, would have beaten Salinas if it were not for the enormous voting fraud. This year, however, the PRD officially won only about 8% of the vote for the Chamber of Deputies and under 4% for the Senate. Its poor showing is due to a number

of factors.

The elections crisis

The 1988 elections create a major political crisis for the government. A wave of mass protests spread across the country against the voting fraud and for democracy. As well, a series of major strikes broke out against the privatization, layoffs, and pay cutting headed up by the Salinas government. Salinas answered the struggle by sending troops and police to savagely repress the masses.

Meanwhile, Salinas' program began to get the economy moving, at least temporarily. This is yet to benefit the working people — who have seen their pay slashed in half in the last decade. But it has brought on a boom in the stock markets, enriched big Mexican capitalists and U.S. multinationals, and created hope among sections of the urban petty bourgeoisie that they too may get a share in the new-found wealth.

Together the repression of the working masses and the beginnings of recovery have created a temporary ebb in the mass movements. This undoubtedly affected the PRD votes. More than this, it sent sections of the bourgeoisie and petty bourgeoisie scurrying back into the arms of the PRI, thus undermining important parts of PRD's bourgeois network.

PRD is no alternative

On top of this, the PRD was not able

Support Ford workers in Mexico

As negotiations continue on a Free Trade Agreement between the U.S., Canada and Mexico, workers already confront the U.S. monopolies in Mexico. Take a look at the recent union elections at the Cuautitlan Ford Plant near Mexico City.

A bloody strike

The Mexican workers are locked in a bitter struggle with Ford. Several years ago, Ford fired all 2,600 workers at the Cuautitlan plant. It then rehired them under a new contract, modeled after those in the northern *maquiladora* plants, including a 60% cut in salary down to 75 cents an hour, the loss of seniority guarantees, the elimination of relief workers, and other takebacks.

The CTM, the union confederation affiliated with the PRI ruling party in Mexico, refused to lift a finger. After all, Ford represented the "foreign investment" that the PRI claims Mexico so desperately needs to create jobs and a better life for the Mexican masses.

The rank-and-file workers had to get organized on their own. In January 1990, they launched a five-week strike by occupying the plant. The CTM bureaucrats opposed the strike and sent in a group of gun thugs to shoot up the plant, killing one worker and wounding another 40. But the strikers resisted. Then the PRI sent in riot police and forced the workers out. But the strike continued. Eventually Ford was forced to take the workers back — promising no reprisals, the withdrawal of armed security thugs from the plant, and union elections.

Elections at gun point

On June 3 this year, the elections were finally held. But they were elections at gunpoint.

Ford, the PRI government, and the union bureaucrats did everything to intimidate the workers into voting for the CTM. Ford reneged on its promise of no reprisals and several militant leaders have been fired since the strike. On election

to offer the masses any real alternative to the Salinas program. The PRD is a bourgeois party. And its vague nationalist and populist rhetoric has only gotten more hollow as the Mexican bourgeoisie has increasingly united behind policies of mass austerity, privatization, and further opening Mexico to foreign investments.

For example, the PRD has never been able to bring itself to call for the outright annulment of the \$100 billion Mexican debt to the imperialists. Although this debt is the source of much economic misery for Mexico and makes it prey to the imperialist demands for austerity cutbacks against the masses, abrogation of the debt implies a revolutionary struggle against imperialism which the PRD is definitely not interested in waging.

Indeed, the PRD has announced that it too is for "trade liberalization" with the U.S. Its main complaint against the current free trade talks is that they are being negotiated by Salinas. As Alejandro Sweet-Cordero, a PRD spokesman in California, put it, "the U.S. has no right to be discussing agreement with a party that is not legitimate and doesn't have support of a majority of people in Mexico: if the results of the last Mexican election had been honestly tabulated, Cardenas, not Salinas, would be president of Mexico."

Oh yes, the PRD does call for a "social charter" to be included in the free

day itself, about 2,000 police were put on guard at the plant. And then each worker was called forward in front of government, Ford, and CTM representatives to answer, "Do you want the Confederation (CTM) to represent you?"

Despite this outrageous intimidation, nearly half the workers — a total of 1,112 — voted against the CTM and for the rank-and-file alternative, the Revolutionary Workers Central.

Although the CTM won the vote, the union leaders went into a rage at the strong showing against it. They threatened to fire any worker who will not sign and fingerprint a document stating that their June 3 vote against the union was "due to confusion or a lack of reflection."

Still the workers are fighting back. In protest against CTM threats, workers have staged a hunger strike inside the plant. And plans are underway for further actions.

Solidarity is the answer

Whether Free Trade gives a temporary boost to capitalist economy or further depresses it, this is what the workers face — giant U.S. monopolies plundering them with the aid of the Mexican government and CTM leaders.

Obviously, we workers in the U.S. must support the Mexican workers. But our own union leaders are no help.

The United Auto Workers (UAW) hacks have never even sent a letter protesting the treatment of the Mexican Ford workers or supporting their struggle. Oh yes, they sent a letter to Ford, GM and Chrysler complaining about the Big Three push for quick approval of the free trade pact by Congress. And oh yes, they decry the auto monopolies' Mexican imports (while uniting with the auto monopolies every time they demand restrictions against Japanese imports). But support for the actual struggle of the Mexican workers — don't even think about it.

Meanwhile, New Directions — the loyal opposition within the UAW bureaucracy

trade pact. And that would supposedly insure that Mexican workers enjoy the same working conditions, collective bargaining rights, legal protections, health and safety regulations, etc. as U.S. and Canadian workers. But for these objectives to be achieved requires the organization of a fierce struggle by the Mexican working masses. And the PRD does not really want that. Indeed, the PRD helped undermine the mass struggles of the last few years by diverting the masses from the path of building an independent workers' movement into standard bourgeois electioneering for the PRD.

In the final analysis, the PRD simply wants to hold on to some of the old nationalist and populist rhetoric of the PRI, which Cardenas came out of. But the Mexican bourgeoisie is turning to a more barefaced capitalist model, tied to the coattails of U.S. imperialism. The PRD has had to water down its appeals and still has lost support from those sections of the bourgeoisie who in 1988 looked to it to keep the masses in check.

The hope of the working masses does not rest with PRD, but rather in mounting an independent movement, a movement of mass struggle against the Mexican capitalists and the imperialists. ■

— did invite one of the Cuautitlan strikers to speak at one of its conferences. But then it tried to outdo the chauvinism of the top UAW leaders by demanding that Mexican plants be shut down in order to preserve "American jobs."

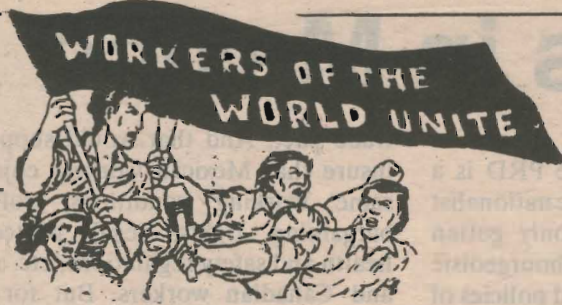
Such chauvinist protectionism won't save jobs any more than Free Trade will. It is just another route for drumming up competition of American workers against our class brothers and sisters in Mexico, Japan, Korea and other countries. And such competition ultimately means only a downward spiral in which workers from each country and each plant contest over which will take the lowest pay and worst conditions in order to keep their jobs.

The answer is neither free trade nor protectionism, but solidarity. We face the same monopolies, the same capitalist exploiters. We must unite to fight them. Every struggle of the Mexican workers deserves our support — for it is this alone that can resist Mexico being made a low-wage haven for the U.S. monopolies to run off to. At the same time, we must launch our own direct struggles to defend our jobs and livelihood from the capitalist takeback offensive here in the U.S. International solidarity against the capitalists, that must be our battle cry. ■

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The World in Struggle

Polish retirees denounce Walesa

The last week of August saw a mobilization of retired workers in Poland. And the pensioners are hopping mad.

After working for decades, they had figured they could look forward to a decent pension on retirement. But today Lech Walesa and the Solidarity regime are converting Poland to private-market capitalism with a vengeance, under a "shock treatment" transition plan designed by economists from Harvard. Prices on consumer goods have risen way

beyond what pensioners can afford. So does Walesa favor raising the pensioners' salaries so they can live in comfort in their old age? Not Walesa! He is too busy outfitting the presidential palace with luxuries, and arranging the economy for the greed of the new class of Polish millionaires.

At a rally in Warsaw the retired workers demanded a raise in their pensions. Walesa appeared at the rally but was booed off the stage by the retirees. ■

U.S. ally Turkey invades Kurdish 'safe haven'

On August 5 thousands of Turkish troops invaded the Western-organized "safe haven" in northern Iraq. They were looking to attack Kurdish guerrillas who oppose Turkey's oppression of Kurds.

Supported by aircraft and helicopters, Turkish troops penetrated 10 miles into Iraq. They stayed a week and killed scores of people. This included a number of noncombatants whose refugee camps were "mistaken" for guerrilla bases. The next week, Turkish forces carried out another slaughter at the Kurdish town of Diyarbakir, inside Turkey. Diyarbakir has been a center of organizing against the Turks' anti-Kurdish atrocities both in Turkey and in Iraq.

Bush's hypocrisy

When the Western allies pulled out of the Kurds' "safe haven" in July, they promised that the haven would be de-

fended against future Iraqi attacks by an international force permanently stationed in Turkey. But when the Turks attacked, there was no response from this "rapid-response force." So when Saddam Hussein attacks the Kurds, it's a crime against humanity; but when the Turkish government does the same — well, it's all in the name of "conserving the peace."

This hypocrisy shows the murderous game the Western imperialists are up to in Kurdistan. From the beginning, Bush and his allies never had any pro-people reasons for intervening in Kuwait and Iraq. Their only motive was imperialist greed, control of the oil reserves and suppressing the peoples of the region.

At the end of the Gulf war, the Kurdish people rose up in revolt against the tyranny of Saddam Hussein. This presented Bush with a quandary. On the one hand, he wanted to be rid of Hussein; on the other hand, he wanted the old power

passed to a pro-Western military dictator, rather than broken up in a rebellion. So he played a two-faced game with the Kurds — allowing Saddam to bomb them into submission, but also setting up the "safe haven" which would be a long-term thorn in Saddam's side.

Bush was guided in this policy by Turkey's pro-West President Ozal, who insisted that no encouragement be given to the Kurds' desire for freedom. Turkish

troops stopped Kurdish refugees from entering Turkey. This worsened the refugee crisis, with thousands of people facing death from starvation and exposure. Bush sent in enough aid to prevent mass starvation, and sent in troops to stay Saddam's army. But Bush's troops also played the role of helping defend Turkey's borders against the refugees. Now they stay on the sidelines while Turkey attacks its own Kurds. ■



Turkish "anti-terror" police thugs attacking a peaceful demonstration

Massacre doesn't stop Madagascar struggle

For months now, the people of Madagascar, the island nation off the south-eastern coast of Africa, have been in struggle demanding an end to tyranny. But President Didier Ratsiraka, whose regime has been backed by France and the U.S., has refused to leave.

The crisis escalated on August 10. Ratsiraka's palace guard opened fire on demonstrators, massacring scores. This

brutality shocked the people who have been trying to overthrow him. But it did not prevent the strikes and demonstrations from continuing.

Most businesses in the capital, Antananarivo, remain shut down. The president claims to have support from the rural areas. But in the face of mass upheaval, even some of his own military leaders are advising him to step aside. ■

Nicaraguan working people bled by 'free market'

The following report comes from our "Workers' Advocate" correspondent who has been a regular visitor to Nicaragua since the revolution, most recently this May/June.

Things have changed in Nicaragua. The Sandinista regime is out; the pro-U.S. regime of Violeta Chamorro is in. Dreams of working for a new and better society are cast aside; schemes for getting international credits and making money are all the rage.

The U.S. State Department and corporate media greet these changes as another triumph of the "free market." But there is nothing to celebrate for the workers and poor. After working its miraculous powers over the last year, U.S.-style "free market" capitalism has brought 50% unemployment, the lowest wages in Central America, and the collapse of health care, public education, transport and other social services.

"Free market" disaster

At first glance there has been a striking change from the years of the contra war and blockade. The shortages of the past are gone. The markets are filled with U.S. and other imported goods. Freezers in the groceries are piled with frozen chicken from the U.S.A. Bush-board ornaments and other trinkets are hawked at the stop lights.

But everything that glitters isn't gold. Scratch the surface and there is misery.

Industry is at a standstill. Ninety percent of the construction workers are unemployed. Businessmen continue to pull out their capital, preferring to invest in Miami and other more profitable spots. State subsidies have been cut back or eliminated. Without capital and pressed by imports, many textile, food processing and other plants have been shut down.

Wages are pitiful for those still employed. A worker at the Fanatec textile plant makes 45 cordobas (\$9 US) a week. A farm worker makes less. At the same time, Nicaragua's cordoba has been pegged to the U.S. dollar and prices for food and other needs are near U.S. prices.

Survival is hunted for in what's called the "marginal sector." Everyone is out hustling and scratching: peddling cigarettes or candies or birds caught in the forest, reselling car parts or soda bottles filled with motor oil.

Bankers' chokehold

Violeta Chamorro and her right-wing UNO coalition came into office promising that they could deliver big bucks from abroad. Their right-wing and corporate friends in the U.S. and Europe would send aid, renegotiate debt payments, and eagerly invest in Nicaragua's new "free market" economy. That was the promise. But the UNO government can't deliver.

The Bush administration is still putting on the squeeze. It has yet to disperse about half of the \$300 million in aid promised from last year. It is also using its leverage with the World Bank and the IMF to deny more credits from the international bankers.

Why the squeeze? After all, this is a government of the counterrevolution, a counterrevolution bought and paid for by Washington. However, imperialism isn't satisfied. It has a political agenda of dismantling the reforms created by the revolution, purging the Sandinista elements in the army, police, etc., and keeping afloat the ultra-reactionaries grouped around the big business group COSEP and around Vice President Virgilio Godoy (as well as flirting with the re-armed contras or "recontras").

Imperialism is also pushing changes in the economic structure. Privatization is the code word. But it does not signify the transfer of state enterprises to private hands as much as it means dismantling whole branches of the economy. The world bankers have decided, and the Nicaraguan capitalists have agreed, that the quick fix for Nicaragua's economy will come from traditional agricultural exports. Nicaragua will sell bananas, cotton, coffee, sugar, and beef as a fast source of profit. But this looks like a doomed plan from the get go, given that poor tropical countries across the planet are doing the same thing, pushing down

prices and adding to the world glut in sugar, cotton and other agriculture products.

Besides privatization, the World Bank has demanded deep cuts in social services, wage cuts, layoffs and currency devaluations. This is the same shock therapy that has been applied to much of Latin America. In Nicaragua it is being applied to an economy nearly bled to death by ten years of CIA-backed warfare and U.S. blockade.

To be continued in the next issue of "The Workers' Advocate". ■

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