

International VIEWPOINT

ISSUE No 106

13 October 1986

12FF; £0.80; 1.50 US dollars



Terrorism and the threat from the right
Ernest Mandel on the beginning recession
Philippine land war

INTERNATIONAL VIEWPOINT

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

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News closing date 6 October 1986

International Viewpoint is regularly indexed in the US Alternative Press Index.



Steady support needed

SO FAR, 1,700 US dollars in contributions have been sent directly to *International Viewpoint* for our special fund. Some contributions have also been sent to our bank account, but we do not yet know the total of those. We have also received a single large contribution of 2,000 US dollars earmarked for replacing our rather ancient typesetting system.

The contributions sent directly to us have come from 22 individuals and two groups, the Danish section of the Fourth International and the Fourth Internationalist Tendency in the United States. We have not yet thanked all the donors individually, but we will do so as soon as we can.

We have been especially encouraged by one supporter in the United States who has been sending us a monthly contribution for four months now. It is precisely this kind of steady support that is needed to stabilize a project like *IV* in the long run.

The problem is that about 90 per cent of these contributions came in over the summer. At the moment the fund drive is flagging, and we are still far from our goal of 4,500 US dollars by the end of the year. We hope that our supporters will think about us again as the tempo of political life speeds up in the autumn.

That does not mean that we are necessarily asking the same people to contribute again. Obviously we cannot keep appealing to the same people to give more. What we hope our supporters will do is to ask people they know or work with to back this project.

In some countries, Denmark being a salient example, there is a tradition of regular fund-raising for international projects among a broad layer of supporters. This is worthy of imitation.

As for our goal of 100 more subscriptions before the end of the year, we are already very close to meeting it. The problem is that many readers delay renewing their subscriptions and that obscures the overall trend. It would be a big help if our readers would renew promptly. In any case, our new subs goal was a very modest one, but we have to show that we can meet it before we can move on to more ambitious drives to put the magazine's circulation on a firm footing.

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IV, 2 rue Richard Lenoir, 93108 Montreuil, France. Published by Presse-Edition-Communication (PEC) — Administration: 2 rue Richard Lenoir, 93108 Montreuil, France. Directeur de publication: Christian Lamotte. Commission paritaire 64324. Imprime par Rotographie.

The diabolical logic of colonial interference

THE "SECURITY" offensive of the right-wing French government is continuing, with extensive police checks, arbitrary expulsions and threats of institutionalized police surveillance over massive sections of the population. The "security" psychosis whipped up in the wake of a wave of terrorist actions still dominates French political life, with all of the established parliamentary parties supporting the government's crackdown.

The rightist regime clearly has the wind in its sails. In its October 3 issue, the Paris daily *Liberation* referred to the present climate as "Chirac's Indian Summer." The dangers that this rightist offensive pose are far from limited to France. Statements by British Premier Margaret Thatcher's home minister indicate that the Tory regime hopes to utilize the terrorist scare in France to tighten political surveillance and limit freedom of movement throughout the EEC.

In its September 25 issue, *Rouge*, the paper of the French section of the Fourth International, published a special two page spread responding to the questions posed by the terrorist scare and the "security" offensive of the right, which we are publishing below.

CHRISTIAN PICQUET

Horror and revulsion are what you feel at the blind violence that has been striking Paris for some weeks. Whoever is responsible for these acts, it is impossible to claim that such monstrous deeds serve any progressive purpose, despite the references by the Committee for Solidarity with Arab Political Prisoners (CSPPA) to "humanism and the Paris Commune."

The experience of all liberation movements testifies to the fact that the emancipation of peoples has never been aided by striking blindly at passers-by in the most crowded places.

The bombers knew very well that they would not hit any representative of imperialism when they planted their devices in the Hotel de Ville post office, the cafeteria in La Defense [a Paris business district] or the Tati stores [cheap stores in central Paris].

So, they coldly murdered working people, both French and non-French. For that reason, they can only be considered murderers and low-lives.

But it is not enough to be angry. The only explanation for the terrorist attacks striking various capitals is the souring of the situation in the Middle East.

The Western powers are seeing the consequences of their policy. Since the start of the century, they have continually intervened in this vast geopolitical conglomeration in order to assure the interests of the banks, the trusts and the arms merchants.

Up until the last world war, most of the countries in this area were under the control of France and Great Britain. Since then, through the drawing of border lines, the exacerbation of religious or communal divisions, the creation of the state of Israel, the expulsion of the Palestinian people from their land and repeated military expeditions, Western powers are continuing to impose their will.

If France is becoming a special target of anonymous terrorists, it is because it is playing an active role in this minefield. Its financial and trading links with the Lebanese Maronite bourgeoisie remain very strong. Its arms industry sells 70 per cent of its products to Middle Eastern countries and France gets most of its energy supply from the region.

Given so many converging interests, it is not surprising that all French governments — of the right as well as the left — have been caught up in the diabolical logic of colonial

interference.

In 1978, under the cover of the temporary UN force, a task force landed in southern Lebanon to prevent Palestinian attacks on bases set up by Israel on Lebanese territory. Confronted with the failure of this operation, Paris upped the ante, sending 1,100 into the Multi-National Interposition Force.

The "interposition" was aimed above all at rescuing the Lebanese Christian right, which was then facing an insurrection by Shi'ite Muslims and Druzes, from collapse. It was, moreover, behind the shield of the American and French troops that the extreme rightist Christian militias massacred the inhabitants of the Sabra and Shatila Palestinian camps.

At the same time, by supplying Iraq with the most sophisticated weapons, our country has become one of the forces responsible for perpetuating the bloody conflict in the Gulf, which has already claimed a million lives.

Gradually but inexorably, our rulers have thus entered into war. It is a war at once against the Shi'ite population and the Palestinians in Lebanon, who face constant incursions by the Israeli army, and also against Iran and Syria, the two regional powers whose ambitions run directly counter to those of Paris.

Those in power here have, moreover, not hesitated to wage this war by the most abject means. In 1983, a Super-Etendard dropped 36 bombs on a Shi'ite militia training camp near Baalbek. At the same time, the DGSE [French secret service] tried to blow up a jeep filled with explosives in front of the Iranian diplomatic offices in West Beirut.

Then the DGSE tried, unsuccessfully, to assassinate the Syrian cultural attache in Madrid. Finally, it set off a car bomb in the middle of Damascus, killing about 60 people and wounding 35. When it comes to barbarism, the French "political class" is not in a position to give anybody any lectures.

"What ye sow, so shall ye reap." In Lebanon, the French UN force soldiers have been subjected to constant harassment, and seven French hostages have been held for many months. The people of Paris are paying for an unprecedented terrorist offensive.

The Western capitals have thus made a part of the planet into a real powder-keg. There seems to be no political solution to the breakdown that is going on. Arab nationalism quickly showed the limits of its anti-imperialist claims. Defeated militarily in 1982 in Beirut, the Palestinian resistance has continued to fragment.

In the region as a whole, the peoples have found themselves con-

fronted with greater poverty and the growth of murderous conflicts. It is the sort of thing to feed terrorism and the proliferation of suicide squads.

Such terrorism draws from two main sources. The first is the desperation of tens of thousands of young Palestinians. Robbed of their national rights and parked in camps in Lebanon or Jordan, subjected to Zionist repression in the occupied territories, having grown up under constant bombings, they have no recourse except a limitless hatred against all those who seem responsible for their plight. And this can include the Western peoples in an indiscriminate way.

"Pressure diplomacy"

The second source is Islamic fundamentalism. Encouraged by the fall of the Pahlevi monarchy and given impetus by the reawakening of the powerful Shi'ite community in Lebanon, it today focuses the aspirations of a notable section of the disinherited in the Middle East.

Such a situation no doubt favors all those who are fishing in troubled waters. In the context of the veiled war described above, terrorism is becoming a means of "pressure diplomacy" in the hands of certain regimes.

In that case, what significance does the language used by variously named networks have? Their initiatives

serve only as a cover for tests of strength among states. And they have logistical support from several secret services.

So, the present bombings in Paris cannot be understood apart from Syria's aim of imposing its hegemony over Lebanon in opposition to France and Tehran's determination to change the orientation of the Quai d'Orsay [the French Foreign Ministry].

As if to increase the confusion still more, the alliances of these networks vary, and it now seems probable that they make "contacts" among each other in accordance with which they agree to work for obscure paymasters. This makes all sorts of manipulations conceivable.

Who can say, for example, what relations the FARL, the CSPPA and the Partisans du droit et de la liberte [Fighters for Justice and Freedom] really maintain among themselves? Who could predict exactly the itinerary of the Abu Nidal group, which has enjoyed successively the protection of Iraq, Syria and Lebanon? Who knows what section of the Iranian state apparatus is concealed behind the Islamic Jihad? All this is very far from the interests of the peoples.

There are those who could not hope for a better windfall. The present climate enables them to cover the monstrous deeds of the CSPPA and the struggle of peoples for justice and freedom under a common opprobrium. Above all, it offers them a way to cover up the other terrorism that

the owners practice on a much vaster scale against the oppressed.

This does not simply mean the activity of some special services that I described in the case of Lebanon. To safeguard and maintain their power, the ruling classes systematically employ violence. Our own bourgeoisie showed in the Indochina and Algerian wars what it was capable of.

Violence of oppression and exploitation

Every day, Reagan demonstrates that he will not tolerate a people challenging his leadership. His mercenaries are harassing the Sandinista revolution in Nicaragua and his sophisticated bombers are always at the ready to pound Libya.

Even in the capitalist centers, in the heart of those states that are supposed to be the most democratic, the rich assure the submission of working people by means of coercion. The violence of exploitation, from which all significant social progress has to be wrenched by force, is echoed by the violence of the military and police apparatuses or by gangs organized and paid by the bosses to dissuade wage earners from overthrowing the system.

In this context, the exploited often have no other possibility to be heard and defend their rights than to use violence in their turn. Who can deny the right of peoples to rise up to bring down regimes that oppress them? Who would dare deny the Blacks of South Africa the right to fight arms in hand against the apartheid system or deny Chilean revolutionists the right to want to get rid of Pinochet as fast as possible?

Likewise, whatever we might think of the tactics and orientations of the PLO and the IRA, how could we fail to support resolutely the Palestinian fighters who are being denied even the right to a national existence or the Irish nationalists who oppose the partition of their country?

But all that clearly has nothing to do with the bloody terrorism in Paris.

"We are at war," Chirac said. And Lecanuet tried to top him: "The country has entered into resistance." This warlike rhetoric expresses perfectly the determination of the right in power to establish a climate of fear, and through that to get people to accept a situation close to a state of siege.

Police checks, appeals for informers, reestablishment of the visa requirement and use of the army to patrol the borders cannot stamp out terrorism. Repression always only attacks the manifestations of a problem and



Cleaning up after a bomb explodes in police offices in Paris, July 1986 (DR)

cannot deal with its underlying causes.

Elusive by its nature, the sort of action we are confronted with cannot but endure as long as the test of strength continues between Paris and the Middle Eastern movements.

A bomber can be identified of course, and even apprehended. But another will take his or her place, with the same logistic support. Moreover Pasqua [the French Minister of the Interior] and Pandraud [the Minister of Security] have just demonstrated their impotence in a spectacular way by plastering the walls of France with pictures of relatives of George Ibrahim Abdallah (the presumed leader of the FARL whose release is demanded by the CSPPA), when they were in Lebanon.

To justify their calls for manhunts and reestablishing the death penalty, some people argue that the United States, where police surveillance is very extensive, has escaped terrorist attacks. This is forgetting rather quickly that American offices around the world have been among the most frequently hit targets and that the powerful FBI has never managed, on US territory itself, to prevent terrorist attacks by Puerto Ricans, Armenians or Zionists.

If Europe is a special target of the Middle-Eastern networks, it is first of all because of its geographical position, a point where the emanations of most hotspots around the world converge, and because of the often precarious situation of its governing teams. All the ravings of the likes of Pasqua cannot change anything in this respect.

Fatal trap

However, and no mistake should be made about it, the concern of these gentlemen lies elsewhere. With emergency measures, security laws and anti-immigrant measures they have put together all the elements for challenging legal guarantees in this country. A not insignificant part of the population has been put under close surveillance. After the searches in Arab circles, the big press has now started looking for "European supporters" of terrorism. The presence of the army on the borders adds the final symbolic touch to the picture.

Everything is in place for an authoritarian regime that tomorrow would criminalize certain political, trade-union or humanitarian activities.

From Jospin [Socialist Party leader] to Marchais [Communist Party leader] to Lecanuet [leader of a liberal wing of the right] they have rushed to the Hotel Matignon [the



The Tati store in the rue de Rennes — 4 shoppers dead and 50 wounded (DR)

premier's office] to encourage the premier to show "firmness."

It is a fatal trap that the SP and CP leaders have just put their feet in. In this way, they are being drawn into endorsing the hypocritical outcries of a right that has never shown the slightest concern over the cowardly murders in the GAL [French gangsters recruited by the Spanish state to assassinate Basque nationalist refugees] and which has carefully avoided focusing public indignation on the conspirators of SOS-France, the group of racist killers and paranoiacs in the south of France.

History attests to the fact that a climate of "national unity" always favors the game of the worst enemies of labor. The recent events will not prove an exception to the rule.

The atmosphere of "national consensus" is offering the government an un hoped-for opportunity to divert attention away from its policy of increasing unemployment and chopping away social gains. Most of all, it is providing a cover for advancing its attacks against civil rights and for stepping up racial discrimination.

We should remember that not so long ago the "national unity" that set the context for the struggle against the members of the FLN [National Liberation Front of Algeria] made it possible to establish a curfew for all North Africans. It took 20 years for the iniquitous laws adopted in that period to be repealed.

Today again, in the name of the

need to wage ruthless war against terrorism, they are talking about a state of emergency and Article 16 [which grants special powers to the president to rule by decree in emergencies]. And the idea is being raised in more and more precise terms of counter-terrorism, or military reprisals against countries "suspected" of aiding the bombers. This indicates the diabolical intertwining of colonial adventures and flareups of terrorism.

That is why we will never add our voice to the chorus of the rulers and the politicians. We think that the only way to isolate the clandestine groups is through independent mobilization of the workers movement and of the democratic and anti-racist associations. Only such mobilizations can force them to end their lunatic escalation without favoring antiforeign amalgams and without drifting onto paths that could be fatal to liberty.

We are also convinced that there is no solution to the vicious circle of war and terrorist attacks unless French imperialism ends its wide-ranging intervention in the Middle East.

For this reason, we are demanding more energetically than ever the withdrawal of French troops from all countries where they are engaged, starting with Lebanon, as well as the ending of arms sales to countries in this region. It seems to us that only such a course can save the people of France from being the hostages of a war they never wanted. □

Bitter harvest for the sugar workers of Negros

THE ESSENTIALLY urban character of the "February revolution", which threw out the dictator Ferdinand Marcos and carried Corazon Aquino to power, should not make us forget that the archipelago of over 7,000 islands that make up the Philippines remains largely agricultural. (1) Forty-nine per cent of the economically active population are in the agricultural sector, and 70 per cent depend on this sector for a living.

Since the fall of Marcos, struggles still continue in the countryside, all the more because the power of the landowners and their relation to the state apparatus has not been broken. Relations of domination and exploitation of the mass of peasants and agricultural workers remain largely intact.

One of the mainstays of the Philippine agricultural economy is sugar, which for 30 years had a guaranteed outlet by virtue of the Laurel-Langley Treaty. This treaty was signed in 1946 at the same time as the United States granted political independence to the Philippines, after 50 years of colonization. But it expired in 1974, and since then on the world market the Philippines' sugar economy has had to face competition from other sugar-producing countries and from synthetic sugar substitutes.

This has had drastic consequences for the island of Negros, a principal centre for sugar production since the nineteenth century. But Negros also has a long tradition of mass struggles, going back to the uprisings against Spanish colonizers at the end of the nineteenth century, which is being carried on today by the agricultural workers' unions.

PAUL PETITJEAN and SONIA RUPON

The funeral procession stretched out, leaving the tarmac road for dirt tracks. It was August 13, 1986. The sugar cane, ever present in the plain, overran the foothills into which we were walking. Cane is the queen in this kingdom of sugar. It grows everywhere, covering the island of Negros in a lush, green cloak. But for the plantation workers, it is the off-season. They have no work to do and their children go hungry.

Sugar! It was the wealth of the Philippines — at least for the arrogant elite of *mestizo* planters, the merchants, politicians and foreign companies. (2) It never enriched those who worked the land, who planted, cut and gathered the cane, crushed the stalks and refined the juice. But today, a crisis has hit the sugar industry. Having failed to envisage any other

future than one of permanent super-exploitation of their workers, the planters were taken by surprise by the collapse of sugar prices in the world market, by the progressive closing of American borders to imports and the intensification of international competition.

Although they had no control over any of this, the sugar workers were clearly the first to be hit by the crisis. Food shortages are taking their toll. In the off-season, children begin to die from malnutrition. In the plantation we are visiting tomorrow, the Santo Rosario de Murcia *hacienda*, two children have died from hunger recently. In the neighbouring Abo Abo *hacienda*, twelve have died. The person whose coffin we were following died because he wanted his children to live.

Anecito Emalav, 28, married and the father of three children, was killed ten days ago, on August 3. He was taking the bus home when four hired gunmen attacked him at point blank range. You can see the powder burns on the right side of his face. Anecito belonged to the sugar workers' union, the National Federation of Sugar Workers — Food and General Trade (NFSW-FGT). He had been active for around a year, after being wounded during the Escalante massacre, when 21 demonstrators — including 18 sugar workers — were shot down by the "forces of law and order".

Anecito also helped organize a 17-day long strike at the DDCH *hacienda*, whose owner, Rodolfo Lizares, is one of the principal shareholders of the Danao refinery. This refinery is where the murderers took refuge on August 3, after perpetrating their crime.

In August it was already seven months since ex-President Marcos had been driven out of the country and Cory Aquino became president. But certain large plantation owners in Negros kept their guns. The police, army and para-military forces have not been purged, and terrorism against the poor has begun again. Anecito is not the first to die in the north of the island since the "February revolution".

Uldarico Antojado, a worker on the Gutierrez plantation in the Toboso district, a trade unionist and a lay activist in the church, was kidnapped and his body found in a makeshift grave on May 23.

As for Morito Pastidio, from the San Jose *hacienda*, who was also an active trade unionist, he too was kidnapped by armed men and left to die, riddled with bullets, in a cane field on July 11.

The NFSW-FGT made this accusation: "The union believes that there is a coordinated effort on the part of some despotic miller-planters to go after active unionists who demand just wages and/or farm lots Their strong anti-worker and anti-people stand must be exposed and condemned by everyone who agrees with the present thrusts of the Aquino government in restoring freedom, democracy and justice, not only for a few, but for the great majority of people.

"No blood debts will go unpaid. Today the workers suffer. But even today, hundreds of thousands choose to risk their lives so that the voice of the working class may be heard. It is a voice that speaks of hunger,

1. See "Growing guerrilla movement fuelled by peasant desperation", by Paul Petitjean, 'International Viewpoint' No. 49, March 26, 1984.

2. "Mestizo" is a Spanish term for people of part-Indian, part-European descent.

poverty, repression under centuries of exploitation and oppression by a few." (3)

This appeal from the sugar workers' federation was heeded. Many of Anecito's fellow workers followed his coffin along the road that links Escalante, where he was attacked, and Toboso, where he lived. Others joined them for the religious service, and for a protest meeting organized by the union at his burial.

August 13 is an anniversary for the workers' movement. Four years earlier, the Marcos regime was sharply attacking the unions, throwing their national leaders into prison for months or years. Felixberto Olalia was among them. A central leader of the KMU, Felixberto died shortly after being released early due to poor health. (4) Today in Manila and elsewhere, thousands of other workers are demonstrating to commemorate the struggle waged under the dictatorship, and to affirm the need to continue to fight for workers' rights.

Negros, the ruined sugar kingdom, offers a sharp image of contrasts after Marcos. The previous mayor of Escalante was involved up to his neck in the massacre of September 20, 1985. The new mayor of the town sent soldiers to head up the funeral procession that we were following. But it was to protect the march, not to intimidate it.

Negros still a militarized zone

Some progressive elements, sometimes linked to the militant Bayan coalition, have in fact been appointed to administrative posts since the "February revolution", to replace Marcos's men. (5) The new "democratic space" that opened up made itself felt. Nita Cherniguin, president of the international solidarity commission of the NFSW-FGT, told us that here 46 political prisoners had been freed since February, which meant nearly all of them. But the armed forces are continuing their outrages: Negros remains a militarized zone.

The mass organizations insistently demand that army units known for their repression of the people be withdrawn, and that those in command be tried. Rex Arnaldo, president of Bayan-Negros, has called for the dismantling of the Civilian Home Defence Forces (CHDF), paramilitary groups which are particularly detested. He noted that it was not sufficient just to change their name, as some people proposed, in order to transform their character.

The regional leadership of the National Democratic Front (NDF),



Demonstration of sugar cane workers (DR)

which is clandestine and engaged in cease-fire talks with the government, has launched an appeal to civilian leaders asking them to publicly denounce the army's abuses.

But many of the new officers in charge (administrators chosen by the president) will not interfere in "military affairs". For the governor of Negros' western province, Daniel Lacson, it is not in his area of jurisdiction. He says he can play no other role than that of "facilitator".

Pressed on the subject, Lacson concluded by declaring to Father Gordoncillo, director of Social Action: "Do you want a dead governor?" (6)

On Negros, as in the rest of the country, the possibilities of a cease-fire between government forces and the NDF, and between the army and the New People's Army (NPA), are being explored. (7) For the moment prospects here are gloomy.

The regional rebel leaders have made known what they think of the chances in their own way. It is in the southern part of the country that the NPA has experienced its most spectacular growth. After a lull in the fighting following the "February revolution", the army relaunched counter-insurgency operations in May. The zone known as CHICKS was to become the theatre of these operations, which led to the deaths of two civilian victims (both young peasants), the wounding of two more and the burning of eight houses. (8)

The NPA denounced this breaking of the truce, and by way of retaliation attacked a Bravo Coy detachment on June 20, killing two soldiers. An account of the attack will be given to the media by the NPA.

The army reacted violently, moving unprecedented forces into the region: cannons, mortars, transports and helicopters. The fighting lasted two weeks, with a fifth of houses being destroyed

in the combat zone, one peasant killed, a number of others wounded and more than 3,000 people taking refuge in neighbouring towns.

The bishop of Bacolod, the capital of western Negros, talked directly with the NDF in June with a view to future negotiations. Faced with the sabotage of any prospects of talks, Monseigneur Fortich could not hide his exasperation. He told the press: "I am pro-Cory but I protest this militarization strongly." (9)

This was not the first bitter experience for Bishop Fortich. In 1978 he organized a meeting between some unionized workers and some planters in order to try to resolve a big conflict over land occupation. But this did not prevent the army from arresting the workers under his nose, after they had been assured of his protection! Moreover, his episcopal residence was burnt to the ground by hired thugs in the wake of the Escalante massacre. The bishop had, in fact, violently protested against the slaughter of June 20, 1985. Only the blackened ruin of his residence still stands beside Bacolod Cathedral.

Monseigneur Fortich is even more worried about the development of

3. Press release, "NFSW-FGT condemns atrocities against workers in the north", Serge B Cherniguin, general secretary, August 7, 1986, Bacolod City.

4. KMU: Kulusang Mayo Uno - the May 1 Movement, main class-struggle union federation, established in 1980.

5. Bayan: Bagong Alyansang Makabayan - New Patriotic Alliance.

6. 'Inquirer's Eye', July 18-31, 1986, p.7, Bacolod City.

7. NPA: guerrilla force set up by the Communist Party of the Philippines (CPP) in 1969.

8. "CHICKS" refers to a zone in western Negros comprising the towns of Candani, Hinobaan, Ilog, Cauayan, Kabankalan and Sitalay: the initials of these towns form the acronym.

9. 'Inquirer's Eye', op. cit.

the situation because he knows very well that it is explosive. He has said that the isle of Negros is a "social volcano" which could erupt at any moment. The island has been completely devoted to sugar cane since the nineteenth century, so now, at a time when production is dropping dramatically, there have been no provisions for any alternative to replace it.

The sugar industry in 1980 employed 500,000 people. Three million inhabitants of the archipelago are more or less directly dependent on this industry. Cane is grown in Central Luzon, South Tagalog, Negros and on other islands of the Visayas. But the bulk of the industry is on Negros: 60 per cent of the 450,000 hectares are planted with cane (five per cent of the total cultivated land of the country).

There are 33,000 farms, and 31,000 planters. But one should not be fooled by these figures. Fifty-three per cent of the planters own holdings of less than five hectares, therefore they occupy only nine per cent of the land. In contrast, seven per cent of planters have 50 hectares or more, and occupy almost half of the cultivated land.

In 1980, agricultural workers represented 70 per cent of the labour force; peasants renting their land 20 per cent; and industrial workers (in the refineries) 10 per cent. (There is also a small percentage of small owner-producers and of farm-leasing). The plantations and refineries are concentrated on Negros island. It is the only island totally dependent on sugar, and so this is where the crisis is hitting hardest.

An NFSW-FGT activist explained the scope of the crisis to us: "It really began in 1984. In the 1984-85 season, 224,000 hectares of sugar cane were planted. Only 135,734 hectares were harvested. There's no money and no money coming in from sales. In 1985, 152,095 hectares were planted, but two-thirds were planted with old plants whose profitability dropped rapidly. Next year there should be big investments to replace them.

"There is no capital. The banks are refusing to make new loans and many planters are having to mortgage themselves to the hilt to carry on. The future is grim. The American market is closing up. The Philippine quota is continually decreasing. For 1985 it was still 324,000 tons. In 1986 it fell to 231,000 tons. Washington wants to fix it at 180,000 tons for next year, and if nothing changes the American plans, our quota will be down to zero in 1990.

"As for world prices, they have fallen catastrophically. A pound of sugar was 28.66 US cents in 1980;

today it is worth 4 cents. But the cost of production here is more than 10 cents! This explains the fall in production: from 20 million *piculs* on Negros in 1981, we were down to 15 million in 1985. (10) You have to understand what that means for workers in the industry. Everything goes together. The cultivated area is decreasing rapidly, the days worked per year as well. The refineries are shutting down for good, and the plantations are starting to be mechanized. A plantation that has been fully mechanized reduces its workforce by 90 per cent! A whole layer of the population is under threat."

The figures that Nita Cherniguin gave us speak for themselves. The official minimum wage is 32 pesos per day for the sugar plantation workers (22.5 pesos basic wage, and 9.5 emergency cost-of-living allowance), while it is 44 pesos on other types of plantations. (20 pesos equals approximately 1 US dollar). The wage of industrial workers in the refineries is officially fixed at 42 pesos per day.

Starvation wages

These are truly starvation wages, even taking account of Philippine prices. And yet less than 20 per cent of the planters pay the official minimum wage. A lot of them have resorted to a piece-work system. They pay, for example, 14 pesos per ton of cane cut and loaded onto lorries. This is exhausting work. A good worker can process 1.5 tons in a day (from sunrise to sunset), thereby earning barely 20 pesos — 1 US dollar! Frequently wages for a day's work are 10 pesos or less. Already deeply in debt, workers will put whole families to work to earn a little more: "Often children will leave school to work when they are nine years-old."

That is not even the whole story. Wages are only paid for days worked. Because of the off-season, when the soil is prepared and the cane is planted, agricultural workers would normally have work for 180 days per year. With reduced production, labour rotation and mechanization, this in reality often falls to 120 days per year. "During six or six and a half months, workers find themselves without work and therefore without any regular income — however low."

A family on the Santo Rosario hacienda confirmed these figures. "During the six months of the off-season, we try to find odd jobs, such as cutting trees for charcoal-burning, then selling the charcoal in the market. But money from this does not go very

far. The main problem continues to be food. We plant bananas and potatoes and so on — we can't get much else to eat. There is no money for clothes for the children, but the teachers refuse to let them into the class if they are not dressed properly. They are afraid that they are dirty and will contaminate the others. There is no longer any money to repair the house, buy medicines or take the kids to hospital when they are ill."

During our stay in Negros, children were around us all the time. They are the first victims. According to a recent study, 66 per cent of children in western Negros are undernourished. Nearly half of them suffer from second or third degree malnutrition. Emergency centres have been set up in Bacolod and elsewhere, but parents can only take their children to them regularly if they live very close. As for education, less than 10 per cent of children finish their secondary studies through lack of money and decent clothes.

"This is poverty. We have put our hopes in cultivating plots of land that we have got from the planter. But even then, to develop them we need money for fertilizer, for pesticides . . . We don't have time to wait. We need money every day. Getting money every day is even more important than the land."

The demand for farm lots has long been a part of the programme of the union. The demand was that land be allocated to plantation workers so that they could supplement their diet and their income, by selling surplus produce in the market. But with the structural crisis besetting the sugar industry, the struggle to win the right to cultivate the land for subsistence purposes has taken on an unprecedented scope. Today it is at the centre of the union's concerns and activity.

"We know very well that the planters have big financial difficulties. They no longer have the means to invest, and the interest on bank loans often amounts to 40 or 45 per cent a year. In this situation, how can workers get what would only be the equivalent of the official minimum wage? But the condition for workers' families are truly desperate. Our demands are totally reasonable: that the planters allocate 10 per cent of their land to their workers so that they can produce food to survive. This is in a context where at least 30 per cent of sugar cane land remains fallow."

This demand seems to be unanimously supported. From the NFSW-

10. A "picul" is a unit of measurement, varying slightly from region to region, which is equivalent to approximately 60 kilos.

FGT, to Monseigneur Fortich and the NPA, all demand that 10 per cent of land be allocated to the agricultural workers. There is a lot of international support for this, and some initial results have been obtained. Even so, the fight remains difficult.

The sugar workers have been super-exploited for many generations: debts pass from father to son, chaining the families to the plantations. What is more, the workers have also been super-oppressed. "A culture of submissiveness has been built here, perhaps more than anywhere else in the Philippines." It has not been uncommon for workers to ask the planter for permission to marry, or ask him to resolve their family conflicts — even to ask him to choose names for their children!

"It has been a long struggle to organize plantation workers in the face of the repression. Since 1971, when our union was formed, 16 of our organizers have been killed, not counting ordinary members who have disappeared. It is also hard to organize against this submissive culture. Some planters have accused us of being agitators. We have only sought to restore some identity and dignity to men and women who have been deprived of them, to help them discover the meaning of their rights.

"Some planters are furious. They try to get back at the trade unionists in a thousand ways — refusing to advance money for medical needs, refusing to repair houses damaged in typhoons, discrimination in distributing work and so on. They go as far as cutting rice subsidies during the off-season, even though they are vital. And they even lockout workers. But the feeling of regained human dignity is a force to be reckoned with. The workers continue to fight, and the union is extending its implantation. The NFSW now has 85,000 members, of which 55,000 are in western Negros. We now cover Iloilo, Leyte, eastern Negros and soon Cebu," Nita explained to us.

Perhaps 30 per cent of planters, mostly small- and medium-sized producers, have agreed to allocate some land to their workers for an initial period of one year. The NFSW-FGT also won the right to temporarily distribute 4,000 hectares of land. Still it is too little, and making this land workable poses many problems. In mid-August, only 1,000 hectares were effectively being worked, but the cultivated area is spreading rapidly.

Money is needed to begin production. The agricultural workers do not have it. The union has set up a revolving fund, from which sums are available at a very low rate. Once a successful harvest allows it to be repaid the money is then advanced

to other villages in need. Some religious and lay agencies help to make up this fund, such as the Catholic Committee against Hunger and for Development (CCFD) in France, and the Freres des Hommes. It is to be hoped that international aid can be broadened, and that people will work actively to achieve that.

The NFSW-FGT is also researching environmentally safe cultivation techniques which would allow a considerable reduction in the costs of commercial fertilizers and pesticides. Such methods include using seeds more suited to the conditions, producing natural green fertilizers (with nitrogen as in Vietnam), pesticides from plants, and so on.

Revival of subsistence agriculture

This orientation corresponds elsewhere in the Philippines to a much more widespread preoccupation. Capitalist agriculture seems out of reach to an ever growing number of peasants who can no longer face its escalating costs. In certain areas, such as the island of Mindanao, some are tempted to withdraw from the market and revive subsistence agriculture.

Diverse experiments are being tried in many regions. The NFSW-FGT has come up against a very particular problem on Negros. It has to rebuild a whole peasant agriculture (from rice cultivation to animal rearing) on land tilled for sugar cane and with a population which has over some generations lost peasant skills. It is an impossible task, but it is hard to envisage another solution for this disaster-stricken island.

The NFSW-FGT is not confining itself to relaunching rice cultivation or establishing more ecological methods of farming. Other forms of subsistence are being propagated: maize, sweet potatoes, vegetables and also various forms of animal husbandry, such as raising pigs, calves, fresh-water fish and even snails. At all costs, they must find sources of protein. Milk production from water buffaloes, which are the main beasts of burden in the archipelago, and from goats — vital for the children — is also encouraged. Milk has, in fact, become a luxury on Negros.

Seminars are being organized to transmit the necessary knowledge and to discuss the outcome of initial experiences. The first harvests have often been mediocre. They must be improved. And the areas for action have to be broadened: building more health centres, producing more medicines for local use, such as vitamins, and cough medicines, building up a

new cottage production of items such as paper and soap.

It is necessary to rebuild a viable and durable economy. "This is one of the reasons why we lent out money, instead of simply asking the international agencies to give it," Archie explained. "Interest rates are only 10 per cent a year and the repayments are only made if the harvest permits it. But workers must learn to take account of real costs. If not, they will never become self-sufficient.

"The land obtained is little, too little to be distributed individually. Members of the NFSW-FGT are induced to come together to work the land — and to get involved in other activities — collectively. The dynamic? The creation of cooperatives. That is important as well."

To become self-sufficient! A dream for those who have always depended on the whims of the planter. A dream that some planters understand, conscious of the gravity of the situation. There will be many who will, in desperation, rejoin the armed struggle if this fight for survival fails. "It is land or bullets. Rice or M16s". (11)

But a number of planters, among them the strongest, are beginning a new war against the poor. They are still hoping for a military victory over the insurrection. They have not learned from history. They have the pride of an old elite whose fortune and status are linked indissolubly to sugar, to the plantations. They have the arrogance of the *nouveaux riches* hanging on to the benefits of power inherited from the Marcos era. They will not relinquish any of their land, even temporarily, afraid of even losing one scrap of it. They are waiting for a miracle to re-establish their industry — and for this they are pinning their hopes on the White House, their modern Mecca, which they expect to allocate them new quotas, guarantee them new profits.

Above all, the planters do not want to acknowledge their workers as human beings who can regain their dignity. A short time before our visit to Negros, hired thugs stole the fruits of the tillage of the new worker-peasants on their farm lots. They stole the first harvest! They stole hope. Behind these hired thugs are the planters, the regional military command and the shadow of Juan Ponce Enrile. Enrile is the defence minister, the foreman of the martial law regime, and today a daily advocate of a "military solution" against communism.

"Cory Aquino is firing up big hopes here. But who can believe that about Enrile?" sighed Nita. □

11. M16s are American rifles which are also used by the guerrillas.

"People are going hungry"

THE MAY 1 Movement (Kilusang Mayo Uno, KМУ) is the principal "class struggle" trade-union federation of the Philippines. (1) At the time of its inception in 1980 it counted 50,000 supporters. In 1985, it was claiming 500,000 and in 1986 the number is estimated at more than 600,000 (this later figure is cited by *Far Eastern Economic Review*, August 28, 1986). The National Federation of Sugar Workers — Food and General Trades (NFSW-FGT), of which the island of Negros is one of the bastions, is affiliated to the KМУ.

Below, we are publishing substantial extracts from an interview given to Russell Johnson by Bob Ortaliz, who is both president of the NFSW-FGT and general secretary of the KМУ. The interview first appeared in the weekly paper *Militant*, published in New York by the Socialist Workers Party, an organization in solidarity with the Fourth International.

Question. How is the labor movement responding to the opening provided by the ousting of Marcos?

Answer. As a result of the new situation the progressive bloc of the labor movement is now uniting into one big center called the Labor Advisory and Consultative Council (LACC). As agreed upon between this group and the minister of labor, the group will be the consultative body for major labor issues. So we are now establishing the basis for unity of the participants of LACC.

Q. What unions does that incorporate?

A. In the LACC are the KМУ, the Federation of Free Workers, World Federation of Trade Unions affiliates, and independent unions.

Q. Except for the Trade Union Congress of the Philippines?

A. At the first meeting the TUCP was there, but eventually it distanced itself from the LACC because its secretary-general, Herrera, said that the TUCP and the KМУ could never unite for ideological reasons. (2) So as of now it is outside the LACC, but still we are trying to draw it into some sort of unity, even if it is just establishing the basis for cooperation in the labor movement.

We have had several meetings with the government already, and even during the first tripartite meeting

called by the government between labor, employers and government, it was LACC that participated.

We are envisaging eventually making the LACC a trade union center because we think that the trends going on now — the Manila Hotel fiasco and the ongoing destabilization done by the [Marcos] loyalists and the militarists — have made the political situation so volatile that a coup d'etat is possible. (3)

Because of this we want unity in the labor movement, so that it, as a sector, will help to protect the democratic gains we have won since the so-called people's uprising.

Q. To turn to the situation of the sugar workers in Negros. The press has been reporting renewed military operations on Negros island. What is the situation there?

A. Actually the militarization is not only in the south as reported by the press. Recently, in central Negros very near the city of Bacolod, people were harassed because the sugar planters had asked for military protection.

In response to this military campaign, peasants went to Bacolod and had a campaign in the provincial capital. They requested the governor to take the military out of the area. This camp-in is still going on.

Q. What progress has been made in the NFSW's campaign for the

distribution of farm lots to help feed under-employed sugar workers?

A. There has been so much infusion of economic help — foreign and local — for Negros in particular that the tendency of the government has been to cooperate with the NFSW on this project. Even one of the ministers of the Canadian government came to see us.

However, the acquisition of land for the cooperative farm lots of the sugar workers is still meeting difficulties. While we are recommending giving the workers sequestered and even foreclosed lands free, this seems to be disputed by the planters' groups and even the government.

The opening of the sugar milling season, if there will be one this year, is still November.

So while there is this debate on how these cooperative farm lots will be undertaken, people are going hungry.

Q. Have there been any recent attacks on NFSW organizers?

A. Yes. In fact the recent repression was in response to the NFSW filing cases about the salvaging in Kabankalan last January. (4) The witnesses of the salvaging, torture, and killing of the three organizers are now hiding in fear because they have been harassed. In fact, the major witness was shot down next to the NFSW office in Bacolod by the police involved in the salvaging. Fortunately he was not killed. □

1. See interview with Rolando Olalia, president of the KМУ, in 'International Viewpoint' No. 68, January 28, 1985.

2. The Trade Union Congress of the Philippines (TUCP) was organized by the Marcos regime in 1975, under martial law. In 1985 it claimed 1,200,000 members. A member of the International Confederation of Free Trade Unions — like the AFL-CIO in the United States — the TUCP has been compromised by its collaboration with the regime over a decade.

3. On July 6, 1986, in the course of a gathering of Marcos loyalists, Arturo Tolentino, Marcos' vice-presidential candidate in the 1986 elections, proclaimed himself "interim" president while awaiting the return of the dictator. Supporters of Marcos and Tolentino still claim, in fact, that they won the elections, in spite of evidence of massive fraud.

Backed by a certain number of officers in the Philippine army (including four generals) and several hundred soldiers, Tolentino began to announce the names of his "government". This "oppreretta" coup d'etat only lasted 40 hours. In the absence of Cory Aquino who was visiting the provinces, Juan Ponce Enrile — minister of defence — secured the surrender of the rebels without bloodshed. But what was remarked above all by the Philippine left was the indulgence accorded to Tolentino and his supporters and the complicity which they enjoyed among the armed forces. In this context the ambiguous role of Enrile himself was underlined.

4. Originating from American army slang, and adopted by Philippine soldiers, the term "salvaging" is used to mean "to disappear". It refers to the "disappearance" of trade union or left-wing activists who are kidnapped by the forces of order and whose bodies are found later, often carrying marks of torture.

Duarte loses ground while workers' movement strengthens

AFTER TWO YEARS in the presidency, the balance sheet that Christian Democrat Jose Napoleon Duarte can offer to his debtors in the Reagan administration could be summed up in the following formula: "I have lost control of the streets without regaining control in the mountains."

In spite of the repression, the capacity for action of the workers, peasants and students has been distinctly strengthened, as has the level of organization of the mass movement and the degree of unity of these forces.

The year of 1985 ended with a total of 116 strikes in the public sector and 56 in the private sector, in which 636,158 workers took part.

ARNOLD BERTHU

The population of El Salvador is around five million, including an overwhelming majority of peasants, 200,000 factory workers and 160,000 workers in the public sector. The National Union of Salvadorean Workers (UNTS) now organizes around 400,000 people. (1) The UNTS has the capacity to call mass demonstrations — more than 50,000 in February and around 100,000 on May Day — and to call general strikes, such as the four-hour strike on April 24 this year which involved 350,000 workers in the capital, San Salvador.

The student movement has also been reactivated, and has regained control of the national university — a stronghold of revolutionary organizations before 1981 — which again resembles the Mexican or European campuses of the late 1960s. The student movement organized a demonstration of over 2,000 people on July 30 this summer.

What immediately strikes a foreign observer is that the walls in San Salvador, empty of slogans during 1984 and 1985, are today covered again — even the ramparts around the American embassy. Everywhere you can read "Duarte plus Reagan equals war", "Support the FMLN", "Long live free Nicaragua" and so on. Elsewhere, the student movement and many trade-union organizations have re-established public headquarters.

Both the People's Democratic Union (UPD) and the Confederation of Salvadorean Workers (CTS) have

broken with President Duarte. This, together with the formation of the UNTS, is a major element in the re-composition of the workers' movement. The UNTS came together from a number of organizations, including the May 1 Committee, and includes 75 class-struggle unions and the leading groups in opposition to the regime.

Reward for supporting Duarte

The UPD claimed 100,000 members in 1984, and organizes mainly peasants and workers, and played an important role in ensuring the electoral victory of Duarte in 1984. Today, the leaders of the UPD say that at the time they received between 60-80,000 US dollars as a reward for mobilizing their supporters for Duarte. They were also promised governmental posts and places in the administration.

The CTS is organized most strongly among state employees. For example, 35 per cent of workers in the Ministry of Agriculture are organized in this union. Like the UPD, they signed an agreement to give electoral support to Duarte, who did not honour his promises of social reform. Both the UPD and the CTS have drawn the conclusions of this experience.

The response of Duarte and of the

Reagan administration's advisors to this transformation of the trade-union movement has been to create new, competing organizations.

Thus March 6 this year saw the founding of the National Workers and Peasants Union (UNOC). It was joined by the Confederation of Democratic Workers (CTD), which was founded in 1985. These two organizations are financed by the American Institute for Free Labor Development (AIFLD), active in the whole of Central America and unquestionably controlled by the CIA.

In the past, Duarte had already pushed the creation of parallel unions to the main organizations of the May 1 Committee in the teaching, telephone, electricity and postal sectors, but without real success. It does not appear that UNOC and the CTD will be able to re-gain a significant influence among these workers in spite of their using tactics such as threats, corruption and sackings, and in spite of the enormous sums of money funneled to them.

The UNTS, on the other hand, has managed to broaden itself beyond its initial composition by incorporating the Confederation of Cooperatives of El Salvador (COACES), many of whose leaders are members of the UPD. The cooperatives organization includes 130,000 peasants — 650,000 people in total including members of their families.

The broadening of the front of the organizations regrouped in the May 1 Committee to include organizations like the UPD and the CTS has done nothing to diminish the radical character of the positions it has defended. The UNTS published an important document in June 1986 called "The UNTS and the need for peace and national reconstruction". This document outlines a balance sheet of social and political struggles since the 1970s.

In the face of governmental accusations which put the blame for the military conflict between the armed forces and the Farabundo Marti National Liberation Front (FMLN) on foreign interference from Nicaragua, Cuba and the USSR, the UNTS declares that: "The real causes at the root of the conflict are the unequal distribution of wealth, repression against the masses, driving the masses into the 'informal' economy, unemployment and so on."

Against American intervention, the UNTS says: "It is not the Salvadorean government who decides our destiny, but the United States . . . Since 1980 the US government has played

1. See "Trade unions unite", *International Viewpoint* No. 97, April 21, 1986, page 26.



Rally of Salvadorean workers (DR)

a determining role in maintaining and aggravating the conflict. It is being continued thanks to military aid from this government, of which the only beneficiaries are the big US arms manufacturers. They get a market out of destroying children, women and, finally, our society. In fact, this 'aid' . . . manifests itself in the submission of our country, which functions as an American colony."

In the same document, the UNTS makes a detailed and unrelenting examination of Duarte's politics: "Two years of the Christian Democrat government equals hunger, war and misery." It goes on to denounce the bombing of civilians, anti-trade union laws, arbitrary imprisonment (estimated at 500 people), the use of torture by the government's forces, the austerity politics, the undermining of mass organizations by AIFLD and so on.

The UNTS also makes a balance sheet of the agrarian reform. It was initiated in 1980 in order to defuse the mass uprisings at that time. To win the presidential elections in March 1984, Duarte promised to reactivate and deepen this agrarian reform by helping the already established agricultural cooperatives and by distributing to the peasants any land from properties that exceeded 245 hectares before December 1986 (this was written into the constitution!)

The UNTS has been exposing the fact that Duarte and the landed oligarchy behind him never had any intention of making good these promises.

A series of economic measures were also put forward by the UNTS. These included withdrawal of all the austerity measures taken by

Duarte in January 1986; deepening the agrarian reform and involving all the peasants in it; cancelling debt repayments for the cooperatives; and, on the industrial plane, reopening firms that have been closed and creating new enterprises managed and administered by the workers.

Decent wages and social benefits demanded

In the social sphere, the UNTS demanded a general increase of wages proportionate to the rate of inflation, the creation of jobs and the development and building of health centres, schools, cheap housing and so on.

The UNTS also takes a position concerning a solution to the military conflict in making the following observation: "The conflict which occupies us today has divided Salvadoran society in two . . . Thus we have the governmental forces who have lost control of a large part of national territory and the insurgent forces who control that territory not controlled by the government."

The UNTS therefore demands that there be a third phase of negotiations between the government's forces and the FMLN (the date for these talks was subsequently fixed for September 19 last). They also denounced the conditions set by Duarte for finding a solution to the conflict — maintaining the constitution, the army and the government.

If you look at the breadth of the mass movement organized by the UNTS and its radical character, you can see that Duarte has lost a lot of ground, including a lot of his urban social base, while the FMLN has, in fact, re-established itself as a real

actor on the political stage.

Duarte's isolation is demonstrated yet again by the coming together of a front between the UNTS and the National Federation of Small Salvadorean Enterprises (FENAPES), which represents 90 per cent of this sector. The UNTS and FENAPES held a "National Forum for the survival and peace of the Salvadorean people" on April 3-5 this year, which very sharply rejected Duarte's politics and the US intervention.

The Forum agreed on the need for a cease-fire that could allow the people to decide on a solution to the military conflict. Such a referendum must be organized by a tripartite commission including the government, the FDR-FMLN and professional organizations. The Forum also demanded the removal of the minister of culture for his defamation and disinformation (he is in fact directly controlled by the armed forces and the CIA), amnesty for political prisoners and the establishment of preferential credit terms for small and medium businesses.

Lastly, UNTS and FENAPES declared that they were ready to go as far as a national strike to win their demands.

The third phase of negotiations between the FMLN and the government will begin in mid-September in a context of a strengthening of the FMLN. [This article was written before the talks began].

In spite of a quadrupling of the government's armed forces and American aid of nearly 2 million US dollars a day, the FMLN has reinforced its military position, although it is not yet able to deal decisive blows to the regime.

At the political level, it is clear

that the FMLN has also scored some points. In the government-controlled zones, it is easy to appreciate immediately that everybody knows that there is a situation of dual power in geographical terms. The FDR-FMLN proposal to have some public debates with Duarte has elsewhere met with a widespread response among the population.

The FDR-FMLN has been able to force the government to open negotiations solely with them inside the country, while basically, Duarte would like to see all-inclusive negotiations between the Nicaraguan government and the contras and between the FMLN, the US and his own government. Duarte is negotiating while the FMLN is declaring that it will not lay down its arms. He is directing his public speeches to the guerrillas, and the FDR is replying to him through the pages of the daily press in the capital in paid advertisements. In addition, the FMLN has decided to devote some of its best militants to work in the government-controlled zones.

Of course, the situation in the towns is not yet like it was during 1979-80, when the degree of organization of the urban masses was very advanced. Then there were large organizations in the neighbourhoods and among the shanty-town dwellers. And mass demonstrations rallied hundreds of thousands of people in the streets. But it is undeniable that we are witnessing a tremendous recovery of strength on the part of the mass movement, and the bankruptcy of the pseudo-democratic alternative of Duarte. The situation is therefore not blocked in spite of the growth of the armed forces and the threat of direct North American intervention.

The weakness of the regime and the demoralization of the army continue, and these phenomena, taken together with the growth of the mass movement and the reinforcement of the guerrillas, may lead to an open crisis for the regime and the armed forces. In that case, a US invasion might temporarily be able to limit the advance of the revolutionaries, but could not break it.

The FMLN bases itself on this analysis, recalling that the United States lost the war in Vietnam with a task force of 500,000 men and a one-million strong South Vietnamese army.

The price in human lives that the US would have to pay for regaining a grip on the situation in El Salvador might in the end create a new mass anti-war movement inside their own borders. The FMLN today is correctly fighting with a long-term perspective. □

"We cannot continue with this government"

THE NATIONAL Association of Salvadorean Teachers (ANDES-June 21) organizes a considerable part of the teachers in El Salvador. An active participant in the May 1 Committee in 1985, and today in the UNTS, ANDES has taken part in all the current mobilizations. Saul Sanchez, the general secretary of ANDES-June 21, was interviewed by Arnold Berthu in San Salvador in August, 1986.

Question. What are your conditions of struggle at the moment and your principal demands?

Answer. The fight against arbitrary imprisonments and against assassinations remains a daily struggle. We have just obtained the release of ten teachers who had been arrested after a demonstration by our union in the offices of the national minister of education. The government is trying to stage more and more such incidents.

Thus, on the nights of April 18 and 19, some individuals broke into our premises, which are in an area where the military is everywhere. The armed forces could not have failed to notice the break-in. The minister of education is accusing the leadership of our union of being members of the FMLN. That amounts to deliberately setting the stage for our imprisonment or our assassination.

Our principal demands are: the withdrawal of the austerity measures taken in February by the Duarte government; a monthly rise of 300 colons [5.4 colons equal one US dollar]; improvements in medical and hospital services; improvements in educational resources and facilities.

The minister has just broken off negotiations by demanding as a precondition that we reveal to him the identities of all the members of ANDES' executive council. This is therefore a basic question, a question of principle, because we refuse to submit to this condition that he should know all of us. A good part of the members of our leadership, for security reasons, do not live at their official addresses. If we were to declare our real names to the landlords of the apartments we occupy, we could be rapidly physically eliminated.

Moreover, a scandal has just erupted. In the past year, the International Development Association (IDA) paid the Duarte government a grant of 86.5 million US dollars to buy school materials. Only an infinitesimal part of this sum has reached the schools

in the form of some copy books and pencils. This year, the Republic of China gave aid that was to provide 80 million US dollars worth of educational materials, and again, very little reached the schools. We demand that the government say where this total of 166 million dollars has gone.

In May, we organized meetings of teachers in 14 departments in the country. These very militant meetings brought together a large proportion of Salvadorean teachers. Around 2,000 schools are totally or partially closed in the country. A large percentage of youth of school age do not go because of the lack of schools or because of insufficient numbers of teachers.

A teacher with a family of six people needs 3,000 colons a month to be able to live. The average salary is 950 colons. Teachers' buying power, like that of other layers of workers, has diminished drastically. There is no index system for cost-of-living increases and so at the moment wage earners are going through a process of pauperization.

The constitution and the labour code specify that the government must increase wages proportionately to increases in the cost of living, but the government has done nothing in this regard. They say to us that because of the austerity, everything will be better in two years time. But why will anything get better when the people still do not own the land, the means of production, the coffee or the cotton that they produce? Only the landed oligarchy and the big capitalists profit from the austerity.

Q. How far has the process of strengthening the unity in action of Salvadorean workers gone?

A. In the past year ANDES has joined the Coordinating Council of Public and Municipal Employees (CCTEM), and the May 1 Committee. This year, we took an additional step by participating in the creation of the UNTS. The UNTS consists of workers' unions, unions of public service employees, and associations

of Indians, peasants, agricultural workers and cooperatives. It includes currents stretching from the revolutionary left to the base organizations of Christian Democracy.

Q. How would you interpret the steps forward that have been made, notably the fact that some of the base organizations of Christian Democracy have joined the class-struggle union?

A. Remember that the mass organization of Christian Democracy, the UPD, signed a social pact with Duarte just before his election in 1984. Duarte has never made good the promises made in this pact, and a considerable section of the UPD has joined our struggle. Some secretaries of state for agriculture and officials of the agricultural credit system have resigned and have broken with the Christian Democratic party to join the left opposition.

On February 8, the UNTS held its first big public meeting. The government tried to prevent it by depriving us of our headquarters, but we replied by immediately organizing a massive protest demonstration.

Q. Have there been any developments in the peasants' organizations?

A. Yes, in a significant way, but in the form of cooperative associations.

Q. What has been happening in the students' movement?

A. The students are very militant. They have just held a large demonstration for the tenth anniversary of the murder of thirty students. Their main association is taking part actively in the UNTS, even if, normally, the latter would only include workers' organizations.

Q. Can we come on now to the question of the negotiations between Duarte and the FMLN?

A. Whether it is ANDES, UNTS or still some union organizations who continue to support Duarte in principle, everyone demands that real negotiations be held with the FMLN, a dialogue which the whole population must participate in. In the ten years that Duarte has now been in power, he has done nothing to find a political solution to the social and military conflict that is shaking the country.

The government is trying to prevent debate from taking place in the country, and that shows that it is afraid of the people. We ourselves want a public discussion, but every time the government puts off the meetings. They demand that the

guerrillas disarm. This is unacceptable. In any case, the government is entirely under the thumb of the Reagan administration.

Q. The FMLN's conditions involve a change to the constitution, a change of government and a change in the armed forces?

A. Yes. We cannot continue with a government simply of the Christian Democrats. They must be replaced by a government that has broad democratic participation, a government that will really search for adequate solutions to the problems which the Salvadorean masses confront. □

"Our priority is workers unity"

MARIO PALENCIA is the financial secretary of the National Trade Union Federation of Salvadorean Workers (FENASTRAS), one of the strongest trade-union organizations in El Salvador. It has played, and continues to play, a big role in the current recomposition of the union movement.

Mario was interviewed by Arnold Berthu in San Salvador in August, 1986.

Question. In the past year, a first step forward has been made toward workers' unity with the creation of the May 1 Committee, which essentially brought together the vanguard unions. Today, with the UNTS, unity has been broadened to those unions and mass organizations that a short while ago constituted a base of support for President Duarte. How is it that the UPD, which supported the government, today makes up a part of the UNTS?

Answer. The UPD is divided. One part continues to support the government and another to oppose it. It is an organization that was taken in by Duarte's promises. It signed a social pact with the government before the elections. Many honest people in the UPD have realised that they were manipulated.

Q. Has there been a growth of struggles recently?

A. Overall, there is an upturn of struggles. Certain organizations have backed off after seeing the terror caused by Duarte's repressive politics. But overall, the scale of actions has very clearly increased this year. The founding of the UNTS in February is one of the main causes of this. On February 21, 80,000 workers demonstrated after a call put out by UNTS. On May Day, there were 110,000 demonstrators.

Q. Have you drafted a plan of action to win your demands? Last year, the May 1 Committee presented your list of demands to the National Assembly, allowing a delay so as to obtain a satisfactory response. Did this tactic pay off?

A. We have drawn a negative balance sheet of this tactic because the Assembly ignored our list of demands. We reckoned that it was more useful to wage the economic battle in the workplaces.

Q. Is a direct struggle against the government possible given the present state of the movement?

A. A general plan of struggle is necessary, but we are at the stage of reinforcing workers' unity. We give absolute priority to this unity, including on the organizational level, that is, the creation of a single union. Afterwards, we will adopt a plan of action.

Q. Does the existence of the UNTS mean the end of various trade-union federations like the FUS or FENASTRAS?

A. No, those continue to exist. But as we are giving priority to achieving trade-union unity, these different federations are less active than previously. Concerning our federation, FENASTRAS, it is presented as the most active in the May 1 Committee and in the UNTS. But for ourselves, we do not consider it as the most important federation. We appreciate that we must contribute to strengthening workers' unity with other trade-union and peasants' organizations, cooperatives and so on.

Q. What is the position of the UNTS in relation to the government-FMLN negotiations?

A. We think that we must take a political position to force the government to hold genuine and frank negotiations with the FMLN. □

A civilian government under military control

FOR TWO YEARS we have been seeing a strong revival of the mass movement in Central America. This is especially true in those countries where there has been savage repression since the start of this decade, such as El Salvador and Guatemala.

But if these regimes succeeded in dealing defeats to the mass movement and to revolutionary organizations, their brutality was too glaring, and because of their detestable international image they ended up becoming obstacles to the US's regional strategy for combating the Nicaraguan revolution. This is the fundamental reason why the Reagan administration has been putting pressure on the armed forces of these countries to "clean up their act."

The clean-up operation was undertaken in 1984 in El Salvador when Napoleon Duarte was elected. (1) It was continued in Guatemala for the election of Christian Democrat Vinicio Cerezo to the presidency on December 8, 1984. With a "democratically elected" government, Guatemala could try to regain an international role in the sphere of US diplomacy.

ARNOLD BERTHU

The governments of Costa Rica, El Salvador, Honduras and Guatemala have just formed a counter-revolutionary front, called the "Tegucigalpa Group," to support the Reagan administration. Previously, the conflicts among these states and the domestic situation in some of them had blocked the formation of such an alliance.

The front set up among Costa Rica, Guatemala, El Salvador and Honduras has the objective of decisively blocking the Contadora group and providing a basis of support for US intervention. These countries could, at a convenient time, appeal to the United States to intervene directly in Nicaragua, in a scenario similar to the one that was set up for the US invasion of Grenada.

Guatemala had been isolated for two years owing to commercial conflicts with its Honduran and Salvadoran partners and the distance that the military dictatorship took from US foreign policy at the time of the Malvinas war.

Since 1960, the Guatemalan regime shied away from aligning itself completely with US foreign policy. Before that, its Atlantic coast was used as the staging area for the US-backed landing

in Cuba, and a section of the army rebelled against that on a nationalist basis. At the time, some top officers even joined the guerrillas.

In addition, in El Salvador and Guatemala, the mass movement has regained its strength, even if it has not yet reached the level it had attained at the end of the 1970s. It is on the rise in a context where, in El Salvador at least, the revolutionary forces have consolidated their positions and scored important political points. The Farabundo Marti National Liberation Front (FMLN) has become a force that Napoleon Duarte's government in El Salvador has to deal with.

In the six months since the inauguration of the Christian Democrat Vinicio Cerezo in Guatemala, mass mobilizations have assumed a scope unknown in the previous three years. On May Day this year, for the first time since 1980, 5,000 workers marched through the streets of the capital. In the wake of that, 16,000 peasants demonstrated at the National Palace demanding agrarian reform.

In July, 2,000 workers in the Arizona banana company in the province [departamento] of Izabal

went on strike. At the end of July, public transport users opposed an increase in bus fares. In some provincial cities, the conflict threatened to lead to riots, as in San Juan Tinotepec. Every week, the Mutual Support Group (GAM), made up of relatives of the "disappeared" (missing persons) and prisoners, has been organizing a demonstration in front of the National Palace. [See box.]

Since 1954, when the army and the United States overthrew the government of Jacobo Arbenz, Guatemala has experienced a series of military dictatorships and civilian governments under tight army control. (2)

With the advent of Cerezo, Guatemala once again has a civilian president. But the transfer of formal power from the military dictatorship to the civilian authorities took place without the Guatemalan army suffering the sort of defeat experienced by the Argentine army. On the contrary, it was the army itself that set up this transition.

The army general staff decided to refurbish the regime's international image in order to get more aid from US and European imperialism. Because of pressure in the US congress, American aid to Guatemala was cut sharply at the beginning of the 1980s. However, in 1986, it was increased by 180 per cent over 1985, and congress once again authorized arms sales, which were suspended between 1979 and 1985.

The Guatemalan capitalists also pressured the army to adopt this course. It wanted to maintain a tough government that would undertake some economic reforms, among other purposes to end certain forms of state control over foreign trade. After six months of a civilian administration, the army continues to keep firm control of the situation, and Cerezo's room for maneuver is extremely narrow.

The class-struggle current in the unions has a long tradition in Guatemala, but it was crushed by the repression, as was the National Committee for National Unity (CNUS), which was formed in 1976 and then decapitated in 1980.

The trade-union organizations that managed to maintain their structures during the worst years — and which

1. The March 25, 1984, presidential elections were won by the Christian Democrat Napoleon Duarte. See 'International Viewpoint' No. 50, April 9, 1984.

2. In power from 1950 to 1954, Colonel Jacobo Arbenz undertook an agrarian reform in 1952 which, despite its reformist limitations, was unacceptable to the Guatemalan oligarchy. A military coup d'etat, backed up by US troops, removed Arbenz in June 1954, opening up a long period of repression and successive dictatorships.

GAM organizes against disappearances

FORMED IN June 1984, the Mutual Support Group of Families of Prisoners and Missing Persons (GAM), is playing a propelling role in Guatemalan political life. In a very short time, it has managed to unite several hundred families of missing persons and has demanded that the military dictatorship tell the truth about the disappeared. "They were alive when you took them away, and we want them back alive," the group declares.

GAM representatives were received several times by General Mejia Vitores in the second half of 1984. After months of waiting, when the bloody repression was continuing and hitting leaders of the group, the GAM accused Mejia Vitores of being responsible for the disappearances and the secret prisons.

On October 12, 1984, the GAM organized a public demonstration of about a thousand participants, including many Indians and a large delegation from the Coca-Cola factory that had been occupied since March of that year. It was the first public demonstration of opposition since May Day 1980, during which about a hundred people had been arrested and were later executed.

In reprisal against the GAM, the special repressive forces arrested two members of the group on October 13. A month and a half later, their horribly mutilated bodies were found near their homes. In January 1985, the GAM held a demonstration in front of the US embassy, and in January 1985 it began organizing a demonstration every Friday afternoon a few hundred meters from the National Palace. In March 1985, General Mejia Vitores began publicly accusing the GAM of being a subversive group. The repression then rose to a higher level.

On April 4, the vice-chair of the GAM, Rosario Godoy, 24 years old, "disappeared," along with her two-year-old son and 21-year-old brother. A few hours later, the three bodies were found in Rosario's car at the bottom of a ravine. They bore the marks of torture.

Since then the GAM has continually stepped up the pressure. Its chair, Nineth de Garcia, 26 years old, whose husband, a union leader at Vidrio Cavesa, disappeared in February 1984, is now being protected by a permanent civilian escort made up of US and European pacifists from the International Peace Brigades.

Since the installation of a civilian president, the GAM has been demanding the repeal of the law that the armed forces got adopted in December 1985 giving themselves amnesty, just before the elections. At the same time, it has called for the setting up of a tripartite commission of

inquiry on the missing persons, made up of representatives of the GAM, of the government and international personalities such as Adolfo Perez Esquivel, a Nobel Prize winner.

The GAM has rejected the arbitrators proposed by the government, including the president of the Guatemalan Red Cross, whose attitude on the question of the "disappeared" it considers too ambiguous.

In the first months of his administration Guatemalan President Vinicio Cerezo wanted to present a democratic face by meeting several times with Nineth de Garcia and by making promises. He organized a substitute for a commission of inquiry, appointing a single pre-trial judge to "try" to find out what happened to the missing persons. The minister of the interior himself had said, moreover, on January 30, 1986, that he had counted 1,600 missing persons since 1983. The GAM has put together a list of 1,367, with the help of those families that have dared to associate themselves with its activity.

The setting up of the commission of inquiry is proving difficult. Cerezo is showing a worse and worse will about meeting the demands of the GAM in this regard, thereby demonstrating that he has never had real powers and that the Armed Forces, which stand behind him, are doing their utmost to hold this process back.

It is also interesting to note the role played by the Catholic hierarchy in this affair. Archbishop Prospero Penados, while not really opposing the GAM's activity, is denouncing in the press the methods it is using, which in his opinion are quite "inopportune."

Faced with this attitude, the GAM is maintaining its demands and holding larger demonstrations to back them up. So that a commission of inquiry can really function, it is demanding:

- that it be given legal status through decree;
- that the government extend it political support as a member of the UN, which confers the obligation of respecting human rights;
- that the commission function for at least 10 months;
- that international observers follow its work;
- that a code of conduct be formulated and approved to define the commission's juridical status, its competence, and so on.

In this way, the GAM is playing a central role in Guatemalan political life, in particular since it includes hundreds of Indians and depends directly on the support of the militant trade-union currents.

have the strongest tradition — are concentrated in the country's two major industries, which employ most workers. But a section of the economically active population remains unorganized by the industrial trade-union movement.

The impact of the economic crisis has promoted the growth of a whole section of society that oscillates between unemployment, under-employment and the "informal economy." (3) In the capital alone, it is estimated that 50 per cent of the economically active population fits into this category.

There are today three trade-union confederations in the country —

the National Confederation of Trade-Union Unity (CUSG), the Workers Union of Guatemala (UNSI TRAGUA) and the General Coordinating Committee of Workers of Guatemala (CGTG).

The oldest of these three confederations is the CUSG, which was formed in 1983 under the Rios Montt dictatorship, which permitted this pro-government confederation to function in order to improve its international image. In this operation, the government was assisted by the American Institute for Free Labor Development (AIFLD), which subsidized the CUSG to a considerable extent. (4)

According to the director of the

confederation's research center himself, AIFLD paid out around 50,000 US dollars a year to the

3. Between 1977 and 1983, nearly a quarter of the industrial plants were eliminated. Only 12% of the remaining 2,000 enterprises employ more than 50 workers. In the capital, about 40,000 persons work in enterprises employing more than 50 people, out of a total of 75,000 employed in industry in Guatemala City. The total economically active population in the area is estimated at about half a million people.

4. The AIFLD was formed in 1962 to help "fight communism" and foster US foreign policy interests. Along with the American Federation of Labor/Congress of Industrial Organizations [AFL-CIO], the institute plays a key role in financing anti-Communist unions all over the world.

CUSG, not counting aid "in kind" (office materials, furniture and so on).

While the CUSG claims no less than 216,000 members, its figures have to be taken with a large pinch of salt. They are challenged by the other confederations, who point to the official character of the CUSG in the final years of the dictatorship. A lot of the unions that it claims to include have only existed in the papers of the former Ministry of Labor. The failure of the confederation's attempts at mobilization since power was transferred to Cerezo confirms such assessments.

Government funding

The CGTG is the youngest of the three, since it was founded in March 1986 and is still in its formative period. Linked to Christian Democracy through the Latin-American Workers' Confederation (CLAT), it gets material and technical aid from Venezuela's powerful Federation of Rural Workers (FMC), which is Social Christian in orientation. At the same time, although it strongly denies this, it is getting money from the Cerezo government through the newly created Ministry of Development.

Likewise, the Ministry of Labor has given a big boost to the organization of the Association of State Workers (ANTEG), which constitutes the bulk of the CGTG's forces. It is this ministry that deals with applications for recognition by new unions. From these facts, it is not hard to conclude that the Christian government is likely to promote a Christian Democratic union.

The only confederation that can really be considered to be independent is UNSITRAGUA. It was formed in February 1985, even if it did not come out publicly until September of the same year.

Founded after the victory of the workers at the Guatemala City Coca-Cola factory [see the interview that follows], UNSITRAGUA today includes the more militant unions and, in opposition to the other two confederations, is following a line of class independence. It is made up of about 30 unions, representing nearly 35,000 workers, and has a strong base in the banks and insurance companies, among municipal workers (it is in the majority in the capital in this sector), among agricultural workers in the banana plantations in the province of Izabal on the Atlantic coast, and among university workers.

Recently, it has been joined by the strong private sector unions, such as the one at the Coca-Cola bottling

plant (STECA). Other trade-union organizations, such as the 35,000-member National Council of Teachers, are discussing affiliating to UNSITRAGUA.

Unlike the CUSG and the CGTG, UNSITRAGUA gets no financial aid. It can only count on the resources of its members. Today it is focusing its energies on training its activists and cadres in trade-union organization and leadership, as well as on demanding the right to work. It plans to launch a bi-monthly publication shortly, as well as opening up a headquarters and a bookstore.

The UNSITRAGUA leaders have few illusions about the real extent of the liberalization that Vinicio Cerezo's election was supposed to represent. They hope only to be able to get the maximum benefit from the new situation created by the transfer of power to a civilian government.

Anxious to appear more independent than it is claimed to be, the CGTG organized a march this May Day together with UNSITRAGUA, while the CUSG stood aside.

Cerezo also intends to build a popular base for the Christian Democrats, but he has very little room for maneuver. Hemmed in by the demands of the International Monetary Fund, the bosses' rejection of all wage demands and the all-pervading presence of the army, he has little possibility for offering concessions to the mass movement.

On April 28, 1986, 16,000 peasants from the south-east coast started a 147-kilometer march, which culminated in a demonstration in front of the National Palace. For five days, they formed a two-kilometer-long human chain, marching in twelve columns single file.

In view of the size of the

demonstration, President Cerezo decided to greet the peasants himself on their arrival. Facing banners saying, "Cerezo, we voted for you, give us the land," he said that he would do everything possible to solve the problem, and then invited the peasants to get into the buses that the government provided to take them home as fast as possible!

In the following days, Cerezo made it clear that he could not expropriate land for the benefit of the peasants because he had sworn to respect the constitution, which guarantees private property. The president went on to say that all he could do was to wait until the big landowners offered to sell a part of their land. In that event, he concluded, he could not even promise to buy up the land in question because the government was short of money!

Father Giron, who organized the march on the capital and had returned there for discussions with the president, then went to the National Assembly. He broke into the chamber to ask every deputy to put some change into his big straw hat to give to the government for buying land.

Father Giron had begun the march by declaring that he supported Cerezo on the condition that he carry out a real land reform. He added that if that was not done, the democratic process would have failed. In response to Cerezo's first evasions, Father Giron said: "The president has to define his position: either he is with the rich or he is with the poor."

Finally, when Cerezo clearly rejected agrarian reform, Father Giron concluded: "In fact, it is not Cerezo who is running the country, it is the army and the other sections that hold the money . . . The power should rest with the people and not with

Chajul in the Quiche province (DR)



the army or the capitalists. If the power rests with the people, then an adequate agrarian reform can be carried out that is thoroughgoing and not just theoretical."

Father Giron has been living with the peasants for years. His father was murdered by the army, and he himself was almost killed in the early 1980s. He had to go into exile in Colombia for two years. He returned in 1984 to start organizing the peasants in the south of the country. When journalists asked him to define his position, he said: "I am a mad priest who knows the real needs of a people who lack medicines, food and rights."

Since the march, illegal land occupations have started up in various places. So far the army has received orders not to intervene, at least when there were journalists around. For his part, Father Giron has drawn up a list of landholdings that the government should expropriate.

The bloody repression at the start of the 1980s dealt real blows to various guerrilla forces in the mountains as well as in the cities. In the regions with a strong concentration of Indians, the army has been carrying out a veritable genocide (50,000 dead) in order to deprive the guerrillas of a base. There are nearly a million refugees in the country and a further 120,000 in Mexico.

The armed forces have regrouped the population in villages they control (the so-called model villages), which are in fact modelled on the "strategic villages" of the Vietnam war. Some 300,000 people have been forcibly enrolled in the Civic Action Patrols (PACs), which are designed to provide a human wall shielding the armed forces against guerrilla attack.

The various components of the Guatemalan National Revolutionary Union (URNG) have managed to hold out against this very severe repression, and since the first half of 1985, they have been inflicting increasing losses on the armed forces. (5) Nonetheless, the URNG is in a much weaker position than the Salvadoran FMLN, even though — according to the armed forces' own figures — there are 5,000 guerrillas.

Since 1984, the URNG has clearly understood the contradictory aspect of the situation arising out of the National Assembly and presidential elections — on the one hand a refurbishing of the regime's image and on the other a possibility for reviving the mass movement, starting in particular from a fight for democratic rights (e.g. the role of the GAM).

The URNG rejected the elections as a masquerade. At the same time it held back from trying to prevent them, and avoided cutting itself off from

those sections of the masses that harbored illusions about these elections.

When Cerezo was elected, the URNG published a statement in which it said, "we will not be the cause of [this regime's] failure . . ." It thought that Cerezo would quickly

demonstrate his incapacity to respond to the demands of the masses.

Sections of the masses are experiencing the narrow limitations of the liberalization, while at the same time taking considerable advantage of it to go back into the streets and fight for their demands. □

Revival of the trade unions

IN GUATEMALA CITY, on July 30, Mercedes Gomez, general secretary of the STECSA union at the Coca-Cola plant in the Guatemalan capital and the general secretary of the Central American Glass Industry Workers (STICAVSA) at the Vidrio Cavesa plant, gave the following interview to Arnold Berthu. The Vidrio Cavesa plant produces mainly glass containers and employs 750 workers. Its capital-funding comes from Mexico, Guatemala and Costa Rica.

Question. What conditions do Guatemalan workers face in their struggle today? Have they changed since Vinicio Cerezo's victory?

Mercedes Gomez. The conditions for struggle have always been difficult. There has never been real freedom to organize. As soon as workers try to organize themselves, they face immediate repression. Nonetheless, in a series of plants there are big and militant unions that have been built through hard struggles in which shop stewards have been killed or have "disappeared". That is what has happened at Coca-Cola.

Now, after the Cerezo victory, we are carrying on with the same struggle. While you cannot talk about any real liberalization, there is a small opening that we are exploiting to the fullest.

STICAVSA general secretary. At the start of Cerezo's presidency, we might have believed that there would be a change in a democratic direction. But it is clear now that what we are up against is a pseudo-democratic regime.

The murder this July 25 of comrade Reyes, leader of the municipal workers in the capital, shows that the repression has not really slackened. Reyes was murdered on the orders of defenders of the government, as Rosario was in April 1985. She was a fellow fighter with Nineth de Garcia. [See box on page 15.]

The workers' enemies think that in this way they can intimidate activists in the trade unions and in the democratic movements. But for every activist who falls, a hundred others

are ready to take his or her place. We have never thought that there would be any let-up in the repression. On the contrary, we thought that it would become more selective. The facts have confirmed this assessment.

Q. Cerezo's victory has not opened up any democratic maneuvering room?

STICAVSA gen. sec. Yes, there has been a bit of democratic breathing space, a brief interlude, as appeared at the end of the Rios Montt dictatorship on August 8, 1983, and at the beginning of the Mejia Torres dictatorship. In the case of Cerezo, it lasted a bit longer.

Q. I have heard about the exemplary struggle waged at Coca-Cola in 1984-85. Could you sum up what happened in a few words?

Mercedes Gomez. At the beginning of 1984, the international Coca-Cola company decided to close its plant in Guatemala City, claiming that it was losing money. This argument was spurious. In a country like ours the sort of drink produced by Coca-Cola can be sold in large quantities throughout the year.

As workers we can monitor how much is produced and how much is sold, and we knew that the plant was

5. Established in January 1982 following a long process of discussion between Guatemalan politico-military organizations, the URNG regrouped the Guerrilla Army of the Poor (EGP), the Rebel Armed Forces (FAR), the Revolutionary Organization of Armed People (ORPA) and the Guatemalan Labor Party — National Leadership Nucleus (PGT), which came out of a split in the Communist Party.

profitable. Facing a decision to shut it down, we chose to occupy the factory until it was reopened.

Our union's strength was the real reason for the closure. They wanted to break it, while keeping in operation the company's two other plants in Guatemala. One of these is on the Pacific coast, and the other is at Puerto Barrios on the Atlantic coast. At those plants, there was virtually no union organization.

The strike we fought lasted a year and ten days, and we won thanks to the solidarity we got here and internationally. International solidarity played a very important role in our victory.

Q. Have there been strikes recently in your respective plants?

Mercedes Gomez. Since the plant was reopened on March 1, 1985, there has not been a single new strike. That does not mean that we have given up the struggle. It is just that for the time being, since our victory, a measure of dialogue has developed. We have won improvements for the workers.

STICAVSA gen. sec. As for us, we have been negotiating systematically. At times, the bargaining has been rather tough, but we have not had to resort to a strike.

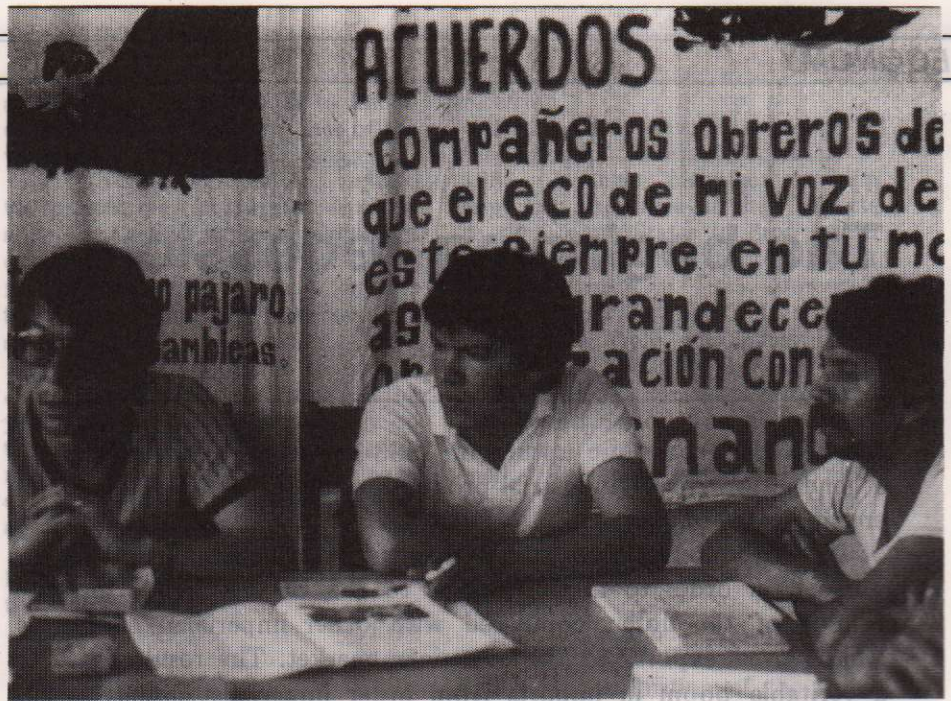
Q. Is there a large proportion of women workers in your plants, and do you raise specific demands for them?

STICAVSA gen. sec. No, there are no women production workers. There are only women among the office personnel. On the other hand, in other industries you find a lot of women, especially in textiles and construction. And there the level of exploitation is terrible. They get half the wages that men do, and they have to work a day more a week. Moreover, they are not always paid for this extra day. In most of these enterprises, there is no trade-union organization.

Q. Is an independent trade-union current developing in Guatemala?

Mercedes Gomez. In April 1985, we formed a grouping of so-called vanguard unions. It was called the Union of Guatemalan Workers (UNSI TRAGUA) and it is not linked to any particular political party. UNSI TRAGUA includes the thirty most militant and principled unions in the country.

From a legal standpoint, it is neither a federation nor a confederation. According to the law, it is a union that continually renews its legal status. The leadership of this union is not made up of specific people but is constituted by a



STICAVSA general secretary (left) at a union meeting (DR)

commission, which includes representatives of the various unions. The composition of the commission has a continual turnover. This union includes not only industrial and public service unions, but also peasant and student organizations.

For the first time in six years, we organized a demonstration on May 1. There were 5,000 people. That is not a big number, but it is quite a lot in the Guatemalan context.

STICAVSA gen. sec. It should be said that UNSI TRAGUA was founded by a number of union shop stewards who survived the terrible repression of the early 1980s. We realized that we had to go beyond the factory level and federate nationally and internationally. UNSI TRAGUA is not yet a real union federation. In particular, the conditions of repression keep us from developing the close relationships necessary for setting up a real united federation.

Q. Are trade-union struggles growing?

STICAVSA gen. sec. Yes, that is one of the features of the slight democratic thaw ushered in by Cerezo's election victory. Alongside those plants where there is already a strong union, there are factories and shops where unions are being rebuilt. Other groups in society, such as peasants, are fighting. The broadest unity is needed today.

Q. Have you put together a common program of demands for all of UNSI TRAGUA?

STICAVSA gen. sec. No. Unfortunately, we have not yet managed to present such a list of demands to the government and the bosses.

Q. Is there a political dimension to the demands raised by the unions,

for example with respect to the question of democracy?

Mercedes Gomez. As our first demand, we call for a halt to all persecution of trade-union representatives, a halt to the kidnappings, to the torture and firing of trade-union leaders. For the moment, selective persecution is continuing.

We are also demanding changes in the labor code, which at present is particularly unfavorable to workers. We are also calling for total freedom of organization for the unions. A few days ago, in a banana company on the Atlantic coast, they fired 27 workers who had just met to form a union organization.

Winning these demands obviously involves going beyond the strict limits of the factory to unify the struggles. That is what we are doing in solidarizing with the workers in the banana firm.

STICAVSA gen. sec. We can talk about general demands that concern the trade-union movement as a whole and which have a political dimension. We call directly on the government to demand an end to the disappearances and murders of activists in the trade unions and the democratic movements. In this connection, we fully support the GAM.

It has to be noted that the government is not really responding to these demands. We should also raise demands concerning the foreign debt, just as we should stop Guatemala being made into an outright colony of the US, like Honduras.

As regards Nicaragua, we will never accept Reagan's policy, and we will do everything possible to keep Nicaraguan territory from being invaded by American troops. Here in Guatemala, we also want to win real national sovereignty. □

The beginning recession

THE BRIEF economic upturn of 1983-1985 has been reflected by a general growth of industrial production, under the stimulus of the enormous US budget deficit. (1)

The high-interest rate policy that the Reagan administration has pursued in order to attract capital to the US has led to an overvaluing of the dollar compared with other imperialist currencies, and favored exports to the American market. The result has been a veritable boom in imports from other imperialist countries and from semi-industrialized dependent countries.

However, this shaky upturn has not solved the basic problem, or eliminated the structural weakness of the world capitalist economy. There has been neither restructuration, nor any basic expansion of the world market, nor any fundamental reorganization of the labor process and the production of surplus value, nor any deepgoing alteration in the social relationship of forces that would make it possible to drastically increase the rate of profit. This fragile upturn has not stopped the continuing decline in productive investments or the rise of unemployment — two distinctive features of the long depression that capitalism is going through. Likewise, the problem of the indebtedness of the dependent countries is far from being solved. The world economy is adrift on a sea of debt, with the American economy in the deepest water of all. (2)

Finally, the 1983-1985 upturn has confirmed the shift in the inter-imperialist relationship of forces against the US. All these general features, which define the contours of the economic crisis, are being accentuated by the recession that is beginning. [Quotations originally in English have been retranslated from the French.]

ERNEST MANDEL

The first months of 1986 were marked by a distinct mini-recession. Over the first quarter of 1986, industrial production dropped in all the big imperialist countries. In some of them, this setback extended into April and May, or indeed throughout the entire second quarter, as is shown clearly by the table opposite. (3)

With the exception of Mexico, which after a brief upturn in 1985 experienced a sharp decline in its industrial production, the major semi-industrialized countries have up till now escaped the mini-recession. Brazil has even experienced an outright boom, with a growth rate of over 8% in 1986. But this is a temporary deviation from the general trend, an exception that occurred previously in the world recession of 1980-82.

Since these countries all depend on exports for their growth, their economic perspectives are largely determined by what happens in the imperialist countries. In South Korea, for example, exports already dropped by 22% during the first quarter of 1986, and this will not fail to have repercussions on industrial production.

The course of the economy in the US is especially worrying for the capitalist world. At the end of August 1986, practically all the economic indicators were in the red. During the final months of the second quarter — May and June — household incomes had declined by about 6 billion dollars. If durable goods orders were still on the rise, that was owing entirely to arms industry orders.

Overall, only 78% of industrial

capacity is being utilized. Also during May and June 1986, auto sales declined, falling from 8.2 million units annually to 7.4 million. Housing starts dropped by 1.8% in July from the June level. That was the third consecutive month of decline, and the cumulative drop amounted to 9%. As for sales of completed housing units, that has also been falling since March 1986.

The specialized bourgeois press concurs about this trend. According to *Business Week* of September 1, 1986, "industry is virtually in recession." The *Japan Economic Journal* of September 6 stresses that "the [Japanese] government recognizes the slide into a period of recession." In its July 16 issue, the *London Times* specified that in Britain "industrial production remains depressed . . . Manufacturing production has stagnated over the first five months of the year and at a level below that of the first half of last year."

Despite the obligatory optimism expressed in the annual report of the Organization for Economic Cooperation and Development (OECD) in May 1986, on the basis of the facts given in it several observers expect a full-scale recession in the international capitalist economy in 1986 or 1987.

Stephen Morris, who was one of the OECD's main economists and now heads the International Economic Institute (IEI), is even predicting a very grave recession, without however attempting to predict when it will begin.

The high exchange rate for the dollar opened up the US market wide to exports from the rest of the capitalist world in 1983-1985. That was the main locomotive of the economic upturn in those years. The extent of the US balance of payments deficit that resulted from it has forced the Reagan administration to change its tune. It is now counting on adjusting the exchange rate of the dollar drastically downward.

The "orthodox" free-enterprise doctrine of floating exchange rates,

1. On the analysis of the economic upturn in 1983-85, see Ernest Mandel's article "The world economic situation in 1985" in *International Viewpoint*, No. 74, April 22, 1985.

2. On the debt question, see Ernest Mandel's article "The infernal logic of the debt crisis," *TV*, No. 98, May 5, 1986.

3. Source: "The Economist" of May 10, June 14, June 28, and September 1986; "Neue Zürcher Zeitung" of August 7, 1986; "Business Week" for the whole month of August 1986, as well as September 1.

4. The figure of "The Economist" for Spain is very controversial. Felipe Gonzalez's government is even projecting a growth of 7% for the whole of 1986. But it has to be noted, however, that this country has the highest rate of unemployment per economically active population in all Europe: 21%, or more than 3 million people.

which claims that the play of "market forces" alone will automatically bring about a balance, has been abandoned, just as the "pure" monetarist doctrine had been earlier.

The dollar reached its peak in the week of March 4-8, 1985. A year later it had dropped by 25% against a "basket" of various national currencies. In the same period, the yen and the German mark rose by 55% against the dollar. (5) The effect of this drop in the value of the dollar has yet to affect the US balance of payments. In May 1986, the deficit rose to 14.2 thousand million dollars, which, annually adjusted, amounts to 150 thousand million dollars.

The deficit was, thus, higher than in 1985. In July, it even reached an annually adjusted rate of 170 thousand million dollars. At the same time, the Japanese and West German surpluses continued to rise, in part, it is true, under the impact of the drop in oil prices.

Failure of Tokyo summit

This situation, which represents a failure of the September 1985 Tokyo summit (which had promised closer coordination of the monetary, commercial and industrial policies of the great imperialist powers), might be attributed to the "every man for himself" principle that always prevails in a period of prolonged economic depression. Such an explanation is not wrong, but it is incomplete.

That explanation tends to exaggerate the importance of the role of the economic policies of the bourgeoisies (and of the bourgeois states) in the present conjuncture, and to underestimate the decisive weight of the capitalist economy's own implac-

able internal logic. It leads to underestimating the interdependence of the various components of this economy.

Far from being a lasting victory, the present performances of Japanese and West German exporting industries can only prove fleeting. The fundamental logic calls for these exports to drop and for the US recession to spread to these two countries.

This dynamic is clear in the case of Japan. The rise in the value of the yen is having a disastrous effect on the competitiveness of Japanese commodities. The big trusts specializing in export are seeing their profits worn away. (6)

The drop in Japanese exports between January and June 1986 was the following:

Color TVs	51.6%
Cement	34.0%
Toys	24.0%
Binoculars	23.0%
Polyester	20.5%
Tableware	14.5%
Trucks	5.3%
Cold-pressed steel products	3.5%
Personal calculators	1.6%
Machine tools	1.4%

Only exports of cars, video cassettes, watches, cameras and parts for the electronics industry showed an appreciable rise. But since then the trend has reversed for cameras and watches (the Seiko firm has had to lay off 6,000 workers and has cut its production by 10%).

The situation of the video cassette industry, which exported 80% of its production in 1985, is hardly better. This industry is projecting a sharp decline in its exports for 1986. While it hopes to make up for this by increasing sales by 11% on the home market, stepped-up competition will bring sharp price reductions. The total turnover of the industry will probably fall by 6%. (7) As for the electronic parts industry, in particular semi-conductors, it is already in full

recession.

In the auto industry, according to the *Financial Times* of September 9, 1986, Japanese manufacturers are expecting the value of their exports to the United States to drop by an amount greater than the total profit of these trusts in 1985. Moreover, Japanese industry has to face tough competition from semi-industrialized countries where wages are lower and whose products are overflowing from the United States. This competition not only threatens Japan's home market but also some of its main export markets. For example, "Japan's navy yards are rapidly sinking under the waves of South Korean competition and the high value of the yen." (8)

To understand this logic, you have to start off from a fundamental fact — the stagnation of the world market as a whole. According to the report of the GATT (General Accord on Tariffs and Trade) in March 1986, world trade grew by only 3% in 1985, that is, by less than the increase in industrial production.

In constant dollars, world trade was below the level of the 1981 recession (1,910 thousand million dollars compared with 1,960 thousand million). There was an absolute decline from the 1984 level in the volume of agricultural and mining products exported, including oil obviously.

The drop in US exports in May 1986 owed primarily to the drop in the exports of agricultural products. For the first time, the United States had a trading deficit in these products. This is the source of the American inclination to engage in a bit of an agricultural trade war with the EEC and of Reagan's efforts to secure the Soviet market for cereals.

In conditions of sharpened international capitalist competition, and given the stagnation of the market overall, the gains made by some almost automatically correspond to losses for others. And the effects of losses — that is, phenomena of recession — aggravate the stagnation or decline in exchanges, which tend as a result to spread recession.

In 1985, West Germany became the leading exporter of industrial products, closely followed by Japan. The United States fell into third

INDUSTRIAL PRODUCTION

	First quarter 1986 (compared to last quarter 1985)	Second quarter 1986 (compared to 1st quarter 1986)
USA	-2.9% (*)	-2.9%
Japan	-2.8%	-1.0%
West Germany	-3.7% (**)	+4.6% (***)
France	-5.8%	+5.1%
Britain	+1.9%	+5.2%
Italy	-1.9% (****)	+5.5%
Canada	-0.1%	-5.1%
Spain (4)	-15.7%	+7.5%

(*) February-May 1986 with three preceding months.

(**) The 'Neue Zürcher Zeitung' of August 15, 1986, estimates the drop at only 0.6%.

(***) And the rise was only 1.8% compared with the same period in 1985.

(****) According to the Italian Statistical Institute (STAT), 'La Repubblica', June 11, 1986.

5. 'Perspective économiques de l'OCDE', No. 39, May 1986.

6. According to the 'Japan Economic Journal' of July 26, 1986, the Japanese exporting firms fear the loss of 30% of their profits in the wake of the revaluation of the yen. For Japanese firms as a whole, the lowest profits are expected since 1973-74. The figures in the table are taken from the 'Japan Economic Journal' of August 16, 1986.

7. 'Japan Economic Journal', July 12, 1986.

8. Ibid, July 26, 1986.



The US dollar in trouble — speculation comes before a fall (DR)

place. This is a long-term trend. It is not explained fundamentally by monetary factors, by artificial exchange rates or by the misdeeds or errors of governments or private speculators. It is the result of the decline in the rate of growth of industrial labor productivity in the United States.

The very nature of the capitalist mode of production, in which money-capital is the point of departure and the ultimate destination of the whole circulation of capital — involves an insurmountable contradiction once the interests of the industrialists/exporters and those of the bankers/rentiers diverge. After the United States and Britain, Japan in turn is feeling the effects of this contradiction.

World's leading exporter of capital

The US balance of payments deficit — and indirectly its budget deficit — was largely financed by converting the Japanese balance of payments surpluses into dollars in 1984-85, that is, through Japanese capital exports to the United States. Japanese imperialism thus became the world's leading exporter of capital.

In 1985, Japan had a net credit balance of 130 thousand million dollars in overseas holdings over the debts owed to foreigners. Britain's credit balance was 90 thousand million dollars, and West Germany's was 50 thousand million dollars, while the United States had a negative balance of 100 thousand million dollars. (9)

But since these holdings are often in the form of public loans and obligations denominated in dollars, the

fall in the exchange rate of the dollar means a drop of nearly 50% in the real value of these holdings, if the Japanese owners sell massively, which they are obviously trying to avoid. The debtor thus "holds" the creditor by the fear of catastrophic losses. The "third world" have the imperialist countries in that position. The United States has the same hold on Japan.

However, it would be wrong to deduce from this that the debtors have gained a lasting "power" over their creditors. The response of the Japanese bourgeoisie, facing the depreciation of its American paper holdings, has been classic — to transform these quasi-liquid holdings into "real values," to buy up firms, stock, or land in the United States and elsewhere.

In fact, when the yen rose by 50% against the dollar and the pound sterling, that meant that American stocks and firms became better bargains for the Japanese, so long as there is no flareup of inflation in the United States.

Between March 1985 and March 1986, direct Japanese investment in the United States increased by 55% (10), going above all into the purchase of small and middle-sized firms specializing in high technology. (11) But Japanese banks have also acquired major banking establishments abroad, such as the Banca del Gottardo in Switzerland, the Heller group and J. Henry Schroder in London, the Bank of California in the United States, and so on.

In August 1986, it was rumored that the Dai-ichi Bank — which has become the world's leading bank by virtue of the value of its holdings denominated in dollars — was on

the point of absorbing the Bank of America (the second largest US bank). The Bank of America was in severe financial difficulties. It had just suffered 640 million dollars in losses in the second quarter of 1986.

Moreover, given the rise in Japanese wage costs calculated in dollars, Japan's big trusts are shifting their subcontracting and even their production units to South Korea, Singapore, certain European countries such as Spain or Britain and even to the United States. Thus, the first victims of the rise of Japanese finance capital may be the Japanese workers themselves, who are suffering more from unemployment than in the past. The famous principle of "a job for life" is being more and more put in question in the big Japanese concerns.

The plummeting rate of exchange for the dollar — the base currency of the international monetary system — is obviously dealing a new blow to the whole system, and by a ricochet effect to the world capitalist economy as a whole. First of all, it represents a prodigious devaluation of capital for those who hold dollars or credit paper denominated in dollars or even dollar bonds of private firms and governments. This mass of creditors is not just outside the United States, it is above all within the country itself. (12)

It is true that this devaluation (as well as the momentary decline in the interest rate in the United States) is offering some relief to the most indebted countries of the "third world." But this beneficial effect is largely neutralized by movements in the other direction provoked by the US recession — greater inflation of local currencies compared with the dollar and a new deterioration in the terms of trade.

The collapse of the tin cartel and tin prices and the new disaster this has caused in Bolivia is a striking illustration of this trend. According to the 1986 World Bank Report, "third world" countries suffered a 1.1% decline in their exports because of

9. *Ibid.*, June 7, 1986.

10. 'Far Eastern Economic Review', September 4, 1986.

11. 'Wall Street Journal', August 11, 1986.

12. It could of course be argued that the loss of effective demand of owners of assets in dollars and in pounds sterling with regard to Japanese, West German, Dutch, Swiss or even French, Italian, Belgian or other goods is counterbalanced by the gains in purchasing power of holders of yen, marks, guilders, etc. with respect to US and British commodities. The same remark would apply to the revaluation of assets in yen and marks, which could compensate for the devaluation of assets in dollars and pounds sterling. This argument is not valid because the US home market is bigger than the home markets of Japan and West Germany put together, and the volume of assets in dollars and pounds sterling is much greater still than the volume of assets in yen and marks.

the deterioration in the terms of trade in 1985, which means a loss of close to 6 thousand million dollars. At the same time, just for service on their debt they spent 22 thousand million dollars more than all the capital inflows (public and private loans and even investments) that they received in that year.

For the capitalist economy as a whole, this devaluation of money-capital denominated in dollars is like a deflationary puncture aggravating the trend to falling prices that flows fundamentally from the existence of enormous surplus production capacity. (13) The sharpening of international competition owing to the fall of the dollar is forcing exporters to cut their profit margins, which in itself increases the trend to falling prices.

The fall in the oil price is having the same effect on the international economy. But since the recession has already started, any deflation can only increase the tendency to falling production, employment and income.

Moreover, as is the case for "third world" countries, the growing debt in the United States is pulling this country into a veritable avalanche that nothing will be able to stop. For the years 1986-1990, in the US a cumulative balance of payments deficit of a thousand thousand million dollars is expected.

The United States no longer has the gold and exchange to settle this colossal debt. It can find the means for keeping up appearances only by borrowing abroad. But, seeing the devaluation of the dollar, the foreign bourgeoisie is not inclined to lend money to the United States unless the interests on the loans includes a growing insurance premium against losses in the exchange rate.

The more this premium rises, the more the pressure will mount to push up interest rates again in the United States. In turn, a rise in the interest rate will worsen the US recession, which will tend to spread to all the capitalist countries, thereby choking off world trade. That will again increase the US balance of payments deficit and the need to borrow more abroad.

Finally, these perverse effects of the dollar crisis on the US economy and the world capitalist economy are increasing the tendency to move capital from the productive sector to unproductive and purely speculative ones. Thus they are aggravating the crisis of accumulation (over-accumulation) since only capital invested in production makes it possible to produce additional surplus value.

Public debt in the United States has exceeded the astronomical level of 2,000 thousand million dollars.

The service alone on this debt is approaching 200 thousand million dollars a year. It is aggravating the budget deficit and it feeds regularly off the balance of payments deficit, which continually swells the volume of debt.

The net US foreign debt, which amounted to 3% of the Gross National Product (GNP) at the end of 1985, threatens to reach 14% of GNP (800 thousand million dollars) in 1991. But only the tiniest proportion of the 200 thousand million dollars in interest collected every year by the US government's creditors are invested productively. To get an idea you need only compare this money with the 5.5 thousand million dollars currently invested in the United States by the Japanese bourgeoisie.

No substitute for the dollar

It might be supposed that the "positive" effects of the rise of the yen and the mark would neutralize at least some of the deflationist punctures in the international economy. There is in fact a trend toward an internationalization of the yen, combining with the older trend toward the internationalization of the mark.

The share of international credit operations (including the emission of bonds) denominated in yen has risen to 7.7%, as against 6.7% for the mark. In absolute figures, these operations have risen from 2,300 thousand million yen in 1983 to 5,200 thousand million in 1985. At the present rate of exchange, that represents roughly 33 thousand million dollars.

The proportion of exchange reserves in all the capitalist central banks made up of yen has risen in the same interval from 4.9% to 6.2%. (14) It should be about 7% today. Some 10% of Japanese imports are already billed in yen.

However, when you put these figures in their context, you see that they are modest or even insignificant shifts, given the extent of the dollar holdings of the Japanese capitalists. On March 31, 1981, the total holdings of the ten biggest Japanese banks amounted to 250,000 thousand million yens, or at the current exchange rate 1,500 thousand million dollars.

This volume was 75% greater than it had been a year earlier. (15) The share of foreign assets in this total already amounted to 40%, as against 30% a year before and 25% two years earlier. It is said that the big Japanese banks already hold 25% of all banking assets in the City of London. (16) Given these orders of magnitude, the

relative importance of the yen as an international reserve currency, or its current use in world trade, seem insignificant. There is still no substitute for the dollar as the base currency for the international monetary system, since in the final analysis there is still no imperialist power (or imperialist alliance) that has replaced the United States as the dominant power. And by the same token the crisis of the dollar can only accelerate the crisis of the international system of capitalist money, credit and trade.

It is apparent that the dynamic of indebtedness and of material production are tightly intertwined in the age of late capitalism. This results in the last analysis from the aggravation of the contradictions inherent in the capitalist mode of production, well above and beyond the problem of the so-called third world countries.

In a letter sent to US Senator Proxmire, Paul Volcker, president of the Federal Reserve Bank, stressed at the end of 1985 that the paid-up capital of US businesses represented no more than 51.5% of their assets, as opposed to 62% in 1981. US consumer debt has reached the record level of 19.2% of disposable income. In Britain, a third of consumer spending is on credit, as against 25% ten years ago.

Half of German households are in debt, and 4 million households are behind in their payments. A total of 20 thousand million marks of bad debts are considered unrecoverable. (17) More than half the households defaulting on their payments suffer from unemployment. But if consumer credit were abruptly cut, sales and production would drop, while unemployment would rise still more.

The question of whether the present "mini-recession" will lead to a "normal" recession of the type of the one in 1974-75 or 1980-82 comes down to the question of whether the home markets of Japan and West

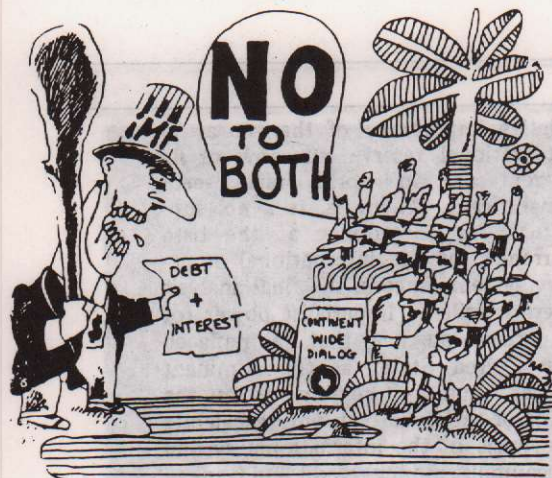
13. An article published on August 1, 1986, in the West German weekly magazine 'Die Zeit' characterized the situation on the world market for electronic components with the following lapidary formula: "A wrong projection of demand has led to enormous surplus capacity." At the same time, we have seen a precipitous decline of the prices for these components on the world market. To halt this catastrophic drop in prices and profits, the big Japanese and US semiconductor trusts have just formed a veritable exporters' cartel.

14. 'Neue Zürcher Zeitung,' August 20, 1986.

15. The share of Japanese banks in the cumulative paper holdings of the capitalist world's ten biggest banks has climbed in the space of a year from 50% to nearly 60%.

16. 'Neue Zürcher Zeitung,' July 22, 1986.

17. 'Neue Zürcher Zeitung,' November 23-24, 1985; 'Sunday Times,' January 12, 1986; 'Der Spiegel,' No. 12, 1986.



Germany can replace the US domestic market as locomotives of the international capitalist economy. A further expansion of these countries' exports would lead to new surpluses in their balance of payments, which would manifestly have a perverse effect on the international conjuncture.

The Reagan administration is making energetic, not to say desperate efforts to get Tokyo and Bonn to give more thrust to their expansion. Japan and West Germany are called upon to pursue a policy of systematically lowering their interest rates ("cheap money") in order to swell internal demand in their countries, which would thus suck up more US commodities. So, here are our monetarists of yesterday relapsing into the crudest Keynesianism, not only on the national but on the international level.

Until now, Tokyo and Bonn have been turning a deaf ear to these pleas, showing once again that absolute American hegemony vanished long ago. It is hard to imagine them refusing to bow to such pressure in 1955 or even in 1965. Their rejection of these proposals is clearly inspired by their own interests as competitors. But they can also base themselves on solid "technical" arguments, that is on arguments of bourgeois economic policy in general that are well-founded from a theoretical point of view.

Would lower interest rates in Japan and West Germany have a real effect on the volume of investment, employment, production and national income? That is dubious. The level of these interest rates is already much lower than in the United States. The volume of money is moreover swelled rapidly in the United States, where it is growing annually at a rate of 13%.

Nonetheless, credit granted to businesses is tending to slow down, not because there is a lack of supply of money-capital, but because demand is not keeping up. The increase in the quantity of paper money is being neutralized by a decline in the velocity of circulation of money, despite falling interest rates. (18)

Contrary to the illusions of most

bourgeois economists, the quantity of paper money and interest rates are only partially independent variables in the capitalist economy. The effects of their variation depend in the final analysis on the extent of utilization of productive capacity, markets for commodities, and profit rates, as well as the volume of profits anticipated. If these factors do not prompt capitalists to invest more, no drop in the interest rate is going to modify their behaviour.

What is pushing down the profit of the big Japanese trusts and leading them to moderate their investment — and therefore to "provoke" their investment — is not just the high exchange value of the yen and the end of the export boom that this is bringing on. It is above all excess productive industries (steel, petrochemicals, shipyards, and marginally auto as well) and the high-tech industries.

Fall in demand

According to the *Japan Economic Journal* of August 23, 1986, "with the decline following two years of investment in the semiconductors branch, the Japanese semiconductors industry is experiencing hard times. Capital invested by industrialists in the industry dropped 50% in 1985." In 1986, a further reduction of 28% is expected.

Even a strong expansion of demand in West Germany and Japan would only compensate for the fall in these countries' exports and export revenues. It could scarcely compensate also for total losses resulting from the drop in demand in North America and in the "third world." But without that, overall world demand would remain slack or even decline, unable to spark a real upturn of the world capitalist economy as a whole.

If there were a real expansion of internal demand in Japan and West Germany it would only offer a stimulus to the economy through giving a new impetus to private consumption, since there are hardly any immediate hopes for a rise in productive investment. However, relaunching private consumption in such countries is impossible without a rise in real wages and employment.

But, since the start of the long depression, the entire economic policy of the bourgeoisies of these countries has been directed at precisely the opposite objective. That is because they are obliged to bring back up the rate of surplus value and of profit, which cannot be achieved if there is a significant increase in wages.

The attacks on the level of employment, the maintenance of a high level of unemployment in periods of expansion, such as 1983-1985, were designed precisely to boost the rate of surplus value and profit. (19) The Japanese and West German bourgeoisies are not going to sacrifice these prime objectives for the sake of strictly US interests. Their deafness to Washington's appeals reflects a very clear class logic. (20)

An expansionist monetary policy in Japan and West Germany would tend to wipe out all or a part of the competitive advantages that the bourgeoisies of these countries have gained over the United States, France and Britain. Their intermediate-range and long-term interest is to preserve these advantages. So they are hardly inclined to sacrifice them for a short-term consideration, such as avoiding a recession at any cost.

It cannot be ruled out that the immediate effect of the fall in oil prices and in the prices of raw materials denominated in dollars will give a greater competitive advantage to West German industry and, secondarily, to that of other EEC countries, to an extent that could momentarily counterbalance the immediate effects of the fall of the dollar on their capacity for export, even to the United States.

In that case, there would be a time-lag between the continuation of the "mini-recession" in North America and Japan and its extension in Europe. Helped along by the lag that has become habitual in the spread of recessions to the semi-industrialized countries, this would lead to a de-synchronization of the international business cycle for a few quarters. But it is unlikely that such a de-synchronization could extend for 12 or still less for 18 months.

The most optimistic prognosis for the world capitalist economy — continued expansion in West Europe, Southeast Asia and Brazil during

18. 'Business Week,' August 4, 1986.

19. Unemployment remained practically unchanged over the entire period of the 1983-1985 upturn in the imperialist countries, or else rose. The reactionary French minister Philippe Seguin did not hesitate to tell 'Le Monde' (August 8, 1986) that in France there was an "irremovable" residue of 2.5 million unemployed. This statement has no relationship to economic science. Rather it cynically expressed the aim pursued by the French bourgeoisie.

20. It is true that in Japan there is room for an increase in public investment (social and infrastructural), which is very far behind that in Europe. There is also room for reducing the rate of savings of the middle classes and white-collar workers, which is much greater than that in the other imperialist countries. However, the multiplying attacks against "job security" in the big companies and the growing fear of unemployment explains why Japanese white-collar workers remain cautious in this respect.

the whole of 1987 — is less probable because of the convergence of four trends:

- The depressive effects of excess productive capacity on the volume of productive investment in all the imperialist countries.

- An inclination on the part of the bourgeoisies toward a policy of reducing employment and direct and indirect wages, in particular under the pressure of deficits in public budgets, which are growing everywhere.

- The immediate effects of the US and Japanese recessions, as well as the fall in the oil price, on the volume of world trade.

- The pernicious effects of the "third world" debt on the world capitalist economy.

To these factors should be added the threat of a new inflationary thrust. Everywhere the swelling of the volume of paper money in circulation is exceeding the predictions of the central-bank authorities and the needs, properly speaking, of the productive economy.

The principal cause of this expansion is the growing deficit in public finance and the social security systems, which is the result of the long-term economic depression, and in the United States, of the new spurt in the arms race. But this is also aggravated by increased recourse to consumer credit to cushion losses of income caused by the austerity policies being pursued by all the bourgeois governments.

In the United States, the increased cost of imports is also pushing prices up. But above all the new monetary "laxness" could stimulate inflation. In order to revive their sales, the US auto trusts drastically cut the cost of credit to consumers at the end of August, with the full approval of the banks, including the Federal Reserve system.

Some economists and particularly politicians think that a new rise of inflation is hardly dangerous, given the very low level to which it has fallen. This argument is doubtless valid for the world economy as a whole if there were a successful "coordination" among the capitalist powers. But this presupposes a solidarity, a common interest, that scarcely exists in conditions of competition and private property.

Since there is competition among the capitalist powers and between them and the dependent semi-industrialized countries, every government calculates the effect of inflation on the competitiveness of "its" bourgeoisie, on the balance of payments of "its" country, on the relationship of social forces in "its" state. They act this way not out of blindness or ignorance, but under the

pressure of competition. In these conditions, a new rise in inflation is a factor in increasing instability.

Various currents of economic opinion — including in the OECD — are trying to blame the present revival of inflation, which coincides with the end of the upturn of 1983-1985 in some countries, on a rise in nominal wages. This argument has no scientific validity. The increase in wages at the end of the upturn did not even compensate for their decline over the preceding recession. Moreover, this happened only in a few countries.

Inflation not caused by wage increases

Overall, when they have not declined, wages have risen more slowly than the productivity of labor. But even if they had risen more, that would not have brought on a revival of inflation, given the extent of unutilized productive resources.

It is obviously the "laxness" of the banks and the monetary authorities toward the monopolistic concerns that enables the latter to "transfer" onto the market any increase in their costs so as to maintain their profits.

What lies behind the demagogic argument that wage increases are generating inflation is the imperialist bourgeoisie's disappointment with the effect of the crisis on the evolution of wages. While they have fallen catastrophically in most of the "third world" countries, in some cases as much as 50% — Taiwan, South Korea and Singapore being the exceptions — they have only declined slightly in the imperialist countries, except for Spain and Portugal.

Despite the extent of unemployment, the relationship of forces has not shifted substantially in favor of capital. And the attacks on social security, which are inevitable in view of the growing deficit of public finance, are running up against fierce resistance, even in the United States. (21)

In these conditions, a relatively rapid exit from the crisis at the expense of the working class similar to what happened in 1940-45 (and in 1933-1945 in Germany and Japan) remains unlikely in the foreseeable future. (22) Also unlikely is an exit from the depression through a general technological revolution, with a restructuring of the world market accompanied by an expansion. The perspective is, therefore, rather for the depression lasting a considerable time.

In this regard, the case of robotics is very significant. Great prospects

have been held up for the future that this new industry is supposed to offer. They were supposed to mean a transformation of society as a whole, even a tendency to the disappearance of living human labor.

However, today, the bosses have to sing a different tune, starting with those in the robotics industry itself. Robotization has been advanced at a snail's pace and not by leaps and bounds, precisely because productive investment as a whole is tending to stagnate. The studies made by the bourgeois magazines confirm this by registering the excess capacity in this industry and the simple fact that the robot revolution has been progressing much more slowly than expected. (23)

From now until the end of the century, such mechanical slaves will only eliminate a few per cent of jobs in industry.

The great unknown remains whether the present recession could be accompanied by a collapse of the international credit system resembling that of 1931. I continue to think that that is unlikely. The US government cannot let banks like the Citicorp or Morgan Guarantee Trust go under for the simple reason that the US government is Citicorp and Morgan Guarantee Trust. As Professor Galbraith recently restated: "It can be said, in the broad sense, that no industrial or financial establishment is in danger of going under if it is big enough." (24)

However, there are limits to the extent and the speed with which bourgeois governments can "come to the rescue." This is why a crash cannot be excluded. Such an eventuality depends essentially on two factors. The first is the extent of the devalorization of capital, especially productive capital, in the imperialist countries themselves (first of all the United States), that is the number of big firms that go bankrupt or are swallowed up for a fraction of the value of their fixed assets. The second is the extent of the next crisis of insolvency of the main debtor countries of the "third world." □

21. In a book that created a sensation — 'The Triumph of Politics,' Harper and Row — the former head of Reagan's Bureau of the Budget, David Stockman, expressed his 'disillusionment' with the behaviour of pro-Reagan members of congress who opposed any substantial cuts in sickness insurance (Medicare, Medicaid) out of fear of the reactions of their constituents.

22. Armstrong, Glyn and Harrison in their book 'Capitalism since World War II,' Fontana Books, 1984, expressed a similar opinion.

23. See 'The Economist' of July 26, 1986; and the 'Revue Internationale du Travail,' No.1, 1986.

24. 'New York Review of Books,' June 26, 1986. John Kenneth Galbraith, a Keynesian economist, is the author of 'The Affluent Society' (1961) and 'New Industrial State' (1986), among other books.

AROUND THE WORLD



Canada

TAIC conference

THE TORONTO Anti-Intervention Coalition (TAIC), Canada's most broadly-based local activist alliance against the United States' war in Central America, has announced plans to host an Anti-Intervention Conference on 15-16 November, 1986, in Toronto.

A major emphasis of the conference will be educational presentations, panels and workshops on the current situation in Central America. NDP member of the Ontario Legislature Richard Johnston, a participant in the recent Louis Riel Teachers' Brigade in Nicaragua, will be a guest speaker. (A schoolhouse built by the brigade was destroyed by contra mercenaries, who murdered 6 people in the village where the Canadians stayed a few days after their departure.)

The conference will also adopt plans and perspectives for anti-intervention activities, including a major demonstration for spring 1987. Groups and individuals from across English Canada and Quebec are invited to attend. TAIC's goal is to facilitate better co-ordination of cross-country work, and bring about the largest possible united spring protests against the escalating US war in Central America, and against Canadian government complicity with US aggression.

At a July 22 public meeting in Vancouver, sponsored by the newly-formed Central America Mobilization Committee, considerable interest in attending the TAIC conference was expressed. Such interest needs to develop across the country,

particularly among affiliates of the Central America Solidarity Network, which endorsed TAIC's June 14 demonstration and fair. □

[From Socialist Challenge, Fall 1986.]

South Africa

Metal workers congress

The following article is taken from SA Metal Worker, the journal of the Metal and Allied Workers Union (MAWU). It appeared in July 1986.

THE METAL and Allied Workers Union has committed itself to building socialism in South Africa in a struggle spearheaded by the working class.

Many unions and federations have expressed doubts about the benefits to workers of this country's present capitalist economic system, but MAWU is the first to unequivocally come out in support of socialism.

This commitment was made at the union's first congress held in Johannesburg on July 3-5, attended by over 300 factory delegates.

Although clearly stating that the organized working class must lead the liberation struggle, MAWU said it could do so only if it had "a clear programme and aims".

For this reason, the union said it would discuss at all levels of the union, as well as in COSATU, the aims and programme of the working class as a matter of priority.

This was essential if workers were to build "correct alliances" and "true socialism and democracy".

"Organized workers should also

consult their allies, especially the organized youth, in order to build a programme which can bring together as many groups in society as possible."

The congress was marred by the fact that many of MAWU's senior worker leaders could not be there because they were either detained or were in hiding.

In spite of this, every organized factory was represented which facilitated thorough debate on key issues facing MAWU, particularly in the light of the present state of emergency.

National organizer, Bernie Fannor-off, said people had only to look at the congress to see that the workers' movement was progressing.

"The congress has given us what we needed — free and open debate; but we cannot have this debate when we are being threatened every day by the state.

"Its attack is aimed at preventing MAWU from building a democratic organization controlled by workers", he said.

However, the state of emergency, had not crippled the union, a resolution adopted at the beginning of the congress said.

It said that MAWU would continue to defend and fight for the advancement of the interests of its members and all workers, and would not be intimidated by the harassment of trade unions or unionists.

The resolution added that the union was determined to achieve a living wage in the metal industry and to continue its struggle for economic justice.

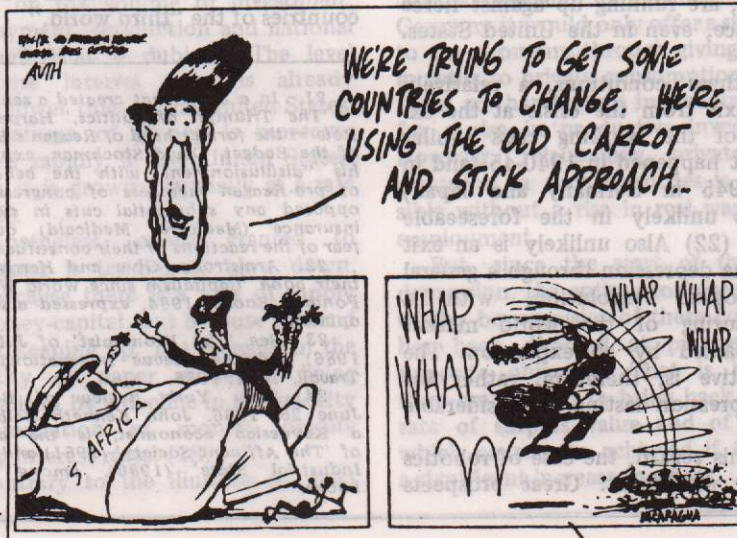
In conclusion, it called for the immediate release of "our leaders, members and officials and an end to the harassment of MAWU and other unions".

Later, delegates called for the release of Nelson Mandela and all other political prisoners.

In line with COSATU's policy of one union per industry, MAWU undertook to merge with other large, democratic worker-controlled unions in the metal industry as soon as possible.

The metal industry membership of small unions and the general unions should then be handed over to the merged union, it added.

In the key-note speech, National Union of Mineworkers' Marcel Golding, said the congress was meeting at "one of the most crucial times of our history.



"The apartheid government is waging a determined battle against unions and the democratic movement as a whole.

"It has detained union leaders but it has failed to grasp that for every union leader detained there is another to take their place.

"Democratic structures will ensure that we will not be crushed", he said.

Clearly, MAWU's congress, which further developed its democratic structures, has been an important event in the union's attempt to withstand the hammerings of the apartheid state. □

Free Moses Mayekiso!

MOSES MAYEKISO, 38, national general secretary of the Metal and Allied Workers Union and leader of the Alexandra Action Committee, was detained under Section 29 of the Internal Security Act on his return from an overseas trip three months ago and is still being held.

He was born in Cala in the Transkei of poor parents who struggled to pay for his education. He was expelled from school after protesting against authoritarianism, but completed his matric after working for a year as a miner in Welkom, earning 80 cents a day. In 1974 he moved to Johannesburg and started working as a building labourer. Two years later he was employed by Toyota and joined MAWU. He was soon elected a shop steward and later became MAWU national treasurer, before being fired after the 1979 strikes. He was then appointed full-time organizer in the East Rand and later Transvaal organizer. He played a key role in the formation of the Congress of South African Trade Unions.

Mayekiso developed close relations with COSAS and other United Democratic Front affiliates, and was one of the organizers of the November 1984 stayaway, for which he was detained. Charges against him were later dropped. He has also played a central role in Alexandra community politics and heads the Alexandra Action Committee.

To give an idea of the popularity of this workers' leader, it is enough to recall that following a previous arrest in March 1986, a solidarity strike took place in the metal industry, in which 58 per cent of MAWU members in the Transvaal participated.

MAWU has launched a solidarity campaign to obtain the release of its general secretary. This has been extended by the stance of the International Metalworkers Federation, which has published a postcard to be sent to the South African government. It reads "I demand the release of

Moses Mayekiso, general secretary of the Metal and Allied Workers Union, and all the trade unionists and other political prisoners in South Africa."

This sort of initiative can be repeated throughout the international workers press, as well as across the various trade-union channels. That is the way effectively to pressurize the repressive South African government and to offer concrete support to its victims. Messages of solidarity and protest cards should be sent to the following address: *PW Botha, Union Buildings, Pretoria 0001, Republic of South Africa.* □

Spanish state

Land occupations

THE SPANISH Council of Ministers' decision to not even consider an amnesty for Diego Canamero, leader of the Agricultural Workers' Union (SOC), got a bitter and angry response from 300 Andalusian farm laborers who came to Madrid to demonstrate.

Canamero was jailed a short time ago, along with 600 agricultural workers who occupied land in Andalusia. He expected to have the month-long sentence handed down against him by the Moron de la Frontera court annulled by Premier Felipe Gonzalez.

Having already been sentenced to prison for occupying an estate in 1984, the trade-union leader had refused to appear before the court. When the news was announced, it was decided to hold a 24-hour strike in Diego Canamero's village and 300 persons threatened to go on hunger strike.

This is not the first action by the Andalusian agricultural workers, whose tragic situation has hardly improved under the government of the Andalusian Felipe Gonzalez.



Some 2 per cent of the population owns 50 per cent of the arable land in Andalusia, while a half million agricultural laborers are living in poverty. It is estimated that 320,000 persons are undernourished and living below the poverty threshold. Far from improving, this ancient injustice has deepened over the past decade.

The agrarian reform promised since 1983 has been stalled, and farm laborers still find themselves forced into seasonal migration, especially to France, in order simply to assure the survival of themselves and their families.

While unemployment is chronic among agricultural workers, social benefits are pitiful or nonexistent in most of the country. In fact, with the reform in the system of unemployment insurance, only farm laborers in Andalusia and Extremadura are entitled to receive them. The rest of the unemployed agricultural workers, estimated at 250,000 people, get nothing.

However, even for those who have the right to claim these benefits, the conditions are such that most of them do not draw them. In order to draw about 150 dollars a month in unemployment benefits, you have to have worked ten days in the year. But the employment situation is such that in 1985, out of 280,000 agricultural workers theoretically entitled to draw this miserable sum, 170,000 could not meet that condition.

The big farmers are taking advantage of the laborers' desperation for work to impose the wages and conditions that suit them.

In solidarity with Diego Canamero, and in response to a call by the SOC, the Workers Commissions and several left parties — including the Liga Comunista Revolucionaria, Spanish state section of the Fourth International — a demonstration was held on August 23 in El Coronil, where El Garrotal, the estate occupied by the jailed agricultural workers, is located. There, the demonstrators, who were joined by the Rio Tinto miners, in turn occupied El Garrotal, challenging the authorities to impose the same penalty on them.

The repression against the agricultural workers demanding "land, work and freedom" has widened. In mid-August, about 15 persons were arrested in Ayamante because they were demanding electricity for the homes of about 30 workers' families.

The demands of the workers have been met with silence and police by the Spanish Social Democratic party. Other trials are going to be held against agricultural workers, and other demonstrations and hunger strikes are already planned throughout Andalusia.

"The apartheid government is waging a determined battle against unions and the democratic movement as a whole.

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