

# International VIEWPOINT

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## The EEC and the crisis - who's Europe ?

Spanish workers  
face disaster

Ireland in  
the squeeze

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# International Viewpoint

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# New rise of workers struggles against austerity

Steve Roberts

Workers action against austerity in Western Europe is becoming again a major factor in world politics. The struggles at the centre of the political stage in at least six countries are the most developed since the massive strike wave of 1968-72.

With the parallel development of the anti-missiles movement they testify to the integrated character of European politics which increasingly demands a *consciously* coordinated response from the labour movement. The EEC elections will underline this objective need, as governments of both the right and left attempt to use them as referendums of confidence in their austerity programmes.

A brief survey of the industrial scene amply demonstrates why bourgeois politicians from Craxi to Kohl believe such a vote of confidence is necessary.

In Italy, the anti-inflation programme of socialist prime minister Bettino Craxi has been met with the largest workers demonstration in Italian history. One million people demonstrated in Rome on 24 March in defence of the sliding scale which cushions workers wages against the effects of inflation. The motor force of the movement comes from the national assembly of workers councils. This body has met twice, convening over 2,500 rank-and-file delegates in defiance of bureaucratically inspired divisions in the workers movement. As we go to press, delegates are planning to organise a general strike unless the government withdraws its plans.

In Spain, the epic fight of the Sagunto workers to save their jobs at the state-owned steel works, has suffered a defeat with a majority of the workers approving the closure of the main iron and steel casting installations. Nevertheless, the Sagunto workers led a strike wave in the first months of 1984 unprecedented in modern Spanish labour relations in the terms of the number of strike days lost, serving notice on the PSOE government that 'industrial restructuration' will not go unchallenged.

In Belgium, the Martens government is facing a renewed rise of the general strike movement, despite the bureaucratic divisions in the workers movement. The government's proposals to slash social security provisions have provided a fresh twist to the austerity package that has already made Belgium the country with the third highest unemployment in the EEC after Ireland and Holland.

In France, the plan announced by President Mitterrand on 29 March will mean the loss of 20,000 jobs in the steel industry, mostly in the depressed Lorraine area in the northeast of the country. The steel workers, through a general strike in Lorraine, have taken the lead in fighting these proposals which form part of the package of 'modernisation' which will eliminate 25,000 miners jobs, as well as closure and lay-offs in shipbuilding, the car industry and telecommunications. On 13 April 35,000 Lorraine steelworkers and their supporters marched through Paris chanting 'Mitterrand watch out! The working class is in the streets!' The fight of the steel workers is provoking growing pressure for the French Communist Party to openly oppose the government's policies.

In Britain, the decision by the miners union leadership on 12 April to continue their strike action against pit closures and a low wage offer, represents a massive escalation of the stakes involved. Failing to defeat the strike by a policy of encouraging divisions in the miners union, the Thatcher government must now turn towards the full unrestrained use of the government's anti-union legislation, through the police and courts, in order to inflict a defeat on the miners and the left-wing-led unions who have backed them through solidarity action.

In West Germany, the 160,000-strong printers union IG Druck und Papier staged 24-hour strikes at all the major plants to press the demand for the 35-hour week with no loss of pay. The union had appealed to workers in 50 plants countrywide to join it. The strikes follow a succession of 'warning strikes' by members of the country's biggest trade union IG Metall throughout March with many of its 2.6 million members in the engineering industry involved.

What explains this synchronised eruption of workers anger? There are wide differences between the breadth of the strikes, their chances of victory and their political implications. Nevertheless there are some common factors.

Firstly, the fact that the organisational strength of the workers movement remained intact despite heavy defeats, meant that a clash between the bosses and the labour movement was inevitable, however delayed.

Even in Spain, where the trade-union movement had been ravaged by heavy-handed operations to establish bureaucratic control of the post-Franco mass legal unions and by the early signing of a social pact that tied trade-unionists' hands in the face of savage attacks on workers standards of living, the huge strike wave of recent months has created a new confidence in the possibility for fighting back.

This type of confidence is reinforced by the general recovery of the European economies, however sluggish. Even in countries where the gross domestic product is still in decline, such as Italy, industrial production has experienced a sharp rise. This expansion does not necessarily mean a reduction in unemployment, as employers try to jack up productivity through new technology and new working practices. Plans for the reduction of the working week without loss of pay, coupled with 'social control' of new technology as sponsored by the West German unions, are a response to the bosses' stratagem being urged on all the member unions of the European trade union confederation.

The EEC elections can be the occasion for militants to make valuable propaganda for a consciously coordinated plan by the European working class to put the cost of the crisis of the back of the employers and to overcome the unevenness of the struggles.

However, in some instances such actions can go beyond propaganda. The Italian factory councils' national assembly passed a resolution of solidarity with the steel workers of Lorraine, the West German metal workers and printers, the British miners and the Belgian workers.

The practical links between these struggles can be a permanent consideration in the present struggles. Dock workers and Ford car workers already have permanent European coordinations of workplace representatives and trade unionists. Other industries could follow.

Secondly, the adoption by most trade-union confederations in Western Europe of the plan to fight for the 35-hour week, has to be the subject of resolutions and a plan to achieve action in the next period.

The experience of the present waves of struggles and for a European-wide response to the crisis will be at the centre of an 'Assembly of workers against austerity and the Europe of the capitalists' on May 26-27 at Le Bourget near Paris, initiated by the Ligue Communiste Revolutionnaire, the French section of the Fourth International. On the platform will be rank-and-file leaders from all the present struggles.

It will be a modest contribution to the vital task of building an internationalist consciousness that can make a Socialist United States of Europe a vital objective for the European working class vanguard. ■

# For an anticapitalist alternative ! For a Socialist United States of Europe !

Participation by revolutionary forces in the elections to the European parliament to be held in June has been made difficult by numerous legal and financial barriers. Nonetheless, the sections of the Fourth International in the countries concerned will take the occasion to wage a campaign against austerity, the missiles and against antilabor policies. We publish below the call adopted jointly by the United Secretariat of the Fourth International and the European sections directly concerned by the Common Market question.

In France, the financial hurdle for running candidates was very high. Just publishing the official material for a European election campaign costs 5 million francs [about £400,000 or 700,000 US dollars]. This money is reimbursed only to slates that get over 5% of the vote. Nonetheless, the Ligue Communiste Revolutionnaire, French section of the Fourth International, is waging a campaign that will culminate in a rally against austerity and the capitalist united Europe on May 26 and 27 at Le Bourget near Paris.

In Britain, revolutionary Marxists are calling for a vote for Labour candidates, supporting the call of the left wing of the Labour Party for withdrawal from the EEC and for opposition to the missiles and austerity.

In Belgium, the Parti Ouvrier Socialiste/Socialistische Arbeiders Partij has gathered the 1,000 signatures in each province needed to run a slate. The Ligue Communiste Revolutionnaire of Luxembourg has also met the requirements. Thus, both these organizations will be directly involved in the election campaign.

In Italy, like France, there are very high legal and financial barriers to running an independent slate. For example, it is necessary to collect the signatures of

30,000 supporters in each of the five election districts. And then these signatures have to be "validated" in front of a notary, which costs a lot of money.

In view of the workers struggles that are being waged now against the austerity decrees of the government presided over by the "Socialist" Bettino Craxi and the mobilizations against the installation of the missiles at the Comiso site, the European elections will assume a major national dimension in this country.

For this reason, since the Socialist Party is in the government and the Communist Party is riding on the workers mobilizations, the Lega Comunista Rivoluzionaria, Italian section of the Fourth International, has decided to call for a working-class vote for the Democrazia Proletaria and the CP slates under the slogan: "Strengthen the left opposition to the Craxi government and the Christian Democrats."

Thus, the Lega Comunista Rivoluzionaria will campaign against the missiles and austerity, for left unity in the struggle against the government. Nonetheless, it will modify its electoral call if the CP's role in the workers mobilizations turns into open betrayal.

In Denmark, you need to get 60,000 signatures to run a slate. So, the Socialistisk Arbeiderparti (SAP) has begun discussion with the Left Socialist Party (VS) for an electoral accord on the basis of a manifesto against unemployment, for the 35 hour week and for supporting the struggles for this demand, for a European-wide strike against the missiles and for Danish withdrawal from the EEC. If these negotiations are unsuccessful, the SAP will propose common actions with the VS in the framework of the campaign.

## Appeal of the Fourth International for the European elections

The second elections for the European parliament will be held in June 1984. The first were in 1979. Although the European parliament is only a consultative assembly without any real powers, these elections will not fail to have an impact on the political scene.

The parties that directly represent the bosses want to make these elections into a plebiscite in favor of the anti-labor and warmongering policies that they support, a plebiscite in favor of austerity and installing the intermediate-range missiles. In Britain, they are represented by Margaret Thatcher; in France by Simone Veil, Giscard d'Estaing and Jacques Chirac; in West Germany by Helmut Kohl; in Belgium by the Martens-Gol duo; in the Netherlands by Lubbers; in Italy by the Christian Democrats; and in Denmark by the bourgeois coalition in power.

As for the reformist parties of Francois Mitterrand, Bettino Craxi and George Papandreou in power in France, Italy and Greece, they are also applying the line of austerity and stepping up the arms race. But they are doing it in a bit more moderate style, and are politically on the defensive, unable to put up any sort of

credible alternative against the capitalist offensive.

### No to the EEC, instrument of the banks and trusts

The EEC is a Europe of the bosses. The Common Market was not set up for the benefit of the workers but to bolster the power of the European trusts and multinationals. The EEC institutions act against the interests of the workers. The European Commission is coordinating the attacks on steelworkers throughout Europe. It is promoting an austerity policy in all the member countries.

Voices are now being raised in favor of equipping this Europe of the bosses with a European army. Such a force would be just as dangerous for peace and the future of humanity as the army of American imperialism or the "national" armies of the European imperialist powers.

The Fourth International appeals to the workers of Europe to put no faith in capitalist integration of this region. European capitalism is no more progressive than that of the United States. In line with this fact, we support the cam-

paign of our comrades in the Spanish state and in Portugal against the entry of their countries into the Common Market. We are sympathetic to the campaign of the British Labour left and the Greek left for the withdrawal of Greece and Britain from the EEC.

However, falling back on the capitalist "sovereign national state" scarcely offers any better deal for the workers in the member countries of the Common Market. This would in fact only provide a justification for still harsher austerity policies under the pretext of defending national industry against foreign competition.

Against the two mirages of capitalist integration and bourgeois national sovereignty, the Fourth International calls for a struggle for a Socialist United States of Europe, a common fight, a common solidarity, and a common socialist objective for the workers of all countries.

### Austerity does not create jobs

With the support of all the existing governments, the bosses in the ten member countries of the Common Market, as

well as those in Spain and Portugal, have been able to direct very wide-ranging attacks on workers, recipients of social benefits, women, immigrants, and youth. In defense of their austerity policies, the governments have invoked the demands of international competition. But the same argument has been used in every country, leading to an unceasing downward spiral in buying power and social benefits.

It is sufficient for one country to lower "labor costs," and a neighboring country will justify an ever sharper cut in the name of "the national interest," that is, in fact, of class collaboration, to the sole benefit of the bosses. Indeed it is false to claim that austerity creates jobs. Since this policy started to be applied in Europe, unemployment has more than tripled, going from 4 million to 17 million. And no variants of this policy of reconversion will halt drain of jobs. To the contrary, the experts of the bourgeois institutions themselves predict that in a few years the number of jobless in West Europe will reach 18 million.

### For European-wide action for the 35-hour week now, without loss of pay

A different sort of economic policy, with different priorities, is perfectly possible. But it would have to be based not on the rationale of capital, of competition and profit, but on the logic of labor, of solidarity among the exploited. Priority has to be given to full employment and meeting the basic material needs of the masses.

At the time of the first European elections in June 1979, the Fourth International call said: "Almost forty million of us are organized in unions. If this power is mobilized, it can win the 35 hour workweek with no cut in pay, new hiring to make up for the lost worktime, and workers control over the rates of work to prevent a speedup." (1)

This call reflected a real need, since today the West German metal workers union IG Metall has launched a vast campaign of action, including strikes, for the 35 hour week. Many unions in other countries have come out in support of this. The time has come to organize, alongside the West German metal workers, a West European-wide campaign of all categories of workers for the immediate introduction of the 35-hour week. It is now or never.

Now is the time also for all members of parliament who claim to represent the working class to introduce simultaneously in the national parliaments and the European parliament bills that would reduce the legal workweek to 35 hours. Now is the time for the West European unions to call on the American and Japanese unions to join in this campaign. This is the only effective way to stop the drain of jobs, to avert the divisive and demoralizing effects of massive structural unemployment on the workers movement, to force interna-

tional capitalism to pay the bill for the crisis for which it alone is responsible.

### Act now against Euromissiles

The governments of capitalist Europe are cutting social spending. But they are coming up with more and more money to finance arms spending, to finance their imperialist military interventions in the Malvinas, Lebanon, Chad and Ireland. They apply the rules of profitability and return to spending on education and health, but no government assesses the "return" from its military spending.

The working masses of Europe are more and more rejecting this insane arms race, which threatens sooner or later to reduce our continent to radioactive ashes. The demonstrations against the installation of the missiles brought out unprecedented numbers of people — millions in West Germany, more than a million in Britain and Italy, more than half a million in the Netherlands, and 400,000 in Belgium. In Britain, the Greenham Common women are continuing their struggle against the Nato base.

This mass opposition to the missiles is clearly oriented in the direction of anti-imperialism and unilateral disarmament. This dynamic must be stimulated, reinforced and generalized by specific action proposals more and more coordinated on the international level. Among the proposals that could be made, two are particularly opportune. One is the call for a referendum against installing the Euromissiles on the territory of each country or keeping them there. The other is for the unions to organize a general strike, on a West European-wide scale, against the presence of the missiles.

### For an anti-capitalist alternative, for the United Socialist States of Europe

The workers movement must organize its opposition to the Europe of the bosses, of the trusts and the multinationals, to the Europe of austerity and greater militarization. It must do this on an international scale. The trade-union movement has not yet managed to do this, either in the case of the steelworkers fighting for jobs or in the case of the struggle for the 35-hour week.

In recent months, there have been big workers struggles, such as the public workers strikes in Belgium and the Netherlands, the exemplary mobilization of the Italian workers in defense of the sliding scale, the miners strike in Britain, the Spanish workers' resistance to austerity, and the strike of the Talbot-Poissy plant in France. But in all these cases the fighting spirit of the workers has run up against the divisions among the traditional leaderships of the workers movement, their refusal to organize the struggle and to support an anticapitalist alternative, their capitulation to so-called international constraints and "constraints of competition," that is, their capitulation to the rules of the capitalist game.

Neither in France, nor Spain, nor Italy, nor Sweden, nor Greece, nor Portugal, nor only yesterday in Germany, have the big Social Democratic and Communist parties in government fought back against the attacks on the workers who are struggling against austerity and Nato's ultra-militarist policy. The reason is that these parties and trade-union leaderships refuse to attack the roots of the evil.

In order to throttle the effects of the crisis, it is necessary to break the power of the banks and the financial combines by nationalizing them definitively and without compensation under workers control. The goal must be to put in power workers governments backed up by the workers mobilized and organized in their workplaces and neighborhoods. This means aiming for the expropriation of big capital and reorganization of the economy based on democratic planning by the workers.

This struggle is linked to the fight against the bureaucracy in the Eastern bloc countries, which is reflected in the growth of an independent peace movement. (And it is necessary to declare our solidarity with this movement against the repression to which it has been subjected.) This struggle will open up the way for a Socialist United States of Europe, the only real alternative to the divided Europe of today, prey to parallel crises of capitalism in the West and of bureaucratic rule in the East.

A Socialist United States of Europe will not only offer an effective solution for the working masses of this continent. It will also offer a powerful assistance to the superexploited peoples of the 'third world' in their struggle to free themselves from the morass of poverty in which imperialism and capitalism has trapped them. A socialist breakthrough in Europe would offer hope to all of humanity for a way out of the deepening shadows of hunger, unemployment, dictatorship and war, a road to progress and an assured future.

Forward to active solidarity for all workers in Europe fighting for their class objectives!

Forward toward worldwide solidarity for all exploited and oppressed, in particular those in Central America, the Near East and Southern Africa, who are the target of direct imperialist action!

Forward to the world socialist revolution!

United Secretariat  
of the Fourth International

Belgium, Parti Ouvrier Socialiste/Socialistische Arbeiders Partij; Spanish State, Liga Comunista Revolucionaria/Liga Komunista Iraultzailea; France, Ligue Communiste Revolutionnaire; Britain, British Section of the Fourth International; Greece, Organos Komounistike Diethnistike tes Elladas; Ireland, People's Democracy; Italy, Lega Comunista Rivoluzionaria; Luxembourg, Ligue Communiste Revolutionnaire; Netherlands, Socialistiese Arbeiderspartij; Portugal, Partido Socialista Revolucionario; West Germany, Gruppe Internationale Marxisten; Denmark, Socialistik Arbejderparti.

4 April 1984

1. Cf. "For a Socialist United States of Europe," *Intercontinental Press/Inprecor*, March 5, 1979.

## No honour among thieves but they stick together

Since the onset of the twentieth century, the productive forces developed by capitalism have periodically rebelled against the nation-state, as well as against the private ownership of the means of production. Twice, the bourgeoisie has sought to resolve this conflict in a violent way, through the world wars that began in 1914 and 1939. The objective purpose of these wars was to try to create room for one dominant imperialist power (British, German or American) to unite under its sway a much broader sphere than that of the market represented by any nation-state, a unified domain in which capital could be invested and draw profits unhindered.

These two attempts failed. The European Economic Community (EEC) set up in 1958 after the signing of the Treaty of Rome is the first attempt by the imperialist bourgeoisie in Europe to achieve the same end without wars, essentially by collaboration on the basis of negotiations.

Ernest MANDEL

The historic cause of this change in method is the growth in the sector of the world wrested away from capitalist domination in the aftermath of the second world war. The antagonism between the capitalist countries and the workers states became too deep, the risk of additional vital parts of the globe falling out of the sphere of capitalist domination too great, to permit the new inter-imperialist wars that Stalin in his last days was still proclaiming "inevitable." Inter-imperialist competition continues to operate but within what has proved to be a lasting alliance against all the non-capitalist forces throughout the world.

However, the contradiction between the extent of development of the productive forces and the "national" realm of each imperialist power is more acute than ever. What can no longer be settled by war must, therefore, be resolved if not by consensus, at least by constant bargaining. This led to the attempt to build the Common Market. It was, moreover, only a first experiment in the context of a general tendency. As long as capitalism survives, this experimentation may be extended to other continents.

Japanese imperialism, unable to hold onto its "East Asian Co-Prosperity Sphere" (that is, its new colonial empire) after the second world war, is now seeking to create a kind of common market including South Korea and Taiwan, or even the ASEAN countries. Within American imperialism, some groups aim — at least historically — to create a common market embracing Canada and Mexico.

This in no way means the realization of Karl Kautsky's dream of a "super-imperialism" organizing the world market peacefully. To the contrary, every one of these "common markets" would be designed essentially for trade warfare, for



*The gang of thieves assembled (DR)*

sharpened competition with all the others. In the longer run, they would prepare the way for a war against the workers states to reconquer the space that capitalism has lost in these countries.

All that such common markets mean is an attempt to make a group of bourgeois states into a basis for inter-imperialist competition, rather than each one of them continuing to try to compete on its own.

The main obstacle to carrying out such schemes is social and political in character (and ideological, as well). What a common market really means is a new federation of old states, that is, a new supranational federal state. However, the bourgeois state is not just a means for upholding the economic interests of a ruling class. It is also an instrument of social and political power, a means for upholding and reproducing the domination of capital over the workers.

In order for the bourgeois state to play this role effectively, simple violence

(repression) is not sufficient, save in a period of open civil war. It is necessary to get the exploited to accept the general framework of their exploitation as legitimate.

For this purpose, in normal times, the "national" tradition of the bourgeois state and the legitimacy of the institutions of bourgeois democracy play an essential role. To replace these institutions with European ones ("gimmicks," to paraphrase de Gaulle) takes time, a lot of time. There is a marked desynchronization between the tempo of the internationalization of the productive forces, the emergence of supranational institutions of the European Common Market type, and the rate at which broad popular layers — including bourgeois and petty-bourgeois elements, as well as the less conscious sections of the working class — are coming to identify with these institutions.

The bourgeoisie is not ready to give up a relatively effective instrument of power in exchange for a new one that has yet to be tested. This is the main reason for the

slowness in setting up the machinery of European unity on the political level.

However, there are other factors. There is not only the desynchronization between economics and politics. There is also a desynchronization between the trend toward internationalization of the productive forces and the organizational forms of capital, of the capitalist firms themselves. In every member country of the Common Market, as in the US and Japan, moreover, the bourgeoisie is not homogeneous. It takes the form, rather, of a conglomerate of four elements:

- Multinational corporations producing surplus value in several countries. These are more and more predominant. But this is a relatively recent development. They nowhere hold absolute sway.

- National trusts (monopolies) producing surplus value still essentially in one country

- Small and medium-sized non-

monopoly corporations. While these are only junior partners of the monopolies, they still control a not unimportant part of the production of surplus value. They dominate at the two ends of the industrial chain, in the technologically backward sectors, and in the advanced technology sector. In the latter sector, where the risks remain great, the monopolies commit themselves only after the little people have blazed the trail, and often lost their scalps in the process.

— The nationalized sector, the top levels of which are being integrated into the bourgeoisie, if they were not recruited from it at the start.

Of these four components, only the multinationals have everything to gain economically and nothing to lose from the emergence of supranational states. Every other sector of the bourgeoisie runs the risk of losing the benefits of protection and subsidies. They are hesitating to enter into the stepped-up competition that flows inevitably from the widening of the market.

Since this risk is compounded by the political and social risk that the ruling class as a whole has to run, including the multinationals, and since the relationship of forces within each bourgeoisie is constantly changing without any one of the four components being able to bring the others to heel, this lack of economic homogeneity within the European bourgeoisie is another major obstacle to making the qualitative leap forward to economic and political integration of Europe.

When the capitalist economy is expanding, every partner in a capitalist business can get a part of the cake. The same is true for every faction of a "national" bourgeoisie. It is also true for every partner in an "international" bourgeois enterprise.

### Fighting for survival

Of course, even in a period of expansion competition continues. Some gain more than others. Some grow stronger at the expense of others. But in general everything is rosy for all of this charming society as long as capitalist property prevails. Thus, the golden age of the Common Market was its first decade, 1958-1968. The period 1968-73 represented the period of transition.

When the economic crisis erupted, and especially when it took the form of a prolonged depression, competition became fierce. For many capitalist firms, the crisis has posed the question of life or death. They face bankruptcy. This applies both to the multinationals and the "national" trusts, as well as the small and medium business. "Every man for himself" is more and more becoming the rule. What goes for capitalist firms also goes for "national" bourgeois classes and their states. This is why for the Common Market the long economic depression means a long phase of crisis and challenges.

If the simple correlation between depression and stepped-up competition were all there was to it, the Common Market would have already disappeared, as a lot of people in fact predicted it would. But it has survived, even if it has become prey to numerous ills. The fact is that the effects of the crisis on the European capitalists are considerably more complex than they might seem at first glance.

While the crisis is sharpening the competition within Europe and thereby obstructing the pursuit of European economic integration, it is also and above

all sharpening competition on the world market. And on the world market, the American and Japanese multinationals can rely on states and "economic spheres of operation" with a far greater weight than that represented by any of the European imperialist powers taken separately.

Thus, maintaining and reinforcing the Common Market becomes an essential material condition for the big European firms, including some "national" ones, to hold their own against increased American and Japanese competition. Moreover, when the multinationals, both

## Short Lexicon of the European Economic Community (EEC)

### The Six

The countries that founded the Common Market — West Germany, France, Italy, the Netherlands, Belgium and Luxemburg.

### The Ten

The Six plus Britain, Denmark, Ireland and Greece.

### The Institutions of the EEC

- a) The European Council of Ministers, the meeting of heads of government which holds the real power in the Common Market. Since de Gaulle, the rule of unanimity has been applied, on which now Britain in particular relies.
- b) The European Commission, which is called up to manage "EEC affairs" independently of the Council.
- c) The European Parliament, a purely consultative body. The only power it has is to vote on the EEC budget proper.

### The EEC Budget

- a) Revenues
  - Levies imposed in the framework of the Common Agricultural Policy
  - 1 percent of the income from the Value Added Tax in every member country. This provides about 16% of the total budget.
- b) Expenses
  - Aid to farmers (about 75% of spending).
  - Aid to disadvantaged regions and sectors.
  - Administrative expenses.

### The Common Agricultural Policy (CAP)

There are unified prices for agricultural products in the Common Market. Countries that import such products from "third countries" at lower prices have to pay the difference into the EEC, which distributes this money as subsidies to farmers.

This protectionist policy has led to the piling up of enormous unsaleable surpluses, which are sometimes stockpiled and sometimes destroyed (dairy products, fruit, wine, etc.)

Now production ceilings are being set in some spheres, with penalties for countries and businesses that exceed them. These threaten to fall in particular on countries and sectors in which small farmers predominate, such as Ireland in the first instance (with regard to dairy production) and cattle raising in the second.

### The European Monetary System (EMS)

The fluctuation of exchange rates is limited to a 2.5% shift in either direction by means of central bank intervention and even reciprocal loans (Britain does not participate).

The first, still hesitant step toward creating a common currency for the Common Market, the ECU (European Currency Unit), was introduced in 1979, replacing the UCE (Unite de compte europeenne — European Accounting Unit), which was instituted in 1975. The ECU is still only an accounting unit and not a real currency. The EEC has neither a central bank nor currency reserves of its own. The ECU is issued for internal usage to the countries that signed the December 1978 currency accord that gave rise to the EMS. The ECUs held by the central banks of the nine countries concerned (the Ten, minus Greece) are issued to them in return for their depositing 20% of their gold and dollar reserves in the accounts of the European Fund for Monetary Cooperation.

European and extra-European, are on the rise and the relative strength of the workers movement has not been broken by the depression, the individual "national" imperialist states seem singularly ill-equipped to play their allotted role of cushioning the shock of the crisis. This is in contrast to their performance on the eve and in the aftermath of the second world war, when they fulfilled this function under the most diverse political forms.

In view of the gravity of the economic crisis, the European bourgeoisies need a more effective anticrisis instrument. There is no objective possibility for getting anything else, at least in the medium term, in Europe than a European bourgeois federation. The idea of a "world state" is only an empty dream.

For all these reasons, the impact of the crisis on the Common Market has not led to its breakup, to its disappearance pure and simple. The result rather is that it has been "blocked" at an intermediary stage between a mere free-trade zone and a new supranational federal state. This in fact is exactly what we predicted. Nothing in the events of recent months offers a basis for reassessing this forecast.

### Balance sheet of the EEC

To understand the reasons why the Common Market has become "blocked" halfway on the road to real economic and political integration of capitalist Europe, the analysis has to be carried further. We have to look at the nature of the changes that have taken place within the European bourgeoisies over the past quarter of a century.

In other words, we have to draw a balance sheet of the projects that have been accomplished and of the hopes that have come to nothing, the hopes aroused in the bourgeoisie and among its ideologues by the birth of the Common Market. This accounting has to center around what is fundamental for the bourgeoisie, that is, its ownership of the means of production (in the economic and not just the legal sense of the term) and the power to decide on employing the machinery and labor that this involves.

In the sphere of finance capital, there has been genuine success. Substantial progress has been made in integrating the banking systems of the Six (and to a lesser extent, the Ten). The financial market has been Europeanized, as evidenced by the role of Luxembourg as a center for issuing European loans. The market for Euro-Dollars has lost all "national" character. (1) "Common" opposition to American and Japanese finance capital has increased, with the Swiss and Canadians occupying an intermediate position.

On the military level, integration has made spectacular advances. There is no longer any "national" arms industry, except for small arms. That is, the production of airplanes, tanks and artillery has been internationalized in Europe. There are no longer any essentially "German," "British," "French" or

"Italian" heavy weapons. All such arms are produced in common. In a nutshell, this is a drastic change by comparison with the situation in 1939 and 1945, to say nothing of 1914.

In the sphere of industry, there has been very widespread disappointment. The hope that the Common Market would stimulate the interpenetration of capital, giving rise to more and more firms like Dunlop-Pirelli and FIAT-Citroen, has to a large extent failed to materialize. Some new firms of this type have emerged, such as Philips-Grundig recently. But this is far from being the predominant trend.

Moreover, there are also as many examples of associations between European firms and American or Japanese multinationals as between "European" firms themselves.

As regards so-called North-South relations, the EEC has emerged as a neo-colonialist force (the Lome Accords, Lebanon, etc.)

Finally, in the field of agriculture, integration has run into a total impasse. Nowhere has a North American type agribusiness emerged, with a sphere of activity (production) extending across the territory of several "national" states. European capitalist agriculture remains confined to relatively small surfaces, even if landholding continues to become more concentrated.

Today the Common Agricultural Policy (CAP) no longer looks like a transitional institution geared to opening up the way for real concentration in capitalist agriculture. It seems rather to have become a durable system serving to protect an uncompetitive agriculture on the world market. As a consequence, it has become the Achilles Heel of European capitalist integration, the occasion of a succession of crises.

Now all the conflicting forces in the picture have to be labelled as "national," "sectoral" or "political special interests."

CFDT (France) contingent on European-wide 35-hour week march (DR)



In the case of West German imperialism, over the past 25 years capital accumulation has become much more dependent on foreign markets. The share of exports in the Gross National Product has grown from 15 to 33%. And the Common Market represents West Germany's main outlet. Therefore, it is determined to maintain it at any cost and is ready to pay the bill. It is the main source of financing for the EEC which in reality has become a disguised form of subsidizing West Germany's big export industries.

### Which countries benefit?

Likewise, the Benelux countries and Italy have seen the importance of the Common Market grow greatly as the main outlet for their exports. Some 70% of Benelux exports go to the EEC. Since they are much less competitive than the West German ones on "third markets," they cherish the EEC as the apple of their eye. For these countries, the collapse of the Common Market would be a real economic catastrophe.

British imperialist interests are deeply divided in their attitude to the Common Market, which explains moreover why Britain joined so late, only in 1973. Those sectors of the economy traditionally oriented toward former British colonial possessions and the Commonwealth, as well as those most closely associated with the US, were the most reticent.

The most modern sectors of industry were the most favorable to the Common Market. Today, this division continues to run deep both in the bourgeoisie

1. Euro-Dollars are dollars belonging to either non-Americans or Americans deposited in non-American banks in Europe.



as a whole and in Margaret Thatcher's Conservative Party. Nonetheless, one gets the impression that The City [high finance], which is more powerful under Mrs Thatcher's government, is saying "yes," even if only a "yes, but..." to Europe.

There remains the base of French imperialism. It has gone through the most spectacular flipflop. Under the government of General de Gaulle (1958-1969), the Common Market was accepted only on a lot of conditions — priority for the Common Agricultural Policy, unanimity in decisions, etc. Then under the governments of Georges Pompidou, Valéry Giscard d'Estaing and, subsequently, François Mitterrand, the "yes, but" became a "yes" without reservations.

The historical trend is clear. In 1975, 25% of French exports went to its Common Market partners. Today, it is more than 50%. Over the last 25 years, the weight of agriculture in the French economy, and hence of the rural bourgeoisie in the ruling class, has steadily declined. Paris is no longer prepared to sacrifice the interests of the future of vital sectors of industry in order to get immediate advantages for its big grain and sugar-beet growers. Of course, this does not mean that it is not the small farmers specializing in animal husbandry who are called on to make the main sacrifices. So, there is an almost totally solid Franco-German, or rather, Franco-German-Italian bloc in defense of the Common Market against Margaret Thatcher's obstruction.

The failure of the European Council meeting in Athens last December and then of the meeting in Brussels in March were above all the result of fighting over relative pennies. (2) Because of its massive agricultural imports from "third countries" outside the EEC, Great Britain is obliged to pay large contributions to the EEC budget. It demands reimbursement of about three fourths every year.

The principle of the rebate is accepted, as is its approximate size. A minor difference remains. Margaret Thatcher is demanding £750 million (around a billion dollars), and her partners are prepared to pay £600 right away.

Behind this wrangle over megapennies, there is a question of principle. Margaret Thatcher would like to block any progress by the Common Market institutions toward more advanced economic, financial and political integration. She would like to consolidate the principle of a right of veto over EEC decisions and the rule of unanimity. In that respect, she is the heir of de Gaulle's policy, just as Britain today stands in the position of the "weakest great power" that was formerly occupied in the EEC by France. (4) She would like eventually to get rid of the Common Agricultural Policy. Here she is already coming into conflict more with

Italy, Ireland, Greece and Denmark than with France or West Germany.

However, in this tug of war, Britain is in a weak position. Its partners know that the price that they would pay for maintaining the Common Market without Britain, or even if membership were reduced to the Six, would be less than Britain would have to pay for breaking with the EEC.

Margaret Thatcher's defiance, moreover, lasted only a week. The failure of the Brussels European Council meeting means in the first instance that for the moment London is not collecting the £600 million rebate promised. On March 21, 1983, in the House of Commons, Margaret Thatcher threatened to stop paying the EEC duties on agricultural products imported by Great Britain from "third countries." That was an open violation of the Treaty of Rome. Her European partners retaliated by announcing that in that case they would continue to operate the EEC without Britain. The City of London got Mrs Thatcher to think again.

In fact, the European conference in Brussels marked a strengthening rather than a weakening of the EEC. There was a solid front of nine countries. Everyone agreed to an increase in the share of taxes going to EEC revenues. This will rise from 1 percent to 1.4 percent of the income from the Value Added Tax in every country, and subsequently go up to 1.6%. On the other hand, these two increases are insufficient to achieve a real expansion in the activity of the EEC. Everyone but Britain agreed to reconsider the unanimity rule in the EEC Council of Ministers, if only by stages. What explains this?

Over the last years, the European imperialists have lost ground in the competition with American and Japanese imperialism. The deterioration in the position of European capitalism in the leading sectors over the recent years stands out clearly in the two following tables.

But the game is far from over. The decisive area — aside from the sphere of finance capital, where European unity has

	1978	1981
Japan	22.9	26.8
US	22.6	23.9
EEC	29.8	22.9

	1981	1981
(Annual production in number of units)	(Number of robots installed)	
Japan	5,231	11,000
US	2,129	8,130
EEC (four main countries)	1,459	4,017

scored some points — is advanced technology. In this respect, the verdict is brutally clear. Agnelli, chairman of the board of FIAT, put it categorically — on its own, Italy can only finance a second-rate technology. The same could be said fundamentally for France, Britain and West Germany.

On the other hand, if you combine the financial, technological and scientific strengths of the main European powers, the situation changes completely. Joint enterprises requiring an advanced technology, such as Airbus (air transport) and Ariane (space and telecommunications) have been successes. For the technology of the day after tomorrow, the Common Market is developing the ESPRIT program, a gigantic scheme for building a thermonuclear reactor called JET, and a program for building an optical computer that would work many more times rapidly than electronic computers.

The decline of British imperialism and the "deindustrialization of Britain" (which is temporary) reflect the incapacity of the middle-sized imperialist powers to keep up with competition in the advanced fields, which now affect key sectors of the world market. If they were left to rely on their own inadequate national resources, West Germany, France and Italy would follow Britain into decline. In joining together, they have no assurance of winning the game, but they have at least a chance. The realization of this very important fact by the big European monopolies has saved the Common Market, despite all the pressure of the crisis and competition.

It is a sign of the times that despite all the denunciations about the cost of old white elephants and the magnitude of Britain's budget deficit, already before the Brussels summit, Margaret Thatcher paid up the two billion francs needed to get the Airbus flying. This is a joint French, German and British enterprise. It is one thing for her to try to polish up her somewhat tarnished popularity at home and reinforce her reputation as the "Iron Lady." But the historical interests of the British bourgeoisie are something else again. Ultimately they will prevail.

The pressure of the crisis, stepped-up competition, the rise of protectionism and sectoral conflicts are still operating. They will continue to weigh on any new advance in European integration. Thus, the fundamental features of the situation have in no way changed.

2. See *Inprecor*, IV's French sister publication, No 163, December 19, 1983.

3. For the year 1982, Britain demanded a rebate of 10.2 billion francs on the 13.6 billion franc British contribution to the EEC budget. The nine other partners in the Common Market agreed to reimburse 5.1 billion. The final agreement, after bargaining, was around 7 billion francs, or about half the British contribution to the EEC.

4. It was France that pushed through the so-called Luxembourg compromise in 1966. This is a precedent that a member state of the EEC can demand that a decision can be taken only by unanimous vote when it involves a vital interest for the state concerned. In March, the Irish minister of agriculture, Austin Deasy, resorted to this procedure to negotiate a special status for his country during the discussion on dairy production quotas.

# EEC membership means disaster for Spanish workers

The positions of the EEC and the Spanish state on the latter's membership in the Common Market are quite different. The EEC looks at this question in the context of the grave internal tensions it is experiencing, serious imbalances in the productive sectors, the pressure of unemployment today and the immediate disadvantages that Spanish membership will entail for some countries.

Thus, for the EEC bringing the Spanish state into the Common Market, aside from all political considerations, will create upsets and problems of no secondary importance. However, for the PSOE government in Madrid headed by Felipe Gonzalez, integration into the EEC is an essential point in its historic program, and it is prepared to stick to it at any price.

Jesus ALBARRACIN  
and Pedro MONTES

Given these two contradictory positions, the most likely perspective is that the integration of the Spanish state into the EEC will involve a long and tortuous process of discussion, fraught with tensions and filled with pitfalls. In all likelihood, Spanish capitalism will have to offer very costly deals and quid pro quos.

With the exception of the far left, all the political and social forces in the Spanish state support integration into the EEC. The historic isolation and economic backwardness of Spanish capitalism, as well as the memory of the time when the Common Market was closed to the Franco dictatorship, provide motivations for the "pro-European" sentiment of Spanish society. The result is that no political or social force wants to appear opposed to it.

However, as soon as it becomes clear in the negotiations what costs this involves, what sectors will be hit, what compromises are necessary and what risks have to be run, profound social disaccords will arise, as well as resistance to joining the EEC. It can be said that the prevailing opinion in nongovernmental circles favorable to entry into the Common Market is "membership, yes, but not at any price."

There are reasons for this position. On the one hand, people know about the stiff conditions for joining the Common Market. On the other hand, Spanish capitalism has a very weak industrial structure to face European competition. Finally, it has to be taken into consideration that the present framework of relations between the EEC and the Spanish state has proved rather favorable to the latter.

In fact, the trade agreement signed in 1970 has permitted a considerable expansion of Spanish exports to the EEC, in particular in the industrial sphere.

This has gone so far that in 1983, for the first time in history, the Spanish state had a favorable trade balance with the EEC. (See Tables I and II.)

THE FOREIGN TRADE OF THE SPANISH STATE  
(in billions of dollars)

	TOTAL			WITH THE EEC		
	Imports	Exports	Balance	Imports	Exports	Balance
1977	17.8	10.2	-7.6	6.1	4.7	-1.4
1978	18.7	13.1	-5.6	6.5	6.0	-0.5
1979	25.4	18.2	-7.2	9.2	8.9	-0.3
1980	34.2	20.8	-13.4	10.5	10.3	-0.2
1981	32.2	20.5	-11.7	9.3	8.8	-0.5
1982	31.5	20.6	-10.9	9.9	9.4	-0.5
1983	29.1	19.8	-9.3	9.4	9.6	0.2

This accord involved a very substantial lowering of the EEC tariff barriers (55% on the average), while the Spanish state maintained very strong protectionist measures both in the form of tariffs and import quotas. (Spanish tariffs were reduced on the average by 26%, but from a much higher level.)

Today, the EEC takes almost 50% of Spanish exports. For consumer goods, the figure rises to 63%. Some 61% of energy exported goes to the EEC, and 54% of agricultural products.

Imports from the EEC amount to a third of Spanish exports in general and two thirds in the case of producers goods. Trade in industrial products remains favorable to the EEC, but the picture of Spain as fundamentally an exporter of agricultural products to the EEC is not confirmed by the facts, even if the EEC dominates trade in all products given their value by sophisticated industrial technology.

Agricultural products — mainly fruit, market-gardening products, wine and canned vegetables — represent no more than a fifth of Spanish exports to the EEC. On the other hand, raw materials and industrial products (mainly automobiles, shoes, automobile spare parts, tires and organic chemical products) account for 70%.

In recent months, mainly as a result of a change in the attitude of France, the outlook for Spanish membership in the EEC has brightened, after many years of half-frozen negotiations, stalling moves and obstacles of all sorts. This shift at the moment has a political significance, since France is no longer opposing the process. But the process of integrating Spain into the EEC can only be concluded by an agreement to which the conditions posed by the EEC seem a formidable barrier.

What is proposed is to sign the agreement next September 30, so that integration into the EEC can begin on January 1, 1986.

However, these dates are out of line with the scope and diversity of problems that have to be dealt with. They are unrealistic moreover in view of the attitudes and tensions existing in the EEC. Therefore, it seems unlikely that the integration of the Spanish state into the EEC will proceed at the tempo these dates suggest.

In any case, the change in the attitude of the EEC and of France is marked, and this raises the question of what reasons prompted this turnabout. With-

out entering into deeper and more complex speculations, it has to be admitted that if the EEC is better disposed today to Spanish membership, this shift has to be seen in connection with the pressures brought to bear by the PSOE government, which is trying to sell Spain's staying in Nato at the highest possible price, by linking this question to full integration into "The West."

Even though all aspects of the negotiations are the subject of polemics and dispute, the problem of agriculture for good reasons stands out as one of the knottiest, since the EEC is burdened by agricultural surpluses, which are a serious drain on the Community's budget. And Spanish agriculture is very strong and highly competitive. This creates tensions that have concrete effects most specifically on French farmers. Spanish membership in the EEC would increase the Community's arable land by 30%, the number of agricultural workers by 25%, and the number of farms by 31%, while it would increase the number of consumers by only 14%. Moreover, Spanish consumers have incomes markedly lower than the European average.

The EEC's proposal, in its general lines, calls for dividing Spanish production into two big categories. On the one hand, there is fruit and vegetables, which hold

an important place in Spanish exports to the EEC, and which are highly competitive. In this case, integration into the EEC is to be in two stages. In the first, which is to last four years, these products are to be left out of the deal. Trade in them will be in accordance with third-country agreements. In a second phase lasting six years, they will be slowly brought into the Common Market framework, subject to reservations with respect to prices and the level of production. The second category includes all other products (with a few exceptions). These will be brought within the Common Market framework in accordance with a "classical" pattern of transition. This would involve lowering tariffs to make them equal on both sides, but there would continue to be a constant watch on this trade.

The subsidies for various products, which are too numerous in Spanish agriculture, would be adjusted to eliminate any inequality that could introduce distortions into the market. Moreover, for specific products, such as wine and vegetable oils, when Spanish integration into the Common Market would swell the Community's surpluses to excessive levels, concrete agreements will be necessary. Such agreements will be aimed mainly at securing drastic reductions in Spain's productive capacity.

This proposal has been assessed very negatively by Felipe Gonzalez's government and the PSOE, as well as by the other political parties and economic sectors concerned. The Spanish plan therefore is to reject the preliminary phases or stages projected for fruit and vegetables, and to conclude an agreement that sets in motion a general process of slow integration into the Common Market, while leaving open room for discussing safeguards and precautions. It involves, moreover, refusing to let the full burden of readjustments in European wine production be placed on the Spanish producers.

#### Fishing war

Fishing is also an area where the problems are very acute. The Spanish fishing fleet amounts to about 70% of the Community's total fishing fleet. And any accord would inevitably involve paralyzing or destroying a substantial part of the Spanish fleet. The EEC wants, in fact, to prolong the present system of licences until 1992, and it envisages no further increases in the quotas for catch imposed today. On the other hand, the EEC is demanding that the Spanish state abrogate the bipartite agreements it has made with other countries, which cover almost 25% of the Spanish fishing industry.

Spanish industry is used to a high level of tariff protection and is less competitive than that of the EEC. It will suffer from the effects of the customs union represented by the Common Market. In this regard, the negotiations have so far produced the following results:

### THE FOREIGN TRADE OF THE SPANISH STATE IN 1983 (in billions of dollars)

	Total		EEC		EEC% of total
	Amount	%	Amount	%	
<b>IMPORTS</b>					
Total	29.1	100	9.4	100	32
Agricultural Products	3.8	13	0.8	8	20
Energy	11.6	40	0.9	9	8
Raw Materials and Semimanufactures	6.8	23	3.6	38	53
Consumer Goods	1.7	6	0.9	9	50
Producers Goods	5.1	18	3.3	35	64
% of GNP	18.4		5.9		
<b>EXPORTS</b>					
Total	19.9	100	9.6	100	48
Agricultural Products	3.3	17	1.8	19	54
Energy	1.8	9	1.1	11	61
Raw Materials and Semimanufactures	7.5	38	2.9	30	38
Consumer Goods	3.8	19	2.4	25	63
Producers Goods	3.5	17	1.4	15	42
% of GNP	12.5		6.0		

#### a) Elimination of tariffs

There is an agreement on eliminating tariffs between the Spanish state and the EEC over a transitional period. But there is no agreement on the length of this period, nor on the speed at which tariffs are to be eliminated.

#### b) A common tariff against "third countries"

Since January 1981, the Spanish state has observed rules laid down for tariffs by the EEC, and an accord already

exists for adopting the EEC tariffs. This agreement will go into force in conjunction with the dismantling of the Spanish tariff system in force for commodities subject to tariffs more than 15% above those of the EEC and, from the time Spain is admitted to the Common Market, for commodities on which the duties are below this ceiling.

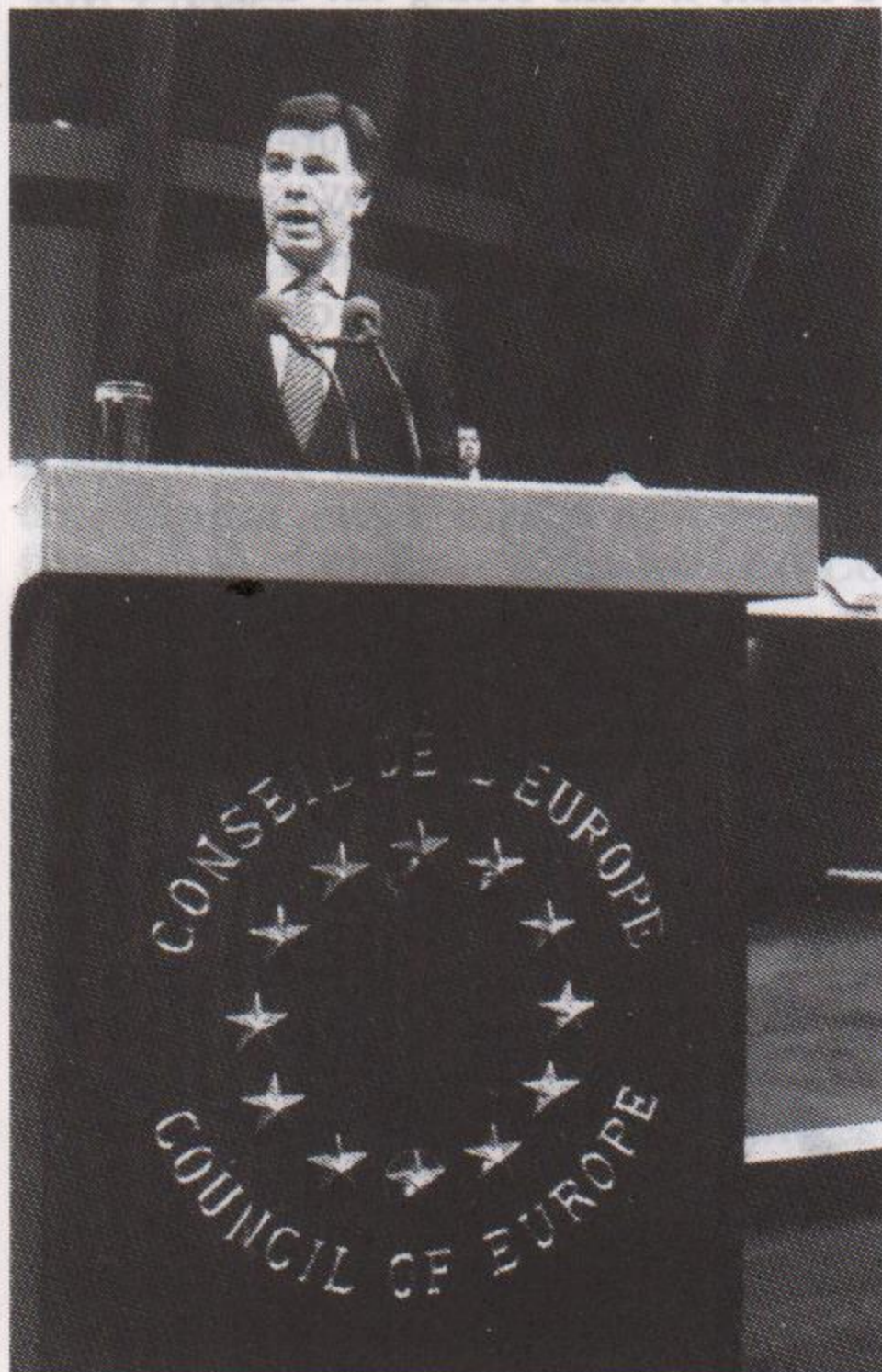
#### c) Trade quotas

There is an agreement on eliminating quotas for imports from the EEC, as well as on establishing a transitional period for quotas on exports of ten products (certain kinds of color TVs, tractors and seven textile products).

In addition to all these trade mechanisms, Spanish industry can also be affected by the elimination of subsidies, the adoption of the Value Added Tax, and the freedom that will be extended to industrial concerns in other EEC countries to set up plants on Spanish territory.

Integration into the EEC can, however, offer certain advantages for Spanish industry. One such that should be noted is increasing trade with countries belonging to the European Free Trade Association (EFTA) and the Mediterranean countries that today have agreements with the EEC. Spain could benefit because in general it would face lower tariff barriers in these countries than it does today.

Other possible advantages that may be envisaged are the following: the lowering of costs for raw materials (which will result from the fact that the EEC tariffs are lower than the existing Spanish ones), and the opening up of European markets for the multinationals established on Spanish territory (such as General Motors,



Prime Minister Felipe Gonzalez (DR)

Ford, etc.) and for advanced technology sectors.

But in general, integration presents serious difficulties for an industrial structure such as that in the Spanish state, which is not very competitive.

From the standpoint of foreign trade, integration into the Common Market will have some important repercussions. It will boost imports from the EEC countries (the 1970 accord is better for Spanish industry than the integration that is to come) and from third countries. This will result from the lowering of tariffs and the ensuing liberalization of trade, as well as from the trade agreements signed by the EEC, which will then have consequences for Spanish industry. As for exports, those going to certain areas of Latin America may be negatively affected, since the tariffs applied to the Common Market are higher than those presently accorded the Spanish state. And the existing trade accords with Spain will not be continued after it is integrated into the EEC. All this will bring on a decline in Spanish foreign trade, thereby putting pressure on the balance of payments and giving rise to new pressures for devaluing the peseta.

### Industry threatened

Thus, exposed to foreign competition, Spanish industry will suffer more than it will gain from the customs union with the EEC. What is more, competition on the Spanish internal market is also going to sharpen because European products will enter without the handicap of tariffs. Spanish industry will no longer be able to count on the enormous subsidies that it enjoys today, and so forth. Finally, the elimination of trade barriers will facilitate the integration of European production processes in Spanish industry, in the sense that each stage of production will be done in the country where the costs are lowest. This could have particularly grave consequences for some branches of Spanish industry.

What change for Spanish workers? (DR)



The sectors in reconversion pose still other problems with respect to integration into the Common Market. In steel, the Spanish state specialized particularly in the production of steel for export. In fact, while internal demand has been declining, exports have grown, going from a million tons in 1974 (9% of domestic steel production) to 6 million tons in 1980 (45% of domestic production). Given the import quotas currently set by the EEC, more than 80% of these exports go to markets outside the Community. This could change drastically after Spain joins the EEC. It is obvious how much of an interest the EEC has in the restructuring of the Spanish steel industry, to see that its existing productive capacity is reduced.

In the case of the textile industry, there are less problems. But the Spanish textile industry will gain no substantial advantages. Both Portugal and the Spanish state are major exporters of textile products. But Portugal is more of a threat to the EEC, because Spain's efforts to specialize in high-quality products limit the possibilities for massive exports to the EEC.

As regards shipbuilding, while the industry in the EEC drastically needs renovation, the Spanish industry is relatively modern. It has no need to cut capacity in order to adjust to decreased demand. Spanish membership in the Common Market will swell the EEC's shipbuilding capacity by 25%. This will also have negative repercussions on the Spanish industry, because 90% of the parts suppliers are small Spanish firms. This contrasts with the Greek and Portuguese shipbuilding industries, which have to import these products. With integration, the Spanish state will have to lower its protective tariff barriers and as a result it risks seeing the disappearance of this sub-contracting industry.

Considering this picture, it is not surprising that the employers have taken

the position expressed by the chairman of their association, Ferrer Salat, that is, "Yes to the EEC, but not at any price." A document drawn up in 1981, and still in force, sums up the views of the employers on integration.

On the dismantling of Spanish tariff barriers, the bosses demand a transitional period of "no less than ten years," in which the process is to proceed at an even rate in order to avoid pitfalls in the negotiations. And they want a "security clause" to apply to imports of any products from the EEC that start to grow too rapidly. As for quotas, the bosses want a procedure similar to that applied to tariffs, but after a transitional period.

Regarding the more important aspects of the other problems, the positions of the employers are as follows: freedom of movement of labor and capital to Spain following membership, a reasonable waiting period for setting up plants, deregulation of the Spanish labor market, delay in imposing the VAT, and introduction of the latter in conjunction with a cut in employers' contribution to social security, and so forth.

### Grim future for workers

As is obvious, this amounts to a body of demands clearly designed to assure better protection of Spanish industry during a transitional period. But it also represents an attempt to take advantage of Common Market entry to gain certain historic demands of the bosses, such as an easing of regulations governing the labor market and reduction of employers' contributions to social security.

As is indicated by what we have just written, integration into the EEC will profoundly shake up the productive structures of Spanish capitalism. In agriculture, it should lead to cutting production, eliminating surpluses, and at the same time to a process of capitalization and concentration that runs directly counter to the agrarian reform demanded by the rural workers, who still make up a considerable proportion of the economically active population. In the case of industry, the basic sectors will have to make major cuts in their productive capacity. And, in general, it will be necessary to undertake a process of adjustment and incorporating new technologies in order to meet EEC competition.

Leaving aside the question of how harshly and rapidly these transformations are carried out under the pressure of the EEC's imperatives, they coincide with the economic program of Felipe Gonzalez's government, which calls for "modernizing the economic system and putting it in order." Since taking office, this government has turned its back on the PSOE's timid election promises and imposed a very severe austerity policy. At the same time, it has set in motion a program of industrial reconversion aimed fundamentally at cutting productive capacity and increasing the productivity and profita-

bility of the sectors concerned. (1)

It can be said that from the outset, therefore, that the economic policy of Felipe Gonzalez's government has been oriented in the direction required by entry into the EEC, and the perspectives that have apparently opened up today will only result in increasing the brutality of this economic policy, under the pretext and cover of the EEC's demands.

For Spanish workers, the tightening of this policy ensuing from Common Market entry will have disastrous effects on wages, social benefits, jobs and job security. But the severity of these blows can only be appreciated when you consider the conditions the Spanish workers face. Their average wage amounts to just over 50% of the average wage in the EEC. Social benefits are starkly inadequate, as shown by the following figures:

The average pension amounts to only 70% of the legal minimum wage, which itself is set at a ridiculously low level (the equivalent of about 230 dollars a month). Average employment benefits are only 60% of the minimum wage, and only 28% of the jobless get these benefits. As for unemployment, the official figures already estimate it at 2.5 million persons, which amounts to no less than 19% of the economically active population, as opposed to 11.2% for the European countries belonging to the OECD (Organization for Economic Cooperation and Development).

If the workers have to endure more austerity to compensate for the onslaught of EEC competition, if the level of unemployment is sent plummeting by this dismantling of production sectors and boosting of productivity, then the future looks very bleak for the working class — unless the workers can force the PSOE to modify its plans. Up until now, this government has shown an unrelieved brutality and insensitivity to the social consequences of its policy.

This insensitivity may lead the PSOE into making a very great historical error if it continues to push its policy with the same intensity. The deterioration in the living standards and working conditions of Spanish workers has reached the point where the potential for social explosion should not be underestimated.

Obviously, we cannot make mechanical projections that such an explosion will inevitably occur and lead to a solution favorable to the workers. But it is clear that the objective conditions for this are building up.

The big workers parties in the country and the majority in the Workers Commissions (2) are favorable to the integration of the Spanish state into the EEC. This is a major obstacle to achieving one of the fundamental objectives of the Spanish workers, which is precisely to prevent this incorporation into the Common Market. ■

1. Cf. *Inprecor*, IV's French language sister publication, No 163, December 19, 1983.

2. The country's largest trade-union confederation, dominated politically by the Communist Party and splinter groups from it.

## IRELAND

# Sinn Fein present anti-imperialist alternative

## Interview with Danny Morrison, Sinn Fein candidate

The November 1983 Ard Fheis (conference) of Sinn Fein, the largest anti-imperialist organisation in Ireland, decided to contest the forthcoming European elections, and to take seats if elected.

Sinn Fein represents the mainstream of traditional Irish republicanism which has prioritised support for the armed struggle against British occupation of the Six Counties in the North carried out by the Irish Republican Army (IRA).

This policy has been coupled with abstentions from the electoral arena, except from the Southern local elections, since the 1950s. However, the mass political movement that developed in support of the Republican prisoners on hunger strike in 1981 demanded expression in the electoral arena and led to the standing of H Block candidates. (1) First of all hunger striker Bobby Sands took the seat left vacant by the death of independent Catholic nationalist Frank Maguire in a by-election in the North. It was won after his death by his election agent Owen Carron. In the Southern general election in summer 1981 two H Block candidates were elected.

Since then Sinn Fein have stood in elections to the Northern Ireland Assembly, a further Southern general election and a British general election, winning five representatives in the Assembly and one Westminster seat.

The most striking aspect of the decision about the European elections was thus not simply to stand but to take seats if elected. It is a principle of the Sinn Fein constitution that members will not take seats in the Southern or British parliaments because they do not recognise the legitimacy of these bodies which concretise the partition of the country. One of the most divisive debates last November was around a proposal to even rediscuss this position — a proposal that was accepted.

The adoption of this strategy towards tactical use of elections to establish the legitimacy of Sinn Fein as representative of the aspirations of the nationalist community in the North for Irish unity, ousting the bourgeois nationalist SDLP from its false position as sole representative of the nationalist community, was part of an important shift in direction at the Ard Fheis.

Joe Carter of People's Democracy, Irish section of the Fourth International, asked Danny Morrison of Sinn Fein, who is one of the members elected to the Northern Assembly, to explain why the organisation had taken this decision and what impact and gains they hoped to make from their election campaign. Morrison is the Sinn Fein candidate in the European constituency comprising the whole of the Six Counties for which three members will be elected. Morrison will be fighting for the nationalist vote against a candidate of the SDLP. Sinn Fein also intend to stand in the South where there are four multi-member constituencies, in the capital city Dublin and based on the three traditional provinces in the South, Leinster, Munster and Connaught/Ulster.

P.O'M

*Question. Why has Sinn Fein decided to contest the European Community elections?*

*Answer.* Sinn Fein over the last three years has adopted an electoral strategy as one of the central planks of the struggle. This came about basically from the mass movement behind the hunger strikes and the need to develop an alternative to the constitutional, collaborationist Social Democratic and Labour Party (SDLP).

Our intervention in electoral politics has cornered the British nationally and internationally and shown that there is

a popular war of liberation going on against the British imperialist presence. So, it would have been to give up that strategy had we not decided to contest these elections, just as we had contested the June 1983 election to the British

1. Republican prisoners in the H Blocks of Long Kesh prison and Armagh women's prison in the North went on hunger strike to demand improvement in their conditions as a recognition of their status as political prisoners. Ten men died, including Bobby Sands who was elected, from his prison cell death bed, as a member of the British parliament at Westminster.

parliament at Westminster and the election to the Northern Ireland Assembly in October 1982. It is part of our ongoing strategy.

Q. How does Sinn Fein view the EEC and Ireland's membership of it?

A. Membership of the EEC has been disastrous for Ireland North and South, particularly for agriculture. There were initial benefits but they soon disappeared. The EEC is now geared to large farmers. Small farmers are its victims — there are attempts to drive them off the land, particularly in the South. In the North small farmers to some extent have been protected against the full effects. In the South where there is dairy farming they are going to be particularly hit by the super levy — the decision to curb milk output.

The EEC also opens up Ireland North and South to multinationals and exploitation of the people. Take for example even housing, there is talk of the money being thrown in here, but when you actually study where it's going to, it's just being gobbled up by the British government. They are supposed to match the amount of money and they do not. What is needed is a huge injection of resources to end the scandal of the housing situation, the North of Ireland has the worst housing in Western Europe.

We consider there to be extreme dangers linked with membership of the EEC. Hand in hand with membership of the EEC is an orientation to a military alliance. The EEC at this point in time is almost interchangeable with Nato — the Western Alliance. As our policy is for an independent Ireland, a sovereign Ireland, a nonaligned Ireland, an anti-nuclear Ireland, we see the dangers of EEC membership — the gradual moves towards a general Western security policy which we believe is dangerous. That's why we are opposed to EEC membership and we will be contesting the elections on an anti-imperialist platform, opposing the military nature of the EEC.

Q. What does Sinn Fein see as the central issues in the election?

A. In the North the EEC elections will be a referendum within the nationalist community on the national question. It will not be fought on the issues that will dominate in England, France or to a large extent in the 26 Counties, although we will be raising the national question there. In the South, where probably some economic and political matters will be the issues, we hope to turn it around to the Brits and the national question.

Q. What kind of campaign will Sinn Fein be fighting in the North and in the South?

A. In the South there are many restrictions on us. There is a lack of access to the state radio and television networks which has a 'spillover' effect to the rest of the media. (2) There have been attempts to make political lepers of Sinn Fein.

We are also handicapped in terms of underdevelopment. We are a very small organisation engaging in a very big election. However, in the North where Sinn Fein is much stronger than it is in the rest of the country, there will be a campaign where we believe we can win. So, what we hope to do is produce a political veto to match the Irish Republican Army's (IRA) military veto on the British attempt to stabilise their rule and the Dublin government's collaboration with them.

Once we command majority support within our community in the North there will be two developments. Firstly the British government is going to have to change its policy. Since the Sunningdale 'power-sharing' agreement in 1974 (3) the British government have continued to exist — although this insistence has been whittled down over the years — that any devolution of powers to a local assembly must command cross-community support. Once we command majority support within the nationalist community we will demand not power sharing, not an internal settlement, nor a reformed Six County state, we want a united Ireland with the Brits out and an end to the Loyalist veto. (4)

The Brits are going to have to change their policy and either face up to reality or give much greater support to the Loyalists and their call for devolution which would mean total support for a sectarian state (5), which would have its ramifications on relations with the South.

For the Southern government itself, once the SDLP could no longer claim to be the majority representatives of the nationalist people in the North, then that would be their anchormen in the North

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2. In the South the television and radio are controlled by the government, through the Radio Telefís Eirann authority. Section 31 of the Broadcasting Act require RTE to 'refrain from broadcasting material that could promote the aims or activities of an organisation that engages in violence'. This is used to prevent any interviews with members of Sinn Fein even when they are election candidates, on the grounds that Sinn Fein is the political expression of the Irish Republican Army. For further detail see *Ireland, The Propaganda War*, Liz Curtis, Pluto Press, London 1984.

3. Until 1972 the Six Counties were ruled with a large degree of autonomy on internal matters by a local parliament, Stormont. This body was dominated by the Protestant majority, determined to keep their ascendancy over the Northern Catholics, and opposed to any relationship with the Catholic South.

Stormont was dissolved after the massacre of 13 civilians by security forces in Derry on Bloody Sunday, January 1972. Direct rule from Westminster was instituted. The aim of British policy was then to institute a new assembly in which power would be shared between the two communities. The Sunningdale

gone. The Southern parties have formulated their policies around the SDLP, and once it is in a minority position they are going to have to deal realistically with us. Sinn Fein's victory will have a dramatic effect on the overall political situation with regard to the national question.

Q. How does Sinn Fein hope to advance in the South through these elections?

A. We don't expect to win any seats but it is the experience we are looking for. We are flying our flag and hoping to get an injection of new members. Basically, you have to crawl before you can run. Also, we believe that when the total vote is counted we will be the third largest nationalist party in Ireland. (6) We will have more first preference votes than the Irish Labour Party.

Q. What is the significance of Sinn Fein's decision to take seats in the European parliament if elected?

A. We realise it would have been political suicide to contest the elections on an abstentionist ticket. Also the EEC does not have the same relationship to us as the British occupation or Leinster House (the Southern parliament) which was set up by the British in 1920. (7) The European parliament is sufficiently distant from the question of Irish sovereignty for us to go in and take our seats. What we would hope to do is to use the EEC platform as an international lobbying point. We believe that some one in Europe could lobby sympathetic political parties, the international labour movement and embarrass the Brits and expose their violence in Ireland.

Q. How will you measure success in the elections?

A. Success will be measured in two ways. First of all the vote in the 26 counties to see if we have made many inroads. In the North it will be measured by comparison with our June vote — 103,000 at its minimum, taking the seat at maximum. It will be a vote on which we hope to build and strengthen our organisation. ■

agreement that foresaw both this and a Council of Ireland linking the North and South, was wrecked by a general strike in opposition to these plans called by the Protestant Ulster Workers Council.

4. British Labour Party policy is for a united Ireland if there is agreement from the Unionist population — thus giving the Unionists a veto over the proposal.

5. The present statelet of Northern Ireland was deliberately created to give the Protestant Unionists a majority by assigning three of the counties of the traditional province of Ulster to the South.

6. After Fianna Fail, the bourgeois nationalist party in the South, and the SDLP. Up till now Sinn Fein has not so much taken votes away from the SDLP as mobilised support that previously did not vote for lack of an adequate alternative.

7. After the Treaty of Independence was signed between some of the elected representatives of the Irish people and the British government. The signing of the Treaty led to a bitter Civil War between those who accepted it and those who wished to continue the fight for a united, independent Ireland.



Clondalkin workers struggle for jobs (DR)

## The effect of the Common Market on a dependent economy

The recent Brussels summit of Common Market premiers was dominated by two questions — Britain's repayments and Irish opposition to the proposal to limit milk and dairy production.

The final resolution of the problem for Ireland was in the final deal that allowed a modest growth in Irish milk production of almost 5 per cent this year, although the overall aim is to limit production and impose penalties on countries or producers who exceed the quota.

The article below looks at the effects of EEC membership on the Irish economy, and explains why maintaining the dairy industry is top priority for the Irish government.

Brendan KELLY

In May 1972 a referendum in Southern Ireland resoundingly endorsed a proposal to join the EEC. If recent opinion polls are anything to go by, then that initial euphoria has completely evaporated. The Irish population is now reputedly amongst the most discontented of any member state with the EEC.

The reason is not hard to see. The general living standards in the South are 30% below the EEC average. Irish workers, who put in the longest working hours (apart from Greece), are the lowest paid workers in the Community. And the small farmers who earn still less than workers are even worse off.

It is not simply low living standards which cause resentment but the ever increasing disparities in wealth and income distribution. A mere 5% of the population owns three-quarters of the private wealth while 10% of the population takes home a quarter of the national income. Grinding poverty stands in contrast every-

where to the sumptuous living of a tiny elite.

This picture becomes more revealing when put in the context of a relative worsening of Ireland's position vis-a-vis other European countries since EEC membership. The widening gap can be judged roughly by the GDP (Gross Domestic Product) index which fell a further 4% behind the EEC average between 1973-79. This trend points to the fact that EEC membership, rather than fostering modern capitalist development in Ireland, has in fact exacerbated the economic contradictions left by Britain's previous imperialist exploitation.

### Heritage of the past

The Irish economy was moulded largely to agricultural production under British rule. (1) Moreover, agricultural activity was geared almost totally towards supplying the British market with cheap meat and dairy products. This kind of extensive farming implied the need for agrarian reform along the lines of large

scale enterprises. But the piecemeal reforms imposed by Britain and the resistance of the mass of small farmers resulted in a hybrid system — a minority of large farms in a sea of small, mainly unviable farms.

Ireland's subsequent economic development was profoundly debilitated by this inherited nature of agricultural production and structural deformities of land tenure:

i) Extensive farming did not require a great deal of reinvestment. Big farm capitalists were conservative. Profits were deposited in the banks rather than put to further productive use.

ii) The profitability of extensive farmers depended on access to British markets. The capitalist farmers were ardent free traders. This had two consequences. Tariff protection was not available for infant Irish industry. Side by side with free trade went free mobility of capital. The banks invested the accumulating agricultural profits in safe British government securities. Irish industry was exposed to the full blast of competition from developed British industry and starved of capital. Indigenous industrial development was consequently very limited.

iii) The land tenure system created a hierarchical division of labour within agriculture whereby the small farmer was constrained to the arduous and meagre end of production (i.e. breeding and rearing) while the capitalist farmers monopolised the speedy and lucrative end (fattening and exporting). Under these conditions the cyclical crises of Irish agriculture tended to be more sudden and deeper. These crises also tended to fall more firmly on the small farmers.

iv) Extensive farming also implied the necessity to minimise the direct cost of land (and property) ownership. This dictated the need for an environment of minimal taxation. State involvement in the economy was initially restricted and when the level of taxation did begin to rise, its burden was shifted disproportionately onto an already impoverished population. Social needs became heavily dependent on private institutions (mainly religious) and politics took on a distinct clientelist colour.

The Irish economy in the first half of this century was therefore dominated by an elite capitalist farming sector which fed off small, semi-capitalist farming and depended on British markets; a prosperous (if unadventurous) financial sector integrated with the British capital market and with no investment in industry; a merchant sector also dependent on Britain; a small sector of industry consisting of diminutive enterprises catering for the domestic consumer market; and a small sector of exporting industries, based on food/drink, which was largely

1. After the Treaty of Independence the South became the Irish Free State, a Dominion in the British Commonwealth until 1949. The constitutional amendments of 1937, however, stripped this status of all but its most formal meaning. For example, Ireland remained neutral during the Second World War.

foreign-owned or controlled.

This state of affairs led to repeated periods of stagnation culminating in a profound malaise during the 1950s. The alternative possibility of growth was to adopt a strategy of more comprehensive integration with international imperialism. This became all the more urgent in the 1950s because the possibility of Britain joining the EEC was mooted. In 1961 a decision to seek membership of the EEC was readily supported by the two major bourgeois parties, Fianna Fail and Fine Gael.

EEC membership was sold to the Irish electorate on a number of economic grounds. It was argued that the contradictions of agriculture would be painlessly erased by substantially higher and stable prices; foreign capital would pour in and create a spin-off effect which would lead to a sound industrial base under native control; living standards would increase enormously and the creation of a comprehensive social welfare system would be possible. This was the promise of final de-colonisation. Ireland would at last 'take its place among the nations of the world'.

EEC membership did indeed stimulate the Irish economy to some extent. But it could not overcome the forces of chaos which repeatedly created economic torpor and social blight.

### Agriculture-artificial growth

Within the agricultural sector, entry into the EEC gave rise to historically unprecedented levels of investment and output plus some dramatic windfalls in income. (2) Yet behind this apparent success story lies a grim tale.

Initially price rises (up to 300%) sent Irish farmers into a flurry of modernisation and expansion. But given that the EEC is almost self-sufficient in beef and has a surplus of dairy products — which together constitute 68% of Irish agricultural output — the impact of the original price incentives was bound to be short-lived. From the mid 1970s prices began to level out.

This setback was compounded by a negative turn in the input-output price ratio. Despite a reduction in the use of inputs, this deteriorating ratio took significant bites out of farm profits.

After the initial hectic expansion, a new phase of crisis set in. For the past decade, as a whole, farm income in real terms has remained at the pre-entry level. Growth rates have tapered off and since 1978 have declined to an historic low. The nature of land tenure has remained the same and the variation in farm size has hardly changed at all. The composition of output and the division of labour between various groups of farms has stayed virtually as before. What has happened, however, is that the contradictions of agriculture have sharpened without any fundamental change in the structure of production. Insofar as the potential for such change did emerge, it has tended



Some farmers do well in the EEC (DR)

towards wholesale disintegration rather than any long-term solution.

To get the full story it is necessary to penetrate beneath the surface veneer of success. During the period of EEC membership the artificial support system of European agricultural policy has intensified a number of distortions in Irish farming which are concealed by statistical averages.

*Income.* Agricultural income has been static in real terms over the past years. But within this context there have been striking changes. The two cattle crises of 1974 and 1978 played a major role in levelling out the overall returns to farmers. However, the EEC intervention support for beef ensured that the burden of these disasters would fall disproportionately on the breeders and rearers of cattle. The big capitalist farmers were able to sell their beef at guaranteed prices through EEC intervention while at the same time refusing to purchase any more young cattle for fattening. The bottom fell out of the market therefore only for the medium and, especially, small farmers. This left them overstocked with all the obvious consequences for the viability of their farms.

Today over half the income from agriculture accrues to one fifth of the farmers. The fact that the average farm income is below the average industrial wage (one of the lowest in the EEC) gives an idea of the penury in which 80% of Irish farmers live.

*Growth.* Output fell dramatically to around 1% per annum after 1978. The main feature of this trough was a huge reduction in the national cattle herd which fell by several hundred thousand, back to its 1970 level. Parallel with this, there has been a shift by big farmers into dairying, having a greater concentration of cattle on small farms. Indeed, an increasing number of small farms produce nothing but cattle. The decline of the beef sector therefore means that the

number of farms producing absolutely nothing is bound to grow.

The structural anomaly is worse than that however. The fortunes of beef and dairying are interrelated. An important part of the viability of dairying depends on the provision of cows to produce calves for beef output. The shift from beef to dairying therefore closes off a vicious circle rather than opens up new prospects.

This vicious circle has become more significant recently. The medium sized milk producers have received some relief from the crisis mainly through subsidies to calves for beef breeding — the aim is to support dairying while renewing the cattle herd. At times the prices for such calves have been astronomically high. But there is no likelihood of significant beef price increases in the foreseeable future. The market for calves is bound to collapse. This time there will be serious consequences not only for the small farmer purchasers but also for a large part of the dairying sector — this at a time when the milk Super Levy axe is about to fall.

*Land tenure.* Land continues to be as immobile as ever despite a rapid fall in prices which in the mid-1970s were the highest in Europe. Over the past decade the average size of holdings have increased by only 2 acres. The effects of EEC membership have intensified this problem.

On the one hand a high level of debt servicing and general uncertainty makes the big farmers reluctant to purchase. To meet this situation they are turning

2. Garret FitzGerald, leader of Fine Gael and prime minister, recently stated that he considered the Common Agricultural Policy (CAP) as, 'one of the cornerstones of the Community. It is a lot more important for us, he continued, than for any other country. Participation in CAP has freed us from dependency on the policy on food prices practised by Great Britain, which had prevented the growth of our agriculture.' *Le Monde*, May 28, 1983.



(albeit marginally) to a more intensive use of land rather than augmenting their holding. The problem of debt is the most immediate and fundamental cause of this. Farm indebtedness rose from 15% of total indebtedness in 1970 to a record 30% in 1980. Farm indebtedness represented 40% of farmers annual income in 1970 and had increased to 120% by 1980. This debt is spread across the whole farming population but is concentrated in the medium and big farmers.

Many medium and small farmers, on the other hand, are gravitating towards family subsistence farming. They are prepared to accept an income far inferior to the average wage. Changes in market prices for products or land do not exert substantial pressure on them to leave farming. Some 50% of farms, on one third of the land farmed, contribute nothing to growth of new output. The bulk of growth is produced by 20% of farmers. The 30% of borderline cases are particularly threatened by current EEC trends. There is a real possibility that 80% of farmers could end up in the subsistence/part-time category. This will, under conditions of family ownership of farms, intensify rather than ease the immobility of land.

Combined with this, the division of labour between big and small farmers is roughly defined on a regional basis. The consolidation of small and medium farms into viable enterprises would have to take place through a differentiation among small and medium farmers themselves. The deep depression in which these groups have languished, virtually rules out such a struggle. The structural contradictions involved in the division of labour and the nature of landholding is likely to remain unchanged for some considerable time to come.

### Fool's gold from multinationals

The implications of the situation in agriculture will be enormous for the Irish economy as a whole. At the economic level, agriculture employs directly or indirectly 30% of the national labour force, accounts for up to 45% of output in the goods sector, and represents 50% of net exports. At the social level, nearly half the population lives in rural areas and it is there that a considerable section of Ireland's poor is located.

Irish industry, particularly manufacturing, is supposedly one of the big success stories of EEC membership. During the 1970s manufacturing output grew at a rate of 4% per annum compared with the ½ % EEC average. But this growth exhibited a number of defects and has caused more problems than it solved.

Manufacturing has undoubtedly increased its weight within the economy. But much of the growth is superficial. Away and by far the most dynamic component of this sector has been the foreign multinationals. Throughout the 1970s Southern Ireland easily attracted more foreign firms (relative to population size)

compared with other EEC countries. These firms now employ over a third of the manufacturing workforce and account for 70% of exports. Indeed the significant growth of manufactured exports during the 1970s was almost exclusively generated by the overseas multinationals.

Nonetheless, this performance still does not give much hope for long-term development. The performance of the multinationals in Ireland is strikingly similar to that in other so-called 'developing' (i.e. neo-colonial) countries:

- Linkages with the rest of the economy are extremely low — only 16% of their inputs are purchased locally. In some branches, such as chemicals, only 3% of raw materials are purchased in Ireland.

- They are generally low skilled assembly operations and for the most part low-pay industries. Their value-added content is extremely low.

- They are generally small plants with restricted potential for employment — an average of 100 jobs per plant.

In addition to this very weak spin-off effect, the multinationals actually create barriers to growth:

- They supply only a third of the capital needed to set-up. Thus, they are in competition with local industry for the rest.

- 90% of their profits are tax-free — causing a multi-million hole in tax revenue.

- The free trade environment which they dictate has caused a precipitous decline in the traditional industries. A quarter of the jobs which existed in indigenous industry in 1973 have now disappeared. Since this sector produces mainly for the domestic market the result is not only a decline in net job creation but also increased imports.

- These companies make huge profits. The US companies, according to the US Department of Commerce achieve a return of 30%, which is well above the performances in any other EEC country where the average is 13%. Reinvestment was initially high (70%). In the last few years this has changed drastically. In 1983 over IR£1,000 million (about half the balance of payments deficit) in unspecified outflows occurred. It is believed by economists that IR£300 million of this was repatriated as multinational profits.

These aspects of the multinationals makes it clear that a strategy of relying on foreign investment can make no headway in grappling with the macroeconomic problems which beset the Irish economy. Irish industry still has the lowest level of productivity in the EEC; there has been no net increase in manufacturing employment over 10 years; despite the fact that manufacturing greatly increased its factor share of GNP and exports, a structural balance of payments deficit (attenuated for the moment by a fall in imports caused by a general decrease in consumption) still exists. The latter problem is one of the major medium-term constraints to economic growth and it is

ironic that the multinationals which dominate exports are a main contributor to it. Certainly in the short term, with the purchase of plant and material from capital snapped up in Ireland (two thirds of setting up capital) and importers of large initial stocks, they contribute heavily to the payments deficit. This is probably true in the long term as well, given a steady departure rate and the constantly high proportion of new companies in this sector.

### Huge borrowing

As for the rest of the manufacturing sector — indigenous companies — it contributes relatively to economic growth and is dependent largely on the domestic market. The only other significant sector of industry is building and construction. It usually employs 10% of the labour force and contributes output at around 20% of the GDP. Since this sector depends heavily on developments in industry and agriculture and on the level of consumer and government spending, it is hardly surprising that it is going through the worst crisis in forty years. At the moment nearly half the workforce is unemployed. With over one million square feet of office space and three million square feet of factory space lying idle and with a thriving market in second-hand housing there is little hope of an early revival.

The most sobering aspect of the situation in industry is that a full reckoning with the results of reliance on foreign investment has still to be faced. A contraction of multinational operations is now underway. Most of the foreign owned plants in Ireland are subsidiaries of companies at the bottom end of the multinational spectrum (only a handful of the 800 firms figure in *Fortune's* top 500). At the best of times these firms had a redundancy rate of 30% over ten years. Now the rigours of recession and the general climate of depression is taking an even greater toll. A recent survey indicated that a quarter of Irish based foreign firms are already considering relocating elsewhere. On top of this, Ireland's share of outside investment coming to Europe has declined steadily over the past few years.

This process is likely to accelerate in the future. The long-term decline in the economies and labour costs of some of the advanced European countries — notably Britain — plus accession of Greece and Portugal to the EEC will stiffen competition for the location of multinational subsidiaries. Ireland long ago reached the bottom line in the package of grants and concessions it can offer. The creation of 80,000 multinational jobs has cost the Irish exchequer IR£6,000 million. There is no more scope for increasing the bidding.

Under the lengthening shadow of this impasse a major debate on reorientating industrial strategy is in progress. The consensus emerging from this debate is in

favour of turning Ireland into a base for the provision of international services. The latest ten year plan of the Industrial Development Authority (the government's chief 'job creating agency') foresees no more than 10,000 manufacturing jobs being created over the next decade. The development of luxurious medicare facilities and banking enclaves is being canvassed as a way of generating wealth to create services-type jobs. The dream of industrialisation is being buried unceremoniously. The so-called 'Telesis Report', which initiated the debate on new strategy, commented that previous economic policy had turned Ireland into a 'small export haven'. For the Irish bourgeoisie the logical progression is to turn Ireland into a playground for the international jet set.

The way in which economic contradictions under conditions of EEC membership have sharpened is well illustrated in the dramatic growth of a crisis in public finances. Much of the controversy over government expenditure has focussed on current spending. The reason is obvious enough. The current budget has been rising steadily — from 30% of the GNP (Gross National Product) in the early 1970s to 40% in the 1980s. At the same time the current budget deficit has risen from zero in 1970 to 8% of the GNP by 1980.

However, at the same time Ireland has experienced a phenomenal growth in capital formation. In the 1960s it averaged 20% of the GNP and after EEC membership, it rose to over 30%. This growth has been motored by government expenditure. Throughout the past decade the public capital programme doubled its share of national capital formation and by the 1980s stood at 50% of the total.

Since the capital programme is financed largely through borrowing, the level of national debt has increased accordingly. It has risen from 66% of the GNP in the early 1970s to almost 100% of the GNP today. The fiscal logic behind this was the assumption that an increase in productivity would eventually produce a compensating flow of revenue.

In fact, public capital spending has risen faster than current expenditure. Furthermore, within the aggregate of capital spending the share going to manufacturing rose most rapidly. In sum, the aim of successive governments was to force march the pace of industrial development so as to sustain adequate expenditure on current services, etc.

It is precisely the failure of industrial strategy and not excessive growth of current outlays which is at the root of the disorders in public finances. Current spending increases were not exorbitant by EEC standards were necessary simply to prevent a worsening of already bad conditions. For example, social welfare was the fastest growing component of current spending but in the last five years some 40% of this growth was caused by an increase of recipients, due to higher unemployment and falling

incomes. The high level of expenditure on health reflects a costly and inefficient service with too many small and outdated hospitals (50% of health spending goes on hospitals). This situation is maintained largely at the behest of conservative pressure groups such as local bourgeois interests, religious orders and professionals.

Although the level of Irish public spending looks satisfactory compared to general EEC standards, it is far from adequate relative to the needs of the Irish people. Southern Ireland has:

- The greatest proportion of poor in the EEC — a quarter of the population lives below the poverty line, which is defined as two thirds of the average income (which is, in turn, only two thirds of the EEC average).

- One of the highest ratios of pupils to teachers and one of the lowest levels of expenditure on education.

- Amongst the lowest use of such items as household electricity, private cars, telephones, televisions, etc.

- One of the fastest growing populations and highest dependency ratios (over 40% of the population is either under the age of 14 years or over the age of 65 years).

- One of the highest rates of unemployment — at 19% it is greater than the entire manufacturing workforce.

The social situation in Ireland has not improved at all since EEC membership. A survey this year revealed that Ireland as a whole is the most disadvantaged country in the EEC and is only a hairs-

breath ahead of regional blackspots such as Sardinia.

The failure of industrial strategy means that there is no economic dynamic which can pull the nation out of this social backwater in which it is now floundering. On the contrary, the crisis of public finances will aggravate the situation still further.

The staggering size of the national debt has produced two new problems: foreign indebtedness and punitive taxation.

As government borrowing increased, the liquidity of the financial sector seriously decreased, interest rates rose and credit became scarce. The private sector was in danger of grinding to a halt. Governments of the day then turned to international financial institutions. Suddenly, public foreign borrowing rose from practically nothing before EEC membership to over 40% of the GDP at present. Along with this, the servicing of foreign debt has grown to a dangerous level of 6.7% of the GDP. This level of external borrowing and debt servicing (equal to about two thirds of external reserves) could, if uncorrected, lead to a decline of confidence by Ireland's trade partners and consequent disruption of the whole economy.

Apart from borrowing, the only other source of finance available is tax revenue. Since EEC membership the level of taxation has risen steadily.

At the beginning of the 1970s Ireland's tax level was lower than any of

*But small dairy farmers hard hit by EEC policy (DR)*



the existing EEC countries. Since then, taxes have risen from 27% of the GNP to 41% presently.

Within this overall rise, a consistent shifting of sections of society has occurred. Income tax (87% of which is paid from wages) has almost doubled since the early 1970s to 14% of the GDP today and indirect taxes on consumer goods increased in the same period from 10% to 18%. Thus, nearly four fifths of taxes fall mainly on the workers and poor.

The overall level of taxation, given the relative underdevelopment of Ireland, is punitively high and the share borne by workers and their allies almost unbearable. The latitude for extracting more revenue by means of taxation is, therefore, negligible.

With excessive foreign borrowing and excessive taxation, government fiscal policy is caught between two grinding stones. Any attempt to significantly reduce external debt would cause a spiralling deflation — deflation, erosion of tax base and external reserves and further deflation. As against this, to increase or even maintain the existing level of taxation would risk serious political unrest and damage Ireland's credit rating thereby activating the balance of payments constraint inherent in the foreign debt. The result would be equally deflationary.

The only way out is through a programme of massive cuts. There is a solid consensus between the two major bourgeois parties and the Labour Party on this. (3) But the type of deflation such a programme would necessitate, added to the social and economic crisis which already exists, has its own dangers.

Apart from the obvious economic dangers, there is a highly organised and combative working class to contend with — over 50% of Irish workers are unionised. What the workers lack most is a *political* awareness of their own strength. A full-scale attempt to dismantle state involvement in the economy would undoubtedly lead to a questioning of the delicate political consensus on which the state rests. That kind of fermentation in workers' consciousness is already apparent in the governmental instability which emerged from the last three general elections and in three massively supported national work stoppages against the tax system in 1979, 1980 and 1981. (4) None of the politicians want to cut too deeply, too quickly. None wants to be the first to feel the full might of workers' anger. So on top of economic instability, there is a growing political instability. ■

3. The Irish government is a coalition between Fine Gael and the Labour Party. The latter has 17 members in parliament, mainly from rural areas. Fianna Fail the more populist 'nationalist' of the bourgeois parties has a greater support among workers. Nevertheless, some unions, including the Irish Transport and General Workers Union, are affiliated to the Labour Party.

4. These were strikes by workers, who pay tax under the Pay As You Earn (PAYE) system, i.e., deduction from their wages. Tax rates are very high — partly to finance the inducements offered to multinationals to set up in Ireland.

## NORTH-SOUTH RELATIONS

# The Lome Convention — a mechanism for imperialist plunder

The second Lome Convention expires on March 1, 1985. Thus, 1984 will be an important period in discussions between the countries of the EEC (European Economic Community) and the 63 African, Caribbean and Pacific (ACP) countries which are linked by the EEC-ACP agreement. The renegotiation of the Lome pact has already run into trouble over the demand by the ACP countries for a budget allocation of 5 billion US dollars — a 50 per cent increase for the next five-year period (1985-89).

The following article, which analyses the functioning and real goal of the EEC-ACP agreement, is therefore particularly timely.

Claude GABRIEL

The first agreement on trade and development associating the EEC and 46 African, Caribbean and Pacific countries, was signed in Lome, the capital of Togo, on February 26, 1975. (1) At first sight the agreement, the most important of this type, seemed a natural extension of the entry of Britain, Denmark and Ireland into the EEC, decided in 1972 and effective in 1973.

As early as 1964, the first Yaounde convention had linked the EEC (then comprising the six founder members) to the 18 Associated African and Malagasy States (EAMA), in line with the provisions in the Treaty of Rome on cooperation with the 'third world'. This convention was renewed in July 1969; a nineteenth country, Mauritius, joined in 1973, and the convention expired on January 31, 1975.

Thus, the passage from the Yaounde convention to the wider Lome convention, was merely a by-product of British entry into the Common Market. From that point on, the countries of the Commonwealth had to be added to those of the EAMA. Previously, the EEC had been content with bilateral relations with certain African countries under British influence. Thus, the Lome Convention revealed the desire of the EEC countries to pool their respective colonial heritages. With the exception of Ethiopia and Liberia, all the ACP countries are former European colonies.

Claude Cheysson, now minister for external affairs in the Mitterrand government, and then a member of the European Commission and one of the founding fathers of the Lome Convention, explained at the time, 'We have to recognise, shocking as it may be to many, that the possibilities for an industrialised country to contribute to the development of a 'third world' country are not the same in every case. There are countries which speak our language, whose elites have passed through our universities, who

know our commercial system, our economic system, who have common points with our culture. There can be no doubt that there are incomparably greater possibilities for collaboration with them than with countries with a totally different culture.' (2)

When they signed the act approving British entry into the Common Market on January 22, 1972, the European ministers also set up a special mechanism which simultaneously offered a score of Commonwealth countries the possibility of economic agreements with the EEC. Britain thus brought a sort of dowry with her into the European marriage, although excluding the Asian Commonwealth countries.

### Noble ideals?

On the surface, the Lome Convention could claim to have put into practice certain noble ideals. It said good-bye to free trade nostrums, and formally established a readjustment of commercial relations in favour of the ACP countries — giving them a regular outlet for their exports on the European market and protection against fluctuations in their export earnings caused by the rise and fall of prices on the world market. At least, this was what was put forward as the principal innovative element in comparison with traditional international commercial practices.

1. The ACP countries today are: Antigua and Barbuda, the Bahamas, Barbados, Belize, Benin, Botswana, Burundi, Cameroon, Cape Verde, Republic of Central Africa, Chad, Comores, Congo, Ivory Coast, Djibouti, Dominica, Ethiopia, Fiji, Gabon, Gambia, Ghana, Grenada, Guinea, Guinea Bissau, Equatorial Guinea, Guyana, Upper Volta, Jamaica, Kenya, Kiribati, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritius, Mauritania, Niger, Nigeria, Papua/New Guinea, Rwanda, St Vincent and the Grenadines, Santa Lucia, Solomon, Western Samoa, Sao Tome e Principe, Senegal, Seychelles, Sierra Leone, Somalia, Sudan, Surinam, Swaziland, Tanzania, Togo, Tonga, Trinidad and Tobago, Tuvalu, Uganda, Vanuatu, Zaire, Zambia, Zimbabwe.

2. *Politique Europeenne de developpement. Chronique de politique etrangere*, Brussels, 1974.

The idea of non-reciprocity in commercial relations between industrialised and 'third world' countries to protect the trade of the latter is not completely new. It was proposed by the general assembly of the United Nations in December 1961, and then adopted by the United Nations Conference on Trade and Development in 1964.

The principle was introduced in the GATT (General Agreement on Tariffs and Trade) regulations in 1965. But the EEC made an innovation by putting it into practice, although the principle of free and unlimited access to the European market was not extended to the products covered by the Common Agricultural Policy (CAP) of the European countries (citrus fruit, cereals, beef and veal):

'All industrial exports, and 96 per cent of agricultural exports from the ACP countries can from now on enter the EEC free of tariffs or without agricultural levy....Even the remaining 4 per cent of products will be given preferential treatment by the Community, sometimes very much so — up to a 90 per cent reduction in tariffs.' (3)

The Lome Convention also allowed for a relative flexibility in the definition of the origin of products and in the responsibility for commercial promotion of ACP products on the European market. The EEC agreed to consider ACP countries as one and the same territory for customs purposes, thus allowing them to treat as one the processing of a product in several ACP states. The Convention also set up a mechanism for stabilising the income from exports, called Stabex. This took the form — the details are outlined later — of a sort of compensatory payment when ACP countries suffered a drop in export income as a result of natural disasters.

Obviously, the EEC has no intention of limiting either the fluctuations of the world price for these products or of the speculations of international trade. Stabilisation here does not mean eliminating the fluctuations inherent in the functioning of the capitalist market but, more modestly, blunting the sharpest consequences for the economies of the associated countries. (4)

For sugar, which is very often the single crop of the countries concerned, this system was coupled with a supplementary guarantee to buy a fixed predetermined amount, a system already in force within the Commonwealth. (5) Leaving aside the specific case of sugar, the Stabex system itself applied to 44 products, mostly agricultural.

The third aspect of the Lome Convention concerned financial cooperation. There was nothing particularly new about it, since the Europeans were content to keep the aid distribution mechanisms of the European Development Fund (EDF) and the European Investment Bank (EIB), of which the Ten were members.

Finally, the fourth aspect of the Lome Convention was industrial cooperation. It should not be forgotten that the first

signing of the Lome Convention occurred at the height of the oil price explosion. This set off a chain reaction in the economies and policies of the African countries that form the majority of the ACP countries: non-petroleum producing countries saw their oil bill rise tremendously; this led to a desire to follow the example of the OPEC (organisation of Petroleum Exporting Countries) cartel and demand a rise in the world prices for other raw materials as well as a transfer of technology. Finally, they demanded financial compensation from the Arab oil-producing countries. All these measures were designed to obtain the necessary financial surplus for 'national industrialisation' projects.

### Beginning of disenchantment

This was the period when so many international conferences talked so much of the 'new international economic order'. The United Nations General Conference on Industrial Development, held in Lima, Peru, in March 1975, only a few days after the Lome meeting, set a very ambitious target for industrial growth in 'third world' countries: to supply at least 25 per cent of world manufacturing production by the year 2000, up from 7 per cent in 1975.

This worked out well for Europe because it coincided with the completion of a major transformation of the imperialist economies that had taken place in the 1960s and early 1970s. This transformation had hoisted monopolistic exporters of production and equipment goods to the top at the expense of the consumer goods sectors. Thus, 'industrial cooperation' between the EEC and ACP, including formal grants of financial aid, a development policy and skill-training assistance programmes, was part of that framework.

In 1975, this package deal seemed quite innovative. At the time, Senegal's minister Babacar Ba commented: 'The Convention that has just been signed includes two decisively important facets: the export income stabilisation fund and industrial cooperation. I believe that these two aspects alone fully warrant calling the recently agreed convention revolutionary.' (6)

The Convention was renewed on December 31, 1979 (Lome II). Some provisions of the agreement were amended, but without changing the general orientation and main goals of the original document.

Nevertheless, despite the euphoric attitude that participants continued to present to the public, ACP representatives were already beginning to let out some rather bitter remarks that were quite revealing. For instance, Bernard St John, representative of the Caribbean island of Barbados who made the closing speech, felt compelled to express a 'deep feeling of frustration' on behalf of all the ACP states.

He added: 'We note with regret that neither Stabex nor the mineral products

system have answered many of our major concerns....Even in the field of mineral products, where some progress must be recorded, the main concerns of the ACP states are ignored. To these disappointments, alas, we must add yet another: the fact that the amount of aid represents, in real terms, a lesser contribution per capita than that granted by Lome I.' (7)

The fact is that the European rulers and their ACP partners had to tone down the demagoguery with which they initially acclaimed the convention, in light of a series of factors that had come into play in the meantime. Between 1975 and 1979, most raw materials' world commodity prices had collapsed and spectacularly deflated ACP countries' export income.

Neither the Stabex system nor its mineral products counterpart (Sysmin) had been able to adequately compensate these lost earnings. The economic crisis racking Europe had reduced the demand for basic products.

Finally, some European industries had gradually begun to use substitutes for the traditional primary products supplied by ACP countries, or had simply turned to other countries for supplies.

Now, in the midst of the new negotiations for the third convention — to replace Lome II when it expires on March 1, 1985 — no one will venture to refer to it as cooperation, a symbol of 'the new international economic order'.

The way in which Stabex functions is a perfect illustration of why the basic commercial rules of the world capitalist market cannot be changed without overturning, at one and the same time, the structures of imperialist domination themselves. Stabex is an 'insurance' which is supposed to compensate ACP financial losses as a result of national catastrophes and, by extension, of sudden upsets in prices, demand on production. But the Europeans are more and more suspicious of the Stabex system because it is increasingly intervening, and on a larger and larger scale, to meet structural rather than conjunctural problems.

What happened is that from 1980 onwards, all the risks that had been foreseen began to accumulate simultaneously: a drop in production, sales and world prices of commodities exported by the ACP. In 1980, the latter factor alone accounted for 23 per cent of the requests for compensation; in 1981 it climbed to 65 per cent. In the vast majority of cases, the problem was the result of the decline of

3. H.B. Krohn, director general of development and cooperation in the Common Market, *Revue du Marche Commun*, March 1975.

4. For a more precise idea of the dependency of certain countries on one sole export it should be known that sugar represents 68% of Mauritian export revenue, coffee 69% for Ethiopia, cotton 47% for Mali and peanuts 37% for Senegal.

5. In the present negotiations for Lome III, the Europeans are totally opposed to the proposal of the ACP to extend this advantage to products other than sugar.

6. *Le Courrier ACP*, March 1975.

7. *Idem*, November 1979.

two commodity prices: that of coffee and cacao.

More concretely, the Stabex mechanism is capable of partially compensating the export revenue deficit of countries which export the commodities covered by the agreement. But as soon as the deficit-funding factors begin to occur simultaneously, the Stabex funds have to be considerably increased. The amount of the deficit of countries submitting compensation requests is calculated on the basis of the average export earnings from the given commodity over the four previous years at the current price.

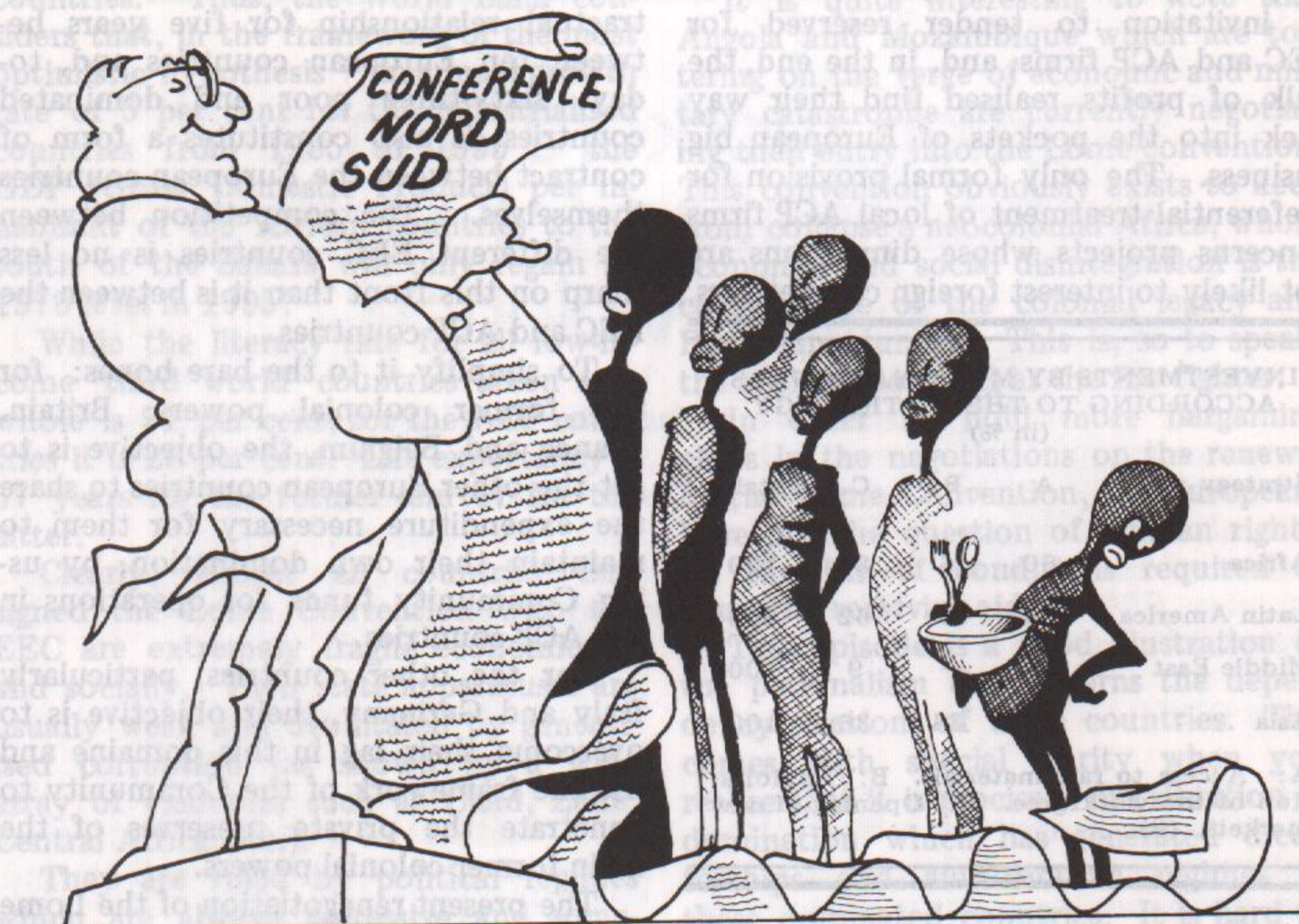
When commodity prices drop, this method further reinforces the relative value of the compensation, since the calculation is partly based on the previous higher, world prices. As a result, the EEC is sometimes compelled to play dumb when ACP countries submit compensation requests. In 1982, only 42.8 per cent of justified requests could be met. The Lome Convention partners are only reflecting the natural laws of the world capitalist economy in this business. The Stabex system does not affect the fundamental mechanism, it only deals with some of its effects.

This trade adjustment system not only has to absorb the effects of international trade speculation and trends in demand. It is also obliged to subsidise the structural crisis of African agriculture (productivity, decline, anarchic marketing policies, lack of political means to influence the various markets, etc.). Moreover, a large part of the funds dispersed by Stabex to the ACP countries is not at all used to improve the productivity and product quality of the agricultural sectors involved. Most often, ACP governments assign these funds to public expenditure, and sometimes servicing their debts, in cases where without the financing from Stabex, the countries concerned would have been declared in default. (8)

### Raw materials

In the end, the European taxpayer who supplies the Stabex funds is not paying to aid African peasants, or even African economies, as claimed by official propaganda, but to compensate for certain destructive consequences of the capitalist market, and to keep the spendthrift and corrupt regimes of neocolonial countries afloat for the greater profit of the European trade and industrial monopolies. In the last analysis, these compensatory mechanisms serve to redistribute revenue within the dominated states for the benefit of the ruling classes and at the expense of the peasantry.

As mentioned earlier, the Lome Convention covers French, British and Belgian colonies. It is, therefore, no exaggeration to state that the European Community was seeking, by means of this agreement, to regroup and rationalise a series of common imperialist interests. Most EEC foreign trade is, of course, conducted with other industrialised countries



Lots of fine words....(DR)

— the ACP countries come in last among the commercial categories listed as partners. Nevertheless, for a number of reasons ACP countries have a special importance for European imperialist countries, which is, moreover, the reason for the existence of the Lome Convention.

The EEC's degree of dependence on foreign sources for supplies of raw materials is about 75 per cent, as against 90 per cent for Japan and 15 per cent for the US. Africa, excluding the Republic of South Africa, provides 20 per cent of the value of the EEC's non-energy raw materials imports. The African countries of the Lome Convention play a very important role in world production of certain metals. They are decisive in terms of long-term reserves. Zambia and Zaire are respectively the world's fourth and fifth producers for copper; Togo and Senegal eighth and twelfth for phosphates; Guinea second for bauxite; Gabon third for manganese; Zimbabwe fifth for chromium; Zaire and Zambia first and second for cobalt; finally Zaire and Botswana are the two main producers of diamonds.

Other, non-African, Lome Convention members rank high in the list of world bauxite producers: Jamaica third, Surinam fourth and Guyana seventh.

In 1980, the ACP's share of EEC imports stood at 50.08 per cent for oil, 13.3 per cent for minerals, 2.23 per cent for uranium; and, finally, 34.6 per cent for agricultural products and by-products. This brings out the importance of the unequal exchange between these countries and Europe. The latter supplies ACP countries, on the basis of the unequal prices of the world market, with equipment goods, technology and services, in exchange for raw materials, most often only slightly processed.

The European multinationals motivation in ACP countries is not primarily the search for cheap labour or immediate outlets. Rather, as shown by Table 1 —

for the purposes of this demonstration the ACP countries are grouped with Africa — their main objective in this continent is controlling sources of raw materials. Clearly then, these countries' economies are decisively affected by the pumping out of classical colonial super-profits by the multinationals.

Moreover, EEC-financed aid and development programmes constitute a substantial market for European capitalists. The EEC provides the funds and imperialist private corporations get the contracts for the projects. The EEC has provided about 10 billion French francs (1981 figure) per year for the financing of projects actually implemented on the spot in dominated countries, 58 per cent of which have been assigned to ACP countries. 'Development' projects originating in such programmes are approximately evenly distributed in agriculture first, industry, mines and energy second, and transports, communications and services third. One should emphasise the importance of large-scale regional development projects that usually require massive financing, which is usually provided jointly by the EDF and EIB, and other international finance bodies.

### Behind the 'aid': profit

During the term of the first Lome Convention (1975 to 1979), 48 large projects of this type, costing a total of 24 billion French francs, were jointly financed by European (36 per cent), Arab (16 per cent) and World Bank (12 per cent) funds.

Over the same period, actual EEC aid made it possible to build, for example, 4,500 kilometres of paved roads, 650 schools, etc. But these large projects

8. Moreover, in the negotiations for Lome III the Europeans would like to enforce a surveillance role over the allocation of Stabex fundings in order to intervene in local agricultural policy.

are put together by issuing an international invitation to tender reserved for EEC and ACP firms, and, in the end, the bulk of profits realised find their way back into the pockets of European big business. The only formal provision for preferential treatment of local ACP firms concerns projects whose dimensions are not likely to interest foreign competitors.

INVESTMENTS BY MULTINATIONALS ACCORDING TO THEIR STRATEGY (in %)

Strategy	A	B	C	Total
Africa	60	6	34	100
Latin America	33	5	62	100
Middle East	91	—	9	100
Asia	30	34	36	100

A: Access to raw materials. B: Exploitation of the workforce. C: Opening of new markets. (9)

But, one should remember that even though 'local' ACP firms get 42 per cent of the construction contracts, 9 per cent of supply contracts and 13 per cent of services contracts financed by the EEC — which is far from a raving success — in many of the 'local' firms in these countries imperialist capital predominates over national capital.

The Lome Convention is a typical example of how public and multinationals financing can combine for the benefit of capitalist firms operating in neocolonial markets. By means of a slightly intricate detour through the channels of the EEC's Brussels bureaucracy and of the ACP states, the European taxpayer's 'aid' to the 'third world' is ever-so-prosaically transformed into profit for the Mr Moneybags of imperialism. The entire business is a swindle, despite the many official speeches by successive presidents and governments, especially the French, who have now posed as patrons of the 'third world' year in, year out for the last 25 years. (10)

Another aspect of the much-touted 'industrial cooperation' is that it draws the dominated countries into regularly increasing their purchases of the various services sold by the European imperialist powers (insurance, banking, accounting, consultants and engineering services, brokerage, architecture, legal operations, education, telecommunications, tourism and technological know-how). This only serves to reproduce yet again the mechanisms of dependence.

This financial manna also provides, at a modest level, one of the most visible forms of imperialist domination — the presence of thousands of Europeans, mostly entrepreneurs, managers or of the liberal professions. This foreign occupation produces severe imbalances in neocolonial economies, even if only in the import of consumer goods and luxury foods. But it is the local populations who suffer the inflationary effects of promoting the flow of European trade towards their countries. (11)

While the Lome Convention is a contractual relationship for five years between ten European countries and, today, sixty-three poor and dominated countries, it also constitutes a form of contract between the European countries themselves. The competition between the different EEC countries is no less sharp on this front than it is between the EEC and ACP countries.

To simplify it to the bare bones: for the former colonial powers, Britain, France and Belgium, the objective is to get the other European countries to share the expenditure necessary for them to maintain their own domination, by using Community funds for operations in the ACP countries.

For the other countries, particularly Italy and Germany, their objective is to overcome their lag in this domaine and use the framework of the Community to penetrate the private preserves of the main former colonial powers.

The present renegotiation of the Lome Convention is thus the subject of much horse trading between the different European partners. The respective trade balances of the EEC countries with the ACP countries, as well as the share of contracts landed by their own companies, constitute the barometer of the balance of forces between the components of the EEC.

The adoption of the Lome Convention in 1975 reflected an evolution in the relationship of forces between the European countries. The unequal distribution of the cake is at the centre of all the negotiations.

While in 1972 the share of the ACP countries in France's own exports (apart from Community operations) was 11.2 per cent, it rose to 13.5 per cent in 1977. France's share in the overall dealings of the EEC with the ACP countries went from 28 to 29.7 per cent in the same period, while Britain, which had 30.9 per cent before the Lome agreement, fell to 25.6 per cent in 1977.

The big winner on the EEC-ACP pact was West Germany, whose share in EEC-ACP trade shot from 14.3 per cent to 20.2 per cent between 1972 and 1977.

The markets created by the financial intervention of the EDF, which are divided into 'construction projects', 'supplies' and 'technical co-operation', are also the object of hard competition. France is presently on top, with 28.5 per cent of the total (31.5 per cent in the

'supply' sector alone) for the '5th EDF' at September 30, 1983.

For the '4th EDF', presently in operation, of all the deals struck by September 30, 1983, France had won 23 per cent, West Germany 13.13 per cent, Italy 11.59 per cent, Britain 9.72 per cent, Belgium 5.72 per cent, the Netherlands 4.03 per cent, Denmark 0.65 per cent, Ireland 0.35 per cent, Luxembourg 0.25 per cent, while Greece is not part of the '4th EDF'.

After the formal independence granted to many African states in the 1960s and the setting up of neocolonial states, it was impossible for the colonial powers to maintain near-monopoly over commercial exchanges, such as existed during the colonial period.

The expected growth, even if only in the market for producers goods, in any event required opening these regions to imperialist competition, and to involving other capitalists in exploiting them. The pooling of a minimum basis for collaboration in Europe was thus necessary, given the great vulnerability of the European countries in relation to the United States and, today, to Japan, since the latter are also looking with greedy eyes at new openings in zones that were once firmly closed.

### No 'European imperialism'

The European capitalist countries therefore needed to introduce common rules to rationalise and defend themselves against competition. But this is not at all to say that there is an identity between the specific interests of the EEC partners. The EEC-ACP agreements rather constitute a framework for controlling inter-European competition in the neocolonial markets.

Insofar as the big development projects in the ACP countries play an ever more important role for capitalist industry in the metropolitan countries, the states and the national governments are the direct prospecting agents. This is all the more so as the capital sums required for their realisation necessitate the participation of public financing bodies and protection of investments.

Every government in the Europe of the Ten thus has to go it alone in the hunt for markets. Therefore, political links with the neocolonial regimes constitute a guarantee and assurance in the face of competition. Britain, and France

9. *The Impact of Transnational Enterprises on Employment in Developing Countries*, Y. Sabolo, R. Trajtenberg, BIT, Geneva, 1976. Cited by Jacques Perrin in *Les Transferts de Technologie*, Maspero, Paris, 1978.

10. A report of the European Court of Accounts underlines that for many works carried out in the framework of EDF: it is a regrettable fact that the finished product is often badly conceived for local needs, the factories are too big, the wells are not fitted with pumps for lack of local means, the costs overrun the forecasts, etc. This is what we call generous aid. (See *Marches Tropicales et Méditerranéennes*, of January 21, 1983).

11. The big names from Europe active in Africa are, among others, Brooke Bond Liebig,

Cadbury Schweppes, Gill and Duffus, Lonrho, Unilever, Tate and Lyle, Beecham for Britain; Lesieur, BSN Gervais, SCOA, Interagra-Silos du Sud-Ouest for France and East Asiatic for Denmark.

Given the fabulous profits that these enterprises make from dealing in raw materials it is understandable why the Stabex system only intervenes to support the market system and not against it. The big firms often have a monopoly or near-monopoly in buying basic products from the national trade bodies. For example, Tate and Lyle — which has a monopoly on the buying of sugar from Mauritius among others — buys almost all the cane sugar imported by the EEC and controls almost 40% of the world market in sugar molasses.

in particular, benefit from the political control of dominated economies at the expense of their other European partners. In some ways they are holding onto the advantages of colonialism.

This 'each for their own' approach is demonstrated in the following fact: while the EEC is the foremost provider of aid to the 'third world' (12.1 billion dollars in 1981), 88 per cent of this sum is dispensed in bilateral aid by the different countries separately. Direct aid in itself was only 1.7 billion dollars, less than half of which was given in the framework of the Lome Convention.

Thus this convention is not the expression of a 'European imperialism'. At the most it is the reflection of a desire to adapt politically and economically to the evolution in the world relationship of forces and international trading relations in the last twenty years, a palliative for the congenital chaos of capitalism.

This panorama would be incomplete if we failed to point out that it is not just any country that is linked to the EEC by the convention. Of the sixty-three countries in question, twenty-five are according to the criteria of the World Bank 'Least Developed Countries'. This is out of the thirty-six so classified in the world.

This is a very curious 'egalitarian' association around the Lome Convention. On one side are ten countries, including some of the major imperialist countries in the world. And on the other are the so-called 'favoured' partners, whose chief characteristic is that they are among the poorest dominated countries in the world.

The world economic crisis has indeed aggravated the difficulties of these poor

countries. Thus, the World Bank considers that, in the framework of the most optimistic hypothesis — an annual growth rate of 5 per cent for the industrialised countries from 1985 to 1995 — the GDP (Gross Domestic Product) per inhabitant of the African countries to the south of the Sahara will only regain its 1970 level in 1995!

While the literacy rate for all low-income 'third world' countries taken as a whole is 51 per cent, for the ACP countries it is 28 per cent. Life expectancy is 57 years for the former and 47 for the latter.

Clearly, almost all countries that signed the Lome Convention with the EEC are extremely fragile economically and socially. Their state apparatuses are usually weak and debilitated by generalised corruption (as shown by a wide array of examples such as Chad, Zaire, Central Africa, etc.).

They are ruled by political regimes which are always repressive and sometimes bloody dictatorships. They are plagued by bloated but inefficient bureaucracies. Their instability derives as much from the regimes' lack of legitimacy as from the lack of a stable ruling class.

Under these circumstances, the aim of the Lome Convention, as of all relations between Europe and these countries, is to prop up collapsing economies and sickly states. The ultimate goal of these 'preferential' relations is to maintain political order. In the end Europe — and imperialism in general — profit from the specific relations that keep these countries afloat, artificially if one subscribes to the liberal prejudices about the capitalist market.

It is quite interesting to note that Angola and Mozambique which are tottering on the verge of economic and military catastrophe are currently negotiating their entry into the Lome convention. This convention obviously exists to keep from collapse a neocolonial Africa, whose economic and social disintegration is the consequence of the colonial legacy and European plunder. This is, so to speak, the arsonist doubling as the fire fighter.

In order to hold more bargaining chips in the negotiations on the renewal of the Lome Convention, the Europeans have put the question of 'human rights' on the list of conditions required of countries receiving aid.

This episode is a good illustration of the paternalism that governs the dependency relations of these countries. This comes with special clarity when you realise that it is precisely this situation of domination which has generated dictatorships and authoritarian regimes in these dominated countries. It is hard to conceive how countries like France — which has militarily occupied Chad and has propped up dictatorial regimes for years — can use such arguments.

It would be quite another matter if the European powers stopped equipping and training the armies and police in these states, and if governments claiming to speak for the workers, as in France now, or Britain at the time the Lome Convention was first signed, began by withdrawing their troops...

### Profit rules

As a matter of fact, on January 5 Thomas Okelo-Odongo, general secretary of the ACP countries, reminded the imperialist rulers that the Europeans were in no position to give ACP governments lessons in 'human dignity, human welfare'. Along with this, he said that 'the ACP group believes that the European interpretation of human rights is limited to civic and political consideration.... This is why the ACP are opposed to writing into the Convention clauses [concerning human rights] which in fact deny certain states access to development aid.'

But all that is a mere formalistic flourish. European Commissioner for Development, Edgard Pisani, reassured everybody on September 16, 1983, by stating that the EEC should respect the ACP's own conceptions of human rights. (13) So, Zaire's Mobutu, Chad's Hissene Habre, and others of their ilk should have no cause to worry.

However, the fact that democratic rights only enter the picture as an aside is quite revealing of the real basically 'commercial' philosophy governing relations between the EEC and the ACP. This far outweighs all the hot air about 'transfers of technology' and the 'new international economic order'. ■



What future for children of the Third World? (DR)

12. *Marches Tropicaux and Mediterraneens*, Paris, November 25, 1983.

## Women workers demand compensation for victims of July violence

The wave of violence that swept the island of Sri Lanka last July left many workers homeless and jobless. Among the places destroyed in fire and looting were some of the largest workplaces in and around the capital Colombo (*International Viewpoint*, No 36, September 19, 1983).

One of the factories destroyed was the Cyntex textile factory, employing over 600 women. These workers are organised in a branch of the Ceylon Mercantile Union (CMU).

Penny DUGGAN

In common with other workers who lost their jobs in the 'Black Week', these workers have received no compensation from the government, other than meagre food rations, nor wages from the employers. The Cyntex management is now trying to set up under a new name and rehire workers as individuals. This move is aimed to break up the union organisation that exists — 662 Cyntex women workers form the only all-women branch of the CMU and had recently won a 100 per cent pay rise. The women are picketing the site of the new factory.

The Cyntex women are not the only workers suffering as a result of the anti-Tamil pogroms. The CMU alone counts 1,824 members who lost their jobs as a result of the violence, while a number of others lost their homes and possessions. Three members were also killed in the riots.

On December 9, 1983, the CMU wrote to President Jayewardene asking him and other members of the government to come and meet the members of the CMU still without jobs to explain 'what your government is prepared to do for them in their present plight, and hear what they may have to say in that regard.'

The letter explained that:

- 1,824 CMU members lost their jobs,
- Only 317 have been provided with work in the establishments affected,
- 32 workers have received a monthly allowance equivalent to half their wages from the employer,
- Although the employers have not received permission from the Commissioner of Labour to terminate employment they have not paid wages since July, claiming they are unable to do so,
- Employers are trying to lay down new conditions adverse to the workers, for rehiring them when production can resume,
- The government has not given any financial assistance although it has been promised 100 million US dollars from the World Bank,
- 1107 of the workers affected are women.

The invitation, which was also extended to the leader of the opposition party,

representatives of the security forces and the Commissioner of Labour, asked the government representatives to meet the CMU workers at Galle Face Green, a stretch of open land, between 9 am and 1 pm on December 15, 1983.

The union called on its members to assemble first in the union hall, from which they would march to Galle Face Green. Union organisers expected around 750 of the jobless workers. Many of these workers, without any income for six months, had to return to their homes in villages away from Colombo, and would face expensive travel cost. Although the union offered to assist those who needed it, they expected this would constitute an insurmountable barrier for many.

In the end, 1,135 workers showed up, 850 of them women, none of whom asked for travel assistance. Armed police,



including women riot police for the first time, tried to prevent them reaching the union hall. When they were finally allowed in, the police then moved in and blocked off the union headquarters.

The workers then faced three choices:

- to leave the hall and move away to the south, away from Galle Face Green,
- to stay in the hall, have the lunch donated by other union members, then disperse,
- confront police and try to go to the Green.

The workers decided unanimously on the third course of action, and moved out of the hall, led by the women workers. The police blocked off the street in which the building was situated, keeping the workers bottled up. The women used this opportunity to address the police, visibly shaking their confidence and forcing them to admit that they were sympathetic and 'only carrying out orders'. The determination of the CMU workers to stick to a nonviolent course of action ensured that the two-and-a-half hour confrontation remained peaceful, until the police allowed them to disperse.

At the same time other CMU members took solidarity action — picketing outside their workplaces or holding lunchtime meetings on the theme 'Solidarity with worker victims of July violence'.

The CMU have now filed a complaint with the Supreme Court, protesting against the denial of their fundamental rights, that is, their freedom of movement.

The confidence the women won from this episode was illustrated by their decision to celebrate March 8 this year as a real International Working Women's Day — a May Day for women as it was dubbed.

The CMU women's section called a halfday strike and women-only demonstration for March 8, to be followed by a mixed rally. Again the police tried to prevent the demonstration, only granting permission for it that morning, although it had been planned for the afternoon.

A meeting of the displaced workers, those jobless as a result of the July violence, took place in the morning, and from this the women were able to organise a demonstration — the first to take place under the Emergency Powers Act in force, except for the traditional May 1 demonstration. The work stoppage also went ahead, with larger units striking and smaller ones taking leave.

This is the first time that women workers in Ceylon have been at the forefront of mass actions, or have organised women-only initiatives.

The CMU is asking for support and financial aid for the displaced workers, the majority of whom are women, and for their case to be made widely known throughout the international labour and women's movements. For more information write to: Ceylon Mercantile Union, No 3, 22nd Lane, Kollupitaya, Colombo, Sri Lanka.



## Progress of 35-hour week campaign

In the second half of April, the struggle for the 35-hour week in West Germany will face a crucial turning point.

Early this month on the April 5 and 6 days of action, the movement began to take off. On the first day, 130,000 workers in northern Germany took a seven-hour day, with joint demonstrations of metal workers and printers. The strongpoint in the actions was Hamburg, where 14,000 workers participated at 48 plants.

On April 6, a day of central negotiations between the bosses and the union, 130,000 workers took the seven-hour day in southern Germany, with the workers at the big Daimler and Porsche car factories in Stuttgart playing the leading role.

This upsurge in the movement came after the IG Metall national leadership started to begin making moves to retreat in mid-March. They had found themselves in fact facing total intransigence on the employers' side. Four months of regional negotiations produced no concessions whatever on the shorter workweek issue from the bosses.

So, the union leaders proposed abandoning the demand for an immediate introduction of the 35-hour week, offering instead a long-term plan for instituting it, coupled with long-term contracts, which, given inflation, would result in real-wage losses for the workers. This was a major retreat for the unions, which refused to accept negotiations for less than the 35-hour week in December.

Nonetheless, the bosses offered the unions no scrap of concessions to cover their retreat. For the first time, a rank-and-file movement in favor of continuing the strike campaign emerged. Strongly worded resolutions from regional and plant organizations began to flood into the national union headquarters.

The sentiment for continuing strike action got a major boost on April 6 when the printers union leadership decided to join in the campaign. This was a courageous and a desperate move on the part of a union that has been very hard hit by technological changes and defeated strikes. It meant risking the very survival of the union on the 35-hour week struggle.

In the second week of April, the printing union began a series of rotating strikes. It began holding strike ballots, resulting in 80% to 90% votes in favor of strike action. It will hold a general ballot before Easter.

The printers union action puts additional pressure on the IG Metall leadership — the duty of elementary solidarity — since the printers union could easily be broken if it were left alone.

Nonetheless, in the face of a new rise in the movement, the IG Metall central leadership again called for negotiations, to begin April 17. Thus, the movement is approaching a new turning point.

The 35-hour struggle has been the major priority of the German section of the Fourth International. The following is the comment on the progress of the movement from the April 5 issue of *Was Tun*, the paper of the German section.

Well over a hundred thousand metal workers in the past days have demonstrated their support for IG Metall and the struggle for the 35-hour week with no cut in pay. Of course, it is difficult to mobilize the union ranks, more difficult than in previous years. That is obvious. Unemployment has reached the highest level since the immediate postwar period. This is despite, one might even say because of, the "upturn" in profits.

On their side, the bosses have the heavy hand of the media — the press, the TV, radio. In short, the great bulk of

mass communications are waging an extensive campaign against the union's demand and trying to present their attitude as "public opinion."

The decisive days in this confrontation are still before us.

The mobilization must be strengthened now! Summit talks are of no use. We need demonstrations. The warning strikes must be extended now.

The campaign to counter the disinformation of the media has to be stepped up. In line with this, from now on during



the campaign, *Was Tun* will be published weekly.

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After a slow start the first week, with the warning strikes bringing out only small numbers (from March 12 to 16, only 20,000 workers struck), things began to pick up in the following weeks. In this period, the average number out on strike days is 20,000 to 30,000. On some days, the number is higher. Most of the warning strikes in big plants are in the auto industry.

The mood in the plants still varies widely. It goes from a cautious wait-and-see attitude, especially in the declining branches of the steel industry, to growing confidence, mainly in the medium-sized machine-building factories and to some extent in auto.

In general, the IG Metall leadership's strike tactic is not very adept. It is true that for more than a week now, the Northern District of the union has called a chain of warning strikes in plants city by city. In other regions also, more and more warning-strike actions are being announced a few days in advance (which increases the publicity and chances of success). But so far (in four weeks of warning strikes), it is far from clear how the overall number of strikers can be increased in this way.

No doubt, the warning strikes have had a mobilizing effect in a whole series of plants, but at the same time in other factories skepticism is growing (and not only in the steel industry) about whether anything can be achieved this way. In this respect, the workers are heavily influenced by the impact of the crisis in the past years, especially in the steel industry, and the defeated steel strike of 1978/79. They are also being influenced by the slight economic upturn (short-time is declining, severance pay deals are being very widely accepted).

As a rule, the warning strikes are held for one hour in the morning, with only a part of the workforce coming out. Undoubtedly, the best option is the "de facto seven-hour day," according to which after seven hours work the personnel leave the factory in an organized procession. Sometimes, a small rally in the city is included, as has been done for example in the Northern District. ■



# AROUND THE WORLD



## Million Italian workers oppose austerity

The national demonstration called in Rome on Saturday March 24 by the assembly of factory councils, and supported by the CGIL (Communist majority union federation) and the Communist Party was an enormous success. Nearly a million demonstrators came to say 'no!' to the hated decree on the *scala mobile*, the price-indexing of wages. (See *International Viewpoint*, No 49, March 26, 1984.)

The reaction of the Italian working class has shaken the trade union apparatuses and the political scene. New actions have been planned, and there is a lively debate at shopfloor level.

The Italian press and rightwing agreed in estimating 700,000 at the demonstration. Whatever the figure, it was a veritable human flood that converged on Rome from all corners of Italy.

The demonstration of 12 contingents converged on the Piazza San Giovanni, the biggest open space in the city. Seven hundred buses remained on the city ring road, and several trains were unable to disgorge their passengers, so dense was the crowd.

When the rally began at 4 pm, tens of thousands of demonstrators had still not left the starting point. Combative, with banners and placards, the demonstrators had a cheerful but determined air. This is a big contrast with the last big union demonstrations, in June 1982 on the sliding scale and of the metal workers in spring 1983, when rage and bitterness against the wideranging austerity measures dominated. On March 24 the Italian working class could measure its strength.

Despite the division that has occurred between the three union federations at the top level (between the CGIL the CSIL — Christian majority and the Socialist UIL), the demonstration showed the unity that exists at the base through the 'self-organised' assemblies of the factory councils. Lorenzo Paletti, a worker from the OM lorry factory in Brescia, representing the factory councils, underlined the presence of many CISL militants. The numerous factory council banners were another proof of the unity that exists at the base. The big battalions of the CGIL and Communist Party had of course mobilised but the starting point for the mobilisations was the factory councils — they provided the dynamism.

The council representatives were warmly received and applauded when they spoke. They had harsh words for the unions: 'The union leaderships have repressed the energies of the movement.' 'We are against the decree, even if it is amended.' 'Our action here is not just a passing fancy, it's not a fit of rage — it's a considered response and will continue.' The general secretary of the CGIL, Lama, on the other hand, judged it 'inopportune to have recourse to the general strike', and came out for 'a reform of the wage system'.

The CGIL leadership proposes to renegotiate that element of wage adjustment which would be 'automatic' and thus linked to the sliding scale. This would be 'contractual' and thus negotiated by collective agreement. But this proposal does not satisfy the other union leaderships who are lined up behind the government decree because 'we have to fight inflation', and particularly because the bosses have clearly explained that the decree has to be applied.

In this situation the initiative is once again with the rank and file. ■

*(This report was published in La Gauche newspaper of the Belgian section of the Fourth International, on April 6, 1984.)*

## Palestinian leader threatened with exile

Abdel-Aziz Ali Shahin (Abu Ali) is one of the best known leaders of the Palestinian resistance. Considered as one of the founders of El Fatah in the Occupied Territories, he was sentenced to 15 years in prison in September 1967. For fifteen years he was one of the most important leaders of the Palestinian political prisoners, and at the head of all their struggles, including the strikes in Ashkelon and Naf'ha prisons.

When he was released from prison, the authorities decided to send Abu Ali into exile in the midst of the desert, and forbid him contact with any other human beings.

It has now been announced that he

will be expelled from the country.

The Revolutionary Communist League (section of the Fourth International in the state of Israel), which had already waged a campaign against his exile, has taken the initiative to mount a broad support campaign for Abdul-Aziz Ali Shahin. All the Palestinian nationalist forces in the Occupied Territories are mobilising in his support, and many well-known Jewish progressives have also supported the campaign.

The international workers movement in every country should launch solidarity actions with Abu Ali, demanding his right to live with his family in his homeland. Support committee: Abu Ali Shahin Defence Committee, PO Box 20479, East Jerusalem, Israel. ■

## The local elections in Turkey

In the November 6 general elections, the military dictatorship restricted participation, these elections serving merely to institutionalize the coup of September 11, 1980. However, the participation of all the political parties in the March 25 elections showed that no major change has occurred in the political situation in Turkey.

The Anavatan Party, which controls the cabinet, once again got the largest number of votes, despite the traditional right continuing in the form of the Dogru Yol Partisi [the Correct Road Party]. The old Islamic party, which continues in the form of the Refah Partisi [Party of Welfare], recovered almost all its previous vote. The fascists did not run on their own in the elections, but pursued their objectives within the framework of the Milli Demokrasi Partisi [MDP — National Democracy Party, the party closest to the military junta], and the Anavatan Party.

The SODEP [Sosyal Demokrasi Partisi, Social Democracy Party], which seeks to represent the opposition as a whole, got a considerable part of the vote that went to the Halkci Parti [People's Party] in the November 6 elections, from which it was excluded. The vote for the two parties fell below the one third mark, which represents the traditional limit of support for this current in the period since 1950.

Those who are trying to build up more of a mass basis for founding the Demokratik Sol Parti [Democratic Left Party]

keep postponing its public launching. Ecevit announced that it was not possible to vote in this election because of the limitations on political rights.

Since the new parties got more than 50 percent of the vote, the hopes for early parliamentary elections were dashed. Now the only way to make changes in the parliament is through realignments of the parties.

The masses were more visible in the public squares in this election than in the November 6 one. But there was no opposition that could attract them, and they were not ready to oust the politicians elected three months before. On the occasion of the November 6 elections, I wrote: "...a breakdown in the present stability cannot be expected...these elections indicate that the stagnation is going to continue." (*International Viewpoint*, No 43, December 26, 1983.)

The March 25 elections showed that this situation has in fact continued. The socialist organizations are in disarray. They did no propaganda work in connection with the elections, either separately or in concert. The parties that dominate the "Social Democratic" movement were incapable of even hearing the voices of those who have been fighting a life or death struggle for basic human rights in the prisons in the much more difficult conditions that have existed since the September 11 coup.

To the contrary of what the bourgeois press would have people think, the most important event in Turkey in March was not the local elections but the deaths that occurred in the prisons. In Diyarbakir, the most developed and most political city in Turkish Kurdistan, 12 leading fighters of the Kurdish national liberation movement died in the local prison. Some are very ill in the prison hospital.

More recently in the Mamak prison in the Turkish capital of Ankara, a group of revolutionaries announced that they preferred dying on hunger strike than facing a slow death in prison.

The March 25 local elections were another element necessary to establish the parliamentary facade of the regime. That was their significance. However, to say nothing of political freedoms, the most basic human rights have been trampled underfoot in the most brutal way since the September 11 coup.

These elections once again demonstrated the absence of trade-union and political organizations prepared to wage a determined fight for an improvement of the conditions in Turkey's prisons, the release of the political prisoners, and to restore full trade-union rights for the working masses, as well as general political freedoms. ■

Fuad Orcun

## US government attacks Salvadoran sanctuary movement

SAN ANTONIO — A nun and a religious social worker could be sentenced to 15-year jail sentences and hit with fines totaling 14,000 US dollars. They were indicted by a federal grand jury in Brownsville, Texas, on March 15 for conspiracy and illegal transportation of two Salvadoran refugees.

The February 19 predawn arrest of Sister Dianne Muhlenkamp and layworker Stacey Merkt by border patrol agents on a rural road in Texas' Rio Grande Valley made front-page headlines here.

Also arrested, but not indicted pending further investigation, was Jack Fischer, a *Dallas Times-Herald* reporter. He was on assignment covering the informal network of religious people, churches and organizations known as the Sanctuary Movement, which aids Salvadorans fleeing from their war-torn homeland.

In 1982 there were 14 churches of various denominations around the US publicly defying the Immigration and

Naturalization Service (INS) to provide sanctuary. Today there are approximately 110 such churches in 60 cities.

This case may be "the political trial of 1984," said Jack Elder, director of Casa Oscar Romero, a refugee center in San Benito, where the arrested Salvadorans had been staying.

Casa Oscar Romero, named for the Salvadoran archbishop slain by a government death squad, is a small, single-story white building that provides a refuge for 25 to 30 Salvadorans.

This sanctuary provides an alternative to what lies in store for refugees apprehended by *la migra* — the INS — and sent to the Los Fresnos detention camp known as "El Corralon."

When this concentration camp opened two years ago it could hold 175 people. It now holds 700 in overcrowded conditions.

Recent visitors described the orange jumpsuits detainees must wear, the triple

doors, and the dollar-a-day pay for those who decide that kitchen, yard or janitorial work is at least a way to pass time.

There is no radio, and TV is only in English. The INS confiscates pens and pencils and the refugees must go to the office to write their letters there.

In "good weather" the young men must stay outside all day — it's too much trouble to let them in and out — and there are no bathrooms for their use while outside.

Activists in the Border Association for Refugees from Central America (BARCA) provide paper and envelopes, cash checks and help handle mail and telephone calls for detainees, who sometimes stay at Los Fresnos as long as eight months while the INS reviews their cases or before they can raise the 2,500 to 5,000 US dollars bond.

Lawyers with Proyecto Libertad have filed suit against the INS for routinely refusing to advise Central American refugees of their rights to a hearing and to apply for political asylum.

The camp averages 60 to 75 deportations a week. Salvadoran security forces and right-wing death squads view the returning young men with suspicion, and many, perhaps most, face torture and death upon their return to El Salvador.

INS Deputy Director Dave Turner agreed to allow Socialist Workers Party vice-presidential candidate Andrea Gonzalez and four supporters to tour the camp.

Permission was rescinded when the INS placed the center under quarantine due to a measles outbreak.

Health department officials and BARCA members confirmed that several cases of measles had been discovered. To the local solidarity activists it came as no surprise.

Los Fresnos camp doctors reluctantly provide medical care, in some cases allowing weeks to go by before examining detainees.

Elder welcomes the growing interest in and support for Casa Oscar Romero, but explains that compared to the magnitude of the problem "what we're doing is insignificant in terms of actually assisting refugees.

"Whether or not the house is here, the refugees will come so long as violence in El Salvador, which the Reagan administration supports, continues."

The legal fight developing between the INS and the Sanctuary Movement promises to focus more public attention on the inhumane treatment Salvadoran refugees face at the hands of *la migra*, and also on US complicity in the fate awaiting those who are deported.

*This article is from the April 13 issue of The Militant a weekly socialist newspaper published in New York, reflecting the views of the Socialist Workers Party. An overall view of the sanctuary movement is given in 'Sanctuary — Central American refugees and US churches', International Viewpoint, No 47, March 12, 1984.* ■



# Demand French government allows Kowalewski to stay!

Zbigniew Kowalewski, a regional leader of Solidarnosc in Lodz, caught in France by the installation of the state of war on December 13, 1981, has been 'invited to leave the country' by April 28.

On December 13 Kowalewski was in France at the invitation of the CGT and CFDT (the two major unions, Communist-led and Socialist majority respectively) sections in the national economic and statistical research centre INSEE.

Since that time he has lived in France and worked to build a movement of solidarity with Solidarnosc.

As a member of the Solidarnosc praesidium in Lodz and a delegate to the Solidarnosc first national congress, Zbigniew Kowalewski is well placed to build a movement of solidarity with Solidarnosc.

In the more than two years he has been forced to remain in France he has travelled widely in Western Europe at the invitation of solidarity activists, and further afield, to Mexico for example.

This activity, along with his open and vigorous commitment to workers self-management and socialism, have made him the object of virulent attacks in the official Polish media. His comrades from the local Solidarnosc leadership, Jerzy Kropniwnicki and Andrzej Slowik, have been sentenced to heavy prison sentences; a similar fate would face Kowalewski if he were forced to return to Poland.

Political tensions within the French committee as a result of Kowalewski's openly espoused socialism led to the formation of two separate committees in 1982, which have both continued to work in organising political and mate-

rial solidarity with Solidarnosc. Both committees have protested against his threatened expulsion.

The news of the French government's decision to expel him has provoked widespread protest. The official reason given was 'lack of visible means of support'. However, a report in the Paris daily *Le Monde* on April 6 stated that official circles had 'let it be understood' that Kowalewski had been asked to leave the country because his activity rendered him 'undesirable'.

This action comes at a time when a 'thawing' of relations between the French government and the Jaruzelski regime is being much heralded. The leader of the Socialist group in the National Assembly, Pierre Joxe, visited Poland at the beginning of February, and an official visit by a delegation of the Polish Diet visited France at the end of March. The leader of the delegation took the opportunity to explain that 'A fundamental element of politics is the ability to forget.' Pierre Joxe responded in agreement by stating that 'Franco-Polish relations should not be blocked by passing events, however

serious they may be.' Certainly, it seems that the French Socialist Party has found it possible to forget their support of 'democratic freedoms' and to ignore the 'passing event' of the state of war declared against the Polish workers and Solidarnosc.

This hypocrisy has provoked opposition. An appeal published in *Le Monde* has gained over two hundred signatures of well-known personalities from political, academic and cultural circles, as well as trade-union and human-rights bodies. The text noted the suddenness of the decision, after two years in which Kowalewski was able to remain in France with a residence permit, and the weak justification for his expulsion. Asking if it was not because the Solidarnosc militant is too actively involved in the struggle for socialism and workers self-management, the signatories call on the government to reverse its decisions, pledging themselves to guarantee means of support if necessary.

Protests have also come from a number of European countries. In Switzerland many members and elected representatives of the Socialist Party of Geneva, trade unionists, human-rights activists, and singers and actors have joined with the Solidarity with Solidarnosc Committee in calling on the French government to reverse its decision. This protest has also been joined by two well-known British Labour MPs, Eric Heffer, chairman of the party, and Tony Benn, leader of the left wing. In Italy, Democrazia Proletaria national and European parliamentarian Mario Capanna, and a number of leading trade unionists from the metalworkers federation and the Communist-majority CGIL have also protested, as have labour movement bodies and individuals from West Germany and the Spanish State.

The general secretary of the International Metalworkers Federation, Herman Rebhan, has written 'in the name of 14 million metalworkers', asking the government to reverse its decision. The letter outlines Kowalewski's role as a Solidarnosc leader and his activity in building solidarity since the December 1981 coup and, recalling the 'generosity' of French policy on political asylum, as well as its disapproval of the Jaruzelski coup and sympathy for the movement for workers democracy exemplified in Solidarnosc, it asks the government to reverse its decision.

The breadth of opposition from the French labour and democratic movement, and its rapid extension, show that it is possible to build a campaign powerful enough to force the French government to reverse course. This is top priority for all those in the international workers and democratic movements who wish to continue to defend the Polish mass movement for workers democracy and to uphold its tradition and example.

