

## Capitalism Means Depression, War

### America: No Guns, No Butter?

When the financial page of the daily newspaper becomes more interesting reading than the front page, capitalism is in a certain kind of deep trouble. Hard economic news is now the main event, contrasting sharply with the hilly reflections of bourgeois anxiety which have filled the papers for months. No mere ideological expression of bourgeois pessimism (like Jimmy Carter's speech about America's loss of faith), this is the thing itself: the concentrated politics of capital-

ism's economic irrationality.

It is not just the gold fever and dollar decline, the stock market plunge and raising of interest rates. There is a growing recognition that disastrous inflation and recession cannot be stopped, that the international capitalist market is falling apart. Bank presidents, financiers, chairmen of the board and big-time government economic wizards are becoming panicky in their increasingly desperate search for solutions. They sense that perhaps

nothing really will work, that the capitalist economy may be on an irreversible course to imminent economic collapse.

Thus, the fiftieth anniversary of the 29 October 1929 stock market crash is being commemorated with fear-and-trembling debate on its "prevention and cure." Great Depression anxiety and medicine filled the pages of nearly every important newspaper and journal. How did it happen? Is it happening now? The 23 October *Wall Street*

*Journal* front-page headline: "After the Fall, Trade, Currency Wars Deepened Depression—Will It Happen Again?" Alternately consoling and alarmist, these bourgeois economic ideologues point to parallels and contrasts between the present crisis and the depression of the 1930s. Some even admit that their counterparts of that period had no idea of what was coming, why or what to do about it. But Marxists can answer the question.

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## Bosses Make Workers Pay for Economic Crisis

# The Panic of '79

### Runaway Inflation, Stock Market Slide, Gold Fever

#### Labor Must Fight Capitalist "Austerity"

*"The standard of living of the average American has to decline. I don't think you can escape that."*

—Paul Volcker,  
chairman of the Federal Reserve Board

For the past months the United States has suffered the highest inflation in its modern history (leaving aside 1946), and the rate is still climbing. Simultaneously, from the beginning of August through early this month the price of gold shot up from \$280 to \$440 an ounce, a dollar depreciation of about 60 percent. So on the night of Saturday, October 6, the U.S. central bank announced the tightest credit squeeze ever in an effort to save the dollar. The following Tuesday the stock market fell 26 points giving rise to jittery comparisons with Black Tuesday in October 1929.

No surprise then that spokesmen for the capitalist class, both here and



Halstead/Time

Panic in Wall Street, desperation on the unemployment lines.



Conrad/New York Times

abroad, are blasting Jimmy Carter for gross economic mismanagement. Candidate Teddy Kennedy declares that restoring a strong dollar is really "a question of confidence in the ability of the American leadership." Imperious West German chancellor Helmut Schmidt demands that Americans "must not let the dollar go down the drain." But from Carter to Kennedy to

Reagan, from the Bonn ministries to the gnomes of Zurich to the sheiks of Araby, all wings of world capitalism agree on one thing: the American working people must suffer austerity.

#### Labor Bureaucracy for Austerity "Fairly Shared"

The Meany, Kirklunds and Frasers have gotten the message from their masters. On September 28 the AFL-CIO Executive Council approved a "historic" national accord with the Carter administration. The purpose of this new "social contract": "to assure that austerity arising from battling inflation is fairly shared..." (AFL-CIO News, 6 October).

Of course, since well before September 28 the labor lieutenants of American capitalism have been making sure that the workers are getting their "fair share" of austerity. They've been party to wage-

price guidelines that have *already* cut more than 5 percent off the real income of the average worker. At his latest press conference the *only* part of his economic program Carter could boast of was that "wage increases, for instance, this year... have been lower than they were last year. We've had more than a million union workers who have signed contracts within the wage guidelines" (*New York Times*, 10 October).

Many observers are surprised that Carter can make this claim truthfully enough. Why the *hell* are union leaders accepting wage guidelines at half the rate of inflation from the most unpopular president since they started taking polls? The *New York Times* saw in the September 28 accord a hard-to-explain vote of confidence in Carter as against Kennedy.

The union bureaucracy is pushing austerity not out of loyalty to Jimmy

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**Simón Bolívar Brigade:  
Did Peter Camejo  
Turn Them In?... 7**



## Shuttle Ed Daly Back to Saigon!

# CIA Airline Struck

SAN FRANCISCO—Anti-labor forces have struck another vicious blow at the Bay Area trade-union movement. On October 11, two striking World Airways employees were shot by a scab while picketing outside the company's facilities at Oakland Airport. Members of Teamsters Local 2707, representing almost 1,400 pilots, flight attendants, clerks and mechanics who have been on strike since August 3, told *WV* that the assailant, one Floyd Parker, claimed his car tires had been slashed and proceeded to the picket site where he began brandishing, then firing his pistol. A pilot and a stewardess were hit by ricochets.

Parker was charged with assault with a deadly weapon. But four-and-a-half hours later he was free on \$5,000 bail, reportedly put up by a former company industrial-relations man currently acting as a paid consultant, Ed Daly, the arch-right-wing president of World Airways, best known for its sinister government-contracted Far East missions, described the incident as an accident. But Daly later told the press he would have shot the picketers between the eyes or in the groin. The media also reported that Parker was given a 5 percent bonus.

This atrocity alone should have sparked a storm of protest from the entire Bay Area labor movement, yet it is hardly an isolated incident as beleaguered municipal workers here have been fighting an onslaught of union-busting attacks.

In addition to the BART (Bay Area Rapid Transit) lockout, which began August 31, and a just-settled five-week-old San Francisco teachers strike, both characterized by massive scabherding, on October 19, officials of the Golden Gate Bridge District announced that in two days they would begin operating the Marin-San Francisco ferryboats, tied up for 15 weeks, with or without approval from the striking International Association of Machinists (IAM). In short, Bay Area employers have served notice that labor's right to conduct effective strikes is now under open attack.

In an October 18 letter to all World Airways employees, rabid anti-union boss Daly wrote: "If striking employees desire to return to work, all they have to do is tear up their Teamster membership card." He told Local 2707 officials in a July 24 telegram, "as far as I'm concerned, you can sit with your former leader Mr. Jimmy Hoffa in the swamps or marsh lands of New Jersey for any negotiations you may have." And in threatening to shortly resume World Airways' transcontinental flights discontinued by the strike, he crowed, "In no way can the union break World and Ed Daly. Just the opposite, Daly and World can break the Teamsters" (*Aviation Daily*, 2 October).

The strikers don't consider this unusual behavior—at least not for Ed Daly. On October 18, the day *WV* spoke

with picketers at the Oakland Airport, Daly made a personal appearance. As a striking stewardess described his entrance, Daly's cherry red chauffeur-driven Cadillac cruised through the picket line, then stopped to allow the clearly drunk company president to stagger out. Dressed in white patent leather shoes, a red polyester jumpsuit

kidnapping thousands of Vietnamese "orphans" from Saigon in its last hours under capitalism. Previously, Daly had been flying "rice" to Lon Nol's puppet regime in Cambodia, as well as personally engineering the last notorious U.S. flight out of Da Nang where ARVN troops trampled over women and children to get aboard. It is safe to say

percent of Daly's operations are continuing unmolested. Although World's wages, pensions, working conditions and travel accommodations are vastly inferior to the norms in the industry, Local 2707 officials boast that they are willing to increase productivity and "have asked for a raise that is less than the cost of living" (Local 2707

Vietnam 1975:  
Ed Daly  
overbooks  
last flight  
from Da Nang.



UPI

under a fur coat, a ten-gallon hat over his long gray hair and a patch over one eye, Daly tottered up to the strikers, paternalistically exhorting his "troops" to keep up the good work! Throughout this bizarre episode, Daly was accompanied by his Chicano bodyguard dressed in gold tuxedo pants, black and white cape and sombrero—in addition to a sidearm.

Daly resembles no one so much as the creepy and sinister billionaire Howard Hughes in his final years, a resemblance that is not merely physical. Until a few weeks ago, all of Daly's non-commercial contracts were with the government and included, according to Teamster officials, the ferrying of military personnel, maintenance of Navy DC-9s, care of Carter's four 747 airborne command centers, and, at \$250,000 per flight (reportedly half profit), the transport of thousands of "boat people" from the Far East to points in the West. Indeed, the strike has caused Daly to lose his "boat people" contracts (to the Flying Tigers, which got its start by aiding Chiang Kai-shek in World War II), leading the infuriated president to bait the strikers for sabotaging his "humane" (and lucrative) mission.

But that's not all. Daly has a long history of such "services." In 1975 he was honored as "Humanitarian of the Year" for his personal participation in "Operation Bahylift," the cynical last-ditch scheme to whip up anti-communist sentiment in the U.S. by

that Ed Daly, like Howard Hughes, has a CIA connection.

Despite Daly's violent hatred of the Teamsters ("This company doesn't need hoodlums, racketeers, queers or persons such as Fitzsimmons," he wrote to his employees), efforts by the IBT leadership to win this protracted strike have been anemic. Local 2707 mechanics had worked since July 1978 without any contract whatsoever, and Teamster officials have complied with an injunction forcing strikers to work military transport flights, so that as much as 40

newsletter; 5 October)!

One mechanic told *WV* that if the local wins its economic demands he'll still be making less than a similar worker earned at United Airlines before the IAM strike at that company earlier this year. World Airways strikers must reject these defeatist policies and demand an effective strike. Down with the company courts' strikebreaking injunctions! All of the airline's operations must be shut down with mass picketing until standard industry contracts are won for all classifications. ■

### SMASH THE ANTI-LABOR OFFENSIVE!

The World Airways strike comes in the context of two other protracted Bay Area labor struggles. At press time *WV* has learned that a demoralized San Francisco AFT has just accepted a wretched contract settlement with the city's school board, a defeat set up by the union bureaucrats, who did nothing to stop the 1300-man scab force which reopened every public school during the strike. Meanwhile, with the lockout of the BART workers in its eighth week, management has now resumed service on two of the system's lines with non-union personnel. Doubtless scab-run transportation will be expanded further if the transit workers don't put a stop to it. Incredibly, the officials of Amalgamated Transit Union (ATU) Local 1555 and United Public Employees Local 390 have still not called a strike—a "strategy" supposedly designed to enable locked out workers to collect unemployment benefits, though by now the state has ruled BART employees ineligible for compensation.

At an October 18 ATU meeting one local member called on the union ranks to reject the bureaucrats' blueprint for defeat and to demand a

Bay Area-wide transit strike. She urged her brothers and sisters to fight for a winning strategy based on mass, militant picket lines at the BART train yards, to appeal to regional transit workers to refuse to haul passengers to and from scab trains, and to call on other unions in the area to help bolster the picket lines. At mention of the word "militant," however, ATU vice-president Mel Schoppert blew his top. "If I hear the word 'militant' the International will cut off your lockout benefits," Schoppert threatened.

The current struggles in the Bay Area pit the labor movement against a determined united front of the bosses and the bourgeois politicians who run San Francisco and Oakland. Despite the defeatism ceaselessly spread by the pro-capitalist bureaucrats, it is the task of militant trade unionists to resurrect the fighting traditions which made San Francisco a "union town" in the '30s. In reclaiming and surpassing the "Spirit of '34," the working class will rid itself once and for all of its treacherous misleaders along with their pals in the Democratic and Republican parties.

#### Spartacist League/Spartacus Youth League Public Offices

—MARXIST LITERATURE—

##### Bay Area

Friday: 3:00-6:00 p.m.  
Saturday: 3:00-6:00 p.m.  
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Phone: (415) 835-1535

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523 S. Plymouth Court  
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Room 522  
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## Steel Workers Back Militant Fired for Honoring Picket Line

# Union Rally for Anwar

CHICAGO, October 21—"A picket line is a symbol," proclaimed steel worker Keith Anwar at a union rally here last week. "Workers are out on strike and saying 'don't cross.' The traditions of labor solidarity are what makes the union strong, and in fact what makes the unions exist today. When the companies combine to divide and conquer, the strongest tradition the labor movement has is to answer in one single voice: an injury to one is an injury to all!"

Anwar was addressing fellow union members at a rally sponsored by Local 1010 of the United Steelworkers of America (USWA) in support of the right to honor picket lines. The meeting, held at the Local's hall, was a high point in the union's defense of Anwar, a member who was fired for honoring a USWA picket line last May. Local 1010, largest single unit in the union, represents 19,000 steel workers at Inland Steel Company in East Chicago, Indiana. The successful rally, which drew 75 steel workers from several area locals, including Local 1010, Local 65 and Local 1014 in Gary, Indiana, as well as news media, demonstrated the active willingness of USWA members to defend militant labor traditions.

An official banner at the front of the hall proclaimed the theme of the rally: "Defend the Right to Honor Picket Lines! Get Keith Anwar's Job Back! Defend the Union!" Mike Mezo, a grievor in the local who chaired the meeting, explained that the Anwar case is one of the most important issues currently facing the union. Anwar was fired for refusing to cross a picket line of USWA Local 8180, whose members also work inside the Inland complex, and the company has arrogantly stood by this decision through the entire grievance procedure. The union has now actively taken up the defense of Anwar's job, and an arbitration hearing has tentatively been set for November.

Meanwhile, the tremendous response to the Keith Anwar Defense Committee—which received over 350 endorsements from union officials and rank-and-filers, collected \$1,400 in donations and 500 postcards urging a vigorous defense, in addition to obtaining defense motions at Local 1010, Local 65 in Chicago and the USWA District 31 Conference—proves that the ranks know that something important is on the line. Steel workers, including a layer of local officials, are increasingly fed up with seeing union conditions eroded while their hands are tied behind their backs by the no-strike clause and the Experimental Negotiating Agreement (ENA).

### "We'll All Go Down Together"

The Local 1010 rally starkly posed these issues. Speakers expressed alarm over the increasing take-away of the rights of steel workers by the company and affirmed the need for the labor movement to dig in and defend itself. Vice President Cliff "Cowboy" Mezo emphasized that with the traditionally protected right to honor picket lines now under attack in the Anwar case, "If we don't wake up, if we don't take to the streets and tell them, 'Look, we are not going to have that taken away, forget it—when that's gone, it's all gone.'"

Joseph Gyurko, chairman of the Local's grievance committee, was active in the drive 40 years ago to force Inland to recognize the USWA. Gyurko observed that as of now only 15 or 20 percent of the union membership has been through a major strike. "You



Anwar: "mass picketing built the unions...these weapons will have to come back."

young people have not experienced what it took to get to where you are today," he said. "Many benefits were obtained from long years of struggle—and I mean struggle. Lives were lost, men were framed, you got the Joe Hills, you got the Sacco and Vanzetti, the Haymarket Massacre. They fought to give you what you have today. Now it's up to you to protect it."

Gyurko spoke of the days, before a no-strike clause was signed by the union, when a picket line was sacred in the USWA. "Whenever there was something wrong the men stuck together and went out on strike," he said. "It only took a handful from a certain department, and the rest of them would honor that picket line—the problem would be solved in short order." The significance of the Anwar case, he said, is that "Brother Anwar is fighting for a principle that is endeared to all of us... If we cannot support our brothers, they'll defeat us one at a time, weaken the whole labor structure, and we'll all go down the drain together." He noted

that after the defeat of the steel strike of 1919 it took until 1937 to gain recognition for the USWA. "If they break you again, I'm afraid it will take another 30 years to come back to where you are today and you cannot let that happen."

### The Power of the Picket Line

Several speakers addressed themselves to the militant traditions of the coal miners. "Cowboy" Mezo recalled his United Mine Workers of America (UMWA) background. "I was raised up in the UMWA tradition, and there were three things you didn't do. You didn't urinate into the wind. You didn't pull the mask off the Lone Ranger. And you didn't cross a picket line, and no one questioned that."

Anwar in turn described the 110-day coal strike of 1977-78. "The courts were against them, the government was against them. All the miners had was their own militancy and each other, but when Carter tried to get them back to work by invoking the Taft-Hartley strikebreaking law, they kept their picket lines." The current take-away movement by the companies can only intensify, Anwar pointed out, and "the weapons that built the union in the first place—weapons like strike-support by mass picketing, refusing to handle struck cargo, sit-down strikes—these weapons will have to come back into use again. The miners proved that they are effective."

Much the same lesson can be learned, he said, from the action of Bricklayers Local 6 which struck Inland Steel in the summer of 1978. Anwar also honored those picket lines and participated in mass picketing with the Bricklayers on June 19. "It was on the picket line that day that the Bricklayers won their strike. The company guards turned out in force and tried to get members of several unions to cross the line. But they were unable to intimidate the strikers and they could not get other workers to cross those picket lines. So for that day, Inland's multi-million dollar northward

expansion was completely shut down and that afternoon Inland Steel signed a contract with the Bricklayers."

After the speeches, steel workers from the audience addressed the rally at an open mike. A number of individuals and a supporter of the Trade Union Action League expressed their solidarity with the Anwar defense campaign.

### For a Class-Struggle USWA

The picket line question leads directly to the question of the no-strike ENA and steel workers' right to strike against increasing company attacks. A young black steel worker attending his first union function told WV, "This opens up doors. Here's one man with the conviction that what he did was right. Although this is one man, if we win this case, it would have a significant effect on other steel workers. This paves the way for us to have the right to strike."

But steel workers cannot effectively

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Joseph Gyurko

## WORKERS VANGUARD

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# Spartacists Oppose Police Trap at Bay Area Anti-Nazi Demo



# Khomeini Unveiled

The legion of phony leftists who cheered Ayatollah Ruhollah Khomeini to power in Iran last February lately has been forced to acknowledge the bloody repression their hero has unleashed against the left, national minorities, women and homosexuals. Nobody is calling Khomeini "progressive" now, as the Socialist Workers Party's *Militant* did only a few months ago. But during the months in which the international Spartacist tendency was alone on the left in warning that Khomeini in power would seek to put women in veils and workers in jails, the fake-lefts labeled the SL "sectarian" and "counter-revolutionary" for telling the "simple truth."

They offered as evidence of Khomeini's good intentions the phony "anti-imperialist" Islamic sermons the ayatollah was issuing to Western newsmen in Paris. They denounced our charge that Khomeini would enforce the traditional Islamic oppression of women as a slander, citing his obscurantist double talk about the "liberation" of women from their role as "mere dolls" under the butcher shah. While Khomeini was denying authorship of his virulently anti-Semitic published lectures, the mullah lovers approvingly noted that the "Imam" (holy man) was promising to establish "an honest system of justice" in which "even a Jew" could hope for fair treatment (*Time*, 5 February).

Now that front-page photos of firing squads enforcing Islamic "freedom" against rebellious Kurds appear in the papers almost daily, the cheerleaders for the "Iranian Revolution" are having a hard time explaining away their enthusiasm for the butcher of Qom (see "Fake-Lefts Can't Wash Hands of Khomeini's Crimes," *WV* No. 241, 12 October). Khomeini can no longer put a humane 20th century face on his medieval reactionary program, and consequently he has become more outspoken in his interviews with foreign reporters. Recently, the 7 October *New York Times Magazine* published a particularly revealing interview with Khomeini by Oriana Fallaci, an Italian journalist noted for her revealing interrogations of such political celebrities as the ex-shah and Henry Kissinger. Fallaci repeatedly confronted the "Imam" with the contradictions between his early "moderate" pledges and the reality of his government's bloody

rule. In the process Khomeini was forced, for a change, to openly defend his clerical-feudalist repression.

Questioned about the brutal suppression of the Kurdish uprising, Khomeini responded that, "The Kurds who are being executed do not belong to the Kurdish people. They are subversives who are acting against the people and the revolution...." Of the most recently executed Kurdish rebel fighter,



Abbas/Gamma-Liaison

Khomeini said, "when someone like the person they caught is shot it makes me feel good."

An ardent feminist, Fallaci was forced to wear a head-to-toe chador (veil) to her meetings with Khomeini. "Tell me," she asked, "why do you force [women] to hide themselves, all bundled up under these uncomfortable and absurd garments, making it hard for them to work and move about?" The "Imam" proceeded to fulminate against "elegant women all made up like you, who go around all uncovered, dragging behind them a tail of men." But Fallaci persisted:

**Fallaci:** "I am not only talking about a piece of clothing, but what it represents. That is, the condition of segregation into which women have been cast once again, after the revolution. The fact that they can't study at university with men, or work with men, for example, or go to

the beach or to a swimming pool with men. They have to take a dip apart, in their chadors. By the way, how do you swim in a chador?"

**Khomeini:** "This is none of your business. Our customs are none of your business. If you do not like Islamic dress you are not obliged to wear it. Because Islamic dress is for good and proper young women."

**Fallaci:** "That's very kind of you, Imam."

And since you said so, I'm going to take off this stupid medieval rag right now. There. Done."

When Fallaci pressed him about the suppression of newspapers and the persecution of the left, Khomeini lectured on "freedom of the press" in an Islamic Republic: "For more than five months I tolerated, we tolerated, those who do not think as we do. They were free, absolutely free to do whatever they wanted...." But, he continued, "we understood that they were taking advantage of our tolerance to sabotage us, that they did not want freedom but the license to subvert, and we decided to shut them up to avoid further problems." The liberal newspapers, Khomeini claimed, "tried to restore the old regime and to serve foreign interests.... We shut them up because we knew who they were, and what they were after."

Khomeini's left-wing supporters

would do well to note the gratitude with which the ayatollah accepted their aid. Fallaci asked, "How can you call them enemies, how can you deny them a place and the right to exist, those leftists who fought and suffered so much?" Khomeini was categorical: "None of them fought or suffered.... They did not contribute anything. They did not help the revolution at all.... My view is that it is not even a real left, but an artificial left, created by the Americans."

But Khomeini's character is perhaps best revealed in the following exchange when Fallaci's questions disrupted the "Imam's" oceanic calm:

**Fallaci:** "Is it right to shoot the poor prostitute or a woman who is unfaithful to her husband or a man who loves another man?"

**Khomeini:** "If your finger suffers from gangrene, what do you do? Do you let the whole hand, and then the body, become filled with gangrene or do you cut the finger off? What brings corruption to an entire country and its people must be pulled up like weeds that infest a field of wheat...."

**Fallaci:** "...Take the example of the boy they shot yesterday, for sodomy."

**Khomeini:** "Corruption, corruption. We have to eliminate corruption."

**Fallaci:** "Take the case of the pregnant 18-year-old who was shot at Beshar a few weeks ago, for adultery."

**Khomeini:** "Pregnant? Lies, lies. Lies like those about cutting off the breasts of women. In Islam these things do not happen. We do not shoot pregnant women in Islam."

**Fallaci:** "They are not lies, Imam. All the Iranian newspapers reported the news, and a debate was held on television because her lover was only given a hundred lashes."

**Khomeini:** "If that is true, it means she got what she deserved. What do I know about particulars?"

Although such comments are particularly bloodthirsty, Khomeini is not saying anything new. While yesterday's mullah-loving leftists today denounce the "Imam" for "betraying" his program, genuine Trotskyists have understood from the beginning that Khomeini is a quite consistent clerical reactionary. It is not the ayatollah but his Western and Iranian leftist sycophants who must answer for the crime of betrayal. ■

## Protest NY Post Cover for Anti-Castro Assassins

The following is a press release for the Spartacist League demonstration outside the New York Post offices October 12.

Today, Friday, October 12, at 4 p.m., the Spartacist League will demonstrate outside the offices of the *New York Post*, located at 210 South Street, to denounce the campaign of anti-Castro provocation being waged on the front pages of Rupert Murdoch's yellow press. The string of "Castro Death Threat" headlines in the *Post* this past week is designed to whip up anti-Communist hysteria, creating the climate for gusano killers to carry out their sinister aims, a spokesman for the SL said.

It is highly revealing that in Jimmy Carter's "Human Rights" America, New York police report that they have received literally "hundreds" of threats on the life of visiting Cuban prime minister Fidel Castro. And it is clear to everyone that the danger is chillingly real. Gusano assassins are

guilty of innumerable terrorist actions, from blowing up Cuban airliners to the bomb killing of former Chilean ambassador Orlando Letelier in the nation's capital to hazooka attacks on the UN. Yet these counterrevolutionary provocateurs are free to walk the streets, ever plotting their next terrorist atrocity.

The reason is simple: these are not isolated right-wing kooks. For almost two decades, the professional assassins of the Batista dictatorship have been the source of mercenaries and hit-men for "freedom-loving" U.S. imperialism. From JFK to Ford and Carter, from the Bay of Pigs to CIA plots to poison Castro, the highest levels of American government have armed and unleashed the gusano killers.

Thus when it became known that the Cuban leader would give a speech at the United Nations this week, it was immediately clear that his life would be in danger. And in this highly charged atmosphere, the *New*

*York Post* began running full-page headlines such as "Castro Marked for Death," "Kamikaze Threat to Castro," and "Castro Brings His Police State to 39th Street." Such inflammatory sensationalism is not new to Australian press lord Murdoch, who is notorious for the labor-hating smear campaigns by his paper that helped bring down the Labor government of Gough Whitlam in 1975. Now Murdoch has set his sights on Castro, and it is the duty of the left and labor movement to denounce this provocation.

Among the slogans to be carried by the demonstrators are: *Post* Covers for Anti-Castro Assassins! Down with *Post*'s Castro Wanted Dead or Alive Headlines! Defend Cuba and the USSR! U.S. Out of Guantanamo! For Political Revolution in the Deformed and Degenerated Workers States! For a Trotskyist World Revolutionary Party! and Rupert: How Would You Like "Murdoch Marked for Death" Headlines?





# OCI/Moreno: Nicaragua Makes Strange Bedfellows

As events in Nicaragua send the United Secretariat carousal madly whirling, the USec has spun off an unexpected liaison. Suddenly the French Organisation Communiste Internationaliste (OCI) of Pierre Lambert is making common cause with Nahuel Moreno's Bolshevik Faction (BF). Only yesterday it would have seemed to casual observers that Lambertists and Morenoites stood at opposite ends of the pseudo-Trotskyist spectrum, and never the twain would meet. The BF these days lays claim to the USec's left flank, while the OCI represents the closest thing to a chemically pure social-democratic parody of Trotskyism. Yet today they unite to praise the Simón Bolívar Brigade (BSB), recently expelled from Nicaragua by the victorious Sandinista National Liberation Front (FSLN), and to denounce the "reconstituted" (but none too stable) USec majority led by Ernest Mandel and Jack Barnes. Today, but not tomorrow, for this most putrid of rotten blocs is likely to have the lifespan of a mosquito.

At a stormy meeting of the United Secretariat over the weekend of September 30 the USec adopted a series of motions which add up to total liquidation of an independent presence and political line in Nicaragua, in favor of complete subordination to the petty-bourgeois Sandinista Front. The Morenoite-led Bolívar Brigade was unequivocally condemned and the BF ordered to cease operating as a "public faction," on pain of expulsion. A lengthy political resolution, "Nicaragua: Revolution on the March," fulminates against a "headlong plunge into ultraleftism" and "adventuristically forcing the rhythm of the class struggle," while labeling calls to break with the bourgeoisie a "sectarian temptation of applying an abstract schema" (*Intercontinental Press*, 22 October). It ends by calling on all USec supporters to act "as loyal militants of the organization which led the overthrow of Somoza"—i.e., to dissolve their organizations, join the FSLN, shut up and take orders from the Sandinista leaders.

In response to this treachery, Moreno submitted a counter-motion condemning the USec's scandalous refusal to express even elementary solidarity with its own "comrades" in the face of repression by the bourgeois Nicaraguan government. This Bolshevik Faction resolution "REJECT[S] these measures, which break all rules of democratic centralism," and calls on militants to "prevent the holding of an anti-democratic world congress." The threat to split before the USec's 11th World Congress, scheduled for early November, was clear. In addition to Moreno's BF, members of the Leninist-Trotskyist Tendency (LTT) voted for this motion. (The LTT is a grouping of former supporters of the Leninist-Trotskyist Faction—led by the American Socialist Workers Party—who after the SWP's dissolution of the LTF in 1977 wanted to continue the factional struggle against the USec majority under Mandel, and have since politically aligned themselves *grosso modo* with the Lambertists.)

Immediately after the explosion in Brussels, representatives of the LTT and



WV Photo

Reformist Pierre Lambert, meet adventurer/charlatan Nahuel Moreno.

the BF held a private meeting with the leadership of the OCI, which then provocatively published this fact in its public newsletter (*Lettre d'Informations Ouvrières*, 10 October) along with various USec internal documents ("from a dossier given us by Comrade Moreno"). The newsletter politically endorses the Simón Bolívar Brigade and the BF as attempting to "aid the masses in developing their own organizations," while the 6 October issue of the OCI's newspaper *Informations Ouvrières* announces that refusal to defend the BSB's right to stay in Nicaragua would be joining "the liquidators of the Fourth International" (in the previous month and a half the weekly *IO* had nothing to say on the subject). So the bloc is sealed, at least for the purposes of a joint wrecking operation against the SWP and Mandel, while the OCI's previous attempts to join the United Secretariat have apparently been shelved for now. Lambert was angling to blow apart the USec, and now that a split is clearly in the offing, he has simply placed his money and picked his horse.

## Left or Right on Nicaragua?

In the face of the SWP's outrageous support for Sandinista Front repression against the workers and its alliance with the "anti-Somoza bourgeoisie" in a capitalist government, and in contrast to the Mandelites' more shamefaced and whimpering capitulation, it's very cheap for the Morenoite/Lambertist bloc to look left on Nicaragua. Thus the OCI wrote of the new FSLN-appointed regime:

"This bourgeois government, installed solely due to the conciliatory spirit of the Sandinista leaders... has received, for the accomplishment of its counter-revolutionary tasks, the support of imperialism and the Kremlin bureaucracy...."

—*Informations Ouvrières*, 8-23 August

Similarly, the Costa Rican Organización Socialista de los Trabajadores (OSI), a USec sympathizing section which is linked with the LTT and directly tied to the French OCI, wrote in its newspaper *Qué Hacer?* (26 June-11 July) shortly before the fall of Somoza that the opposition by the FSLN's provisional government to immediate elections "clearly demonstrates its intentions of safeguarding the interests of the national bourgeoisie and imperialism..." (translated in *Intercontinental Press*, 1 October). In turn, the Colombian Morenoites of the Partido Socialista



Militant

de los Trabajadores (PST) write that Latin American governments:

"... bought 'life insurance' for capitalism in Nicaragua with their intervention and support for the FSLN.... To sum up, the 'democratic' bourgeoisies have sent the bill to the FSLN; and the advice of Castro is very clear: pay up!"

—*El Socialista*, 7 September

These are very left-sounding critiques of the currently popular Sandinista regime. But the real policies of the BF/BSB and the OCI/LTT are considerably to the right of their present posture, and moreover mutually sharply counterposed. In fact, before the FSLN took power on July 20 there was no basis whatever for Morenoites to unite with Lambertists in or over Nicaragua. As we have explained previously ("Revolution in Nicaragua and the Left," *WV* No. 240, 28 September), the Morenoites' present hostility to the FSLN is the pique of rejected suitors. Over the last year they have repeatedly called for a Sandinista government, later dressed up as "a government of the Front and of the workers and people's organizations" (*El Socialista*, 15 June) and similar formulas. But the FSLN, under the pressure of imperialism and "friendly" Latin American capitalist governments, and at the behest of Castro, preferred the company of industrialists and technocrats.

As for the Morenoite policies in the Simón Bolívar Brigade, they were even more opportunist (while also aggressively pressuring the FSLN tops, soon leading to their downfall). Sending an international brigade is a sometimes necessary and valiant tactic for communists in civil war situations; the participation of several dozen European Trotskyists in the POUM's Lenin Brigade during the Spanish Civil War, for instance, was principled and admirable. But since one can't expect to operate independently of an existing military leadership, it is *essential* to establish and defend the proletarian character of such a unit. The Bolívar Brigade was a parody of these principles. Its very name denies a working-class character, and the Morenoite "Open Letter" calling for its establishment says flatly, "the only programmatic point of the Simón Bolívar Brigade is to support the struggle of the Sandinista people..." (*El Socialista*, 22 June). In addition to the Morenoites' usual financial shady dealings—the Colombian PSI, which organized the Brigade, raised money by selling bogus Sandino Bonds—they appealed to the Colombi-

an government to "legally recognize the Simón Bolívar Brigade, guaranteeing its papers, transportation and financing."

But if Moreno & Co. tried to capitalize on enthusiasm for the Sandinista-led revolution against the hated tyrant Somoza, and their gimmick simply blew up in their faces, at least they stood to the *left* of the petty-bourgeois nationalist FSLN. In contrast, the Costa Rican OST—and by extension its co-thinkers of the Leninist-Trotskyist Tendency—denounced the Sandinista Front as criminally adventurist and ultra-leftist! Their chief spokesman on Nicaragua is one Fausto Amador (brother of assassinated FSLN founder Carlos Fonseca Amador), who quit the Front some years ago as a demoralized element. In a pamphlet entitled *Adónde va Nicaragua* (Where Is Nicaragua Going?), published in February by the OST, Fausto Amador and Sara Santiago presented an analysis that was not only 100 percent wrong—it amounted to defeatist propaganda, in effect calling on the Nicaraguan masses to lay down their arms when the showdown with the dictator was almost underway:

"In Nicaragua, the second offensive was rapidly being converted into a myth which no one believed any more.... There will not be a second offensive. That is obvious for everyone, at least in the immediate future.... The lack of a second offensive would reveal the September [1978] action as an ill-fated adventure."

The OST/LTT's "alternative"—peaceful demonstrations for democratic rights—was cretinist legalism in a country suffering under a bonapartist dictatorship (and, moreover, in the throes of a popularly supported insurgency). As we noted when the American SWP printed a similar piece by Amador and Santiago last June: "To present this social-democratic cowardice and demoralization as having anything to do with Marxism is just about the worst thing the SWP/USec could do to besmirch the name of Trotskyism before the Central American masses" (*WV* No. 234, 22 June). As for the OCI, its opposition to the new FSLN regime is based purely and simply on Stalinophobia—denouncing "the sudden resurrection of the moribund Nicaraguan Socialist Party (national branch office of the Kremlin)" and "the excessive weight of its members vis-à-vis the Sandinistas in the government" (*IO*, 8-23 August).

## Portugal, Angola, Cuba...

We have dealt elsewhere with the stark contradiction between the abstract "leftism" of Moreno's Bolshevik Faction on Eurocommunism, the dictatorship of the proletariat or popular frontism in far-off Europe and his ultra-opportunist practice in Latin America (political support to Perón, Torrijos, etc.). But what of its new bloc partners of the Leninist-Trotskyist Tendency (and its mentors in the OCI)? In opposing the dissolution of the LTF in 1977 the future LTFers put forward a face of left-wing militancy: where the SWP called the Mandeliste majority ultraleftist, they said centrist; where Jack Barnes said the faction was formed to light guerrillaism alone, they said it



was also to fight popular frontism at home. But by the time it came to formulating a "Call for the Formation of an International Tendency" (SWP *International Internal Discussion Bulletin*, December 1978), the future LTF stood on the whole of "programmatic and political acquisitions" of the LTF, and in particular "the texts of the LTF on the Portuguese revolution and on Angola."

This statement definitively branded the Leninist-Trotskyist Tendency as a reformist formation, and ignominious capitulators besides. For what did the LTF stand for in Portugal and Angola? At the height of the 1975 polarization in Portugal, when Lisbon workers were taking over factories, the LTF called for a purely "democratic" program of defense of the constituent assembly (at the time the battle cry of the right). As the Socialist Party of Mário Soares was leading a mass anti-Communist mobilization which was turning down CP

offices, the SWP proclaimed that the "real vanguard of the Portuguese working class... participated in the SP demonstrations" (*Militant*, 8 August 1975). And the OCI called for a "Soares Government" (*Informations Ouvrières*, 23 July-6 August 1975). Moreno broke from the SWP and split the LTF precisely over this issue, while the future LTFers were at first even harder in condemning the SWP's tailing after Soares (only to capitulate a few weeks later and vote for the LTF's "Key Issues in the Portuguese Revolution" resolution).

For principled Marxists differences of the magnitude that divided the Morenites and Lamhertists over Portugal would make unity impossible, like the SWP and Mandel, they would have been facing each other on opposite sides of the barricades in Lisbon. The same on Angola, where at the height of the fighting between the South African-led, CIA-financed imperialist drive on Lu-

anda, the SWP/LTF refused to take sides for the military victory of the Soviet-backed MPLA. (Later they tried to disguise this vile betrayal by some heavy-handed "editing" of a January 1976 SWP national committee statement.) Moreno denounced this in the most violent terms, publishing a whole hook on the subject (*Angola: La revolución negra en marcha* [1977]) where he said that, "the best way to aid Vorster and Yankee imperialism was to say what the SWP said...." So how does Moreno feel about uniting today with people who consider the SWP/LTF's stand "historic"?

And Cuba? On Cuba, the LTF supports "the general line of D. Keil's contributions," while three leaders of the Costa Rican OSF (Andrés, Rodrigo and Sara) signed together with Keil a document labeling the Castro regime a "bureaucratized workers state" ("For a Change in the Fourth International's Position on Cuba," [SWP] *IIDB*,

December 1978). Again, at first glance this might seem a move to the left from the USec's political support to the "unconscious Trotskyist" Fidel (now taken to new lengths by the SWP's latest panegyrics to Castro, the champion of peace and friend of the world's children). But as we pointed out in our article, "For Workers Political Revolution in Cuba!" (*WV* No. 224, 2 February 1979), Keil et al. were attacking the SWP "from the right, arguing in effect for a consistently social-democratic position of opposing all Stalinist regimes." We summed up: "Add up the SWP/LTF positions on China, Vietnam, Portugal and Angola and throw in a deformed workers state position on Cuba and what do you get? A fleshed-out program of Stalinophobia." The LTF/OSF's openly counterrevolutionary positions on Nicaragua, calling the Sandinistas' victorious "second offen-

continued on page 10

## Simón Bolívar Brigade: Did Camejo Turn Them In?

*Workers Vanguard* has just learned that the 60 leaders of the Simón Bolívar Brigade departed from Nicaragua last August by the Sandinista National Liberation Front (FSLN) may have been expelled from the country at the request of their own ostensibly Trotskyist "comrades." The putative fingerman? Peter Camejo, a leader of the American Socialist Workers Party (SWP). And behind him? The leadership of the "United Secretariat of the Fourth

International" (USec), which allegedly ordered the denunciation.

As reported in *WV* No. 240 (28 September), USec leaders, far from protesting the FSLN's expulsion of the "foreign Trotskyist" leaders of the Bolívar Brigade (who were beaten by Panamanian police during their transit through the land of "anti-imperialist" strongman Torrijos), went so far as to actually endorse the regime's anti-communist crackdown. On September

3, Sandinista leaders were handed a statement by a USec delegation stating that "the FSLN was right to demand that the non-Nicaraguan members of this group ... leave the country."

Now at a meeting of the United Secretariat over the September 30 weekend an "official" statement was voted to explicitly "condemn and repudiate the Simón Bolívar Brigade and its activities." However, an amendment by USec leader Ernest Mandel mildly criticizing the expulsion as unnecessary, was enough to cause the rabidly pro-Sandinista SWP to vote against the resolution. Now it appears that this is only the political aftermath of the affair.

The source of the information is a letter (reprinted on this page)—published in a bulletin of the Italian LSR, followers of Brigade mentor Nahuel Moreno—from three members of the pro-OCI "Leninist-Trotskyist Tendency" of the USec. The authors politically oppose the Brigade's policies and mainly relate this story of the betrayal as it unfolded before their eyes.

The events the letter relates are straightforward. A delegate of the USec in Managua allegedly spoke by phone with Peter Camejo at the SWP convention in Oberlin in mid-August, and was instructed to "collaborate with the leadership of the Sandinista Front in order to help it get rid of the Simón Bolívar Brigade." The next day he carried out this mission and then so informed the leadership of the Brigade.

Can the Socialist Workers Party, the United Secretariat and/or Peter Camejo refute the serious charges made in this letter? *Are they true?* Further, just how did the FSLN pick out the Moreniste leaders of the very much larger Bolívar Brigade? *Did USec representatives supply them with names?* In a Marxist organization any member (much less a leader) guilty of such treason would be expelled. And laced with such grave charges, silence by the accused can only be interpreted as admission of guilt.

*Did Peter Camejo, the SWP and the USec finger the Simón Bolívar Brigade? We demand an answer!* ■

Managua, 20 August 1979

United Secretariat of the Fourth International

Dear Comrades:

At dawn on Friday August 17, 1979, the leadership of the Sandinista Front expelled from Nicaragua part of the membership of the Simón Bolívar Brigade, members of the Bolshevik Faction of the Fourth International. The context in which this expulsion took place was marked by a serious factional incident between a member of the United Secretariat and the leadership of the Brigade, and we consider it our duty to transmit in written form to

the leadership of the International an account of the events which we witnessed. This testimony does not imply any support to the Simón Bolívar Brigade's [political] orientation, of which we have an extremely negative opinion. Our only objective is to help the appropriate bodies of the International to throw light on the incident in question and draw all the lessons so that events of the same nature and such gravity don't occur again.

The events described below happened in a situation in which the whole Simón Bolívar Brigade was summoned (through the press and radio) by the leadership of the Sandinista Front for the afternoon of August 14; the situation of conflict between the leadership of the Front and the Brigade was therefore known to all the protagonists.

Sunday at midnight comrade Manuel, a member of the United Secretariat, made a phone call to the United States. After this phone call, he stated that comrade Pedro [sic] Camejo had just informed him that the position of the comrades of the United Secretariat in Oberlin was to be even harder on the Simón Bolívar Brigade, to take no responsibility [for the Brigade] with the Sandinista Front and to collaborate with the leadership of the Sandinista Front in order to help it get rid of the Simón Bolívar Brigade. Manuel stated that comrade Camejo had asked him to

remain in Nicaragua so as to be present at the meeting of the Simón Bolívar Brigade with the leadership of the Sandinista Front on Tuesday and make clear the position of the Fourth as regards the Simón Bolívar Brigade.

On the afternoon of Monday the 13th comrade Manuel had a discussion with Julio López, a representative of the Sandinista party organization, during which, according to what the comrade himself reported to us, the Simón Bolívar Brigade was discussed.

Immediately afterwards (Monday, August 13 at about 8:00 p.m.) comrade Manuel went to the Brigade's headquarters. In front of the headquarters a discussion took place in our presence in which comrade Manuel informed the leadership of the Brigade that he was going to meet the leadership of the Front to ask that the Simón Bolívar Brigade be kicked out of Nicaragua.

Comrades Olivier and Romero, who arrived in Managua on Tuesday the 14th, gave a different version of the position of the United Secretariat, stating that it did not include collaboration with the leadership of the Front against the Simón Bolívar Brigade.

The events described above are strictly those which we witnessed, in a situation in which we warned comrade Manuel that he could not count on our

collaboration in this maneuver which we disapproved of from the start. The position presented as that of the United Secretariat, which, according to comrade Manuel had been communicated by telephone by comrade Camejo, and was enforced by him seems to us to constitute a break with our political principles. Whatever the magnitude of our differences, collaborating with the petty-bourgeois leadership against members of the Fourth International, within which they are organized as a faction, cannot be tolerated. Such unprincipled and factional maneuvers can nevertheless only damage greatly the clarity of the clash of the political orientations present in the Nicaraguan revolution, as well as the defense of the International and of its unity.

Trotskyist greetings,

Sara (Executive Committee, OST Costa Rica)

Felix (Executive Committee, OST Costa Rica)

Galene (Central Committee, French LCR)

cc: Bolshevik Faction, Socialist Workers Party (USA), Partido Revolucionario de los Trabajadores (Mexico), OST (Costa Rica), Liga Comunista Revolucionaria (Spain), Ligue Communiste Révolutionnaire (France), Manuel Aguilar, Pedro Camejo, Olivier



# The Panic of '79

(continued from page 1)

Carter as such, but rather to the Democratic Party. Everyone knows the Republicans will label their opponents as the party of inflation. The younger Kennedy, with his reputation as a high-spending liberal, is even more vulnerable to this charge than Carter. So the union tops are doing what they can to give Democratic candidates anti-inflationist credentials. That is, they are cutting their ranks' wages in order to elect Kennedy or even re-elect Carter.

The September 28th accord was not only designed to make the Democrats look better. The union bureaucrats also ask that the "war against inflation" be fought according to the Geneva Convention prohibiting inhumane weapons. In particular, they want the usual Keynesian monetary and fiscal policies (e.g., cheap mortgage rates, public works programs) to counter the present recession. Here is what Meany/Kirkland, Fraser & Co. think they ought with their "social contract" with Carter:

"The war against inflation must be the top priority of government and of private individuals and institutions.... But it should not mean acceptance of higher than otherwise levels of unemployment....

"The current recessionary conditions developed following the large increase in world oil prices in the second quarter. Policies should be directed toward moderating and reversing the resulting downturn.

—AFL-CIO News, 6 October

One would assume that the country's corporate executives would be overjoyed that the unions are continuing to adhere to wage guidelines half the inflation rate. But no, they roundly denounced Carter for betraying "the war against inflation" for union votes and money. In a scathing editorial *Business Week* (15 October) wrote:

"...the President has given the unions a set of loosely worded promises that could destroy any hope of stopping inflation in the U.S....

"The President's National Accord with labor is not just a bad bargain. It is a totally irrational sacrifice of the nation's welfare that brings nothing in return."

This well expressed the consensus of capitalist class opinion.

Behind the furor over the recent Carter-labor accord is the question of

the inflation-unemployment trade-off, which has dominated bourgeois economic policy debate since the Great Depression of the 1930s. Does this trade-off actually exist? In certain short-term conjunctures, measured in months, capitalist governments do have some such option. For example, if bank reserves in the U.S. right now were cut back sharply, this would probably trigger a wave of bankruptcies, as many firms can meet their bills and debt payments only through further borrowing. But credit expansion cannot put a floor under employment and production. "Easy money" at most only postpones and stretches out the economic contraction and mass layoffs. Any workers who believe that if they accept wage guidelines then government policies will keep them employed are being cruelly taken.

## German Bankers Demand U.S. Monetary Discipline

The men who run Wall Street and the Fortune 500 think that Carter is being way too soft on inflation, but they come off looking like cheap-money populists compared to the bankers of Frankfurt. German financiers are demanding that Washington stop the dollar's depreciation now—actually yesterday. And if this means 10 percent unemployment and a 10 percent fall in U.S. national income, well, that's just tough.

*New York Times* financial columnist Clyde Farnsworth reported that the International Monetary Fund (IMF) conference last month in Belgrade was dominated by a clique of German bankers who belligerently lectured Americans on the virtues of monetary discipline:

"And the Frankfurt, Bonn, Munich and Düsseldorf money men, who were demonstrating almost aggressive self-confidence, were willing to make their case to just about anyone who would listen. Late one evening in the bar of the Serbia Hotel, for example, one Düsseldorf banker, after drinking a Slivovitz, banged his fist on the table and told an American: 'You must do something about your inflation. You must follow our example and get rid of negative interest rates.'"

—*New York Times*, 7 October

The drunken, table-thumping German banker has a point. Although nominal interest rates in the U.S. have been record high, the real cost of borrowing money has been marginal to negative. In the third quarter of this year top corporations were charged 12 to 13.5 percent on bank loans while wholesale prices were rising at 15 percent annually.



A worried bourgeoisie recalls Great Crash of 1929.

In other words, big industrialists have to repay less value than they borrowed.

And borrowing they are. Between May and mid-September business loans at the big New York banks jumped at an annual clip of 33 percent (*Newsweek*, 24 September). This spate of corporate borrowing is not a feverish capital-spending boom like in 1973. It is caused by the beginning of an economic downturn under conditions of accelerating inflation. Businesses find their sales income falling off while their supplier invoices are not only still coming due, but are being jacked up in price. For many the only alternative to borrowing is to sharply cut back production and the wage bill and, for some, to declare bankruptcy. This is the classic situation of inflationary credit expansion feeding on itself at the moment of cyclical crisis.

"Jump off this inflation roller-coaster," shout the world's bankers. At the late September IMF conference there was so much heat on American officials that Federal Reserve chief Volcker left three days early with Treasury Secretary William Miller hard on his heels. Back in New York the central bank chairman responded to the pressures of the American and West European bourgeoisies and quickly announced massive escalation in the "war against inflation." Whatever the actual impact of the Fed's new policy—and credit may still not be all that tight (the multinationals can borrow abroad)—capitalists now believe the Carter administration has been forced to accept a severe recession. That's why the Dow-Jones industrial average plummeted from 900 to 815 in the two weeks following the Fed's new credit crunch. All the newspaper and magazine articles recounting the Great Crash of 1929 are more than the standard 50th anniversary retrospectives.

Normally such a stock market slide would greatly distress industrialists, especially when it signals a sharp cyclical downturn. But this time it's somewhat different. The Volcker squeeze was unanimously approved in the corporate boardrooms. The attitude on Wall Street is: if mass unemployment and falling production are necessary to drain the inflationary pressures out of

the economy, that's the sacrifice "we" have to make. America's capitalists are facing the present slump with truly stoic resolve. Typical is Du Pont chairman Irving Shapiro who nobly declaims, "I'm quite prepared to endure whatever pain I have to in the short-run" (*New York Times*, 15 October). To set this statement in correct perspective, consider the pain this multi-millionaire will suffer amid his servants, his yacht, his Lear jet compared to a laid-off Detroit auto worker, his wife and children trying to live on \$125 a week unemployment insurance.

## Behind the Gold Rush

The Fed's great credit crunch was aimed above all at stopping the dollar's depreciation in terms of gold. America's rulers believe that if they can just eliminate the balance-of-payments deficit and cut the inflation rate to, say, 5 or 6 percent they can restore a stable dollar as the currency of world commerce and finance. This is an illusion. The outflow of dollar holdings into gold and other major national currencies is irreversible.

To be sure, the immediate cause of the latest run on the dollar is the disastrous U.S. inflation/balance-of-payments situation. During the past three months prices in the U.S. have been rising three times faster than in West Germany; over the last year the U.S. suffered a \$20 billion foreign deficit while West Germany netted a \$17 billion surplus. What these conjunctural factors have done is turn the long retreat from the dollar as the world's basic currency into a panicky rout.

The house organ of international financiers, the London *Economist* (29 September), correctly observes: "The long-term reason for the dollar's decline is the continuing desire of reserve-holders to offload some assets denominated in what is now just a national currency like any other." The dollar—now just a national currency like any other—that sums it up. The dollar standard of the 1950s and '60s was a product of the overall U.S. hegemony in the capitalist world, a dominance achieved through its victory in World





War II and the suppression of the post-war revolutionary wave in West Europe and Japan. The end of the dollar standard with Nixon's devaluation in 1971 expressed the declining weight of American capitalism in the world economy. In 1948 the U.S. accounted for 34 percent of all exports from advanced capitalist countries—by 1976 the American share had been halved to 18 percent (United Nations, *Statistical Yearbook*, 1977). These figures show why the dollar is no longer "as good as gold." (For an analysis of the post-war dollar standard and its collapse, see "Behind the Dollar Crisis," *WV* No. 204, 5 May 1978.)

The recent gold rush was the other side of a major collapse of the so-called "dollar overhang," the vast sum of American currency holdings abroad accumulated over the past three decades. Foreign dollar holdings amount to more than \$400 billion, of which over half is in private hands. This enormous sum of little-wanted dollars is more than twice total U.S. export earnings plus returns on foreign investment for 1978. Movements of the dollar overhang quite outweigh the current balance-of-payments situation in affecting the exchange rate. In early 1973, for example, the dollar depreciated sharply although at the time the U.S. was actually running a small payments surplus.

It is not only multinational treasurers, Swiss bankers and Arab sheiks who want to offload what has become just another national currency. For years the major capitalist governments have projected replacing the dollar with an internationally created and managed means of payment, the IMF Special Drawing Rights (SDRs), sometimes called "paper gold." This "paper gold" scheme has never gotten off the ground, and almost certainly never will. After ten years SDRs are still a small fraction of total foreign exchange and gold reserves.

Basically the SDR scheme is yet another device whereby the major surplus countries, principally West Germany, lend or give money to the U.S. But as the dollar weakens, Bonn becomes more and more resistant to throwing good money after bad. In a broader sense, the German ruling class is unwilling to replace the dollar with the Deutschmark as the basic world (as distinct from regional) currency, because its economy (less than a third the size of the American) is incapable of shouldering such a financial burden.

## International Financial Anarchy and National Protectionism

For over a decade Bonn governments have propped up the dollar despite significant costs to the West German economy (not least the exchange of real resources for ever-higher piles of paper). But this time around it was no go. On their way to the IMF conference Messrs. Volcker and Miller stopped off in Hamburg to negotiate yet another dollar-rescue package with West German leaders. They were unsuccessful. Financial journalists noted that Bonn officials did not make the usual statements that the dollar would soon strengthen in the exchange markets. When asked about the significance of his meeting with the beleaguered American finance chiefs, Schmidt replied, "We had a good lunch" (*New York Times*, 30 September).

And Schmidt is putting his money where his mouth is. In March of this year he pushed through the European Monetary System (EMS) for Common Market countries. The Deutschmark is the main reserve currency in this system; it is also the currency used to intervene to prop up weak currencies like the Italian lira. The EMS has transformed West Europe into the Deutschmark zone, with dollars being used only in extra-European transactions. The significance of the newly formed European Monetary System is that it points to the

break-up of a unitary world market into protected regional blocs dominated by a local imperialist power.

The present international monetary chaos will in the short term disrupt world trade and in the longer run lead to national autarky and protected regional blocs. Wildly gyrating exchange rates make it impossible to calculate costs and prices, and therefore profits, on international transactions. For example, take a Swedish electrical products manufacturer who contracts to supply a British firm with a generator in six months, payable in pounds. A sharp depreciation in the pound in terms of the krona could turn a profitable deal into a net loss. Businessmen can and do protect against exchange rate loss by hedging in the forward market, a kind of financial insurance. But such insurance is expensive, and the more chaotic the exchange markets, the more expensive it is.

Capitalists who operate on the world market demand international monetary stability, but that is just what they can't get. The dollar standard is dead and is being buried under piles of gold and Deutschmarks. The scheme that the IMF or a similar body create a new international means of payment is a technocrat's pipe dream. The SDR project is the international monetary equivalent of Esperanto. A return to the old pre-1914 gold standard is also impossible. A true gold standard involves periodic reductions in money wages, and so would require the destruction of the organized labor movement.

If capitalists cannot have rudimentary stability in the world market, they will turn to national economic protectionism. This is what happened following the collapse of the pound sterling standard in 1931 under the impact of the Great Depression. The 1930s was a decade of beggar-thy-neighbor economic policy—high tariffs and quotas, competitive devaluations, multiple exchange-rate systems, export subsidies and more ingenious devices.

That the present combination of global economic stagnation and international financial chaos is a setup for a wave of national protectionism was expressed recently by Helmut Schmidt, who is clearly worried about protecting West Germany's perpetual foreign-trade surpluses:

"...the greater economies could, with wrong leadership by their respective governments, have lapsed into the beggar-thy-neighbor policies of the early 1930s. It could happen, it could very well have happened. It could still happen."

"There are still enormously strong tendencies for protectionism of all kinds, not only in the trade field, also in the monetary field—begging-thy-neighbor in the monetary and balance of payments fields."

—*Economist*, 29 September

While Schmidt is diplomatic enough not to name specific countries, he is likely referring to the U.S. As the world's largest and more-or-less open market, the objective tendencies toward protectionism are particularly strong in the U.S. The American ruling class will not allow German and Japanese capitalists to take ever larger shares of its market for steel, autos, now computers, etc.

It is an established historic fact that trade wars lead to total wars. The attempt to achieve commercial advantage through direct state intervention provokes counterintervention by the affected state. Japan "got under" the British colonial tariff barrier when in 1941 Yamashita's 25th Army swept down the Malayan peninsula and took Singapore. The U.S. acquired a strong negotiating hand against German economic nationalism when Patton's Third Army crossed the Rhine in 1944.

To the extent that the present dollar crisis intensifies interimperialist rivalries and economic nationalism, it sends out alarm signals warning of the urgent need for the working class to sweep away the irrational and destructive world capitalist system. ■

## Guns/Butter...

(continued from page 1)

Yes, the U.S. is on the path to a depression of staggering proportion. In this epoch of imperialism, the nation state has become a barrier to production. Since 1914 this has meant a cycle of depression and inter-imperialist war, two of the inevitable horsemen of the capitalist apocalypse.

Marx noted long ago that capitalism was an inherently contradictory system. It cannot be fixed. Every apparent cure to one set of ailments exacerbates other equally fatal diseases, for the patient is in terminal decay. Notions of recovery through government regulation, international cooperation, demonetizing gold, free trade and so forth are hopeless nonsense. The exchange of rhetoric between neo-Keynesians and conservative monetarists takes place in an ideological fantasyland. The one claims to be for a free market willing to "risk" massive unemployment, the other is for more government intervention and spending, "risking" inflation. But there is no evidence that any of this will work. The supposed choice between unemployment and inflation is a phony—no matter what the capitalists do they get both, and it is getting worse. Particularly for those at the bottom of the economic heap—blacks and poor—it all looks about the same: hopeless.

The recession, claim the government's economists, will cure the disease of inflation. This too is part of the austerity program for the working class.

Russell Baker caught it well in an imaginary dialogue with an economist:

"What I offer you here is the new improved economic miracle—corrective recession."  
"How many do I take?"  
"That's the beauty part. You don't take any. It's strictly for your neighbors...."  
"Economics has done it again."

—*New York Times*, 16 October

## Politics of Economic War

Behind the present crisis is the end of the "American Century," a few decades after it began. The U.S.' unchallenged dominance after World War II supplied a measure of relative stability to the international market. And just as the deterioration of Britain's industrial base led to the collapse of the gold standard, the collapse of the Bretton Woods agreement in 1971 signaled the fact that the U.S. was no longer the hegemonic imperialist power, but the biggest of a number of competing capitalist countries. The international financial system once again showed the deep instability fundamental to capitalism.

The U.S. bourgeoisie took on the "responsibility" of the "free world" as part of its dominant role, from which it profited wildly, but which also created problems. Mainly the U.S. anti-Soviet counterrevolutionary geo-political strategy meant that it maintained highly inflationary military spending combined with being an open market for the goods of other capitalist countries. Financing the Vietnam war through deficit spending and refusing to invest in basic industry has, in the main, brought the U.S. to its present inflationary state. But the economic overhead of leading the "free world" is becoming increasingly costly given a stagnant industrial base.

After years of a trade surplus, the U.S. is being hurt by imperialist rivals. With its home markets permeable and its economy less efficient than Japan or Germany, the U.S. is ripe for protectionism and other forms of trade war. Economic nationalism and the accompanying jingoism are in turn the preparation for imperialist war.

A recent article in *Forbes* magazine (14 May 1979) made the case for protectionism, pointing out that U.S. trade was nearly in balance in 1970 and last year had a \$34 billion balance-of-trade deficit. The article quotes Charles Vankiv, Democratic chairman of the

House Subcommittee on Trade:

"I think we're pretty close to setting an import surcharge. We ought just to say: When the U.S. deficit gets to a certain point, the surcharge goes on, and let the other countries worry about how to get it in balance. That's the only way, frankly, of dealing with the Japanese. You may call this protectionistic...."

The U.S. is the most powerful country on earth, and its bourgeoisie knows it. This ruling class will simply not slip quietly away into a British-style decline while Japan and Germany come on strong. In the absence of a proletariat aware of its class interests, large sectors of the American population are ominously open to the appeal of a "strong leader." And he may not enter goose-stepping. Listen to the liberal candidate Teddy Kennedy, for instance, and imagine a tougher future:

"I refuse to believe that we can longer hold our own in the face of challenges like Arab oil or Soviet power. I refuse to believe that our magnificent system of free enterprise and competition is an also-ran compared to Germany and Japan."

—*New York Times*, 14 October

The drive for protection of home markets is part of a dangerous chauvinist response to economic decline. But import restrictions in themselves cannot save obsolescent industries. Quite the contrary! The high tariffs and quotas of the 1930s were economically disastrous. Protectionism "works" only when combined with massive state subsidies for industrial expansion. It was World War II, not the 1931 Smoot-Hawley tariff or Roosevelt's New Deal reforms, which pulled the U.S. out of the Great Depression. Successful capitalist economic nationalism in the twentieth century means authoritarian mobilization for war.

Never mind that this is a country that still votes. The new "strong leader" will dispense quickly with the democratic expectations of "parasitic" constituencies. There will be no more griping about arsenic and asbestos in the atmosphere, no more problems about the plight of the bio-rhythm on the second shift—just dirty, dangerous hard work while the foreigners are squeezed out. If there are only six cars going to Zaire in the next year, four of them will be Yank! One can only imagine the fate of ghetto blacks in America's new "protected" industries.

## Oh, What a Lovely War...for the U.S. Bourgeoisie

The social-chauvinist trade-union bureaucracy has for years waved the flag of protectionism, particularly in textile and steel. Working-class resistance to the capitalists' "economic initiatives" must be consciously organized into international working-class solidarity. That means a fight against the reformist bureaucrats who will everywhere attempt to channel the struggle of the working class into the losing "British solution" of helping the government to help "our own" capitalists at the workers' expense. As a result of that strategy in bankrupt capitalist Britain today, the "modest proposal" of an article in the conservative British *Spectator* to simply give the uncompetitive nationalized British Leyland to the workers makes capitalist economic sense. And the spectre of the Britainization of America haunts more than the run-down Chrysler industrial plant in Detroit.

In the U.S., the reformist bureaucrats praise New Deal liberalism as the basis for a benign, regulated capitalism. But it is now generally conceded, even by bourgeois historians and economists, that it was not some Keynesian New Deal programs, but the old deal of war that accounted for the "miracle of recovery." What they do not admit is that the war took the U.S. out of the depression by massively destroying productive forces on a world scale.

The U.S. "modernization campaign" conducted in Japan and Germany

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## OCI/Moreno...

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sive" an "adventure" are a vivid confirmation of our earlier conclusion.

### ...And the Strange Case of Fausto Amador

These questions—the most basic issues of revolutionary perspective in key recent events—are but the small change in the horse-trading combinations and recombinations of USec factional struggles. There is a basis of sorts for the Morenoite/Lambertist bloc: both are deeply reformist while appearing left today on Nicaragua. Besides there is the attractive bait that the OCI recently broke with Moreno's long-standing opponents in the Argentine Política Obrera group (enemy of my enemy makes you my friend, etc.). But there are a few sticky points, even for these consummate opportunists. And one of these is the case of Fausto Amador, already introduced to our readers.

For F. Amador did not simply break from the FSLN. He was interviewed on Somoza's television and spoke to Somoza's press, where he urged other members of the guerrilla organization to lay down their arms in return for promises of amnesty by the blood-soaked dynastic dictatorship. For this the FSLN leaders rightly considered him a traitor. Later, as a Nicaraguan cultural attaché in Brussels—i.e., an employee of Somoza—he was reportedly won to the USec's perversion of Trotskyism. Naturally this caused a certain commotion in Central America, where the case was well-known. Moreno picked this up and was the first to make it an issue in the USec. At a December 1977 meeting of the central committee of the Colombian PST, Bolshevik Faction leader Eugenio Greco complained:

"Do you know the name they give in Europe to what Fausto Amador did. It was called collaborationism.... If a very probable combination of circumstances occurs: that Somoza falls; that the Frente Sandinista emerges as a movement of great prestige because of its antidiatorial struggle.... the Frente Sandinista might say: I would like the Fourth International to explain why Fausto Amador Arrieta is in its ranks.... and, gentlemen, at that moment Trotskyism will be finished in Central America."

—[SWP] IIDB, April 1978

And so it came to pass. But today the notorious Fausto Amador, a leader of the Costa Rican OSI, is defended by the LFI and its new allies of Moreno & Co. The BF counter-motion at the September 30 USec meeting explicitly defends Amador against his accusers, "a petty-bourgeois leadership foreign to the Trotskyist movement." Attacks on the personal integrity of political leaders are the bane of the Latin American left, where most splits focus on accusations of stolen money or cowardice and betrayal. In the case of Fausto Amador the charges are essentially proven by his own admission; and yet he remains a recognized leader of the USec. What is destroyed by this fact is not Trotskyism, however, but the revolutionary pretensions of these renegades from Marxism for whom Fausto Amador's hands are only a little dirtier than all the rest. ■

## Anwar...

(continued from page 3)

light to defend and extend the gains of the past without a leadership which is willing to wield the weapons of militant unionism. Several times during the rally the point was made that bad thousands of 1010 members refused to cross the USWA Local 8180 picket lines. Anwar could not have been victimized. Yet the leadership of Local 1010 opposed Anwar's motion during the strike, and a similar motion during the Bricklayer's Local 6 strike last summer, calling on the union to honor these picket lines.

Conditions in the mills are getting worse. With their contract expiring next year, steel workers confront grinding 15 percent inflation, plant closings and layoffs, stepped-up disciplines and firings and increasingly unsafe work conditions. The "dissident" Sadlowski/Balanoff wing of the USWA bureaucracy, centered in the Chicago-Gary District 31, has long hidden behind McBride's ENA and no-strike clause as an excuse for failing to mobilize a real counterattack against the companies. The time to prepare for a fight is now, not when ENA "expires" in 1983. Steel workers need a powerful, industrywide strike next year to abolish the no-strike clause and defend their jobs and living standards. And they need a class-struggle leadership with the guts and

With arbitration on the Keith Anwar case set for November, the Keith Anwar Defense Committee continues to need the support of trade unionists and friends of the labor movement. Donations and statements of support may be sent to: Keith Anwar Defense Committee, Box 7914, Chicago, Illinois 60680 (phone: 312-768-2233).

determination to take on the companies, their cops and court injunctions, on the picket line, just as the unions did when they were organized and as the coal miners did a year ago.

Addressing himself to the need for the unions to actively mobilize millions of workers against the bosses, a member of the Keith Anwar Defense Committee said at the open mike during the rally, "When Keith says picket lines mean don't cross he's getting right to the heart of the matter. What if 19,000 steel workers don't cross? What if 1.3 million steel workers don't cross picket lines, and what if 20 million organized workers in this country refuse to cross picket lines and fight every day for labor solidarity? That's why this rally is important. I want to see the union win this case, right now, in arbitration, through the power of the rank and file—a big union victory to stick it down Inland Steel so that they know that the trade-union movement's going to win." ■

## Racist Mobs...

(continued from page 4)

know where he stands" on busing by blaming the media for blowing recent incidents "out of proportion." Another Democratic candidate in the September primary, black "activist" state representative Mel King, the darling of Boston's left liberals, did organize a rally to protest the shooting of Williams. It was not a militant mobilization against racist attacks, however, but simply a small contingent along Pope John Paul II's motorcade route, beseeching his holiness to intercede with higher authorities for more police protection.

Essentially the same position was taken by the fake-Trotskyists of the Socialist Workers Party (SWP), whose Boston mayoral candidate Luis Castro called for "full protection of Black students by the city, state and federal governments" (*Militant*, 19 October). At the height of the busing crisis in 1974-75, while these reformists were calling for federal troops to protect black children being bused to schools in white areas, the Spartacist League called instead for mounting a labor-black defense force. Today as in 1974-75 not the imperialist army but the organized working class is the only force capable of protecting black youth from escalating racist violence. What is urgently needed in Boston is a massive show of strength by a racially-integrated labor movement.

In his re-election bid, White is running as the man who brought massive new construction to Boston. Seeking to use federal and state dollars like grease

## WV Sub Drive Success

A gold chervonetz coin will be presented to Rosalind Garcia, winner of the 1979 *Workers Vanguard* subscription drive. Comrade Rosalind, the San Francisco Spartacist League (SL) organizer, got many of her 132 points as part of a team which toured the Pacific Northwest and gathered 163 points in Oregon and Washington State.

The five-week drive closed October 18 with all locals having met their quotas. The final national total was 3,697 points (132 percent). In addition to bringing the *WV* subscription list up to 2,480 the drive brought in 536 subscriptions to *Young Spartacus*, monthly paper of the Spartacus Youth League (SYL), and 368 to *Women and Revolution*. An additional 247 points in *WV*, *YSP* and *W&R* subscriptions were sold by the Trotskyist League of Canada (167 points in Toronto, 70 in Vancouver and 10 in Winnipeg, Manitoba) for a final total of 3,994 points overall.

Campus work during this year's drive was even more intense than usual as the sub blitzes were combined with an ambitious schedule of public forums organized as part of the current SL/SYL recruitment drive. The relative ease of campus sub-selling this year (especially

among black students) was an index of potential SYL recruitment on particular campuses (and an enjoyable outgrowth of the Socialist Workers Party's "turn" away from campus presence as the SWP's *Miliani* replaced its usual fall sub drive by an attempt to increase single-copy plant gate sales).

This year several locals experimented with door-to-door sub sales; best results were obtained in Berkeley (100 points) and in the integrated working-class areas of East Cleveland/Cleveland Heights (50 points). In the San Francisco area, trade-union friends of the SL consolidated a real readership for *WV* among co-workers: 62 points were bought during the drive by ILWU (longshore/warehouse) unionists and 57 by phone workers.

In addition, a record 205 points was received by mail during the drive's five weeks, representing not only the loyal support of readers who sent in subs for friends and a gratifying resubscription rate which has kept the *WV* sub base stable at one sub drive per year instead of two, but also the expansion of bookstore placements (55 during this year's drive) bringing the SL press to new areas.

Area	Quota	Points	Percent	Area	Quota	Points	Percent
San Francisco	400	582	146	Detroit	350	440	126
Los Angeles	350	508	145	Cleveland	220	257	117
New York	440	609	138	Boston	190	205	108
Chicago	365	474	130	at-large	25	40	160
Berk./Oak.	460	582	127	<b>TOTAL</b>	<b>2,800</b>	<b>3,697</b>	<b>132</b>

Name \_\_\_\_\_  
Address \_\_\_\_\_  
Phone \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
\$3/24 issues of *Workers Vanguard* (includes *Spartacist*)  
☐ New ☐ Renewal  
\$2/9 issues of  
☐ *Young Spartacus*  
\$1/6 introductory issues of  
☐ *Workers Vanguard* (includes *Spartacist*)  
\$2/4 Issues of  
☐ *Women and Revolution*  
Make payable/mail to: Spartacist Publishing Co., Box 1377 GPO, New York, New York 10001

to ease social tensions, he has built a plethora of high-rises, shopping malls and expensive reclamation projects for the well-to-do, concentrated along the city's waterfront. But his flashy projects have not improved the lives of poor whites crammed into low-income enclaves in Southie, Charlestown and East Boston. The blacks and other minorities have received less than nothing—they are currently being expelled from the South End to make room for young professionals with the money to rehab townhouses and are being pushed further out along the decaying elevated Orange Line in Roxbury and Jamaica Plain.

In the midst of it all, the "Camelot" crowd came back to town October 20 to dedicate the JFK library just across the way from Columbia Point housing project. The contrast between the shimmering glass and stone of F.M. Pei's new creation and the devastation next door symbolizes the fraud of Kevin White's "New Boston" for the working masses. It is not only the small-time racists like Hicks and Kelly who buried busing, but also the limousine liberals of the Kennedys and debonair Mayor Kevin White from gas-lit Beacon Hill. Only by breaking with all wings of the Democratic Party and allying the black struggle with the power of labor in united class struggle can the murderous cycle of racist reaction be broken. ■

## Guns/Butter...

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during World War II (i.e., destruction of the competitors' old capital stock) won the military imperialist war but laid the basis for U.S. industry to lose the next round of inter-imperialist trade wars, posing again the prospect of more Tokyo and Hamburg fire-storms to resolve inter-imperialist competition and depression.

A 3 September *Business Week* retrospective on the depression presents this "solution" with a cynical abandon that has become commonplace among

"social realist" economists:

"The [second world] war showed what massive government spending could accomplish. Output soared, unemployment disappeared, and a decade of nightmare ended."

Oh, what a lovely war it was for bourgeois economists and U.S. capitalist presidents. The problem with this "solution" is that it was a "final solution" for some 20 million Russians, 6 million Jews, 5 million Germans, 2 million Japanese and countless others.

Capitalism is not capable of rational planning. The bourgeois revolution created an international market, but it remains for the socialist revolution to make world distribution rational in the process of the qualitative expansion of material production. Until then, all talk about rational allocation of the world's resources is at best utopian.

A case in point is Fidel Castro's October 12 speech to the United Nations in which he called for, over the next ten years, "an additional contribution of not less than \$300 billion at 1977 real value, to be invested in the underdeveloped countries...." Why not? Had Castro been speaking in the central workers soviet of the world, his proposal would have been humane and sensible, in fact sub-minimal in the construction of a world socialist order (although as he himself noted, the figure is far too "modest.") But this Stalinist who calls his island a "socialist society" spoke in the successor to the imperialist hody Lenin described as a "den of thieves." At the UN this kind of talk is simply reformist utopianism.

Between the irrationalities of 20th-century capitalism and an international planned economy lies the implacable struggle for state power by the international working class, a struggle betrayed at every turn by the Stalinists and social-democratic reformists, the Castros and Tony Benns. If Castro thought about it, it might seem strange to him that we Trotskyists are dedicated to the rationally planned revolutionary future in which some of his speeches make sense. ■







# WORKERS VANGUARD

## Victory at River Rouge!

# Auto Workers Drive Out KKK-Hooded Foremen

DETROIT—Auto workers at Ford's giant Rouge complex won a big victory when they succeeded in driving out of the Dearborn Assembly Plant (DAP) two supervisors who had committed an outrageous racist provocation. They also forced the company to drop the threat of reprisals against workers who had protested the foremen's actions.

The incident, which received wide press coverage in Detroit, occurred on September 27 when the foremen, Tim McKulen and Fred Beinke, paraded around the DAP's trim line wearing cone-shaped hats bearing the letters KKK. Workers at Rouge—with its workforce of 30,000, 45 percent of whom are black—were outraged at this obscene spectacle. One black worker put it bluntly: "I'm from Birmingham and I know about those church bombings and cross burnings. The union should run their asses out of the plant." The following evening six workers in the trim department walked out, briefly shutting down the assembly line.

Subsequently, union militants—black and white, skilled trades and production workers—initiated a petition demanding that United Auto Workers (UAW) Local 600 mobilize to ensure that McKulen and Beinke be fired and driven from the auto industry and that the threat of disciplines against the six workers who protested this racist insult be dropped. Dozens of petitions were circulated throughout the plant. In 48 hours over 1,000 signatures were collected and delivered to Local 600 president Mike Rinaldi. Finally, after militants had publicized the success of the petition drive, both to the plant workforce and to the Detroit press, the union announced on October 11 that "General Foreman Tim McKulen and Foreman Fred Beinke have been relieved from their positions in the Dearborn Assembly Plant." It added that the six workers who walked off the trim line would not be disciplined.

The victory electrified the plant. Frank Hicks, a white skilled tradesman who was one of the initiators of the petition and who along with black worker Richard Crutchfield had broken the story to the Detroit press, told *WV*: "The mood in the plant was, 'We did it and we can change things.' For the first time in a long while workers at Rouge

had a sense of what the union could be like if it used its power. Day in and day out workers face racist harassments, speedup, overwork, layoffs, and the union leaders tell us that we can't do anything about it. But this victory changed that. People were angry that the union had hacked down on the demand to fire the foremen and that the company agreed only that they be transferred out of the DAP. But the response to that was, 'I hope they transfer them to my department. They wouldn't last five minutes.'"

"I didn't think we could do it, but we really have the power," one black worker told Hicks. He's right. When Rouge workers drove the two KKK-hooded foremen out of the DAP, they set an example of how to deal with the Klan, the Nazis and other racist vermin. It gives the lie to the union bureaucrats, the liberals and fake-lefts who preach impotent peaceful protests, reliance on the courts and cops and appeals to the companies to clean up their own house. Rouge demonstrates that the organized workers movement, when it mobilizes its considerable forces, can sweep away the fascist, racist, labor-hating scum.

### No Thanks to the Bureaucrats

But the victory at Rouge was no thanks to the union bureaucrats at Local 600. Eager to maintain their cozy relationship with the company, particularly at a time when they were working hand-in-glove with Ford to ram through the sellout contract, the union hacks would rather have had these racist foremen keep their jobs than mobilize the ranks of the UAW in struggle. It took two weeks for the UAW to get rid of these foremen. Even after the petition had been submitted, McKulen was officially "on vacation," while Beinke continued to work in Trim. The company, while expressing "regret" over the incident, repeated the foremen's alibi that the incident had been a joke. Ford also continued to threaten that the six protesters might be disciplined. Only after the story of the petition drive was broken to the media with a front-page article in the *Detroit News* (10 October), kicking off a harrage of press, radio and TV coverage, did the backroom maneuvers to quietly bury this KKK provocation come to an end.



UAW militants Frank Hicks (left) and Richard Crutchfield petition to drive out Ford's Klan-hooded foremen.

Now claiming that the company had hacked out of a deal to transfer the foremen out of the plant and drop the threat of reprisals against the six militants, Local 600 president Rinaldi demanded the firing of the foremen and threatened that the 4,500 workers in the DAP would strike if the six were disciplined. UAW vice president Ken Bannon, head of the union's Ford Department, endorsed the demand to fire the foremen. Rinaldi and Bannon knew they were sitting on a powder keg that threatened to touch off the accumulated rage of a workforce subjected over the past year to 58-hour, six-day workweeks, speedup and racist harassment. "There are jokes and there are jokes," Rinaldi told the press, "but you don't joke with people who are tied to the line on ten-hour shifts."

After the agreement was reached with Ford, Local 600 vice president Ernest Lofton alibied the failure to fire the foremen outright by claiming, "Our position has been that while we don't condone their [the foremen's] actions, it is up to the company to take care of their disciplinary matters" (*Detroit Free Press*, 13 October). If it had been left up to the company—and Rinaldi, Lofton & Co.—Beinke and McKulen would very likely still be working in the DAP, and the six protesters would have been disciplined. As a number of workers said, "They wouldn't have done anything if the people at the gate hadn't started the petition." It was the bold action of the union militants that led to the victory.

All along, Rinaldi had been trying to sell the contract with the line that "you can't strike during a recession." But when he was compelled to threaten a strike in defense of the six workers, he was forced to demonstrate in practice the real strength of the strike weapon. Nothing could have made clearer the fact that the union's power lies not in paper grievances, endless negotiations or deals with capitalist politicians, but in its strategic position in the economy and its ability to bring production to a standstill through strike action.

The union leadership has also failed to condemn the vile activities of the so-called "Brass Knuckles Caucus," a clandestine outfit that grinds out hate leaflets threatening violence to socialists. While they claim they are neither racists nor tied up with management, they called the foremen's racist provocation "hilarious antics." Operating under the cover of anonymity—like the anonymity provided by the Klan hood—these cowardly scum are afraid to reveal themselves to the Rouge workers whose interests they claim to represent. Thus far they have focused their threats of violence and "symbolic crucifixion" on one supporter of the Committee for a Militant and Democratic UAW (CMDUAW), a small opposition grouping. However, their threats are an attack on every black worker, on every worker who demanded the firing of McKulen and Beinke, on every worker who would raise his voice against company harassment. There is no room

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**USWA Rally  
Defends  
Anwar**  
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