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# third world

Bimonthly • Number 1 • April/May - 1986

# MEXICO

THE END  
OF AN  
ILLUSION

The Second  
Petroleum Shock

SOUTH AMERICAN  
WAR TAKES  
TO THE STREETS

*equivoco*



**IN THE DEVELOPMENT OF OIL INDUSTRY FOR  
THE RECONSTRUCTION OF ANGOLA, SONANGOL  
LIVES THE FUTURE OF ANGOLA**



**SONANGOL**

**SOCIEDADE NACIONAL DE COMBUSTÍVEIS DE ANGOLA  
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## Dictators and Dominoes: Falling in Sequence

In a matter of a few weeks, two dictatorships which the United States had supported over the past decades finally tumbled down last February.

Paradoxically, both downfalls — those of Ferdinand Marcos in the Philippines and Jean Claude Duvalier in Haiti — were handled, organized and executed from the very political center which had always protected them: the White House. By retiring old dictators with a long and discreditable list of services rendered to Washington, the US government has inaugurated a new strategy to deal with unpopular partners.

To prevent local dissatisfaction in the Philippines and Haiti from triggering revolutions in the Nicaraguan and Iranian styles, Ronald Reagan decided to evacuate Marcos and Duvalier from their respective countries before things got too bad. The new regimes replacing them in Manila and Port au Prince are far from being inimical to the White House. US influence in both countries was not in the least affected by the changes in government. But while trying to avoid the worst of two alternatives, the State Department was also playing a risky game. It will not be easy to control the numberless frustrations cumulated over the years in the Philippines and Haiti now that democracy is back in fashion once more.

This issue of our magazine was about ready to go to press when the fates of Marcos and Duvalier were definitely sealed. Data were still insufficient for an

in-depth analysis of the situation in either country. But they were enough to justify the prediction that the future of dictators in other countries such as Chile, Paraguay, South Korea, Liberia and Indonesia, as well as South Africa's racist regime, will not be any too rosy from now on. Washington does not seem willing to risk supporting them indefinitely, even if by replacing them the US government may contribute to the liberation of social and political forces which repression and violence has subdued for many decades. The White House knows it has no options. The Shah and Somoza cases were very clear in this regard.

In this first regular issue of our English edition's new phase, we resume our activities under the expectation of new changes in highly unpopular regimes in the Third World. It is no less true, however, that the threats against the sovereignty and development of Latin American, Asian and African countries do not stem only from the submission of a few dictators to their foreign bosses. They also stem from frustrating economic structures such as that of Mexico — a country now plagued by a combination of foreign liabilities, falling oil prices, and the consequences of a catastrophic earthquake. Also in this issue we highlight the adverse effects of the marked drop in world fuel prices, as a result of a maneuver staged by rich consumer countries and which will undoubtedly increase the economic vulnerability of Third World oil and non-oil producing countries.

third world contains information on and analysis of the conditions and aspirations  
of emerging nations, with the aim of consolidating a New International Information Order

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Bimonthly

April/May - 1986

Number 1

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phone 242-1957 telex (21) 33054 CTMB-BR

Printed by: Grafica Europam Lda

2726 Mem Martins (Codex) Portugal

Circulation: 2,000 copies

Registered under the nr. 789/82

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Departamento de Edição-Difusão do Livro e  
Disco, Conselho Nacional da Cultura, Bissau.  
HOLLAND: Athenaeum Boekhandel, Spui 14-16,  
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Montevideo. VENEZUELA: Publicaciones  
Españolas. S. A., Caracas.

Cover: Abaeté Propaganda

## 7 Letters

## 8 Tricontinental Panorama

## 14 Editorial – OPEC's Price Wars – Third World Consequences

## 16 Cover Story – Mexico: The end of an Illusion

18 Voters Lethargy, *Josefina Morales*

23 Debt as Burden, *Ignacio Hernández*

28 After the Quakes – Picking Up the Pieces

## Latin America

33 Cuba: Socialist Self-Criticism, *Roberto Remo*

39 Brazil: An Uncertain Economic Shift, *Carlos Castilho*

## Africa

43 South Africa: Streetcorner Crossfire, *Tony Weaver*

46 Apartheid's U.S. Lobby, *Anne Newman*

50 Angola: Reagan's Alliance with Terror, *Neiva Moreira*

52 SADR: Ten Years After, *Beatriz Bissio*

## Economy

57 Petroleum Shock – Part II, *Pablo Piacentini*

61 Economic News

## Environment

63 The Dirty Side of a "Clean" Industry

## Women

67 Demystifying Modernism, *Zakia Belhachmi*

71 Third World Books

## Culture

73 The Unpublished Letters of Eduardo Mondlane, *Baptista da Silva*

78 Cultural News

## Communications

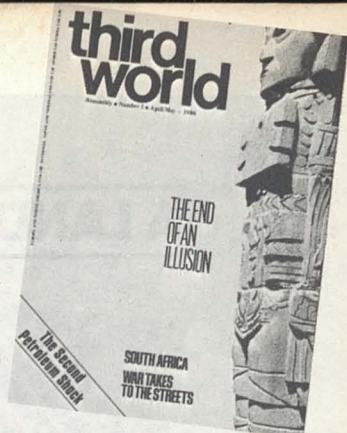
79 Radio as a Weapon in the East Timor War, *Guiomar Belo Marques*

82 Third World Newsletters

84 Rambovision: TV's Changing Role Models, *Roberto Machado Junior*

87 Special/Sports: The Market Rules, *Garry Whannel*

96 Humor: *Jorge Arbach*



Cuba: Fidel's new strategy



South Africa: the war has taken to the streets



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# THIRD WORLD GUIDE

HISTORY • GEOGRAPHY • ECONOMICS • POLITICS

Le Monde Diplomatique, August 1985

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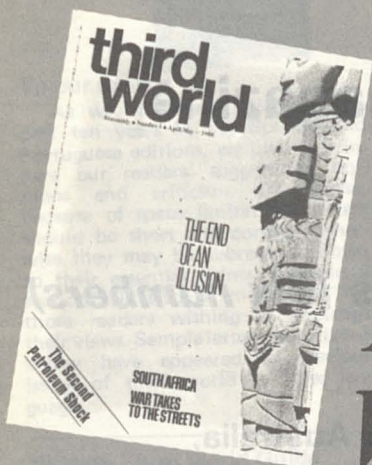
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• A THIRD WORLD POINT OF VIEW



# A Third World Viewpoint

*third world is different from other publications on Third World affairs. Our offices are not located in Europe or in the USA. In terms of technical resources, this may be a disadvantage. But there is also a fundamental advantage: we can feel, interpret and reflect more clearly what happens in the Third World because we live here, and what we report is part of our daily experience.*

*Our editors, correspondents and contributors share a cultural heritage and a professional background stemming from a common struggle to emphasize and promote Third World values. Because we live through local Third World conditions, we can more easily detect any distortions and misinterpretations which often appear in foreign analysis of Third World events.*

*We are not a magazine on the Third World, but of the Third World. Our publication has been in existence now for more than ten years, and has gradually grown into four different editions in two languages Spanish and Portuguese. We have now added a fifth edition in English. As our reader, you are invited to share in our efforts by becoming a subscriber and a friend. See further information on the back of this page.*



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## To our readers

As we have been doing for the past ten years in our Spanish and Portuguese editions, we plan to print here our readers' suggestions, opinions and criticism. Of course, because of space limitations, letters should be short and concise; otherwise they may be abbreviated down to their essential points. A separate section will also be maintained for those readers wishing to exchange their views. Sample letters reproduced below have appeared in previous issues of third world in other languages.

## 1984-85 Third World Guide

I believe the Guide will meet a need which was being felt not only by academic personnel, but also by those segments of the public interested in the "periphery." In spite of massive "counter-information," a growing number of people are becoming aware that interests at the North and South are largely intertwined.

**Keith Buchanan** — Professor Emeritus — Gwynedd, Wales, Great Britain.

My colleagues and I find the Guide an extremely useful and valuable publication.

**Belinda Coote** — OXFAM — London, Great Britain.

Our staff's response to the 1984-85 Guide was very positive, given its content and perspective.

**Clare Dixon** — Catholic Fund for Overseas Development — London, Great Britain.

The Guide is of great interest to Unctad. ... It is now circulating among our Secretariat's various divisions and programs. We will send you any constructive comments or suggestions we may have.

**I. Dioumoulen** — Relations Unit — Unctad — Geneva, Switzerland.

I believe the Guide can do much to promote Third World interests.

**Satish Kumar** — Professor of Diplomacy — Jawaharlal Nehru University — India.

## The Brazilian "New Republic" and Land Reform

I don't care if this letter has little or no weight on the capi-

talist system that has made thousands of victims among Brazilian peasants in the past five years. It is intended first of all as a denunciation before the 70 nations where your magazine circulates, and it is also a testimonial to the story of Brazilian men and women who have been subjected to the most outrageous kind of slavery by large farmers and landowners, as well as by business enterprises and the truculent action of the Brazilian government.

A real genocide is taking place in rural Brazil. In 1981 a total of 100 people were brutally murdered; this total was 72 in 1983 and 116 in 1984. All the victims were small farmers, rural workers, labor union leaders and lawyers. With the advent of the "New Republic" which includes among its priorities a "land reform" and "rural peace," the Brazilian people believed that such war had come to an end. To the whole country's shame, however, the situation deteriorated: from January to October 1985 a total of 131 people have been murdered in rural areas, including three priests. Their assassins, all of them large farmers and landowners who used to commit their crimes under careful cover, now plan their assaults in the open (with the support of dominant newspapers), and have created their own institutions, such as the "Association of Rural Producers", throughout the country with the purpose of financing killings and legal assistance to the killers. This is the same association which auctioned a lot of 1,400 head of cattle in Goiânia on September 28 for almost Cr\$ 2 billion.

In Conceição do Araguaia, State of Pará, judge Enivaldo Gama Ferreira admitted on June 7 that there was "evidence" that farmers in the south of the state were investing some Cr\$ 5 billion in the overnight market; the proceeds of such investment were intended for the purchase of guns and ammunition for armed private militiae (see *Correio Brasiliense* of June 8, 1985, page 8).

These landowners' outrageous plans are already under way, as witnesses the carnage which took place in Marabá, State of Pará, in the first week of October. The bodies of the murdered small landowners were mutilated, tied together and thrown into a river. At Bico do Papagaio, in northern Goiás, where an entire settlement of 33 houses was

burned to the ground by large landowners last October, it is impossible to count the number of the dead. New murders have occurred every week. Here in Carmo do Rio Verde, a sugarcane area in center-south Goiás, labor union leader Nativo da Natividade Oliveira was shot in the back five times on October 23, dying at the door of the very labor entity he directed. In the State of Maranhão, small landowners are engaged in three major battles in response to such violence. So far the number of casualties remains unknown, since the authorities are still investigating another mass slaughter which took place in the latter half of October in the Arame region.

The tormented outcry of Brazilian peasants for Land Reform has had no answer from President José Sarney, a former Governor of the State of Maranhão and himself a large landowner. Sarney's name is still stuck in the throat of many natives of Maranhão, such as Manoel da Conceição, a victim of land grabbing and repression. (As a labor leader, Manoel da Conceição was arrested several times by Sarney's police in the 1960s. To escape death, he sought exile in Geneva, Switzerland. He now lives in Pernambuco, having had one of his legs amputated as an outrageous souvenir of police violence.)

The so-called National Land Reform Plan is nothing but a farse. Its "application" will be more of a matter of national security than of actual land reform.

Let the world know that Brazilian peasants are not even allowed to own hunting weapons. Even their kitchen knives are confiscated by the police, together with their work implements. Meanwhile, large farmers protected by the governmental powers form their own private armies, publicly displaying their heavy weaponry, including sophisticated guns designed exclusively for use by the Army.

And let all Third World readers know that, on their turn, Brazilian peasants, forced by such circumstances and by the indifference of Brazilian authorities which has been contributing to violence and murder, have decided, at the risk of their own lives, to carry out their own Land Reform. They are organizing for this purpose, and their persistence is stronger than the reign of death.

**Francisca Santos** — Itapuranga, Goiás, Brasil.

## Tricontinental Panorama

### The Philippines: Cory's Dilemmas

☐ Affectionately known to all Filipinos by her household nickname, "Cory" Aquino spent most of her life as a peaceful housewife who happened to be married to a moderate political leader. All of a sudden, her husband's name made the headlines throughout the world as he was assassinated in 1983 by a gunman at the service of then-dictator Ferdinand E.

to respond to. Foremost among these is the mixed nature of her cabinet which congregates a few opportunists who quickly changed sides as Marcos' disgrace seemed imminent, as well as a few liberals in the US style, a handful of powerful entrepreneurs, and some longtime enemies of the old regime. Minister of Defense Juan Ponce Enrile, for one, was for many years a

Philippine political scene, one of Cory's first steps was to ignore the admonishments of her top advisers and order the release of several communist militants who had been jailed by Marcos, among them certain leaders of the New People's Army (NPA), a guerrilla organization which largely controls the hinterland. Their release was frowned upon by Cory's Minister of Defense, whose goal is to turn the NPA into the number one public enemy now that Marcos is no longer a shooting target.

A second decision of the new Philippine president which has caused much displeasure among business circles and the economic elite is a proposed "revolutionary" program which would change the country's social structures. In addition, the new government has publicly announced that charges of corruption involving the former dictator will be thoroughly investigated. Yet any such investigations are bound to meet serious opposition, since many of Marcos' old partners remain in power — not to mention the fact that certain members of the influential Aquino family were themselves involved in a number of shady transactions in the past.

The national euphoria following the end of the Marcos dictatorship is expected to last a few months, giving Cory sufficient time to attempt to consolidate her position. In the economic area, however, that time may not be enough. Heavy external indebtedness (US\$ 27 billion) inherited from the Marcos days may force her to take unpopular measures in the area of wages and salaries. On its turn, the entrepreneurial elite,



An "L" for Laban (fight) Cory's campaign symbol, is now her ruling slogan

Marcos. In the three years that followed, Cory found herself transfigured into her country's most galvanizing political leader and a living symbol of a nationwide uprising against the Marcos dictatorship. In the end, Cory won by popular acclamation a presidential mandate which the old dictator had tried to snatch from her through electoral fraud and corruption.

As a result of her victory, Cory now faces a number of challenges which her late husband Benigno Aquino knew only too well but never had the chance

to respond to. Foremost among these is the mixed nature of her cabinet which congregates a few opportunists who quickly changed sides as Marcos' disgrace seemed imminent, as well as a few liberals in the US style, a handful of powerful entrepreneurs, and some longtime enemies of the old regime. Minister of Defense Juan Ponce Enrile, for one, was for many years a

mainstay of the Marcos dictatorship, having amassed a fortune through a network of corruption he himself built under cover of Marcos' state of emergency. The new Minister of Finance is a prosperous businessman called Jaime Ongpin, who is also president of the Benguet multinational mining company; and Cory's Vice-President, who also acts as the country's Prime Minister, is Salvador Laurel, a man who learned his political ways under the Marcos regime. Being a relative newcomer to the

with strong links to the United States, has been very reticent in regard to her "revolutionary program," the details of which were still not precisely known as this issue went to press by mid-March.

Another crucial problem for Cory Aquino is bound to be the military question. Though the NPA staunchly supports the new government, it is not willing to demobilize — especially as its leaders point to the large number of the old dictator's cronies who have remained in power. The Army, under the command of General Fidel Ramos, one of the leaders of the rebellion which spelled the end of the Marcos regime, will not hear of coexisting with

the guerrilla. Ramos has hastened to announce that he will speed up his Army's reform to fight the NPA with renewed efficiency. For some political observers, this may eventually lead to a clash between Cory and Ramos.

The political balance of the Corazon Aquino government is thus open to question and will basically depend on how much popular support she proves able to marshal. The impressive mobilization of Filipinos in street demonstrations which led to the end of the dictatorship constituted the powerful force which changed overnight the entire history of the nation and installed Cory as president. To cater to those millions of Filipinos, as well as to the

brave thousands who gathered into a human wall and frustrated Marcos' attempted countercoup, Cory will have to take strong measures in the areas of human rights and the economic well-being of wage-earners. In both these areas, any advances made by the new president is bound to face considerable reaction within her own cabinet, which will almost certainly require her to get rid of not a few ministers. Yet she still cannot count on a sufficiently strong party organization to carry out such a purge. Any progress in that direction will necessitate a stronger alliance with the Philippine Left, or she will risk losing her hard-earned popular support.

## Haiti: Operation "Dechouke"

□ In the creole version of French spoken by the Haitian people, *déchouke* means something like "tearing an evil by the roots." And this is precisely what Haitians have begun to do since former dictator Jean Claude Duvalier fled from the country, thus ending one of the cruelest and most arbitrary regimes in Central America. A variation of the word, *déchoukage* now refers to the purge of Duvalier's cronies who managed to survive the change in government which was so closely controlled by the United States.

Yet four of the six members comprising the new Governmental Council (CNG) led by General Henry Namphy held major positions during the Duvalier era. The only member with a clearly oppositionist background is Gérard Gourgue, who was named Minister of Justice following strong US pressures for the inclusion of civilians in the new government as a means of somehow counterbalancing

the overwhelming majority of old participants in the 28-year-long Duvalier regime.

Outstanding opposition leaders believe the *déchoukage* will be a long and difficult process. In addition to retaining former government officials in key

posts, the US keeps a firm eye on Haitian developments. At no time during the crisis which led to the change in government did Washington lower its guard, having dispatched 34 warships, including the *America* aircraft carrier, to the Haitian coast when the situation there reached its most critical point.

Since most of the opponents of the Duvalier dictatorship had been forced into exile, the remaining domestic opposition failed to play a dominant role in the crisis. Only after the dictator's fall have they begun to reorganize. Spontaneous forms of popular mobilization have



General Henry Namphy and his ruling staff inherited economic chaos

appeared in many towns, as is the case in Gonaives. Located 150 kilometers north of Port au Prince, this town of 30,000 people is a kind of historic mark in the Haitian people's struggle for independence. The people's rebellion against Duvalier began in Gonaives in November of last year after three students were killed by the Tonton Macoutes, the old regime's infamous secret police organization. After the downfall of Jean Claude Duvalier, popularly known as "Baby" Doc, hundreds of people could be seen wearing T-shirts with the words "Thanks, Gonaives."

Gonaives students have created

district committees and launched a campaign under the motto *Chak 4 ans*, an expression meaning "every four years" in the creole language. The campaign's goal is to demand general elections every four years with candidates from every party. The demand has now become a basic point in the political campaign for the Constitutional Convention called by the CNG.

Certain Caribbean diplomats believe the country may head in one of three different directions in the immediate future: 1) with US support, the military may develop a taste for power and try to remain in the government

as long as possible; 2) the local bourgeoisie, mostly mulattoes who also count on US support, may try to take over power; however, they are poorly organized politically and will meet the strong opposition of the black population, a poorer class which for many years was subjected to a paternalist regime; 3) the civilian, democratic opposition may be strengthened during the campaign for the Convention and eventually win the elections; this, however, will require a minimum of one or two years to allow for party reorganization and the establishment of anything resembling a reliable electoral system.

## From Hong Kong to the Bolivian Plateau

□ The Bolivian government is about to approve the entry of 5,000 Chinese families who are eager to leave their native Hong Kong as the People's Republic of China prepares to recover the territory it was forced to leave in British hands for 99 years.

The arrival of the 5,000 immigrant families will be the object of an agreement under which Bolivia will be paid a given amount of money per immigrant, with the assurance that every one of them will be prosperous businessmen determined to invest their capitals in the host country.

The offer seems tempting to the Bolivian government, bent as it is on procuring new resources as pragmatically as possible, especially after the delay on the part of international organizations in granting new loans to a country which has followed to the letter all the conditions required in the past by international financial entities.

The project has found its 10 — third world

most enthusiastic advocate in the Bolivian Minister of Migration, lawyer Willy Sandoval, who was a leftist militant in his youth, an associate of Colonel Arce Gómez during the García Meza regime (1980-82), and is now a member of the ruling party. His enthusiasm is apparently shared by the country's Minister of the Interior, who has pointed out that Bolivia suffers from a population shortage and badly needs to install new settlements along its borders for both economic and security reasons.

Few disagreeing voices have been heard to date, among them that of the president of the House of Representatives, Gustavo Encinas, a center-leftist militant of the Movement of the Revolutionary Left (MIR). Encinas claims that the project jeopardizes the Bolivian national heritage by extending to immigrants a number of areas containing natural resources and reserves.

The most serious objection

to the project, however, may come from technical experts. Though these have remained silent so far, ALASEI is perfectly aware of opinions and conclusions of studies performed on the matter, all of which question any advantages of new foreign migration inflows, and at best would establish certain conditions which do not seem to coincide with the possibilities of the potential Chinese immigrants.

Some of the requirements deemed desirable by the authors of such studies are that the new arrivals must not compete for jobs with the local labor force, should be able to generate new jobs in productive areas, must be willing to settle in uninhabited regions, and be able to adjust to the country's social and cultural patterns.

The authors conclude, however, that even if the potential immigrants do meet all these requirements, they are likely to adopt a high-profitability course of conduct and thus reinforce the many-tiered, multi-conduit and highly speculative development pattern which the country has witnessed in the past few years.

In backing up their conclusions, the studies refer to an assessment of previous Bolivian experience with immigrants. Even such successful settlements as those of Japanese farmers in the 1950s developed a trend to send their descendants to compete for jobs in urban centers. In addition, more recent Korean immigrants have almost exclusively embraced commercial activities that are speculative *par excellence*.

On the other hand, it seems very unlikely that the potential Hong Kong migrants will accept the Ministry of the Interior's requirements of settling in uninhabited areas and help to establish Bolivian sovereignty at the frontiers, since most of them will be businessmen ac-

customed with dealing with large consumer markets and investing in stocks. They can hardly be expected to settle in areas where infrastructures and services are lacking, many of them comprising unhealthy, virgin lands which have yielded only to the firmness of hardy Bolivian Indians.

The options thus seems to be very clear: either to settle the uninhabited areas and reinforce the country's frontiers using foreign immigrants whose interest in such tasks is at best doubtful, or to do it through an aggressive population redistribution program. Experts tend to favor the latter choice, while the government seems to prefer the first. Politicians on both sides seem to be well enough informed to judge which is best.

children, their movement gained a new political expression. Now the black students are demanding the end of the state of emergency, the liberation of political prisoners, legal status for the South African Students Congress, the withdrawal of police forces from the black townships and the creation of democratic school councils — otherwise they will not return to their schools. Instead of attending classes, black students in Soweto, Crossroads, Alexandra and Uithagen spend their day in demonstrations against the police, following the moves of governmental agents, and serving as messengers for the people's organizations which have developed into real autonomous social entities in South Africa's poor districts since September 1984.

The police tried to force students back to schools by arresting as criminals all children below ten years of age found on the streets during school hours. Predictably, such repression failed, with the result that the boycott organizers gained in prestige and became even more defiant of white policemen. The black students movement has now assumed nearly paramilitary features, especially in Capetown.

The African National Congress (ANC), the largest black organization in the struggle against racism, plans to make the black townships ungovernable for the apartheid system. Though this aim has not yet been fully achieved, white authorities themselves admit that South African black schools have already become ungovernable.

## South Africa: a 420-day Strike

□ The boycott of schools in practically all black townships in South Africa is proving to be the most protracted strike in South African history and is bound to extend at least until next July, when the Soweto students rebellion's tenth anniversary will be the object of new student demonstrations. Children five to 15 years of age have adhered to the boycott which is bringing chaos to the apartheid educational system in black areas, and appears to be the best organized form of resistance to the racist regime since the popular insurrection of September 1984.

Over 1,000 students have already been arrested by the police, some of them six- and seven-year-olds. The boycott originated as a protest against the wretched conditions prevailing in black public schools. While the government spends US\$ 500 per student per year

in all-white schools, expenditures with black students are restricted to US\$ 60 per year. The situation is even worse in the so-called Bantustans, where governmental expenses with education are a measly US\$ 45 per student annually.

As the protests of the black majority against apartheid were assimilated by boycotting chil-

Students' mobilization will continue until July, or until the tenth anniversary of the Soweto upheaval



## Palestine: Land Extortion in the Occupied Territories

□ Prominent Likud political figures — Michael Dekel, Deputy Minister of Defense, to mention only one — are currently being investigated by the police as involved in practices of fraud, extortion and corruption in regard to land transactions in the Occupied Territories. The affair is turning into a major political and economic scandal. It may compromise Israel's Right (especially the Likud) and even more important Israel's entire settlement project.

construction firms began an unprecedented advertising campaign in the media (in 1981-1984) aimed at luring Israelis to buy land and build villas in the unpolluted air of "Yehuda" and "Shomron."

Thousands of Israelis responded to the tempting advertisements offering plush villas for a mere down payment of three thousand dollars, with promises that the government would cover the balance of the cost. Bus tours chartered by



Camera Press

Several Israeli politicians are involved in corruption in the occupied lands

Official documents uncovered by the police reveal that during Dekel's tenure as Deputy Minister of Agriculture (heading the Ministry's Department of Settlement) in Begin's and the Shamir's governments (1981-1984), his assistants distributed among leading Israeli contractors "letters of intent" to the effect that the government approved the construction of settlements in certain regions in the Occupied Territories. This, it now turns out, the government had never sanctioned. On the basis of these "letters of intent" private Israeli

Likud functionaries brought potential buyers to mountaintops and valleys in the Occupied Territories. Land was parcelled out on the spot. Law firms, many of them affiliated with the Likud (such as the Law firm of the now Deputy Minister of Foreign Affairs, Roni Milo, a close protégé of Yitzhak Shamir) made enormous sums of money in commissions by attending to the legal details of the contracts between buyers and contractors. The latter 'kicked back' some of their profits to the Likud party apparatus

on the eve of the last elections in June 1984.

When after two years they had not yet received delivery of their goods, hundreds of Israeli buyers lost patience, demanded their money back, and complained to the police. It was out of these complaints that the Pandora's box of shady deals and fraud were publicly exposed. Violence was also used, but only against Palestinian peasants, legal owners of the lands, the forged titles of which Israeli contractors deviously acquired from Jewish and Arab land speculators.

Before actually reaching the hands of the purchasing public, the deals passed through four-five middlemen, each one making a profit, and almost all of them — including collaborationist Palestinian land speculators (Ahmed Udeh) — donating portions of their illgotten gains to the Likud. The truth of the matter is that segments of the Israeli public have only themselves to blame for ever considering living in the territories under a state of occupation. And it is only because that public is Israeli that the whole affair has blown up to its current proportions.

For years, Palestinian peasants have lodged official complaints with local military officials (many of whom have in the meantime changed occupations, becoming themselves land speculators) to the effect that their lands had been removed from their possession by means of fraud (counterfeit signatures) and violence. Assistant to the Attorney General, Yehudit Carp, published a report (1983) whose findings showed, among other aspects of the occupation, serious misdealings in the acquisition of land in the West Bank and Gaza Strip. Her report was shelved by the then Likud government. Police investigations of the peasants' complaints were blocked.

In 1983, State Attorney

officials criticized Michael Dekel's (the then Likud Deputy Minister of Agriculture) "letters of intent" which falsely claimed that the government favored settlements on the contested regions. It is beyond doubt that the entire Likud government was well aware of the methods used in the great land grab, but these "methods" were in their eyes mere trifles, compared to the

imperative of hastily settling as many Jews as possible in the Occupied Territories.

"Creating facts on the ground" (settlements) and "arranging" the legal formalities later has, after all, been the underlying philosophy of Labor and Likud governments' settlement policy since the beginning of the occupation. Whereas labor governments (1967-1977) had seized

close to 30 percent of Palestinian lands, largely by means of state expropriations, the Likud (1977-1984), desiring to hasten the process, has allowed since 1979 private companies and individuals to participate in the land grab. Fraud, corruption and violence has accompanied the history of the land grab since 1967. (*The Other Israel Newsletter*)

## Chile: a New Urge for Democracy

□ The Chilean National Workers Command (CNT) is arranging to call "a political strike on behalf of democracy" sometime this year. CNT General Secretary Arturo Martínez revealed that the decision had been prompted by "a deterioration in 1985 of the political, social, economic and moral crisis forced upon the country by the military dictatorship."

In a reference to the challenges facing the CNT in the short term, Martínez said that "1986 will be a year of social mobilization culminating in a massive popular rejection of the Pinochet regime and the demand to put an end to it." He emphasized that "the responsibility for calling a strike on behalf of democracy lies not only with the CNT but with all organizations committed to the Chilean people."

On their turn, Chilean political parties are contemplating the formation of an all-inclusive opposition front. The People's Democratic Movement (MDP) — congregating the Communist Party (PC), the Left Revolutionary Movement (MIR), a socialist group and independent leftist sectors — is attempting to revive negotiations with the Democratic Alliance (AD), since previous negotiations have so far

failed to produce any positive results. The AD comprises liberals, republicans, social-democrats, radicals, Christian-democrats and still another socialist faction.



Striking for Chilean democracy

A problem which has persisted since last year is the refusal of the Christian-Democratic Party (PDC) to enter into any agreement encompassing the Communist Party, "as long as the PC continues to advocate the armed struggle proposed in the 1980 Party Congress." A PC document which circulated among Chilean press officials late last year announced that the party was bent on promoting "a national insurrection plan (in 1986) aimed at ousting the Pinochet dictatorship." The document added that the PC and a recently formed

movement named the Manuel Rodríguez Patriotic Front — a leftist armed organization — "have considerably improved their fighting power and stepped up their destabilizing maneuvers." "Our party is willing to examine any pertinent problems," say communist spokesmen, "including any tactics that may be used in a confrontation with the dictatorship. Our aim is to attain an all-inclusive political unification." As for Christian-Democrats, they prefer to advocate "peaceful resistance and growing social mobilization to put Chile back on the path of democracy."

Both the AD and MDP aim to restore "institutional normalcy" in the short term, and believe that 1986 "will be a decisive year for popular mobilization." Their common stand has increased the negotiators' optimism in relation to the establishment of a unified opposition front.

According to spokesmen for the opposition, the next step will be to reach an accord between such vast segments of Chilean society as workers, students and professional associations on the need for "a national strike in favor of democracy" as proposed by the CNT. Political observers believe that, as of March, a head-on confrontation between the government and the opposition may occur with the active participation of the CNT.

## OPEC's Price Wars and the Third World

The sharp drop in oil prices in late 1985 and early 1986 represented a major setback for the group of 13 nations that have been attempting to establish fairer trade relations with the rich industrial countries. When they joined hands to create the Organization of Petroleum Exporting Countries in 1973 and set up new price and production ceilings for their vital raw material, they were for the first time rising against the age-old scheme of economic domination of the less developed countries by the industrial powers of the North.

Relations between the world's economic centers and the so-called periphery have historically been unequal. A review of the terms of world trade point to a long-run price deterioration of raw materials versus manufactured products, leading to an increasingly unequal distribution of wealth between North and South which tends to perpetuate and aggravate the development/underdevelopment manichaeism. By challenging such state of affairs, OPEC established a fruitful precedent: the same kind of coordinated action has since been taken by other Third World countries in the case of several commodities. The rich countries' immediate response to the OPEC challenge was to adopt energy strategies intended to destroy the newly-attained political and economic prominence of the major oil exporters. Since then OPEC has lost a number of battles, but it would be premature to say that it has lost the war. It is a known fact that, over the past four years, its members countries have repeatedly failed to control oil supply and prices, but so far OPEC's enemies have fallen short of eliminating or replacing the organization.

No matter what the future may bring in the war between oil exporters and consumer countries, it is true that the sharp decline in fuel prices has already introduced major changes both in the area of energy and in the world economy

in general. Between mid-1985 and early 1986, oil prices dropped by more than 30 percent, against an 11 percent decline in the prices of other commodities. On the other hand, the recession-induced decline in world demand for most raw materials has further slowed the economic growth of developing countries. In the process, the latter's foreign debt has soared to alarming heights, while pressures have mounted in developed nations against Third World efforts towards development and decreased dependence on the traditional capitalist centers.

While the world recession did cause considerable harm to the economic well-being of the great powers of the West, they eventually saw a reversal of the trend and are now enjoying a gradual recovery process. Third World countries, on the contrary, not only experienced much greater losses but also find that, in spite of the slow world recovery, they are now more dependent on the industrial North than before. Their relations with developed countries have become even more unfavorable since the enforcement of new US trade regulations and the adoption of the Baker Plan. Both aim to impose, by means of trade retaliations and IMF and World Bank conditionalities, "a world system still more vulnerable to the penetration of transnational corporations under US hegemony.

At a time when underdeveloped countries vitally need to promote their exports and secure new credits, if they are to avoid the disruption of their developmental projects and avert bankruptcy as a result of exorbitant foreign debt servicing, the US has decided to make the import of their products and the granting of new loans contingent on the total overture of their markets. "Abandon such nasty measures of national protection," say the US and the IMF, "and open your doors to international capital and foreign-made products." Since industrializing countries cannot compete on an equal footing with the advanced nations in



the world market, the stage is set for enforcing a system which some economists have dubbed "the new economic rationalism," which is no more than an even more unequal distribution of wealth among rich and poor countries.

At bottom the US plans to emerge from the world recession by securing a foothold on the Third World's extreme need for new credits and export growth — a need brought about by that very recession, which is proving to be the longest and deepest since the end of World War II.

In this juncture, low-priced oil is a boon to the US and other advanced countries. Yet the events of the past few years have shown that the new, incipient prosperity does not lead to any noticeable improvement in the prices of other commodities. The decline in the world prices of crude will merely mean an additional, huge transfer of financial resources from the Third World to the North. The Organization for Economic Cooperation and Development, which congregates two dozens of the richest countries in the world, has estimated that a 30 percent decline in oil prices will bring them total savings of some US\$ 50 billion a year. On its turn, the *Financial Times* notes that the three largest oil-exporting debtor countries (Mexico, Nigeria and Venezuela) are currently disbursing some US\$ 15 billion worth of interest on their aggregate foreign debt.

The recent devaluation of oil prices thus places the indebted oil exporters in a dramatic situation, making it virtually impossible for them to meet their financial obligations vis-a-vis the international banks and the IMF. It will give creditor countries new opportunities to mount "rescue" operations by granting new loans, further aggravating the economic dependence of their "clients." Similar rescue operations will certainly be resorted to if any group of debtors threaten to declare themselves bankrupt, a disastrous event which would have serious repercussions in the US and lead to a series of failures of middle-sized and small banks with large Third World portfolios.

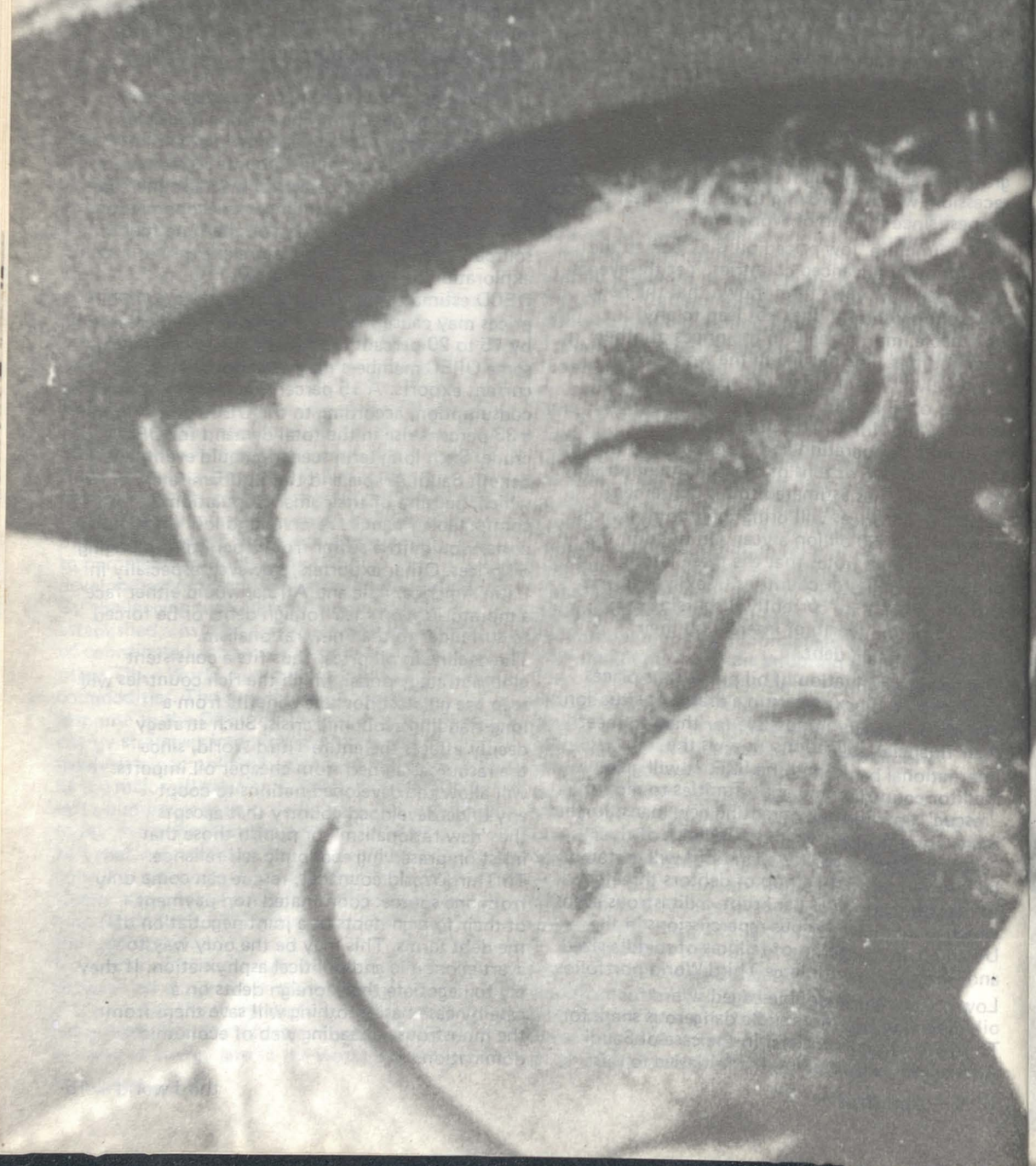
Low-priced oil is a double-edged sword for oil-importing countries and a dangerous snare for Third World oil exporters. In the case of Saudi Arabia and its Gulf allies, the initiative to raise

production ceilings which led to oversupply and price deterioration was ostensibly intended to force non-OPEC producers such as Britain and Norway to lower their production levels in consonance with OPEC members. The effectiveness of such strategy, however, is very much open to question. The ensuing price war may prove to be a long one, allowing the rich nations to pile up growing amounts of money in the meantime. OECD countries may also increase their oil consumption, finding it uneconomic to invest in energy conservation or alternate fuel sources, or to engage in the more expensive exploration of their own reserves.

OECD estimates are that a 30 percent drop in oil prices may cause world consumption to increase by 15 to 20 percent in the long run. Accordingly, some OPEC members may even double their current exports. A 15 percent increase in consumption, according to the OECD, may imply a 33 percent rise in the total demand for OPEC crude. Such long-term scenario could eventually benefit Saudi Arabia and the Gulf Emirates which, because of their small populations, comfortable financial reserves and low extraction costs, would little suffer from a period of plunging oil prices. Other exporters, however, especially in Latin America, Asia and Africa, would either face a moratorium on their foreign debts or be forced to surrender to the "new rationalism."

The decline in oil prices thus fits a consistent global strategy under which the rich countries will reap the greatest possible benefits from a long-standing economic crisis. Such strategy deeply affects the entire Third World, since the resources earned from cheaper oil imports will allow the developed nations to coopt any underdeveloped country that accepts the "new rationalism" or punish those that insist on preserving economic self-reliance. To Third World countries, rescue can come only from one source: coordinated non-payment of their foreign debts or a joint negotiation of the debt terms. This may be the only way to avert economic and political asphyxiation. If they try to negotiate their foreign debts on a case-by-case basis, nothing will save them from the monstrous, spreading web of economic domination.

# The End of



# an Illusion

*...new Third World countries have suffered as painfully as Mexico as a result of the recent changes experienced by the world economy. A staunch, fierce opponent of foreign domination and a staunch defender of a dignified form of nationalism which took its major position in international diplomacy, the Mexican people lived through a phase of economic prosperity in the country, became a petroleum exporter in the late 1970s.*

*In the 1980s, however, things went awry. First came the foreign debt shock. Mexico was the first of the so-called large Third World debtors to admit it couldn't settle the enormous liabilities accumulated abroad throughout the years as a result of the ruthless resource-draining mechanisms installed in the United States. The Mexican crisis was the first real warning to put on the alert other financially dependent countries in Latin America, Asia and Africa.*

*Then came the September earthquakes. Social, economic and political fissures underlying the Mexican society as a result of the debt were dramatically brought to the open before national and international public opinion. The dust had*

*not yet settled over the ruins of downtown Mexico City when the country was hit by the recent downward trend in oil prices. In a matter of months, Mexico lost nearly 40 percent of its foreign revenues. The illusion of prosperity had vanished overnight.*

*What happened to Mexico synthesizes a situation which, in different degrees, is also afflicting nearly all of the Third World. Not only the rest of Latin America but also Africa and Asia are closely watching to see what will become of Mexico in the future. Many Mexicans see the future of their country as depending on which one of three roads will remain open to them in their efforts to restore their national identity and renew their economic structures in the short term. Between now and December 1986, the transition may be reasonably smooth. If it isn't achieved by October 1987, a traumatic situation may ensue. And if it is postponed until July 1988, not a few Mexicans are convinced that the current system will be seriously disrupted.*

*The following in-depth study of the Mexican crisis was coordinated by Ruben Aguillar, head of the third world office in Mexico City, and prepared by National University of Mexico researchers.*

# Voters' Lethargy

*Pressed by economic difficulties, Mexican voters are skeptical after several decades of political dominance by the Institutional Revolutionary Party*

In the mid-1980s and halfway into the Miguel de la Madrid administration, the Mexican crisis remains as intractable as ever and may soon undergo a qualitative change. So far the Mexican domestic situation has been largely determined by the nature of the crisis, whose political consequences highlight sharp social conflicts. Nevertheless, these conflicts appear to be less serious than the economic consequences of the current hard times, and the Mexican regime has somehow managed to preserve its traditional political stability.

The history of the current regime, with its origins in the 1910 revolution, is one of integration of different and often conflicting social forces into a solid, one-party and virtually cooperative system, capable of meeting at least the bare needs of the Mexican population. Though opposition

parties have been in existence since the 1930s, and a parliamentary system has been adopted since the enactment of the 1917 Constitution, what has actually predominated is a presidential form of government, with a weak legislative house and a general lack of popular sympathy for the opposition.

In the late 1960s, however, it became evident that the political structure was unable to fulfill the elementary democratic ambitions of the evolving social forces. The massive repression of 1968-71 was the government's answer to the students' demand for full democracy. The workers' movement resurfaced in the early 1970s, calling both for democracy and independent labor unions. In the larger urban centers, the people's struggle reached its highest point. The peasantry and rural workers equally came to the fore to demand land redistribution and an independent organization of their own.

## Political reform

The petroleum boom of 1978-81, which was followed by an austerity program that largely affected the working class and by a sudden expansion of the foreign debt, seemed to be the solution for the recession of 1976-77. The government encouraged a number of political changes designed to accommodate into a pluralistic democracy all of the recently created opposition parties, especially those of the left. The resulting political reform was responsible for overcoming the critical situation arising from the 1976 presidential campaign, when

The Mexican labor movement resurfaced in the 1970s with a new call for democracy and greater freedom for labor unions





President de la Madrid (center) introduced changes in the regime and proposed to renew the ruling PRI Party

a single candidate, José Lopes Portillo, ran for office under the sponsorship of the Institutional Revolutionary Party (PRI).

The deepening of the economic crisis following the oil boom exacerbated local political antagonisms. By proceeding to nationalize a number of private banks, Portillo caused serious fissures to appear in the regime. Then, in December 1982, the Miguel de la Madrid government announced its major objectives: to overcome the economic crisis by adopting a readjustment program prescribed by the International Monetary Fund; to promote a moral reawakening and put an end to corruption; to strengthen the regime's ideological content along the lines of the Mexican Revolution; and to proceed with the political reform and grant further autonomy to municipal corporations, which are the regime's basic administrative and political units.

Further conflicts and contradictions, however, began to appear within the political structure itself during the economic recession following the July 1985 congressional elections and after poll results became known. In September 1985, a series of earthquakes — a national tragedy which took a toll of thousands of victims and at least US\$ 5 billion in material damages — revealed how unable the regime was to respond to the basic needs of the population, which had to organize itself to cope with the disaster.

### Why bother to vote?

After the July 1985 elections, with the renewal of seven out of 28 state governments and local

government changes in several states by the end of the year, the limitations of the political reform as a means of democratizing the Mexican society became evident.

Poll results showed that a staggering 49.5 percent of the voters had simply abstained. In some areas, abstention ranged from 55 to 65 percent. (In the case of municipal elections, the problem is even more serious: abstention can reach 80 to 90 percent.) If one adds to this the number of annulled votes — 4.6 percent of the national total and 9.6 percent in Mexico City — plus the 5 million people who were left off the official records as a result of poor registration procedures — it becomes immediately clear that the Mexican population in general does not view the act of voting as the proper way to solve its problems. This lack of interest in the ballots, which had been detected throughout the past decade, was one of the reasons why the Mexican authorities proposed the political reform.

Neither does the pluralism represented by the existence of nine political parties imply a true political expression of the many different social forces. The gap between such parties and the workers' organizations, for instance, has been a constant flaw in Mexican political life.

The PRI, having ruled the country for the past half century, polled the highest number of votes in the July 1985 elections. With 65 percent of the ballot, the party managed to elect 290 of a total of 300 representatives. For the first time the opposition managed to secure ten seats: eight went to the National Action Party (PAN)

and two remained with the Authentic Party of the Mexican Revolution (PARM), an organization with close links with the PRI. As for the Left, formally split into five parties – the People's Socialist Party (PPS), the Workers' Socialist Party (PST), the Unified Socialist Party of Mexico (PSUM), the Mexican Workers' Party (PMT), and the Workers' Revolutionary Party (PRT) – once again failed to elect any representatives by a majority of votes.

The political reform, however, provides that those parties that have failed to elect a representative by a direct majority count, can still secure a seat through "proportional representation" – the so-called "plurinomial" representatives, one hundred of whom are proportionately distributed between the opposition, according to the number of votes obtained by each party and under the terms of an electoral device which favors weaker political organizations. Thus the 400 representatives comprising the 53rd Mexican Congress for 1985-88 include 290 elected by the PRI, 11 by the PARM, 40 by the PAN, 12 by the Mexican Democratic Party (PDM), and 47 variously shared by the five parties of the Left. The affiliation of one of them still remains to be determined.

Though poll results have on several occasions been called into question because of fraud, they nevertheless indicate that the balance of power leans towards the government. Most of the voters favor the ruling, official party, and in spite of the persistence of coercion and vote peddling mechanisms, as well as of misunderstandings and ignorance, there seems to be an unmistakable consensus, especially when one takes into account the lack of a better choice for the public.

The 1985 elections also brought to light some additional problems which have been plaguing the regime. For one, the official party has of late tended to lose some of the voters' preference, especially in the larger cities. From 1979 to 1985, the PRI lost some 20 percentage points in voters share in the more urbanized states. In the capital, it won by a majority in all 40 districts, with 42 percent of the ballot. Yet the presence of a scattered and controversial opposition which took away 30 percent of the votes still looms in the background.

### The opposition

The strongest opposition comes from the Right, with its PAM and PDM. In the recent elections, the PAN elected eight representatives by a majority of votes, in addition to 32 plurinomial ones. Never-

theless, in spite of a renewed consolidation in the north of the country (Nuevo León, Chihuahua and Sonora), as well as in the capital and in the state of Mexico, the PAN has experienced a decline in absolute numbers and a sharp drop in plurinomial representation.

On the Left, the opposition remains splintered into five different parties, having run in three elections in the past nine years (only three of these parties ran in the 1979 elections). Two of them, the PPS and the PST are repeatedly criticized by the others for its support of the government. Nationwide, the Left won 10.4 percent of the votes, with a higher share (20.7 percent) of the poll in the Federal District and in the state of Mexico (16.3 percent), or just about the same as the rightist PAN.

The democratic illusion created by the political reform is daily challenged by long-standing undemocratic and authoritarian practices. In spite of a predominance of PRI representatives, Congress seldom shares in political and economic decisions that are fundamental for the country. The decision to join the General Agreement on Tariffs and Trade (GATT), for instance, bypassed the lower house and was sent directly to the Senate, which has no proportional representatives and where it was unanimously approved. To be sure, cabinet members appear before the House of Representatives, making it possible for the latter to examine and criticize the economic policy, but there is no true dialogue between the Executive and the Legislature: most measures have been approved *a priori* by the central government, and cannot be revoked.

The political reform has allowed for greater ideological confrontation, admitted the existence of different political parties, facilitated their use of the media, and assimilated a number of proportional representatives from minority parties into federal, state and municipal government. Yet it is far from having democratized the exercise of power, and much less has it promoted popular expression by means of labor unions or municipal or autonomous political organizations.

### Contradictions and political forces

The economic crisis has imposed certain changes on the ruling class, including some internal displacements. It has affected some groups more than others, exacerbated competition, and rendered the large domestic capitals more subordinate to foreign finance, especially US finance. The financial oligarchy finds itself in permanent clash

with risk capital, with the central government, and of course with the interests of the population.

Ever since the days of the Luis Echeverría administration (1970-76), the official political line has been brought to question by various sectors of the ruling class. They have criticized the government's "economic interventionism," its third-worlder postures in favor of smaller nations and against dictatorship and imperialism, and its superficial "populism" which caters to popular groups within the official party.

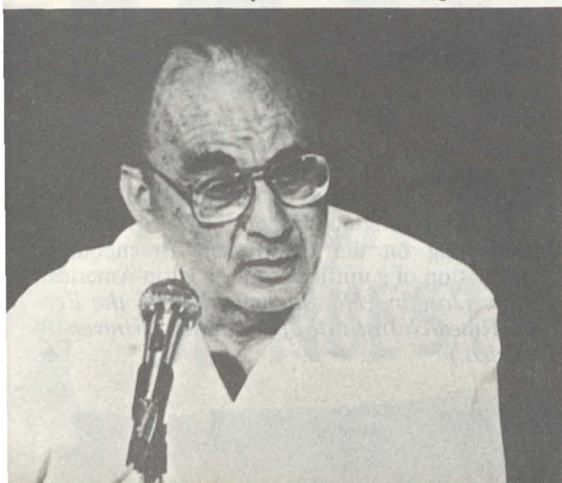
Portillo's nationalization of banks caused fissures in the regime with reflections on electoral and political activities. Many entrepreneurs who were staunch backers of the PRI and had made their fortunes under the shelter of the regime, are now its harshest critics within the PAN. Others, of course, have stuck to the PRI.

Likewise, business organizations often engage in political discourse in favor of democracy and the electoral process, while questioning the administration's foreign policy towards the Contadora Group and Nicaragua. Their connections with US groups have been brought to light on several occasions.

The powerful nationalist groups with roots in the north, especially in Nuevo León, Chihuahua and Sonora, have largely arisen from such internal contradictions. By aptly building on popular discontent, they have marshalled considerable vote support. In 1983-84, the PAN won the mayorships of some of the most important northern cities — Chihuahua, Ciudad Juárez, Durango, Hermosillo and Monclova — and strongly repudiated the alleged election frauds which cost them a defeat in Monterrey.

These divergences, however, are not the privilege of the government and the ruling oligarchy: they also occur between several capitalist sectors.

Luis Echeverría: under question by the ruling class



## The conflict at the capitalist level

Investment capital (of large, medium and small productive enterprises) has suffered most from the crisis, while hot money, trading finance and capital flight have prospered. The result has been an increasing decapitalization of the Mexican economy.

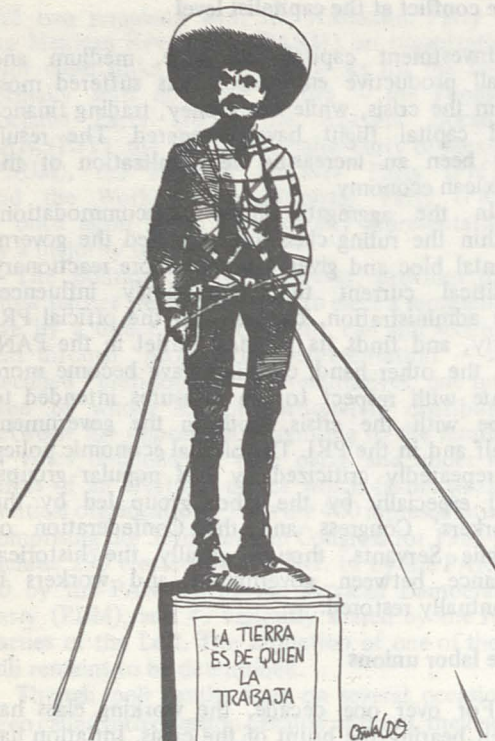
In the aggregate, these reaccommodations within the ruling class have affected the governmental bloc and given rise to a more reactionary political current that increasingly influences the administration, clashes with the official PRI party, and finds its political outlet in the PAN. On the other hand, conflicts have become more acute with respect to the measures intended to cope with the crisis, both in the government itself and in the PRI. The official economic policy is repeatedly criticized by PRI popular groups, and especially by the labor group led by the Workers' Congress and the Confederation of Public Servants, though usually the historical alliance between government and workers is eventually restored.

## The labor unions

For over one decade, the working class has been bearing the brunt of the crisis. Inflation has drastically eroded their real income and standard of living. The dramatic situation faced by rural workers forces them to migrate to urban centers or to the US in search of jobs. The numbers of the urban unemployed who also migrate to the US without the proper immigration papers have constantly grown. In the past few years, about one million Mexicans were expelled from the US for the lack of proper documents, after a number of humiliations and aggressions.

Amid much discontent, workers still stick to the PRI





Labor organizations are under serious pressures which undermine their struggle for better working conditions: outright violation of collective contracts, unconstitutional annulment of acquired rights, and increased unemployment. In 1985, the government's austerity policies directly affected over two million workers, many of them in state-owned enterprises. The adjustment measures adopted last August led to the dismissal of over 28,000 top and middle echelon public servants, plus the displacement of another 27,000 in the lower echelon groups. Last September's earthquakes considerably aggravated the situation, and thousands of workers have been forced to move from their home states in search of new jobs (see How the earthquakes have affected production).

The labor unions' struggle for better salaries reached its acme three years ago, when workers secured a six-monthly adjustment of their minimum wages. The struggle mobilized over one million workers in 1983.

Much effort has been made since then to preserve fair salaries and job opportunities. Still the fragmented organization of the working class in general has prevented the creation of a

single, central labor union.

Other social forces are being organized and new political groups are being formed. Yet these coordinated efforts remain weak, having little to do with political strife within the parties. The women's movement has made some progress, as have the young and students' movements. The effort to put the country back on its traditional, respectable lines has also increased, as has unionization of new labor and professional groups. In addition, there seems to be a new upsurge of peasant struggle in spite of violent repression in rural areas. Last October, a total of 90 popular groups with different political, labor union and municipal affiliations, rose against payment of the foreign debt while stressing the magnitude of the crisis, which is both economic, political, social and cultural.

Greater or lesser dependence on US capital, as well as the latter's relations with the Mexican government, are areas of dissent among the ruling class. A wide business sector prefers to join hands with foreign companies' subsidiaries (or, preserving their own groups, become lesser partners of the international capital which thrives on the country's foreign debt), rather than investing in production under a regime which they no longer trust as in the past.

An instance of such dissent was the decision to join GATT, which was widely fought by some business organizations, professional institutions, labor unions and opposition parties, but which was eventually approved thanks to the support of a few influential entrepreneurs and trading companies.

Controversies with the US government is an everyday fact of life. The country's foreign debt, trade relations, foreign investment, illegal workers and the drug traffic are serious problems often used as a pretext by Washington to put pressure on the Mexican government's domestic and foreign policies.

These forces advocate a new developmental strategy which will preserve employment, respect labor rights, tax capital, impose exchange control, prevent capital flight, and foster the restructuring of domestic production so as to meet the needs of the population and ensure the country's economic independence. In the area of the foreign debt, they propose a negotiated suspension of payments, while calling on the government to encourage the formation of a unified front of Latin American debtors. (*Josefina Morales, member of the Economic Research Institute of the National University of Mexico.*)



## Debt as Burden

*The onus of the debt and the drop in oil prices may lead Mexico into a moratorium at a time when an IMF-dictated recessive policy meets growing popular resistance*

The long crisis plaguing Mexico is not the result of an erratic, cyclical behavior of the country's economy. The deepest recession ever in Mexican contemporary history, which led to a cumulative decline of 5.8 percent in the country's GDP growth in 1982-83, rather reflects serious structural imbalances. The short-lived recovery of 1984, when the GDP grew by 3.5 percent, all but evaporated last year when slower growth was announced, with practically zero growth being forecast for 1986.

The current crisis, though situated as it is within the context of the world capitalist crisis,

has deep domestic roots which can be traced to the past decade. Now in the 1980s, it is inextricably tied to the international financial crisis, to the need for industrial reconversion, and to the reaccommodation of transnational capitals.

The growth of the Mexican economy ran into trouble immediately after the 1971 cycle. In 1976-77, its output growth rate dropped further, with gross capital formation declining by 6.7 percent. The civil construction sector shrank by 5.3 percent, while GDP per capita stagnated. Such recession proved to be a new feature of the Mexican economy: shorter growth periods tend to be followed by longer recessive phases. In violation of capitalist economic laws, the latest phase has preserved some of the features of recovery, such as inflation.

At the same time, changes in the country's financial system have helped to prevent recovery. The Mexican peso underwent a devaluation of nearly 100 percent for the first time after 20 years of stable quotations. The public foreign debt increased fourfold, reaching US\$ 19.6 billion, while the private external debt rose to US\$ 25.98 billion. Inflation, which had remained at a manageable 4.8 percent in the early 1970s, mounted to 27 percent. The public sector deficit became a chronic evil, while trade and payments balances ran increasingly into the red.

The oil euphoria of 1978-81 — which earned Mexico some US\$ 30.85 billion in exports —

David Méndez, H.

The Mexican working class has suffered most from a deep recession and ingrained structural imbalances in the economy



failed to establish the grounds for balanced development in the long run. On the contrary, the most acute and deepest crisis ever experienced by the Mexican economy has shaken the very mechanisms regulating relations between the government and those monopoly sectors that had ensured continued growth in the past.

Having hovered at an average of 30 percent for some time, annual inflation soared to 98 percent in 1982. There was an explosive growth in imports, especially in the area of financing capital, due to the inability of the local production structure to meet expansion requirements. In 1981, imports exceeded US\$ 140 billion pesos, or 15 percent of the country's total GDP. The public deficit amounted to 17 percent of the GDP, while foreign indebtedness increased to US\$70 million, with the private debt accounting for less than one third of the total.

### Qualitative changes

In the early 80s, the Mexican industry generated 43 percent of the country's GDP (or 900 billion pesos), and employed 5.7 million workers, including the mining, oil, civil construction, transportation, communications and manufactured products sectors. Cattle ranching and agricultural activities contributed 8.8 percent of the GDP, while employing 25.8 percent of the total labor force. Agriculture, however, underwent a violent change in cultivation patterns which led the country to depend on imports of basic cereals. On their part, commercial activities and services employed 9 million people and contributed 49 percent of the total GDP.

Petroleum was responsible for the qualitative changes introduced in the production structure. Oil exports eventually accounted for over 80 percent of the total; and what with agricultural and mineral exports, Mexico found itself once again as an exporter of raw materials. Development financing, a key factor for underdeveloped economies, was the most vulnerable element in this entire process. Both the financial and trading sectors depended heavily on transnational capitals. The unusual growth in oil revenues and foreign indebtedness created an illusory affluence whose heavy price is only now becoming due.

The oil industry, including production, refining and basic petrochemicals, accounted for 8 percent of the total industrial product in 1981; construction contributed with 13.2 percent; transportation and communications, 17.8 percent; manufactured products, 57.4 percent. Here 43.9 percent went

into oil-related machinery, equipment and chemicals, a sector which had grown by 50 percent in the previous three years. The Mexican automobile output exceeded one-half million units in 1981.

Of central importance in this cumulative process was a greater concentration of capital. Local private monopolist capitals, transnational resources and public funds coalesced into no more than 40 major groups. Foreign investments amounted to US\$ 13.5 billion, three-quarters of which in the manufacturing sector. Foreign capital now holds full control of automobile manufacture, as well as of the plastics, oil derivatives, pharmaceuticals and tire industries; it is also dominant in the electronics, home appliances, communications and agrobusiness sectors, while holding significant shares in mining, commerce and services. As a result, foreign capital is now a major producer of non-oil exports.

The average annual growth of 8 percent experienced by the Mexican economy during the oil boom resulted chiefly from this unusual expansion of investment — which at one time totaled as much as 25 percent of the country's GDP. It should be noted, however, that this expansion was encouraged by such incentives as an increasing exploitation of workers through higher productivity demands, wage controls imposed by the 1976 agreements with the International Monetary Fund, and growing inflationary pressures which quickly eroded the working classes' living standards.

### The new economic policy

On rising to power in December 1982, the Miguel de la Madrid administration overtly admitted the seriousness of the Mexican economic crisis by proposing a short-range "economic reorganization" plan. The plan's objectives were to preserve the country's productive capacity and employment level, reduce inflation and public expenditures, and step up non-oil exports to restore the nation's trade balance. The program is part of a long-term National Development Plan which includes re-orienting the Mexican economy toward foreign markets, increasing the competitiveness of domestic products and reducing those chronic subsidies on which past growth had been based. Development is to be financed by domestic resources, exports, and increased direct foreign investments. Strategic economic areas may remain under government control, but the state is to keep its hands off manufacturing, trade and services.

As was the case with the previous government, the current administration has set out to work

under the auspices of agreements signed with the IMF following the 1982 insolvency which led to a renegotiation of the debt. The IMF-inspired economic policy follows the monetarist line and is recessive in nature. It aims to curb inflation without touching the monopolist price system, by resorting to monetary control and reducing public outlays. The public deficit as a share of GDP is to be reduced from the 17 percent level prevailing in 1982 to 5 percent in 1986. Public revenues will be boosted by an overall increase in consumer prices and public service tariffs.

Interest payments caused the total Mexican debt to increase by US\$ 32.6 billion in the 1981-83 period alone, or the equivalent of little less than one-half the entire debt cumulated by the country until 1981. Total payments of US\$ 12 billion in 1984 were followed by another US\$ 10 billion in 1985, yet the debt continues to grow and now reaches close to US\$ 100 billion.

The crisis faced by Mexico in the 1980s is certainly dramatic, but its dimensions, depth and scope are difficult to grasp, no matter how many figures and data are examined, because its political repercussions have so far failed to reveal the full seriousness of the situation.

Contributing to cloud the entire issue, the Mexican economy reached a high degree of development amid the crisis and the oil boom. And the drop in the prices of crude and their subjection to a violent process of capital rearrangement (within the context of a worldwide industrial recycling) is too new a development to allow for an assessment of the impact it may have on the future.

The wealth generated by Mexican workers in the past 50 years finds its expression in a vast productive capacity and an accelerated process of capital concentration. In 1981 gross capital formation amounted to 226.5 billion pesos, or one-fourth of the GDP, with the public sector contributing 43 percent of the total.

Mexico has a steelmaking industry with an installed capacity of nine million tons per year; an oil-refining capacity of two million barrels per day; a daily oil production of 2.7 million barrels; an industrial establishment comprising roughly 120,000 plants, 1 percent of which accounts for 60 percent of the total output; an electric generating capacity of 12,000 MV, two-thirds of which in thermoelectric facilities; an expanding and highly advanced communications industry, including five million installed telephones and new telecommunications facilities operating via satellite; a civil construction industry with

a high level of engineering sophistication, which has built large dams and hydroelectric plants both domestically and abroad, and helped to install the country's modern petrochemical industry.

## The other economy

On the other hand, Mexico has a huge number of small and medium-sized industrial units of a virtually artisanal nature, largely subordinated to massive monopolist capitals. A considerable vertical concentration of this process occurs in trading activities, from the production of raw materials through processing to distribution. The number of conduits is also very large, seriously aggravating product prices, especially those of staple goods.

In agriculture, which now employs less than one-fifth of the total labor force, there looms the massive capital of large agricultural concerns and cattle raisers which control the country's best irrigated areas. Their cultivation patterns are now turning towards the production of cereals for animal feed or export crops, in line with transnational agribusiness capital interests. Basic

The official economic policy is monetarist and recessive



cereals for consumption by the population are produced under increasingly adverse conditions by small agricultural units with a chronic shortage of credit, technical resources, irrigation and labor.

Mexico has still not managed to emerge from the 1982-83 recession. In spite of a 3.5 percent GDP growth in 1984, the economy remains below 1981 levels. The only sectors that experienced any growth were those of oil (15.7 percent), food, tobacco and beverages (4.7 percent), and chemicals (7.3 percent). Agricultural and cattle raising activities receded by 0.6 percent in 1982, though their output increased by 4.7 percent in 1984 versus 1981.

### The plight of the financial system

The Mexican domestic financial system is undergoing the crucial pains of three deep-seated evils: inflation, the foreign debt and an over-expansion of the internal public debt.

Though inflation has slowed down from the 100 percent rate experienced in 1982, it has settled at double the annual average rate of the past six years, hovering at 60 percent or more per year and rendering unviable the goals projected in the letter of intent submitted to the IMF. Worse still, inflation completely upsets the entire production and cumulation process, while proving to be a furious mechanism of capital concentration.

The share of the national income represented by wages and salaries dropped from 37.4 percent in 1981 to 23.4 in 1982, and has continued to decline ever since. Minimum wage increases authorized on the basis of official inflation forecasts never actually matched subsequent price hikes. Between 1982 and 1984, consumer prices rose by 472.3 percent, while those of the standard food products mix increased by 486.3 percent; minimum wages, however, grew by a comparatively low 313.6 percent in the meantime.

The cost of money rose enormously because of inflation and the governmental economic policy. At 80 and even 90 percent interest, domestic financing has become virtually impossible. Besides, most of the available financial resources are absorbed by the government, with internal indebtedness becoming the major pillar of an extremely costly public finance program. The internal debt reached 7 billion pesos in 1985, 7.5 times as high as in 1981. This year, interest on the internal debt alone will amount to 3.3 billion pesos, or 57.6 percent of all interest paid on the entire public debt, while internal debt

servicing will account for approximately 45 percent of total government expenditures.

### A "superfree" market

Inflation, deterioration of the trade balance, and a complete absence of exchange controls have led to increased dollar speculation and an unprecedented devaluation of the Mexican currency. Last October, following the catastrophic earthquakes of a month before, the peso dropped to an all-time low of 500 to a dollar in the so-called "superfree" market, with a devaluation of 400 percent versus 1982 quotations.

Capital flight goes on. Some US\$ 2 billion is said to have left Mexico last year. According to no less an authoritative source as the US Federal Reserve, Mexican privately-owned capital assets amounted to US\$ 13.52 billion in January 1985. What with investments in real estate and other items, total capital flight may reach US\$ 40 billion.

Public finance has not found its equilibrium point. A regressive fiscal structure is maintained, based on indirect taxation and on taxes generated by oil exports and domestic energy consumption.

Though they have been periodically increased, the prices charged for public services and goods have failed to improve the financial situation of state-owned companies. Their chronic deficit is rooted in the subsidies and special tariffs offered to big business, the number one consumer of such goods and services.

The public debt, a basic problem for all Latin American countries, has become untenable. Most of the impact of the debt service directly affects the working classes while upsetting the entire economy. The country is undergoing a decapitalization process at a time when each financial resource is indispensable if the economy is to grow and overcome the crisis. Privately-owned enterprises share the government's responsibility for such indebtedness. The Monterrey group alone (comprising Alfa, Visa, Vitro and Cydsa, the first two being in *Fortune* magazine's list of the world's top-selling enterprises) owe over US\$ 4 billion abroad. Another 30 groups, 18 of which partly-owned by foreign capitals, have incurred a debt of more than US\$ 19 billion.

### Conclusions and future prospects

The economic measures adopted by the government and private firms to cope with the crisis have not produced any real results in the short

term. Growth remains uncertain. Structural imbalances persist; for some time, they seem to lessen and level off, only to return with a vengeance in a matter of months. The public deficit, for instance, which the government managed to reduce to 6.5 percent of the GDP in 1984, is estimated to have again risen to 8 percent. Inflation has once again run amok, almost doubling the 35 percent limit established in the IMF agreements.

Also persisting are the conflicts and disagreements between the government and several business sectors. Some of the divergences now seem to be even deeper, with a trend to migrate to the political plane. In the center of the controversy are the measures taken to fight the crisis, though most of them have been beneficial to big business. The holders of big money claim they no longer trust the government as they used to, this being the reason why investment has dropped to such low levels.

Following the epoch-making nationalization of private banks, negotiations around the amount of indemnification to be paid by the government managed to soothe much of the remaining resentment. The large amounts of money then disbursed by the government, however, were not invested in production, but served instead to strengthen a highly speculative, parallel money market (such as that of stock exchanges), or else found their way out of the country.

With the crisis and the economic measures being adopted, the Mexican production structure is increasingly following a course which may be dangerous for the country's national sovereignty, as it threatens to convert itself into a *maquilador* — a mere performer of certain phases of foreign industrial processes, with the only "comparative advantage" of cheap manpower. Further overtures to foreign capital are on the march. Over US\$ 2.5 billion in new projects have been approved in recent years, though of this amount only an insignificant part has found its way into the country so far. New conditions being offered to investors provide for up to 100 percent control in areas which until recently had put up restrictions against foreign participation.

At present, the only thing being required of foreign investors is that they produce mostly for export, under the additional illusion of an eventual inflow of foreign exchange. *Maquiladoras* have grown like mushrooms all over northern Mexico: there are more than 700 of them now, employing over 220,000 workers.

Renegotiation of the private debt brought about a more direct participation of foreign capital

through the capitalization of liabilities. The recent decision to join the GATT organization, a move which had already been made in practical terms following the liberalization of foreign trade, was questioned by a number of businessmen, and will undoubtedly accelerate the capital reaccommodation process by further weakening the domestic market.

The range of state activities is also changing. So far the government has retained control of strategic areas, but some 250 public enterprises have been liquidated. Public administration is being restructured along with accelerated regional decentralization, a process which has led to the dismissal of thousands of public servants.



Unemployment haunts small, family-owned industrial units

Last September's earthquakes led to a greater awareness of the seriousness of the crisis and an ample questioning of the government's policy on the foreign debt. At a moment when Mexico needs around US\$ 5 billion for reconstruction alone, a ruthless debt policy drains the country's resources by transferring huge interest payments to foreign banks. The Mexican people demands a new development strategy which will genuinely respond to the nation's needs and alleviate its painful living conditions, aggravated by a crisis which has reduced its real salaries by 50 percent in the past three years. This is now the main goal of Mexican labor unions, as well as of political and social organizations.

(Ignacio Hernández, National University of Mexico researcher.)

## Mexico

# After the Quakes: Picking up the Pieces

*Small and medium-sized urban industries suffered most from the September earthquakes, with unemployment rising to alarming rates*

**T**he devastating effects of the earthquakes of September 19 and 20 have not left their mark in Mexico City alone; they hit the entire nation, since Mexican economic activities are largely centered in and around the capital's metropolitan area.

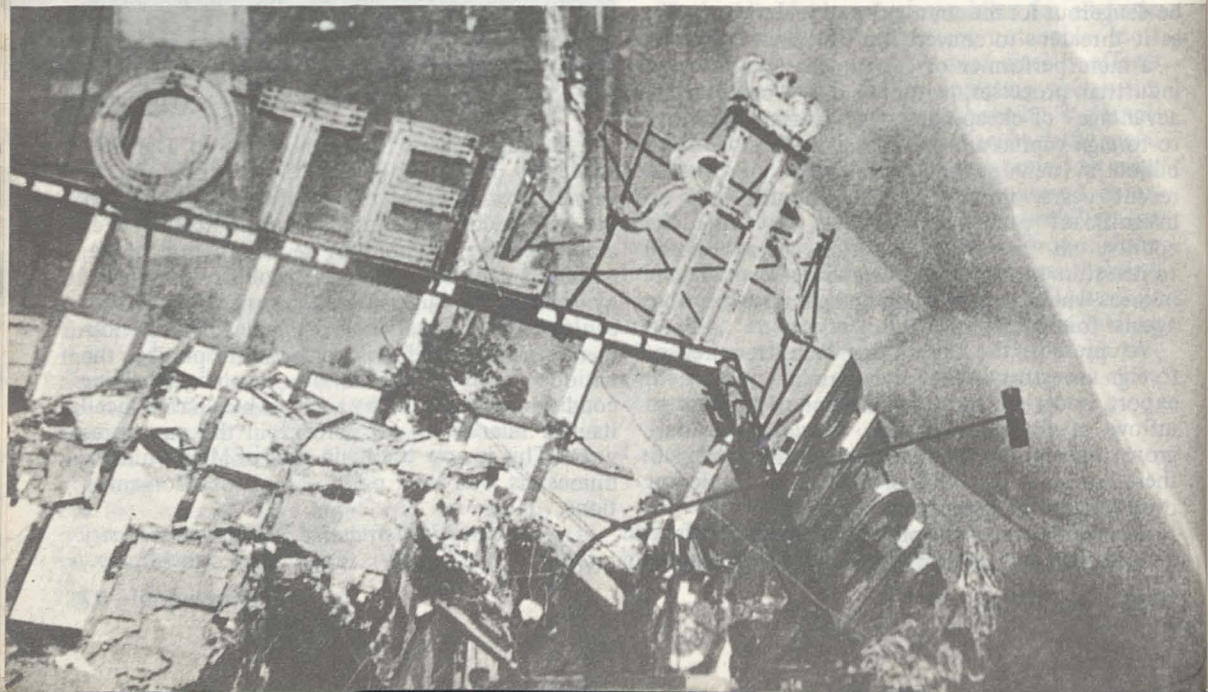
Forty-eight thousand small businesses and plants were destroyed during the Mexican earthquakes of September 1985

Not all economic sectors were equally affected, of course. Material losses and reconstruction costs are proving higher in some of them; in other sectors, numerous establishments have temporarily closed down and laid off their employees, while a few no longer hold any hope of recovering and making any further contribution to the domestic economy. In all cases, however, the working conditions of a long-suffering Mexican labor force have been adversely affected.

Downtown Mexico City suffered most from the seismic shocks. Over 8,000 small industrial units had been located there, including a number of garment makers, bookbinding and printing shops, and all sorts of *maquiladoras* (or partial processors), as well as some 40,000 large and small commercial outfits.

Small and medium businessmen, as well as their employees, were among the worst victims of the earthquakes. A total of 1,326 small industrial units had their facilities nearly destroyed, while losses were total for 800 of them. Another 800 small shops were badly damaged (one-half nearly razed to the ground), and 2,000 business offices were destroyed, as reported by the ECLA. Most of these small concerns, however, kept more or less direct links with larger business enterprises.

\* The above article is an excerpt from the book "The September 19 earthquake and the Mexican workers," published by the Mexican Center for Labor Studies (CET).



## The garments industry

A case in point is the garments industry. Largely located downtown, garment manufacture comprises medium and small shops which produce for large merchandising and point-of-sale networks, many of which controlled by foreign capital (such as Topeka, Levi's, Paco Rabane, Parigi, El Puerto de Liverpool, Palacio de Hierro, and Sears Roebuck).

Gabriel Carrasco, president of the National Association of the Garments Industry, declared after the quakes that over 500 of the 1,026 industrial units located downtown experienced total or partial losses, with the collapse of 200 of them and the partial destruction of another 150, while an additional 150 had to move elsewhere because their locations were considered hazardous by the public authorities. At a meeting of the Association last October, members reported even higher casualties, with 1,326 workshops paralyzed and 800 completely destroyed.

Since most of the garments industry is concentrated in the country's three largest metropolitan areas — Mexico City, Guadalajara and Monterrey — this sector of the economy will undoubtedly experience a major drop in production. This, on its turn, will affect other sectors, especially the textile industry which is the number one supplier to the garment-making industry.

Workers in the garments industry will also be the most adversely affected even if they manage to retain their jobs. The industry is traditionally known for its antiquated working environment and conditions, and these are bound to get worse after the seisms.

Even before the catastrophe, Mexican seamstresses faced deplorable working conditions including poor lighting, water shortage, dirty toilets, arbitrary suspensions from work because of petty delays, long working hours, earnings often below the permitted minimum wages, the need to work for years without a permanent contract, no right to social security and no protection from a labor union.

It is estimated that a large proportion of female workers in the garments industry is made up of unmarried mothers without any savings or any assistance from a labor organization, having refused to join a labor union in fear of being fired.

## The tourist industry

Tourism, that "smokestackless" industry which contributes 3 percent of the Mexican Gross National



Between 0.15 and 0.5 million Mexicans lost their jobs

Product, 6 percent of its foreign exchange earnings, and is made up chiefly of hotel and restaurant chains, was another area rudely affected by the September earthquakes.

Rafael Suárez Vásquez, president of the Hotel and Motel Association, has declared that one full half of the 280 hotels in the capital were considerably damaged, with half the total rooms being destroyed in 100 of them. Among the large hotels which met full destruction in the quakes were the Regis, Principado, De Carlo, Romano Centro, Versailles, Finisterre and Montreal. Others such as Del Prado, Presidente Zona Rosa, Reforma, Emporio, Del Paseo, Century Zona Rosa and Krystal Zona Rosa were interdicted in view of the damages they had suffered.

These figures diverge slightly from those disclosed by the Metropolitan Emergency Commission, which had reported as early as September 30 that only 85 hotels had been affected, five of them having been completely destroyed, another five partially destroyed, and 35 having suffered minor damages, with a total loss of 12,500 rooms in the aggregate. The fact is that the tourist industry cannot be expected to generate a full US\$ 1 billion this year.

Salvador Martínez, director of the National Hotel and Restaurant Workers Industry, estimates that some US\$ 80 million failed to enter the country in the weeks following the earthquakes, and that only 5 to 8 percent of the total number of hotel rooms available to the tourist industry had

## Mexico

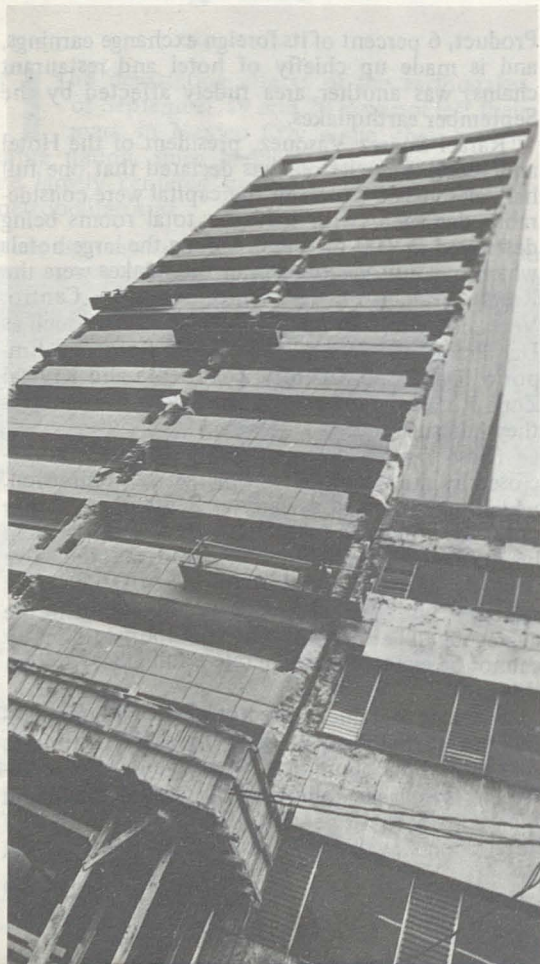
been booked. Indeed, even in areas of the Mexican territory unaffected by the earthquakes, the number of new tourist arrivals has dropped considerably.

The Mexican Secretary for Tourism has stated that the country will require 15 billion pesos to rebuild its hotels. Interest rates on loans for tourism-related activities, which now are 40 percent lower than the market rates, will have to be reduced by a further 10 percent, while maturity periods may have to be extended to as long as 15 years.

### The government's losses

The complex of government facilities — public offices, banks, and state-owned and autarchical industrial establishments — also experienced considerable damage. The Federation of Public Servants' Unions (FSTSE) has disclosed that the quakes took a toll of 2,778 dead among public servants alone. In the aggregate, 123 public build-

The seismic hit especially the civil construction sector



ings had been fully or partially destroyed; of those belonging to the federal government, 10 percent had been lost.

It had initially been reported that major industrial establishments had largely been spared. Gilberto Ortiz, director of Economic Studies of the National Federation of Processing Industries (Cancintra), said that a total of 120 industrial units had been affected. Yet, though few in number, those run by the government are usually crucial ones.

A balance of the earthquake damages made by the Secretary of Energy, Mines and Autarchical Industries (Semip), Francisco Labastida Ochoa, included the loss of three administrative buildings belonging to Semip itself. The mining sector, he added, had lost four or five of its larger facilities; the Azúcar S. A. and Papelera Atenquique facilities had been destroyed, while the facilities of Alto Hornos de Mexico (AHMSA) and Fertimex had been partially damaged. Further losses occurred in the steelmaking industry — especially at Sicartsa, in Lázaro Cárdenas — and in the electric and telecommunications industries. The latter, however, were repaired in record time thanks to special efforts by telecommunications workers.

A material damage which made itself immediately felt was the breakdown of the telephone system. Of the equipment owned by Teléfonos de México (Telmex, a mixed capital enterprise monopolizing the sector), 90 percent was damaged in downtown Mexico City. In the San Juan exchange, a microwave tower and the entire automatic long-distance operating system suffered; 60 percent of the telephone equipment was destroyed, and 20 out of 60 buildings belonging to Telmex were badly damaged, with one-half of them becoming unfit for occupation. Initial estimates place Telmex's damages at 38 billion pesos.

Other seriously affected sectors were education and health. The banking sector also recorded damages in 71 of the 902 agencies operating in metropolitan Mexico City. Worst hit was Comermex, with 22 branches out of work; Serfin, with 17; Banamex, with 16; and Atlantico, with 10.

### The impact on employment

The quakes' impact on the level of employment resists an accurate analysis because of at least two factors. First, it is not clear whether the recent drop in the employment rate was a direct result of the September earthquakes or of personnel cuts which had been occurring for some time. In fact,



many workers claim that the recent catastrophe is now being used as a pretext for further personnel layoffs. In early October, the number of unjustified dismissals had reached 100,000, according to some estimates.

Second, it is often unclear whether the current unemployment level is to be permanent or temporary. In addition, confusion tends to arise with regard to a new "relocation" of workers: no one knows whether this will lead to a deterioration of working conditions, especially in the area of wages and working hours. Yet a close examination of this delicate question is urgently needed. For years unemployment has been one of the bleakest consequences of the economic crisis for Mexican workers.

Estimates of the number of people who were or will be temporarily or permanently unemployed vary widely from 150,000 to 500,000, while some sources don't hesitate to put that figure at one million. (This latter estimate includes downtown Mexico City, comprising 300,000 people in hotel, restaurant and shop attendant jobs, plus 700,000 in thousands of small manufactures in the garments, shoes and jewelry industries.)

Organized labor spokesmen agree that the upsurge in unemployment following the earthquakes occurred mostly in small and medium-sized businesses, especially in the garments, restaurant and hotel sectors. In the garments industry, job losses were as high as 40,000 and included especially women, but another 200,000 to 400,000 workers may also find themselves jobless in the ensuing months, they said.

In the case of the restaurant and hotel sector, estimates of job losses due to the earthquakes range from 3,000 to 10,000. Tourism-related activities in general, in and out of Mexico City, left a total of 25,000 unemployed. Of the 4,000 workers affiliated to the Tourist Guides Union, for instance, only 500 have retained their jobs. One thousand had to be laid off, while others sought work elsewhere as taxi and bus drivers, says the Union's secretary Manuel Romero Rendón.

#### Public servants

Government employees were also greatly affected by the disaster, especially those at the Secretariat of Labor and Social Security (STPS), Commerce and Industrial Promotion (Secofi), Planning and Budgeting (SPP), Environment and Public Works, the General Attorney's Office, and the Federal District.

Equally hard hit were the workers at the



Months after the quakes, many Mexicans remain homeless

Mexican Institute of Social Security (IMSS), 50,000 of whom, including doctors, nurses, radiologists, anesthetists, auxiliary nurses and administrative personnel who held part-time jobs, will have to be replaced by workers from the National Medical Center and other institutions that have been shut down following earthquake damages. In the Land Reform Agency (SRA), some 15,000 public servants have reportedly been dismissed.

The situation is no better in enterprises jointly owned by public and private capitals. "We seriously doubt that a hard hit industry such as telecommunications can afford to retain 4,000 idle, qualified workers in their payrolls for very long", said a union leader recently with reference to Telmex. At the same time, 3,000 bank employees whose worksites were destroyed by the earthquake haven't been redistributed so far.

Shop attendants and small vendors also find themselves in a difficult situation, including thousands of men and women whose worksites or establishments collapsed during the seisms, and salesmen whose clientele suddenly vanished from their old addresses.

Adding to the list of unemployed are some 400 movie theater workers who were temporarily out of a job, and 2,200 elementary school teachers who had to be "redistributed" (700 of them permanently). In a number of sectors, however, the numbers of jobless people are not even approximately known.



According to expert estimates, the task of rebuilding downtown Mexico City may require at least five years

Fidel Vásquez, the leader of the Workers' Confederation of Mexico (CTM), has commented that employers will find it very difficult to absorb the large numbers of newly unemployed people, since part of the country's infrastructure has been destroyed. He aired his concern that many of the unemployed — especially in the garments industry — are not unionized and may be subjected to abuses.

CTM, FTEM and the Revolutionary Confederation of Workers and Peasants (CROC) estimate that between 20 and 30 percent of the working age population in communities located around the Federal District are now out of a job. To cope with this problem, SME leader Humberto Enriquez Carrasquedo has urged the government to devise a special employment program.

On October 15, when President Miguel de la Madrid created the Employment Coordination Agency of the Social Assistance Committee, subordinated to the National Reconstruction Commission, he recommended that workers who had lost their jobs or been otherwise harmed by the earthquakes be given priority as activities are resumed and new jobs are generated by the reconstruction effort. Employers have accordingly taken steps to absorb a portion of unemployed earthquake victims. In some industrial units, working hours have been extended to include two or three additional shifts to accommodate such workers.

### The impact on purchasing power

Mexicans who managed to keep their jobs after the catastrophe are not faring much better than

the unemployed. Foremost among their problems is an additional reduction of their wages and salaries forced on them by employers, leading to a general decline in their purchasing power.

Claiming exceptional difficulties following the earthquakes (especially with the temporary shutdown of plants and output losses), employers have been quick to reduce their employees' nominal wages and salaries. A case in point is the hotel and restaurant industry. Salvador Ramos, secretary of the corresponding labor union, has said that over 10,000 workers in the sector have had their salaries cut by one-half. Elsewhere, employees awaiting relocation have simply not been paid, while indemnifications owed to those that were dismissed have been postponed.

The bargaining power of workers in general will probably decline with respect to salaries and working conditions. Further shutdowns are being threatened, leaving workers more helpless than before. In addition, the decline in real wages has taken on another threatening aspect: inflationary price hikes cause real salaries and purchasing power to drop, even though nominal wages are maintained or increased.

To profiteer in times of famine and populational distress is always an odious practice, but to do so in a particularly critical, tragic situation as that generated by the Mexican earthquakes is tantamount to a crime. It is precisely under this angle that Salvador Pliego Montes, head of the Federal Consumers Protection Agency, views the recent price escalation of staple food products. ●



Fotos: Roberto Remo

# Socialist Self-Criticism

The 3rd Congress of the Cuban Communist Party performs an in-depth self-analysis, renews its cadres and sets ambitious goals for the year 2000

Fidel was already delivering his speech when we landed in Havana, and another reporter who had flown in with me and seemed more experienced in the kind of event we were going to attend regretted the Cuban difficulties in getting suitable air travel connections. "The really interesting thing in the whole Congress," he said, "is Fidel's speech. The rest are mere formalities: compliments from foreign delegations, high praise, and ratifications from the

public authorities..."

His pessimistic comment, however, was soon disproved by the facts. The Third Congress of the Communist Party, held at the Conventions Palace in Havana February 4-7, was so full of surprises that it kept the news agencies' teletypes ceaselessly ticking and provided analysts with sufficient documents and novelties to keep them busy for months before they could digest and interpret them all.

No one said a word as I went

through the usual migration routine: everyone was listening to Fidel's speech over the airport loudspeakers. On our way to Hotel Habana Libre (which some insist in calling the Habana Hilton), the taxi's radio kept going mute at every sudden jolt. The driver cursed the traffic which did not let him replace the faulty parts and fix his radio once and for all. But as he slammed his receiver in an attempt to restore contact, we could hear the echoes of the

speech coming from other passing cars, from portable transistor radios carried by pedestrians, and from loudspeakers installed at every plant, office and Defense Committee agency.

Figures, data and percentages were being announced which seemed amazing to a Latin American like me: "The gross national product has grown at an annual rate of 7.3 percent... The average monthly salary had grown by 26 percent between 1980 and 1985... Exports have increased by 58 percent... In 1980 there was one doctor for every 638 Cubans, now there is one for every 443..." And just as he mentioned these favorable figures which would make for the envy of any leader running for reelection, Fidel added some expressions which seemed more appropriate for a member of the opposition: "Inadequacies... negligence... scandalous costs... irregularities... excessively bureaucratic procedures... irrationalities... delays... laxity..."

We arrived at the hotel on time to hear the final applause on the lobby TV set and to ask our porters and elevator operators for their first impressions. From what we heard, Fidel had "taken the words right out of their mouths." He had given expression to their frustrations, complaints and mumbings, but had also voiced their hopes and pride in the same words that would be used by a man (or woman) of the people. And in addition the Cuban commander's enthusiasm had overcome the barrier invariably raised by all written reports between the base and the top of the pyramid, capturing and expressing the doubts which the man on the street may feel but fails to utter because of self-discipline, or out of fear that his criticism may be used as fuel by the enemies of the Cuban revolution.

A first reading of Fidel's

134-page central report will give the reader more than a mere description of impressive accomplishments: it urges him to expend more effort in the area of "subjective factors," as the Cubans say: to correct human shortcomings, to strengthen his commitment and address irregularities (the temptation to abuse power or to use it for personal profit being also only too human). Much more than a mere pause for counting numbers, the Congress also marked the beginning of a new *qualitative* phase of the Cuban Revolution, 27 years after the bearded fighters climbed down Sierra Maestra to inaugurate the first socialist revolution in the Western Hemisphere.

In the area of economics (which took up most of Fidel's report and accounted for most of the interventions made during the Congress), the new 1986-1990 five-year plan is part of a "development strategy" to be adopted until the year 2000, under which Cuba expects to begin the 21st century as an industrial nation. The country should produce more, export more, and make more efficient use of meager energy resources. Above all, given Cuba's "still underdeveloped economic structure" as an exporter of a single commodity (sugar) and a few intermediate goods, changes will have to be made as to what is produced and how, with "greater emphasis on the development of the machinery and electronic industries, and of such light industries as pharmaceuticals and biotechnical products, in addition to sugarcane derivatives," with all possible resort to modern technological and scientific means (computers, the peaceful use of nuclear technology, new communications techniques, genetic engineering, and so on), "which will be the foundation on which the future progress of our nation is to be

built."

In line with its "socialist economic integration" program, the Council for Mutual Economic Assistance (CMEA) is already outlining certain accords under which Cuba, as an underdeveloped nation, is given special consideration in "mutually beneficial" agreements. During our stay in Havana, we had the occasion to visit a Minister of Communications manufacturing plant which exports mail stamping machines to East European countries. Other units are being installed for the manufacture of spare parts designed for highly sophisticated industries in the German Democratic Republic.

Meanwhile efforts are being made to expand Cuban trade relations with the capitalist world. Though these still account for only 15 percent of Cuban foreign trade, capitalist countries are the suppliers of technology and certain essential goods, as in the area of pharmaceuticals, which cannot be obtained from CMEA countries.

Much has been reported on the Cuban achievements in the social areas of food production, education and health, and we shall not dwell on these points. It might be noted, however, that the efforts made in these areas were not merely a "poor man's luxury" or a demagogic attempt to "share the pie before it is ready" — as such popular ambitions are often interpreted in the Third World — but a real investment in the development of future human resources. Cuba simply could not aspire to become an industrial nation by the year 2000 without a healthy, literate labor force.

Actually, the current challenge is to address problems more typical of wealthier nations: With life expectation and infant mortality rates which will soon be better than those of the United States, the formation of medical

cadres is one of Fidel's obsessions. The next step will be to introduce a sort of "family doctor" system — a doctor and a nurse in every district, both residing on the upper floors of an outpatient polyclinic where they can practice preventive medicine and the early diagnosing of diseases while humanizing doctor-patient relationships and helping to avoid bottlenecks at the hospitals. "Once the country has reached this point as of 1990," said Fidel at the closing session of the Third Congress, "we will continue to produce more doctors (and by then there will be one for less than 400 people) so as to achieve something unknown to the rest of the world: a compulsory sabbatical leave for all doctors after every six years of work, so they can dedicate one full year to remunerated research."

#### An entire nation in arms

The renewed emphasis on popular mobilization and participation became evident during the last five-year period with the adoption of the doctrine of a War of the Entire People, under which the responsibility for national security is shared by an entire nation in arms, and not only by such specialized institutions as the armed forces. No matter how modern and sophisticated an army (and here the data are naturally scarce, with Fidel's report making only brief mention of "millions of all types of weapons" in Cuban arsenals, "automated warning systems" and the use of "computer techniques" by armed

forces' staff officers), no conventional defense system would suffice to repel such invasions as the Reagan administration has repeatedly threatened to launch against Cuba. But though the island cannot hope to defeat one of the most powerful armies in the world, it can make the US pay a heavy price for any attempted aggression.

In the past two years, 80 percent of all able-bodied men and women have organized into Territorial Troop Militiae. They have been trained and armed, and instructed as gunsmiths so they can make their own weap-

rules out any "classic" guerrilla war.

The Third Congress institutionalized this new spirit by introducing national defense, under any conditions, among the obligations of all party members. "Every inch of our land shall have its defenders," says one of the discussion papers presented at the Congress, "because it is the people that has the weapons and knows how to use them. Ours is the most legitimate of all democracies". A democracy of taxpayers and combatants, since all the mobilization effort took place without any reduction of working hours, and was



In his report to the 3rd Congress of the Cuban CP, Fidel criticized bureaucracy

ons. All permanent troops have been decentralized, and hideouts where fuel, food and ammunition are stored have been distributed throughout the island to ensure a sustained and efficient guerrilla resistance even if the central structures are destroyed.

Cuban military personnel have traveled abroad to learn with the Vietnamese experience (a fact which was openly admitted during the Congress) and, according to unconfirmed sources, they have also visited El Salvador and the Western Sahara, where the local geography apparently

financed by the citizens themselves, without affecting the public budget.

Some analysts tend to see in this new national defense model a trend to break away from the USSR or a certain measure of Cuban mistrust with respect to the Soviet nuclear umbrella protecting the country since the 1962 missile crisis. But before speculating about such possibilities, one should consider the real military and strategic situation of a small island located only a few miles off the US coast, and subject to

all kinds of surprise attacks. There were no hints during the Congress of any distancing between Cuba and the USSR. On the contrary, Soviet politburo member Egor Ligachov, the first foreign delegate to speak during Wednesday's session, received a standing ovation on the part of the other delegates when he said that his country "has honored and will continue to honor its commitments with Cuba." His statement certainly referred to something more than the 34-billion-rubles' worth of trade every year.

Another object of applause was the Soviet proposal for Nuclear Disarmament by the Year 2000 presented by Mikhail Gorbachev, General Secretary of the CPSU Central Committee, to President Ronald Reagan in January. Cubans evidently favor a new détente as much as the rest of mankind. Such détente, they have said, is the only way to address the problem of the Third World debt, since a reduction in the US public deficit would contribute to lower interest rates, making further resources available for the development of the poorer countries.

History, however, has shown that periods of détente in the North usually correspond to stages of more aggressive US domination in the South. Fidel does not seem willing to let things continue this way. At the closing session, his final speech was particularly harsh in its condemnation of US support of counter-revolutionary efforts in Nicaragua and Angola, and he promised increased Cuban support to both countries should their governments so desire.

Unlike his first speech, his last was delivered offhand, though this does not mean that his words had been less carefully chosen. In the case of Angola, a joint Angolan-Cuban-Soviet communiqué made public shortly

before the Congress had made it clear that the decision to defend the Angolan government against South African aggression is not merely a personal commitment on the part of Fidel. The socialist bloc is getting ready to stop such aggression as it faces the possibility of a future détente.

#### A salutation from Reagan

A few minutes before Ligachov's speech, an explosive roar was heard throughout the city and at the Conventions Palace. Defense Minister Raúl Castro informed the participants that an SR-71 US espionage airplane, flying at supersonic speed above the Cuban coast, had just produced a sonic boom. The aircraft had flown in a circle around the island without violating its airspace — a fact which Raúl Castro announced as "a

ings are usually held behind closed doors, whether they congregate Communist, Social-Democratic, Liberal or Conservative political parties.

While the various commissions discussed the new by-laws, the five-year plan's social and economic guidelines, the resolution on foreign policy and the Party's proposed program, the assembled delegates uttered their opinions on the various items of the Central Report. The 1,783 attending delegates (seven were unable to attend) represented a similar number of grass-root organizations congregating one-half million Cuban communists. Prior to the Congress, some 40,000 meetings had been held at manufacturing plants, agricultural unions, educational establishments, military units and defense committees, with the additional attendance of non-party mem-



The All People's War doctrine had the full support of attending delegates

salutation from Ronald Reagan to the Third Congress," amid much laugh and applause.

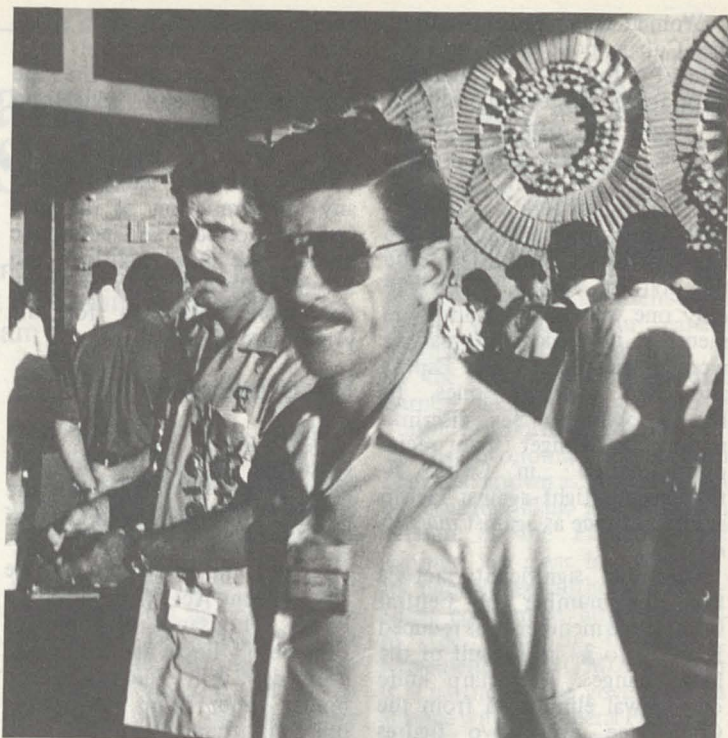
The press and foreign delegations were permitted access to the Wednesday and Thursday sessions, to the surprise of all observers for whom such meet-

bers. At the Party's express recommendation, the meetings attempted "to concentrate on the basic problems of each work center, bypassing secondary and formal issues which often divert the attention of cadres and militants."

The adepts of subtleties which accompany political and ideological discussions must thus make an effort to read between the lines and interpret a few signals in order to trace the reasons for the originality of Cuban communism, since the documents presented at the Congress make no classic quotations nor any explicit references that might brand it as Gramscian, Euro-Communist, orthodox or Althusserian. Presiding over the Congress were huge effigies of Marx, Engels and Lenin, side by side with equally huge portraits of independence heroes (José Martí, Antonio Maceo and Máximo Gómez) and contemporary revolutionists (Mella, Che Guevara and Camilo). The International was sung, but no sickle and hammer were in sight, and the colors decorating the streets were Cuban: blue, white and red.

The kind of society which is being built in Cuba is not described as a "dictatorship of the proletariat," but as "a State dominated by the working class." The emphasis is on a "socialist democracy," characterized not only by its social and economic content, but also by the institutionality of the power of the people, thanks to which "the representativeness of the population by means of a free electoral process is realized, under which the people screens its candidates and elects the best among them". The participation of workers in all phases of the political, social and military life is defined as the cornerstone of such democracy, and "popular self-government" is the goal to be attained "by perfecting the existing mechanisms and creating new ones". Freedom, described as "a need which has grown into a consciousness," will cause "every citizen to develop a clearly socialist mentality and psychology."

As the Congress came to a



Newsmen were allowed to join the Congress delegates during open sessions

close, Fidel regretted he did not have "at least one more day" to continue a discussion which, in his opinion, was getting really interesting when the proceedings were interrupted for the election of the new Central Committee and its political bureau. Be as it may, the debate will now return to the people, who will have several months to form an opinion on the Party's proposed program. The latter is expected to be approved with the suggested changes at a special session of the Third Congress to be held in December 1986.

The election of the new Central Committee, the only phase of the Congress to be held behind closed doors, also produced a few surprises. Fidel was of course reelected as first secretary. Confirming what had been unofficially announced before, Raúl Castro was elected as second secretary and there-

fore as the first man in the succession line. But of the 150 members of the previous Central Committee, only 100 were reinstated, while 40 percent of the 24-member political bureau (14 permanent and 10 alternate members) was replaced or "renewed," to quote Fidel's expression.

The first secretary fully explained the criteria adopted during the election. The "renewal" had not been the result of strains, divisions or purges. The purpose had been to increase the representativeness of youth, women and blacks following a principle which Americans call "affirmative action": in choosing between two candidates and all things being equal, preference should be given to the one belonging to one of these discriminated groups. As a result, the median age of Central Committee members dropped from 51 to 47 years.

Women comprise one-half of the Cuban population and 55 percent of the country's qualified labor force. Almost two million of them are members of the militiae and territorial troops, but only one out of every five Party members is a woman. This same ratio prevails in the new Central Committee; and the political bureau, which had only one woman as an alternate member, now has a permanent woman member (Vilma Espín) and two alternate ones. In Fidel's opinion, "sex discrimination is stronger than racial discrimination" in Cuba, although the fight against racism is just as fierce as against *machismo*.

Another significant fact is that the number of Central Committee members was reduced from 50 to 34 as a result of the new changes. The sharp knife of renewal eliminated from the Committee even two figures whose past had promoted to the rank of national heroes: Guillermo García and Ramiro Valdés. García was the first peasant to join the guerrilla fighters, while Valdés is one of the few surviving members of the charge against the Moncada army barracks in 1953, having later participated in the *Granma* landing and all the ensuing fight. A sincere homage was paid to both, and probably to spare their public images no explanation was given as to why they had to go, instead of other Party members, to allow for renewal of the cadres.

At any rate, their departure was a very clear message to any Cuban with administrative functions: old merits will be acknowledged but are not enough to ensure an official position. The "requirements of the revolution" mentioned by Fidel are real and apply to everyone.

Much more could be written on the Third Congress of the Cuban Communist Party. Several

points deserve much more space than we can give them here: Fidel's announcement that he quit smoking and will soon launch a campaign against the habit; the new evaluation of Chinese politics, which avoids any condemnation of the new Chinese political and economic model; the new political and administrative division of Cuba; the work directives for the youth; and many others.

### New Organizations

Two other significant facts occurring outside the Congress also help to complete the picture: the launching in Cuba of a book entitled *Fidel and Religion*, and the discussion of the Associations Act by the People's Power. Thousands of copies of Frei Beto's book are being sold every day; in it Fidel utters even bolder and more innovating opinions than those he aired during the Congress, among them his willingness to admit Christians into the Communist Party. On its turn, the Associations Act sets down the principles which will permit Cuban citizens to form legally acknowledged institutions, entirely independent from the Party and the State, provided they do not conspire against the latter.

I asked several middle-level leaders what kind of associations they expected to be created. "Professional associations, lawyers' and nurses' associations," replied one. "Stamp collectors, chess players and musicians," suggested another. "All this and much more," added a foreign correspondent living in Havana. "The law might contemplate a Catholic Youth, masonic lodges or Afro-Asian cults, as well as housing cooperatives or groups of Sanscrit researchers. Who can tell how far a society will go when encouraged to organize and express itself?"

In dealing with events designed to plan for the future, as was the case of the Third Congress, it is important to outline its most significant trends, which can be summed up as follows:

1 - On the economic plane, an accelerated industrialization process based on scientific and technological know-how;

2 - Within the Party, an injection of youth, the incentive to criticism and creativity and, to quote Fidel once again, "not to cumulate functions which belong to other institutions" so the Party "can play its legitimate role as an educator, organizer and leader of the masses;"

3 - Within the State, a separation between Party and State functions, a demand for greater state efficiency, and a reduction of state interference in areas where the people's initiative and self-administration can be more effective;

4 - Within the government, a strengthening of the people's power structures leading to the institution of a representative democracy, with various candidates running for elections on all levels.

During the reception held after the closing of the Congress, I turned to Commander Manuel Piñero and said, "If I were to extrapolate everything I saw, read and heard during the last few days and tried to imagine what Cuba will look like five years from now, I might arrive at some startling conclusions."

"What's on your mind, my friend?" he asked with a smile.

"I'm afraid my predictions might be too bold," I said.

"Go ahead and write what you like", he said, getting ready to leave. Then he stopped, turned to me once again and added cryptically, "The subjective factors are under pressure in Cuba."

(Roberto Remo, third world's special envoy to Havana.)



# An Uncertain Economic Shift

The Sarney government introduces radical changes in the economy in an effort to eliminate inflation, but the future is still uncertain

Last February 27, 130 million Brazilians were taken by surprise as the country's radio and TV stations warned them of deep economic changes to be announced the following day by President José Sarney. Official spokesmen bombastically talked of an "economic revolution," and the expectation of vast changes in the daily life of all Brazilians naturally left the nation in suspense — a suspense which was only partially overcome as the next morning's papers printed the details of an Economic Stabilization Plan that a group of government experts and economists had put together in utmost secrecy.

As the president himself appeared on a nationwide radio and TV network, a banking holiday had already been decreed to prevent massive bank drafts, a race to buy dollars in the black market, and unbridled stock exchange speculation. The populist impact of Sarney's measures stemmed, first of all, from the currency change to *cruzados*, which are now worth one thousand old *cruzeiros*. A second factor was an overall price freeze, followed by changes in the wages policy and a one-year freeze of the exchange rate and the value of public bonds. The so-called monetary correction, a form of indexation created nearly 20 years ago by means of which the entire economy

was adjusted to inflation movements, was also extinguished.

The government's plan came at a time of profound social and political unrest throughout the nation. Earlier this year, the general impression was that the government had lost control of both the economy and politics. The cabinet reform of early February helped to deepen instead of alleviating the crisis. Politicians were bracing for a head-on clash with the Executive as soon as Congress

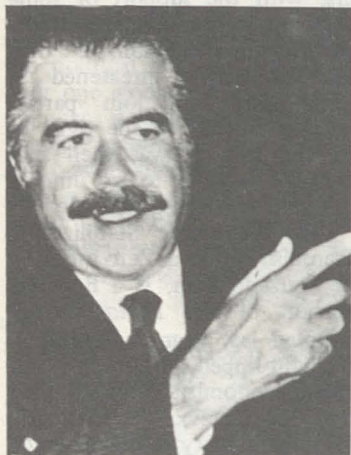
reopened in March. Workers had mobilized in a wave of labor strikes calling for regular wage hikes on a three-month basis or for a mobile schedule of wage adjustments. Landless farm workers, with the support of some state governors, condemned the government's inaction, and various politicians threatened to jump ship and join parties leaning further to the right or to the left. It was then that Sarney decided to go into a "double or nothing" gamble.

The Economic Stabilization Plan, also known as Zero Inflation or Cruzado Plan, is a Brazilian version of the *Plano Austral* adopted last year in Argentina. Its tight-lipped authors are Brazilian economists largely linked to the Brazilian Democratic Movement Party (PMDB), which is a partner in the government's alliance with the Liberal Front Party (PFL). Some official sources contended that the plan had been put into effect before



The entire population monitored the price freeze at shops and supermarkets

receiving certain final touches. To ensure enforcement of the plan's measures, the president appealed to the population, asking his listeners to act as "price inspectors" from then on. His appeal was enthusiastically heeded by a people weary of daily



Sarney: gambling on his entire future

price increases and of a 263 percent inflation in 1985 which threatened to soar to 500 percent in 1986.

In spontaneous reactions, Brazilian housewives, neighborhood organizations and consumer associations quickly began visiting shops to perform their new functions as government inspectors. Hundreds of shop-owners, supermarket managers and service renderers who had marked up their prices after the freeze were denounced and arrested by the police. This amount of popular participation, after over two decades of political and economic authoritarian rule, generated an optimism nearing euphoria. The entire population was bent on keeping a close watch on price behavior, even though many resented the salary and wages freeze which had also been decreed, trusting that the government would honor its promise of zeroing inflation. Since the end of the military regime, this was

the second time that the Brazilian population had a chance to rally and demand political changes. The first had come in 1984, when the people demanded direct presidential elections, a claim which remains unheeded so far.

### Reaccommodating interests

The Zero Inflation plan, however, also served the strategy of reaccommodating business, industrial, agricultural, banking and transnational companies' interests. While wage-earners were tired of seeing prices go up faster and faster and their purchasing power fall lower and lower, economic elites were no longer interested in an inflation exceeding 250 percent annually. Industry, agriculture and commerce were at a loss to budget their operations and calculate their desired profit rates. Keeping track of a spiraling inflation required complex techniques and equipment, while the possibility of making fatal errors increased considerably. Banks and foreign capital, which benefitted most from speculation while the country labored under inflation, were none too enthusiastic over the shock treatment prescribed by the government, though they could hardly risk to voice their criticism at this time.

The theoretical aspects of the solution had been dealt with by a team of economists put together by Planning Minister João Sayad and Finance Minister Dilson Funaro. Its practical aspects, however, were hastily determined by a mix of political interests — of a government which felt threatened by runaway inflation, and of economic groups which feared an eventual loss of control over their profits. The administration's economic "wizards" were quick to make a distinction between the Brazilian plan and the controversial Austral one

adopted by Argentina in mid-1985 and which also prescribed a shock treatment against escalating inflation.

### Shock, yes; recession, no

The authors of the Brazilian economic reform all had a liberal frame of mind. Most of them are young economists, having graduated from foreign universities and won a reputation for their consistent criticism of the monetarist policy introduced by previous military administrations. Among the 15 economists who wrote the core of the Cruzado plan there was a consensus of opinion that the shock treatment should not be such as to lead to recession, in contrast to what had happened in Argentina. They also believed Brazil would have to continue to grow at an average rate of 5 to 6 percent annually if the plan was to ensure at least a minimum of stability. A new recession at this time would aggravate unemployment, with a resulting discontent among workers which might be fatal for an already shaky Sarney government.

The economists' technical solution provided an opportunity for productive sectors and liberal or center-left political circles to revive the alliance they had established in 1984 during the campaign for a return to democratic rule. The campaign had led to the indirect election of late President Tancredo Neves, who was replaced on his inauguration day by Vice-President José Sarney. For analysts of the Brazilian political scene, the Cruzado plan or "package" provided the political and business elite a rare opportunity to protect their respective interests while making minimal concession to wage-earners. So far in this initial phase, the latter have extended their generous support to an economic change of which they are not the major

beneficiaries.

But though the government, businessmen, liberal politicians and wide sectors of the Brazilian middle-class are clearly committed to the success of the plan, the project announced by Sarney still has its obscure points. Overall price control is undoubtedly a very popular measure, but its enforcement can be very difficult — and, according to some economists, nearly impossible. Popular vigilance as government “inspectors” is not likely to last forever. In addition, total price control is out of tune with the economic model adopted by the Brazilian market. The prices which were frozen in March cover less than 5,000 items — and problems have already arisen between retailers and wholesalers, between wholesalers and producers, as well as between assembly plants and their suppliers.

Consumer pressure to keep prices down spread in real shock waves throughout the country — but such waves gradually lose their thrust as they come closer and closer to the production sources. In other words, consumers have no way of controlling agricultural prices at the farm level, nor do they understand the complex mechanisms controlling the prices of steel, fuel, or electric energy.

#### A shortage of inspectors

Housewives will not be able to monitor the sophisticated accounting procedures of transnational businesses whose costs are determined from abroad. Even more difficult will be to monitor the internal mechanisms of the local financial system. Here the dominating presence of the State is needed, but the model currently adopted in Brazil is not that of a centrally-planned economy. What is likely to happen is that, as price control moves from the shop-window

stage to that of executive meetings and electronic computing, its effectiveness and vigor will gradually diminish, with price increases slowly sneaking back in again. Not even the authors of the plan fully believe in the feasibility of zero inflation, but realistically admit an inflation of up to 20 percent this year. However, the fact that major Brazilian financial companies set their annual interest rates at 55 percent as soon as the package was announced is perhaps a more accurate indicator of real future trends.

Accustomed to runaway inflation, Brazilian consumers will certainly feel some relief in case inflation remains below the 50

In quantitative terms, wage-earners have thus lost between 5 and 45 percent of the real value of their earnings, depending on their category and on when they last had a raise. Also included in the package was a mobile schedule of salary increases which will automatically apply whenever inflation exceeds 20 percent, while a complicated mechanism was introduced for a partial compensation of losses caused by inflation rates lower than 19.9 percent.

The wage-earners' reaction ranged from mere frustration to open protest, since prices had been frozen at their high on the day the economic stabilization plan was announced. Several



Stores that had marked up their prices were stoned by wage-earners

percent level. But they will quickly realize that their purchasing power will continue to fall, and that the package really did not solve the country's problems.

The issue of wages and salaries is another key point in the new social equilibrium which the package seeks to bring about. On February 28, the Brazilian government froze all salaries at their average level in the past six months plus an 8 percent bonus.

labor unions have noted that many prices had been adjusted well above inflation during January and February as retailers anticipated future devaluations, and that such unwarranted upward adjustments had been preserved by the freeze.

Government experts claim that workers' wages will not suffer, since the purchasing power of the frozen salaries will be preserved by a low rate of in-

flation. This would contrast with the previous situation, when adjustments could reach 100 percent or more every six months, while inflation certainly hovered above 250 percent per year. Yet they fail to mention that workers' wages were frozen at a time when their purchasing power had been extremely squeezed down after twenty years of military dictatorship.

The massive advertising effort on behalf of the package and the price freeze has so far discouraged any protests or mobilizations on the part of the more militant labor organizations. Yet the problem of an eventual general strike seems to have been only postponed. If inflation climbs up again and the price freeze fails to be strictly enforced, labor frustration may prove difficult to control. The presidential decree which introduced the economic package allows for direct negotiations between employers and workers—a clear advance in Brazilian labor relations, but one which has not been preceded by the required changes in local labor laws. The eventual beneficiaries will be those labor unions in key economic sectors, such as steelmaking, while those categories with less bargaining power will continue to experience serious difficulties.

### The end of banker euphoria

Banking workers will certainly suffer the most immediate adverse impact from the new economic measures. There is a consensus among Brazilian economic experts that a major victim of the package will be the financial system, which had undergone a long process of uncontrollable growth as inflation climbed up daily. Until early March, it was much more profitable to invest money in financial speculation than in production. Capital owners could make a higher profit in the overnight or open

market, or in the dollar black market and the devilish merry-go-round of stock exchanges, than in agriculture, building or manufacturing.

This insatiable appetite of the financial system eventually jeopardized the very growth of industry whose investment resources had shrunk considerably. There were growing controversies between banks and industry which were bound to lead to a serious clash in the medium run. The package eliminated this possibility by favoring industry, commerce and agriculture to the detriment of banking institutions, whose fantastic profitability must now come down to levels viewed as more normal in a stable economy. The financial sector is bound to become less gigantic and prosperous, with the immediate consequence of the dismissal of 70,000 to 100,000 employees, the bankruptcy of the smaller banks, and the strengthening of State-owned ones.

The economic reform did not directly address the foreign debt issue, nor did it include any serious measures which might be even remotely related to the debt problem. Yet both the IMF and international banks closely watched and listened to everything that happened and was said in Brasilia from February 27 to mid-March. The government's plan simply ignored the classic IMF prescriptions: there were no maxidevaluations of the cruzeiro nor any recessive policies. The new situation, however, is not likely to cause concern among international bankers. Three days after the plan was announced, the maturity dates of some outstanding debts with foreign banks were quietly extended, while the all-powerful IMF Managing Director, Jacques de La Rosière, praised Sarney's political courage. Rather than suspending relations with its international creditors, Brazil won a further

motion of confidence from those who intend to collect over US\$ 100 billion from the country—with interest alone accounting for US\$ 15 billion, or more than the entire Brazilian trade balance.

In spite of the doubts and uncertainties generated by the plan, the general national opinion was that something needed to be done as inflation threatened to reach 500 percent this year. Sarney's harshest critics—such as the Workers' Central, the Labor Party and Rio's Governor Leonel Brizola—supported the price freeze and other measures while frowning upon certain aspects of the plan, and now seem to be waiting for the plan's contradictions to develop into real problems. Outstanding among these is the conflict between statism and liberalism. The liberal politicians who inspired the economic reform have once again resorted to State intervention in order to refurbish the economy at a time when their interest seemed to be in jeopardy.

A document prepared by a group of economists, sociologists and political scientists of the Brazilian Institute for Social and Economic Analyses (IBASE), pointed to the following contradictions in the plan:

- The State decreed the end of inflation so as not to have to take any further steps to control it;

- Prices were frozen so that they may be freely determined in the future;

- Salaries were frozen to allow for free negotiation between workers and employers;

- Economic sectors under crisis were statized to make it easier to privatize them;

- The State intervened drastically in the economy by creating a new currency and a complete new set of rules and sanctions so that it may henceforward play a lesser role in the economy. (*Carlos Castilho*)

## Streetcorner Crossfire in Capetown

Despite cover-up efforts on the part of the government, cities like Capetown are daily going through the throes of a bloody civil war similar to that of Lebanon

For two years I worked as a war reporter in Namibia, and throughout this time I liked to think of myself as a war correspondent. When I returned to Capetown, however, I discovered my previous assignment had been mere child's play. Namibia was entirely different. There a native group of guerrilla fighters stand in opposition to a foreign occupation army. Not even the massive, forced recruitment of Namibians can hide the fact that the conflict is indeed the last major struggle against colonialism in Africa.

In Capetown, the situation has moved far beyond mass demonstrations. What is going on is in fact a civil war. It is impossible to report on everything that happens everyday in the black townships and summarize events to meet the needs of a daily paper. The numbers of the dead, wounded and arrested grow so fast day after day that the newspapers' front pages can only print a brief resumé which is far from reflecting the whole truth.

In Namibia we newsmen worked on the basis of court testimonials, witness reports and all sorts of rumors, and tried to translate these data into a war report as consistent and truthful as possible. In Capetown, the war happens before our own eyes. No need to listen to testi-

monials, witnesses or rumors to know what is really going on. The problem is no longer a scarcity of information, but a shortage of reporters to watch all the battles as they take place.

War has impinged on the daily life of the white suburbia, which are no longer protected from the black revolt. Newspapers get telephone calls all the time from whites wanting to know whether Highway N2 to the airport is considered safe at the time. All we can tell them is that they must take their own risks: stones and Molotov

cocktails have been known to be thrown at speeding cars at any time of day or night. No major street or thoroughfare can be considered safe for private cars or delivery vans passing near a black township. Not even Eastern Boulevard, an elevated highway winding around the slopes of Mount Table, is seen as safe during the night: rocks and gasoline-filled bottles are often thrown at cars passing under bridges or grade crossings.

### From words to action

People driving on Highway N2 tell of rocks hanging from grade crossings that shatter their windshields. Similar incidents are reported in the Bo-Kaap area and even in downtown Capetown. In a matter of two months, Capetown has changed from what the liberal left called "a city where people talk too much and do too little" to become the focal point of black resistance against apartheid.

Athlone, a top middle-class



A permanent state of war is now daily routine for the people of Capetown

suburb, is now a symbol of black resistance. When the police began its reprisals on September 4, considerable violence and ruthlessness was shown on both sides. At first the students raised barricades and burned old tires. The police responded with tear gas bombs. The demonstrators dispersed only to gather again around even taller barricades and piles of burning tires. Repression grew even more brutal, and gunshots were fired against anyone running about. Mothers yelled at their children to get them out of the streets. That was on the first day.

On the second, it were the families themselves who picked the old tires from their backyards and prepared Molotov cocktails for the demonstrators. Women swore angrily at the police as they left Athlone. Now the area is a permanent site of street battles in the Capetown war. The police visit the area only in massive numbers, covering each street from both sides. Each block, each school has its own "action squad" that coordinates the assaults against the police, helping to make incendiary bombs and collect materials for the barricades.

As soon as the police shows up, the streets become suddenly filled with private cars moving about slowly and aimlessly, thoroughly blocking traffic in order to delay as much as possible the advance of armored vehicles carrying army and security personnel. The massive arrival of police forces is certain to start a battle royal. When someone is wounded, a private car immediately moves in to pick up the victim and carry him to a doctor whose sympathies are with the students and demonstrators. In the heat of a conflict, it is not unusual to hear someone say that a "comrade" has offered his car to be used as a barricade.



Most guerrillas are young men and women under 20 years of age

#### How the people has organized

At the suburb of Guguletu in Capetown, each house has become a command post. Whenever the fight flares up anew, an ambulance goes out to roam the streets in search of the wounded; these are then taken in an orderly manner to safe clinics, where doctors take care of them even knowing that such work can cost them their jobs. A sophisticated network of contacts is in place to evacuate those who are wanted by the police, or to remove from the combat zone any newsmen who may be trying to cover the popular resistance.

In the Mitchell's Plains area, small kids spend the day on rooftops, using binoculars to detect the approach of the police armored vehicles known as *casspirs* and *hippos*. In the Mitchell's Plains, it is these kids who pass on the news to reporters, telling them how many have been killed, wounded or arrested. It is also the kids who give advance notice on new demonstrations and where they will take place. Often during one of these informal "brief-

ings" with seven- or eight-year-old boys, our "informants" suddenly excuse themselves and go throw rocks at some passing delivery van previously suspected of carrying plainclothesmen. Once the shower of rocks is over, they return and resume conversation. It is no exaggeration to say that Capetown has been turned into a battle front by a population which sees itself now as part of the guerrilla movement against the government. It is not uncommon to hear someone say that "Capetown will liberate South Africa."

Children who still haven't reached puberty say candidly that "I wish I had a hand grenade," and some adolescents tell us that the thing they would like most to have is an AK-47 submachine gun and a bunch of cartridges "to fix those boers." Their level of politization may not be high, but Messrs Botha, Malan and La Grange<sup>1</sup> can rest assured that most of the slogans heard around Capetown are the same ones used by the African National Congress, the South African Communist Party and the United Democratic Front.

To work as a newsmen on the streets of Capetown is a highly risky business. Perhaps I shouldn't say this, but many pros uttered a sigh of relief when the government banned newsmen from the embattled areas. A strange relationship has developed between newsmen and the population. Anywhere, at any time a member of the local population may walk up to you and ask for your ID card. After you show your card, a number of very embarrassing questions are bound to be asked, such as "Why did you say in the papers that the police had opened fire

<sup>1</sup> State president, army commander and minister of Law and Order, respectively.

only after they were hit by the stones, when things happened the other way around?"

But it is not the threats heard from these people that frighten reporters most; it is the view of *casspirs* speeding along a street with soldiers firing in every direction that gives you a nightmarish feeling in broad daylight.

### The government has lost control

The only neutral zones are the sidewalks, and even newsmen who sympathize with the white government believe that the security forces have lost control of the situation in the black townships of Capetown. We live as though we were extras in some US crime-and-violence movie. Reporters visit the street battlefields now and then to get a real feeling of the war. The local people, however, go through this same situation day after day, hour after hour. To live under such a climate, where violence is generated by the government, creates on its turn a mixture of counter-violence, hatred and bitterness, feelings which will take decades before they are defused.

Political militants no longer sleep at home, children no longer play on the streets, and newsmen seldom risk going beyond the white neighborhood limits. My contacts in the most troubled zones have disappeared; I no longer can meet them because they have been arrested or gone underground. They are revolutionaries, yes, but mere liberals, most of them situated somewhat to the left of the Progressive Federal Party<sup>2</sup>, or members of religious organizations, civil rights movements or groups opposed to compulsory military service.

The entire weight of the official apparatus is being systematically used to destroy those

mass organizations which have become powerful, extremely influential, and receive the full support of the black or "colored" population since the creation of a three-house Parliament<sup>3</sup>

last year. Police armored cars continually circulate on the periphery of the black townships, arresting anyone who even remotely looks suspect or who may be somehow linked to any



Burials of black victims of the police often turn into violent fighting

organization opposed to racism. I myself was arrested once. At the police station, they found a pamphlet in my valise which had been distributed on the streets by the UDF. A plain-clothesman told me in an intimidating way that "under

the state of emergency, any materials containing any criticism to the government were automatically forbidden". I tried to smile, but saw immediately that things were more serious than I had imagined when the government had banned newsmen from the conflict areas. The police were interpreting the law their own way. The long reign of terror was only beginning in South Africa. ●

<sup>2</sup> A legal white party represented in Parliament in moderate opposition to apartheid but against a black-majority government.

<sup>3</sup> The tricameral Parliament provides for separate houses for whites, coloreds and Indians, with blacks still excluded from power.

(From an article by The Cape Times reporter Tony Weaver, published in the South African Weekly Mail.)

## South Africa II

# Apartheid's U.\$ Lobby

The South African government is investing millions of dollars in a powerful lobby to prevent US Congress sanctions against apartheid

With the 1986 elections drawing near, the South African government has committed nearly US\$ 1 million to three new US lobbying firms with strong ties to the right wing of the Republican Party.

And as the anti-apartheid movement focuses its campaign on state and local fronts, South Africa's new lobbyists are activating their conservative networks to fight the divestment movement at its very sources. "There's a price to pay for attacking South Africa," says Michael Hathaway, a Capitol Hill veteran who recently signed a US\$ 780,000, two-year contract with the Botha government. "There are voters (in the US) who think it's wrong to attack South Africa."

Two of Pretoria's new US lobbyists — William Keyes and Ronald Pearson — have kept their posts as top officials with political action committees that have contributed in the past to such standard bearers of the "New Right" as Senator Jesse Helms (R-NC) and Representative Jeremiah Denton (R-AL). Keyes, co-founder of the conservative Black PAC, blitzed North Carolina in 1984 with football star Roosevelt Grier

on behalf of Helms' senatorial campaign. Pearson, a former national board member of Young Americans for Freedom (YAF), now serves as executive director of the Conservative Victory Fund, a 13-year-old political action committee that helped finance the 1984 campaigns of more than 75 conservative Republicans.

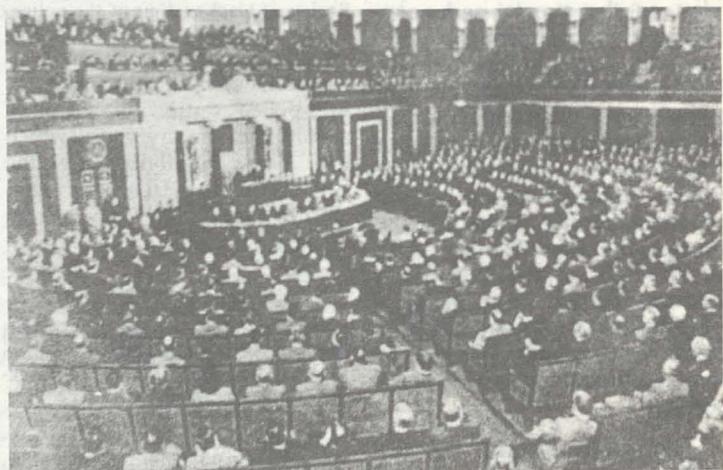
A third new face among South Africa's lobbying corps in the US, Hathaway worked for more than a decade as an aide to Sen. James McClure, the conservative Idaho Republican

who chairs the Senate Energy and Natural Resources Committee, which has jurisdiction over the US strategic minerals policy.

All three lobbying firms have signed six-figure contracts with the South African Embassy since July. Keyes heads the newly formed International Public Affairs Consultants, Inc., which earns US\$ 360,000 a year plus US\$ 30,000 in expenses from the South African government. Pearson and his partner, Richard Pipkin, signed a US\$ 180,000, one-year contract with the embassy on behalf of their one-year-old firm, Pearson & Pipkin, Inc. Hathaway is sole owner of the newly incorporated United International Consultants, which will be paid US\$ 360,000 annually for the next two years by Pretoria (see table). He pays US\$ 100,000 a year to consultant Joan (Jody) Baldwin, a former staffer with the Senate Republican Policy Committee and former Nixon administration aide with 20 years of service to the GOP.

All three firms have impeccable right-wing credentials.

Keyes gained national atten-



The lobbying apparatus costs the South African government a few million dollars and is particularly active in the US Congress



tion late last month in a *Washington Post* article marking him as the black American who lobbies for South Africa's white minority government. He began earning his stripes as a black conservative in the late 1970s, however, working as a welfare policy expert with the American Conservative Union. After an unhappy two-year stint in the Reagan White House as a low-ranking domestic policy adviser, Keyes teamed up with veteran black conservative Jay Payker to form Black PAC. Parker has been on the South African government payroll for at least four years, earning US\$ 36,000 annually as a lobbyist for tiny Venda, one of four territories declared independent by South Africa but unrecognized by the rest of the world.

Keyes, a native of Gastonia, N.C., pitched in to help with the 1984 Senatorial campaign of North Carolina's Jesse Helms, with Black PAC contributing

US\$ 1,000 to the effort. According to Federal Elections Commission records, Black PAC attracted US\$ 21,120 in contributions in 1984. Among its recipients were the Republican campaigns of Californian Robert Doman, Texan Phil Gramm and Thad Cochran of Mississippi.

Keyes signed his US\$ 390,000 contract with the Botha government in August, after first visiting South Africa, courtesy of the South Africa Foundation, and eventually meeting with the country's two top foreign affairs and information officials, Louis Nel, then deputy minister of foreign affairs, and Foreign Minister Roelof (Pik) Botha. His highly specific contract, making him Pretoria's chief liaison with US blacks, makes him responsible for facilitating business ventures between black Americans and South Africa, organizing "fact-finding" trips to South Africa for key black journalists, arranging meetings with black news

media for visiting South Africans, establishing exchange programs and helping black South Africans with university-level education in the US.

Perhaps least known in Washington circles among South Africa's new lobbyists is Pearson, who comes to the Pretoria payroll with a long activist history. As an undergraduate in 1971 at Brown University, he was named the New England representative of the YAF. The following year he was executive secretary for the World Youth Crusade for Freedom and in 1973 served as national YAF board member. He worked for five years as an aide to former conservative Republican Rep. John Ashbrook of Ohio and briefly for Rep. William Danne-meyer, a conservative Republican from Orange County, California. In 1980 he had a short stint as managing editor of a newsletter called the *Pink Sheet on the Left*.

Pearson & Pipkin were paid at least US\$ 12,000 in 1985 for consulting services by the Conservative Victory Fund, of which Pearson is executive director, according to the FEC. So far this year, the Fund has contributed roughly US\$ 10,000 to eight Republicans, including Alabama's Jeremiah Denton. In 1984, the fund contributed more than US\$ 30,000 to the campaigns of 77 conservative Republicans.

Among Pretoria's new lobbyists, the greatest store of Capitol Hill experience belongs to Hathaway and Baldwin. Hathaway first learned the ways of the Hill in 1972 as an aide to then-Rep. McClure. He followed McClure to the Senate and later became staff director of the Energy and Natural Resources Committee after McClure assumed the chairmanship of the committee. Baldwin has a long history with the Senate Republican Policy Committee, having served on its staff from 1959 to 1962, and again from 1973 to 1981. The next



On the eve of elections, anti-apartheid pressure grows among the US public

## FEES PAID TO U.S. AGENTS

by South African Government, Homelands and Corporations

<i>Agent</i>	<i>Foreign Principal</i>	<i>Fees/Salaries</i>
John P. Sears	S. A. Embassy	US\$500,000/yr. + 30,000 expenses
International Public Affairs Consultants, Inc. (William Keyes)	S. A. Embassy	US\$360,000/yr + 30,000 expenses
United International Consultants (Michael Hathaway, Joan Baldwin)	S. A. Embassy	US\$360,000/yr (2 yrs) + 30,000 expenses
Smathers, Hickey & Riley	S. A. Embassy	US\$300,000/yr + 30,000 expenses
Pearson & Pipkin, Inc.	S. A. Embassy	US\$180,000/yr + 15,000 expenses
Public Service Audience Planners	S. A. Embassy S. A. Tourist Board	US\$ 27,153.22 US\$ 61,007.72 (fees for 9/84-8/85)
William Hecht and Associates, Inc.	S. A. Dept's. of Foreign Affairs, Information	US\$192,465.27 (fees for 9/84-2/85) (contract ended 2/85)
Global USA, Inc. (Michael J. Farrell, John M. Nugent, Raymond T. Waldmann)	Bophuthatswana	US\$112,500.00 (fees for 1/85-7/85)
Donald G. Johnson Co.	Ciskei	US\$ 23,083.76 (fees for 9/84-2/85)
Republic of Transkei Washington Bureau	Transkei	US\$120,458.79 (fees for 10/84-3/85)
Kenneth Howard Towsey	Transkei	US\$ 10,233.79 (fees for 12/84-6/85)
Jay Parker & Associates	Venda	US\$ 34,399.24 (fees for 11/84-4/85)
Kirkpatrick & Lockhart (Peter B. Teeley)	International Gold Corp. Ltd.	US\$165,000.00/yr + expenses

Source: U.S. Dept. of Justice, Foreign Agents Act Registration Records

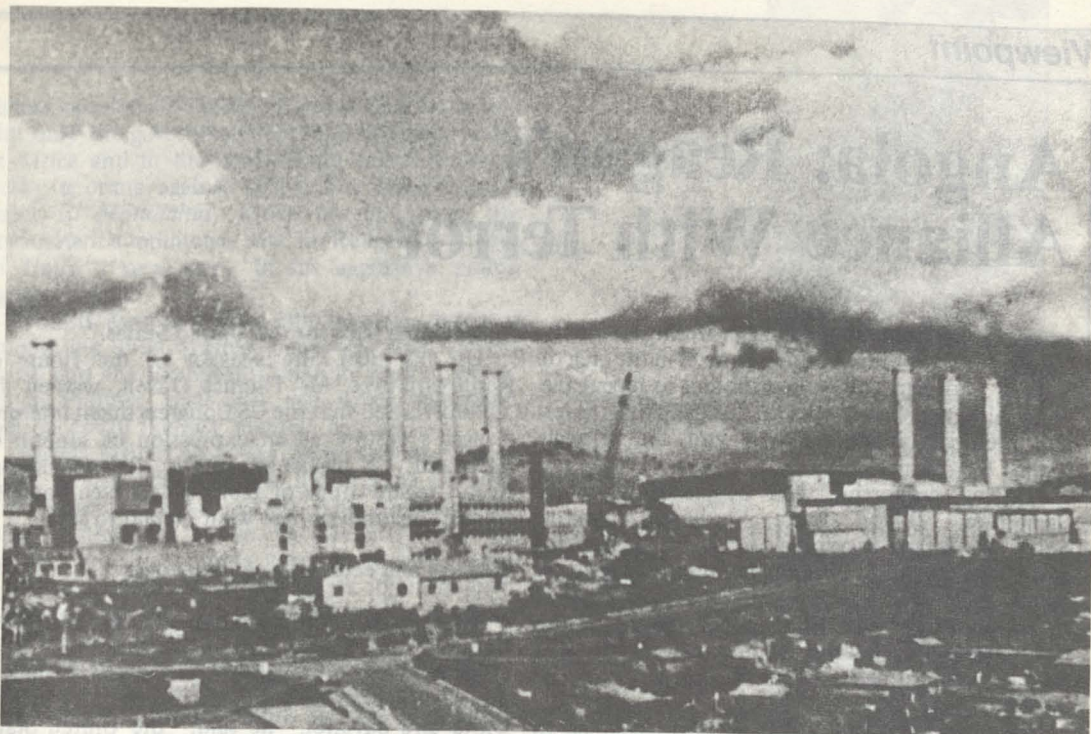
□ With anti-apartheid activity at a new high, South Africa is spending more than US\$ 2 million this year on US lobbyists and public relations firms, according to records on file with the US Department of Justice. The list of those working for the Pretoria government and the four black homelands it has declared to be independent includes some familiar names, as well as a new group with extensive right-wing connections.

The "old-timers" are two Washington-based law firms, one with Republican and the other with Democratic connections. John Sears, who was manager of the 1980 Reagan for President campaign until a falling out with other key aides, retains his standing as Pretoria's top paid agent. Smathers, Hickey and Riley - with senior partner George Smathers, a former US senator from Florida - continues after more than five years of work as a key part of South Africa's lobbying team. The firm recently changed

its name from Smathers, Symington and Herlong after the departure of Missouri Democrat and former House member James Symington.

Officially retired from this lobbying corps is the law firm of Shipley, Smoak, Henry and Holdgrieve, which represented the South African Administrator General in Namibia under the name of the US-Southwest Africa/Namibia Trade and Cultural Council. Although Shipley and Smoak continue their association with Namibian politicians, they have formally notified the US Justice Department of the termination of their contract with the Namibian administration.

The above table does not include an accounting of the South African government's own public relations efforts, nor those of private companies such as the International Gold Corp., the major South African trader in gold and Krugerrand gold coins that has reported expenditures of more than US\$ 11 million in the first half of 1985 for its trading business and lobbying.



The pressure of public opinion is causing dozens of US industries and banks to curtail their investments in South Africa

year she became deputy staff director and editor of the committee's newsletter.

Hathaway explained in a telephone interview that he and Baldwin will take charge of lobbying the Senate on behalf of South Africa, while the House of Representatives will be Pearson's responsibility. But he noted that educating Capitol Hill is just a small part of the job facing Pretoria's lobbyists.

"We will definitely be getting into divestment at the state and local level," Hathaway said. An ardent anti-communist, he feels strongly that state and local politicians cannot adopt sanctions against South Africa without facing the consequences. "It's not a free issue. There's a price to pay for South Africa."

Hathaway is a strong supporter of the P.W. Botha administration. As an aide to McClure, whose interest in strategic minerals stems from Idaho's mining

industry as well as his post as head of the Senate's energy policymaking body, Hathaway has long been familiar with South Africa and its role as a supplier of strategic raw materials. He is adamant in asserting that these resources, along with Pretoria's tough anti-Soviet stance, should guarantee the white government American support.

"I want to help stop this US trend of dumping on someone who's pro-US and anti-Soviet. Here you have an anti-Soviet government (Botha) that's trying to end apartheid, and every time they take a step they get kicked in the teeth."

Just back from a two-week trip to South Africa, where his appointments with blacks were arranged by the authorities and included meetings with the mayor of Soweto and Chief Gatsha Buthelezi ("a possible future president of South Africa"),

Hathaway maintains that the alternative to Botha's reformist approach "is a bloody revolution and Marxist dictatorship, *a la* Nicaragua and the Sandinistas." He contends that supporters of sanctions against South Africa seek to overthrow the Botha regime and favor "an Angola-type government."

Hathaway also is convinced that the Democratic Party intends to use South Africa as a major foreign policy issue in the 1986 elections. The sanctions bill passed at the beginning of last year by Congress is "not an anti-South Africa bill, but an anti-Republican and anti-Ronald Reagan bill," he says. In response, Hathaway and his fellow lobbyists will be gearing up to gain voter support for the Botha government. "There are voters out there," he warns, "who think it's wrong to attack South Africa." (*Anne Newman/Africa News*) ●

# Angola: Reagan's Alliance With Terror

**W**henever Ronald Reagan attempts to justify his interventionist moves in the area of foreign policy, he is bound to repeat the same old tune based on two fundamental notes: the preservation of freedom and the struggle against terrorism.

Yet by supporting such people as Pinochet, Stroessner, "Baby" Doc, Ferdinand Marcos, Suharto and the Salvadoran squads, by encouraging and financing the Nicaraguan *contras*, and by invading Grenada to stifle a promising experiment in local self-government, the US administration has repeatedly undermined its own myth of a sincere commitment with the preservation of freedom.

Now the open and public support extended to Unita during Jonas Savimbi's visit to the United States forever buried any of the White House's demagogical pretenses of a firm stand against terrorism. For there are certain things about Savimbi that no amount of demagoguery can hope to dissimulate. First, the fact that he worked for nearly a quarter of a century for the CIA and the South African intelligence service; second, that he is totally dependent on the White House and South African support; and third, that Unita is not a guerrilla movement but a group subservient to South African interests.

All these are thoroughly verified truths. Not a single member in the US Republican administration can ignore that, were the South Africans to withdraw their support of Unita, the latter would quickly disappear from the map. Savimbi is no more and no less than what the US and South African leaders want him to be.

Thus the reception given to Savimbi by US officials — including Reagan himself — came as no surprise to anyone. Yet the nature of such reception suggests that Savimbi's visit may have some deep and dangerous diplomatic consequences. Banker David Rockefeller, who cannot be called a Marxist or an adherent of the Angolan regime, wrote in a letter to Representative Walpe that Congress should be made aware that the new financial support offered Savimbi might create

"intolerable risks for the United States."

On his turn, the speaker of the House of Representatives, Mr Thomas O'Neil, warned the administration that the US Congress might interpret Reagan's gesture as an expression of support of apartheid. US blacks apparently had no illusions in this regard: none of their leaders even bothered to meet Savimbi or hear what he had to say.

## Political and economic consequences

As early as February 4, Angolan President José Eduardo dos Santos had made this point quite clear in a speech he delivered on the 25th anniversary of his country's armed struggle. "By helping Unita and Savimbi," he said, "the United States demonstrates beyond any doubt that it has sided with South Africa and the apartheid regime; that it is not a mediator, but a part involved in the conflict; and that it is not concerned with the enactment of UN Resolution 435 on the independence of Namibia, but only with the preservation of its own and its allies' strategic interests." And he added realistically, "All this suggests that the prospects for peace in Southern Africa are very bleak indeed."

Zambian President Kenneth Kaunda uttered a Reagan chats with Savimbi at the White House



similar opinion on behalf of Front Line countries. Not only the governments but also the mass media in Africa and in the Arab World called Reagan's policy a crime against peace. The Algiers newspaper *El Moudjahid*, which usually voices the government's opinions, saw in Reagan's support of Unita a new step "in his aggressive policy against Angola."

Protests were heard not only in Africa, but also among the Non-Aligned countries, the United States and the European Common Market, where Dutch Premier Hans van den Broek expressed the concern of the ECC member nations.

No less serious were the repercussions in economic circles, where Angola has become a worldwide respected trade partner. The Angolan consumer market has grown, its foreign trade is on the rise, and the Luanda government has earned a solid reputation for honoring its commitments. Angolan trade with the United States is close to the US\$ 150 million mark and the trend is one of continued growth. Such mutually advantageous conditions have been emphasized both in the US and Europe, among others by US petroleum companies normally operating in Angola.

One question which is often heard in Washington is why Reagan decided to welcome Savimbi at the White House and why he imparted an official character to Savimbi's US visit. Every cartridge fired by Unita comes from the United States or South Africa; these two countries supply all the money which Unita generously spends in the purchase of explosives, terrorist attacks or the training of saboteurs which South African planes drop on Angolan soil. Why then so much ado about a measly US\$ 15 million "aid" — a drop in the bucket in view of the huge amounts lavishly spent by the United States and South Africa on Unita's own brand of terror?

The most common explanation in Washington and in diplomatic circles of Rio de Janeiro is that Reagan needed some political coverage to justify his own responsibility in the aggression against Angola. Something had to be done to improve Savimbi's image, to do away with his reputation as a CIA agent and to overshadow the acts of terrorism which have marked his career as a "guerrilla fighter" — such as throwing bombs inside movie theaters and kidnapping cooperating foreign citizens and nuns.

But Reagan failed to achieve his purpose. Savimbi left the United States not as a respectable leader, but as a man even more dependent and subservient than before.



From the viewpoint of the Angolan government, the results were just the opposite of those expected by Reagan. Angola was strengthened by the entire episode. A foreign correspondent in the United States wrote that "by welcoming Savimbi as though he were a statesman, Reagan considerably strengthened the government which he would like to see replaced."

But there are other aspects to be considered. By making the aggression against Angola officially international, the US president justified the foreign help which has been extended to Angola and which the country may seek in the future. In his February 4 speech, President Dos Santos emphasized that Angola will not hesitate to call on friendly nations for international aid, especially the Soviet Union and Cuba, and to seek the support of all those who stand for peace and freedom in order to preserve Angolan sovereignty.

With his untimely gesture, Reagan proved false his antiterrorist rhetoric. He showed that, at bottom, he favors apartheid. And particularly he appeared before the world as a supporter of those very methods which he claims to disapprove.

In the name of what principles will the White House be able from now on to condemn political killings and kidnappings, the indiscriminate carnage produced by bombs thrown at airports and cafés, if a notorious adept of all these practices has been welcomed by the US government as a privileged partner?

Reagan's gesture brought perplexity to many foreign governments. Formal disapprovals, however, are now beside the point. The situation in southern Africa must from now on be viewed from another angle. If it is impossible to detain the US interventionist wave, the only alternative is to give more political and military power to Angola and Front Line countries in their resistance against South Africa aggression — of which Reagan is the brain, the South Africans the operational branch, and Savimbi a mere pawn at their service.

## Ten Years After

One of the youngest diplomats of the Saharan Arab Democratic Republic takes stock of the first ten years of the autonomous government in this former Spanish colony

**T**hough relatively young for his prominent position, Buhari Ahmed, the Saharan Arab Democratic Republic ambassador in Caracas and representative for all of Latin America, is nonetheless an old hand in the Saharan struggle for liberation. Appointed for diplomatic work by the Popular Front for the Liberation of Saguia el Hamra and Rio de Oro (the Polisario Front), he has been active in Latin America since 1977, having worked as an ambassador in Mexico, Panama and Costa Rica.

In this exclusive interview with *third world* magazine, the SADR ambassador refers to the failure of the Moroccan strategy of raising "defensive walls" in the Sahara, which he attributes to the mastery of radar techniques and their limitations on the part of the Polisario Front. He also makes an authoritative assessment of the past ten years' struggle, his country's military situation and international relations, and especially the gradual dissolution of the old historical links between the Saharans and the Spanish Socialist Workers' Party.

*How would you sum up the progress made since the inception*

*of the Saharan Arab Democratic Republic?*

—Our fundamental achievement has been to create a governmental structure capable of managing those basic sectors that have a strategic bearing on the future: education, personnel

development, international relations, and the setting up of an efficient administration to address the problems of our people. At the same time, this governmental structure must resist any foreign aggression and reason in military, diplomatic and political terms in order to accomplish the full emancipation of our country.

*A new generation has come to the fore since then: children who were ten years old when the Republic was proclaimed are now 20-year-old young men. How did you go about developing these people? Was your emphasis on military preparedness or on the development of technicians and professionals in foreign universities?*

—That has been a dual challenge. However, no Saharan doctor or engineer will be able to practice his profession in an occupied territory. Most of our young people are therefore oriented towards national defense, a major priority without which it is impossible to build a nation or to dream of a free, sovereign and independent State. We have been forced to this by the current circumstances.

At the same time, however, we are preparing our children and students to carry on our work in the future, so that the next generation may effectively consolidate a free



Buhari Ahmed, SADR ambassador in Caracas

nation, with safe borders both in the north and south.

### Ceuta and Melilla

*It has been aired that a tunnel may be built in the 1990s between Morocco and Spain, under the Strait of Gibraltar, similar to that being planned between France and England under the English Channel. Is this Spanish rapprochement with Morocco motivated by economic considerations, such as a future integration of the Moroccan and Spanish economies?*

— That would be unfeasible. The only reason why the Spanish government still keeps relations with Morocco is the blackmail they are subject to in the hands of Hassan II, and their weak stance where Rabat is concerned.

*Because of Ceuta and Melilla?*

— Exactly, and because of other historical difficulties as well. Whenever the Moroccan king seems annoyed, a Spanish delegation hastens to the spot to negotiate so that his ill humor doesn't get worse. The tunnel project, just as Hassan II's request for admission in the European Economic Community, claiming that Morocco is more European than Greece, is only a megalomaniac dream of a monarch who is being questioned at home.

*Is economic integration between Morocco and Spain unfeasible?*

— Spain has nothing to offer Morocco, nor has Morocco anything to offer Spain. Both countries are producers of oranges, onions and tomatoes. Neither of them has any money. Besides, the Spanish government seems to lean more towards Europe than towards Africa. We are two economies competing with each other.

*Then Spain's weak stance, as you say, with regard to Morocco*



Mitterrand's France is king Hassan II's number one arms supplier

*has really to do with military and political problems, due to the potential risk for Madrid of a Moroccan decision to recover Ceuta and Melilla?*

— The Spanish government believes that, as long as the Moroccan army is entertained in Sahara, the less likely it will be that they will engage in action against Ceuta and Melilla. But this is a simplistic analysis. Theoretically, the war in the Sahara may end in one of two ways: either with a Moroccan victory, which we deem impossible, or with a defeat for Hassan II.

In the first case, which for us is merely academic, the Moroccan army would feel encouraged to conquer Ceuta and Melilla, thus completing "decolonization" in the north. With a Moroccan defeat, however, the Hassan regime is likely to try to offset such defeat in the south with a victory in the north.

In either case, Ceuta and Melilla disappear. This is a direct threat which Spain is trying to avoid. But, acting the way they are, they will end up losing the Sahara as well as Ceuta and

Melilla. On the other hand, Spain is attempting to consolidate a democratic process, while Morocco is under an authoritarian regime. Instead of opting for a partner and associate in the Sahara, which is a former Spanish colony, it turns towards Morocco, whose historical and economic links have always been with France. The Moroccan market is saturated with French influence.

### Hassan's relations with Washington and Paris

*As an arms supplier, is France now more important to Morocco than the US?*

— It has always been. The only exception was during the first months of the Reagan administration, when a very naive and sketchy view of world events led the Americans to draw a red line and a green line around the world. Morocco remained on the green side (which left us on the red side), and obtained all the armament it wanted.

*Hassan was literally given the green light, then...*

— Quite literally. Only gradually did the Americans perceive that there were several shades between red and green.

*Has the support of the international community, as reflected in the decisions of the OAU and the UN, contributed to a better understanding of the Sahara on the part of the Reagan administration?*

— The Saharan Arab Democratic Republic has been recognized by over 60 countries and is a full member of the OAU. That our State has won its place in history is a fact. It is also a fact that there has been a cooling down of US-Moroccan relations.

*In essence, what has caused this cooling process?*

— Hassan had deftly played his cards to secure US help, by scaring the Americans with the possibility of having Morocco follow the same way as Iran, and reminding them of Morocco's strategic position. Yet, in spite of all, a Moroccan army victory seems as remote as ever.

*If US-Moroccan relations are no longer what they used to be,*

*who is behind Hassan II?*

— More than the US help, it is the support extended by the French government that ensures continuation of the conflict. It is French diplomacy and weaponry that allow Hassan to turn his back to the world and keep refusing to seek peace.

**The need to negotiate**

*Does the Polisario Front view negotiations as a way out of the conflict?*

— There is no other way, unless Morocco plans to extend its "walls" beyond the Algerian and Mauritanian borders, which would turn the conflict into a more serious war.

*But Morocco claims it cannot negotiate with the Polisario Front because the Front is an Algerian outgrowth. If we ask Moroccans why, then, did they meet several times with Saharan leaders, they try to justify these secret meetings with the precedents established by the government of Colombia, which negotiated with the M-19, and the Spanish government, which negotiates with Basque secessionists.*

— To equate the problem of Saharan decolonization with a Colombian or Spanish domestic issue is to insult the intelligence of the world's public opinion. The international community has defined the Saharan question as that of a decolonization war, and all colonial wars have ended up in the negotiations table. In the case of Sahara, the only possible negotiation is between the Polisario Front and Morocco, just as Angolan and Mozambican decolonization came to an end through negotiations between the Portuguese government and the liberation movements of these two countries.

By insisting to present the Saharan war as a domestic question, Morocco will never be able to convince the OAU. If it can't convince Africa, how will it convince the other continents?

**The fiasco of the Moroccan walls**

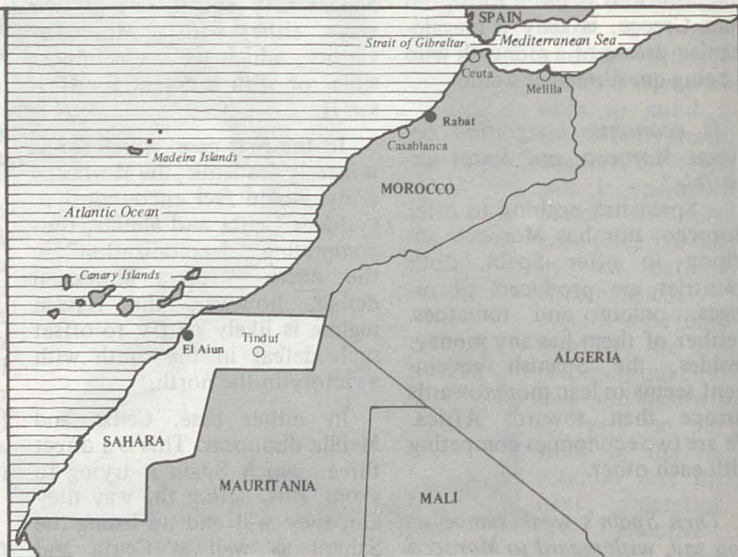
*In the diplomatic area, Morocco has certainly been defeated, but how is the situation militarily?*

— In order to claim a military victory, Morocco would first have to attain three things: first, to consolidate occupation

With a total surface of 280,000 square kilometers and divided into two major areas — Saguia el-Hamra and Rio de Oro — the Saharan Arab Democratic Republic is made up almost exclusively of desert lands.

Its coasts, however, are extremely rich in fish, while huge phosphate reserves constitute its main mineral wealth. The country's inhabitants have traditionally been nomad shepherds. The Polisario Front estimates at one million the number of Saharans dispersed over the Moroccan-occupied territory, southern Algeria, southern Morocco, and Mauritania.

S. Freitas







King Hassan II has spent US\$ 4 million a day in the Saharan war

of Sahara and explore the country economically; second, to wipe out the armed resistance of the Saharan army; and third, to obtain international approval of such occupation. None of these goals has been reached.

*How does the Polisario Front evaluate the military situation?*

— We had a number of difficulties in the beginning. We were a small, disarmed people trying to cope with an invasion in which the cleanest weapon used against us was napalm. But we always viewed this war from a long-term viewpoint. We first decided to control the aggression, then launch our offensive. We reached this goal in 1982, when the Moroccan army nearly desintegrated. Morocco's fundamental problem is that its army is not motivated for this war.

*What did the Moroccan army do after its failure in 1982?*

— They fell back into defensive action, a strategy which now takes the form of defensive walls. From a military viewpoint, to build walls means to be on the defensive, waiting for the enemy to attack and be crushed against the walls.

This may apply to classic

warfare, it is one of the oldest principles of the art of war. But the Saharan case is different. The Saharan army doesn't have a classic structure nor does it adopt classic tactics. This is a war of attrition, and this attrition is having its effects on the Moroccan economy. When the war began, the Moroccan foreign debt amounted to US\$ 3 billion; now it has soared to US\$ 15 billion. The war has been costing Morocco some US\$ 4 million a day, a price which is now becoming unbearable.

One of the gravest consequences of this attrition war is the growing rate of desertions among Moroccan troops. Instead of stopping the Polisario attacks, the walls are now being used to prevent Moroccan soldiers to desert to the other side.

*The Polisario Front admits that the walls initially had a major psychological impact on Saharan army morale. That initial fear, however, gradually receded, with the Polisario Front developing a tactic to neutralize the radar installations deployed along the walls. How did that happen?*

— The walls are a cheap engineering work, no more than three-meter high piles of sand, with radar towers at ten-kilometer intervals. Hassan mistakenly believed that his army's weakness was not knowing when and where the Polisario troops would attack, and that he might reverse the situation if he could be warned beforehand.

Of course the introduction of radar implies a technological advance that can scare a small, disorganized army with little experience in war, fighting in a desert deprived of beachheads, rivers or jungles, and where every-



For the Polisario, the war will bring chaos to the Moroccan economy



Moroccan colonization plans in the Sahara will fail, says Ahmed

things is exposed.

But though radar may destroy the surprise element at the beginning of an attack, the surprise now comes at a different moment. Suppose we deploy our troops in an attack formation along a 60-kilometer front. The radars detect the movements, but the other side cannot know that the real attack will be launched some 40 kilometers to the south. Radar is very useful in detecting a moving target, but what if the presence is permanent? The Saharan army keeps a permanent presence at a distance outside the walls, and the sentries behind the walls can see that. We keep harassing them 24 hours a day.

*All radar installations permanently detect displacements, then? This can drive any strategist crazy...*

—The radar posts in the north, south and center, all call for reinforcements at the same time. The air force is required to be on the alert. But as Hassan himself has said, it would take a force as big as the Soviet Army to keep coverage of the entire Saharan

territory, which the Moroccan army cannot do.

#### The Libyan-Moroccan agreement

*Certain Moroccan spokesmen have maintained that the agreement signed by Libya and Morocco was inspired, on Hassan's side, by the desire to put an end to the logistic support extended by Colonel Gaddafi to the Polisario Front, a goal which has apparently been attained. How do you view such agreement now, one-and-a-half years later?*

—Gaddafi did suspend all help to the Saharans after the Libyan-Moroccan agreement — and even shortly before the agreement. But what you lose on one side you can make up for on the other. Our most important military victories and diplomatic achievements took place after the agreement had been signed. Two months after the agreement, for instance, the SADR was admitted as a full member of the OAU. The Gaddafi-Hassan accord, there-

fore, didn't affect us in the least, either militarily, politically or psychologically.

*In spite of the agreement, the Polisario Front keeps a discreet presence in Tripoli, the Libyan capital. Does this mean that political relations between your country and Libya have been maintained?*

—Political relations have been maintained, but so far have failed to produce material results ever since that agreement was signed on August 13, 1984.

*Morocco has been trying to make its presence in the Sahara an irreversible fact by encouraging colonization of Saharan territory by Moroccan families. Can this policy bring future problems to the SADR?*

—The colonization policy which Morocco is trying to enforce in Saharan lands is misguided. It is an attempt to transplant the Israeli experience in Palestine. But Moroccan and Saharan communities could never live together. Morocco would need great economic power and investment capacity to encourage not only families, but also mercenaries to live in the Sahara.

*They insist that at least the capital, El Aiun, has grown.*

—Most Moroccan citizens living in El Aiun belong to a lumpenproletariat. They are people who can't find work because there are no investments there. And there can't be any as long as the war lasts, since no foreign enterprise would invest in a high-risk area.

*What portion of the Saharan territory is controlled by the Moroccan army?*

—The Moroccan army is deployed along the walls, which means approximately one-third of the Saharan territory. (Beatriz Bissio)

# Petroleum Shock - Part II

Three forces - the OPEC, transnational corporations and industrialized countries - vie for control of the world's richest and most vital market

The doubts and problems which have riddled the world oil market in recent years stem from the fact that, ever since the Organization of Petroleum Exporting Countries lost control of supply and production, none of the other two remaining forces has proved strong enough to dominate the marketplace.

Most analysts agree that the current situation is likely to remain unchanged in the near future. Oil demand in industrial nations, which until the beginning of this decade had grown incessantly, has slackened in the past few years and seems to remain stationary. In other words, the era of continued growth in world oil consumption and rising oil prices is over and looks like a thing of the past. Of course, stabilization of consumption in a situation of overproduction can explain the continuing downward curve of the price of crude, but it certainly cannot justify the spectacular plunge in oil prices which took the world by surprise in January of this year.

January is normally a month of high energy demand in the northern hemisphere as winter reaches its peak. A decrease in oil consumption and a resulting drop in prices might have been expected for March or April. The early arrival of wild fluctuations in fuel prices can only

be the result of an unusually bold struggle for control of a millionaire oil market. None of the contenders in the arena has so far managed to overcome the others, but each seems to count on an ample store of power to throw against each other.

The current situation has no known precedent. From the onset of the oil industry and until 1973, a handful of traditional if not too old transnational oil companies — the so-called seven sisters — dominated production and distribution worldwide and exercised the privilege of fixing prices and profits.

In 1973 a thirteen-year-old OPEC reversed the situation. Its thirteen members — the world's largest oil exporters — boldly joined forces and won the power to determine the price of crude. Prices immediately went sky-high, but OPEC reigned largely unchallenged until 1979.

These two periods cover nearly a full century of world oil history; in both, only one side dominated the scene. Now, however, the stage seems crowded with a host of protagonists — OPEC, oil transnational corporations and the governments of major oil importers. The plot has grown unbearably thicker, and no happy ending is anywhere in sight.

Since the early 1980s, the demand for OPEC crude has gradually declined. By 1982 the organization had lost control of the market. In March 1983 OPEC members meeting in London decided to reduce oil prices for the first time in the history of the organization. A barrel of crude was to sell from then on for US\$ 29 instead of US\$ 34.



OPEC meeting, 1974: at the time they held the market under control

## Shrinking supply

Until then, the strategy adopted by OPEC countries had been one of reducing supply in order to protect prices. These had risen well above current market quotations, so that the adjustment agreed to in London looked like a realistic move. But it wasn't enough to appease the opposing forces. In the past four years, OPEC conferences have concentrated on the difficult task of further reducing production, aligning it with demand, and thus keeping control of prices.

The effort was certainly noteworthy. OPEC's production had reached nearly 31 million barrels of oil per day in 1979, its record year; but in the last few months of 1985 this figure had dropped to between 14 and 15 million bbl/day, or less than half the total potential of the organization's members.

After years of juggling, the time came when OPEC could hardly curtail supply any further. Member countries found themselves straining under the impact of diminishing sales and were eager to export more. At a December 1985 conference, OPEC chose a different course of action. Rather than working in isolation to reduce supply in the hope of averting a price drop which so far had only favored non-member producers, the organization decided it would continue to limit supply only if non-OPEC producers did the same by restricting their exports in line with the total demand. Until this happened, the thirteen OPEC members would be free to do what they saw fit to recover their former shares of the market at whatever price. The costs of limiting supply would thus be shared by all exporters, and not only by OPEC members as had been the case until then.

Soon after this momentous decision, such countries as Saudi

Arabia hastened to increase their production and adjust their prices to market levels. The consequences of such moves were already spectacular by late January. A sudden oil glut brought oil prices below the US\$ 20/bbl level, with losses for *all* producers. England and Norway, which refused to agree with OPEC, were unable to avoid the price drop. Norway eventually accepted the idea of reducing supply in line with OPEC, provided England did the same.

However, sticking to her hands-off-industry policy, Prime Minister Margaret Thatcher refused to go along. If the British refusal is maintained, no solution to the problem of plummeting oil prices can be envisaged in the near future. Yet if petroleum goes on costing less and less, investing in alternative oil sources will become uneconomical. Meanwhile, by taking advantage of the low cost of oil in relation to other fuels, consumers throughout the world will eventually force demand up again in the medium run, and we will all be back where we started from.

Saudi Arabia and the neighboring Emirates have enormous oil reserves, their production costs are low, and their populations are small. The Saudis could easily triple their current production and go on making huge amounts of money even if prices were cut by one-half. This, of course, would be wasting natural resources, but after two or three years the country would still be left with enough reserves to live for another half-a-century.

For a country like Algeria, however, to imitate this behavior would be economic suicide. With much lower oil reserves, only by moderating production and sticking to high prices can Algeria finance its programs to develop alternative energy sources before its deposits are

depleted. Cutting the prices of crude to edge out competitors is, therefore, impractical for countries like Algeria and others which will do what they can to prevent OPEC from heading that way.

It is problems such as these that place the organization at a disadvantage vis-a-vis its powerful opponents. Let us now take a brief look at the latter.

## Transnationals and the OECD

OPEC's heyday of power, when its members increasingly assumed control of oil production, meant of course an all-time low for the transnational oil corporations. The big companies' response was to invest in petroleum exploration in "safer" areas of the world — especially in the US and the North Sea, and in some areas of the Third World outside OPEC control.

They thus eventually succeeded in increasing their own reserves of crude; but the market — including production, refining and distribution of oil products — which they had once so ruthlessly dominated, remained broken and disorganized. Not one of them seems capable of restoring the old order; instead, the whimsical forces of supply and demand, once so deftly manipulated by the seven sisters and later by OPEC, have been unleashed once again and now seem to be the main determinant of things.

The third group of contenders are the powerful capitalist countries making up the Organization for Economic Cooperation and Development (OECD). After the oil shocks of 1973 and 1979, the OECD countries adopted measures to conserve energy, spur the development of alternate energy sources, and reduce dependency on OPEC oil. The results were promising enough to interfere with the ongoing situation. In addition, the deep-

est and longest recession in the postwar era helped turn the entire energy picture upside down.

In the US, total energy consumption dropped from 1,813 million tpe (tons of petroleum equivalent) in 1973 to 1,708 million tpe in 1983. In ten years, the share of crude oil in total consumption had declined by 118 million tpe, and that of natural gas had fallen by 130 million tpe, while coal and nuclear energy increased their shares by 65 and 58 million tpe, respectively.

In Europe, total energy consumption remained constant over the same period, but the relative importance of energy sources also changed considerably. Petroleum consumption fell by 160 million tpe, while natural gas and nuclear energy consumption increased by 54 and 63 million tpe, respectively. To make things even rosier, oil deposits in the North Sea went into production in 1975 and have been supplying 150 million tpe which until then had to be imported from OPEC countries.

### The change in 'energy intensity'

Is this turnabout here to stay, or may things change once more? There is not much sense in risking forecasts on a subject so far beyond the reach of any possible evaluation, but certain areas can be mentioned where changes are very likely to occur.

One of the most valuable indicators for an analysis of the demand curve is *energy intensity*, which measures the amount of primary energy required to produce US\$ 1,000 of value added. This ratio between production and energy consumption is a key for evaluating the development of OECD countries, which account for the greater share of the world demand.

If 1970 is taken as a base year with an energy intensity

of 100, it can be seen that, by 1983, this indicator had dropped to 66 in the US, 60 in Japan, and 59 in Great Britain. This represents unprecedented savings in oil consumption. However, a recent *Data Resources* survey shows that after such remarkable progress, the process of oil demand constraint has lost some of its momentum. Energy intensity dropped by 12 percent in Europe between 1979 and 1983, says the survey; but by 1984, it was again on the rise, with an increase of 5 percent. According to *Data Resources*, this new upward trend is likely to persist until 1990.

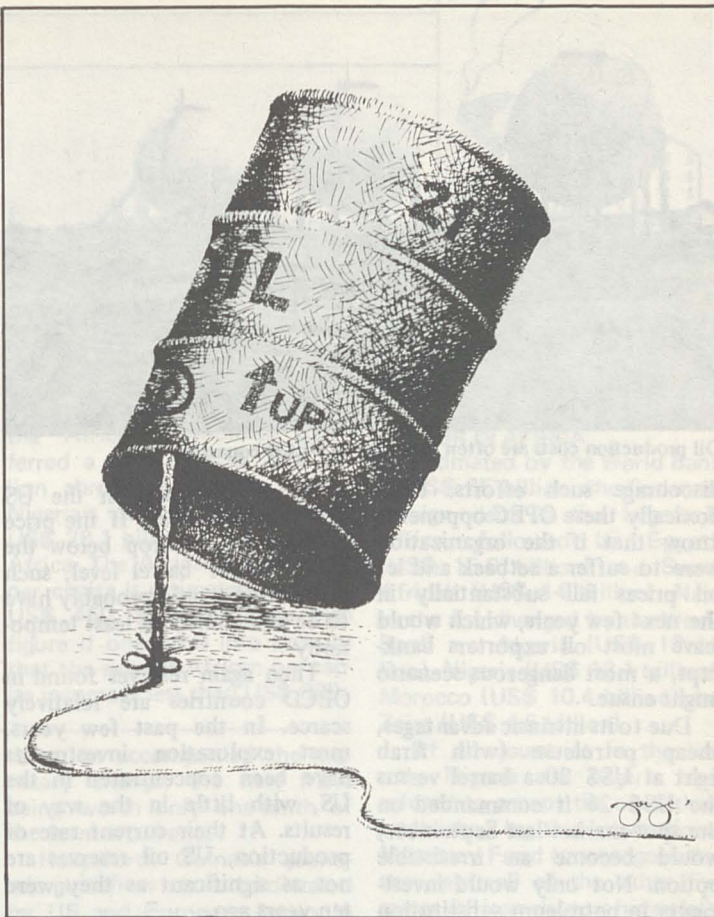
In the case of petroleum, the survey indicates that, after a decrease of 113 million tpe in

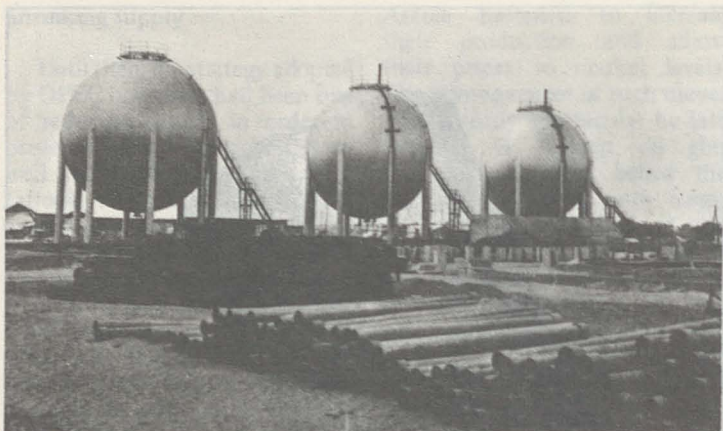
1979-83, consumption resumed growth and experienced a 13-million-tpe rise in 1984. This resumed growth trend suggests that the massive investments in technology and production made by OECD countries to conserve energy and replace petroleum in the wake of the frightening price hikes of 1973 and 1979 are reaching their point of diminishing returns. Holding oil consumption down would require additional, enormous investments.

### A paradox

This is precisely what is beginning to worry the proponents of OECD's energy self-sufficiency: current low oil prices

Jorge Arbach





Oil production costs are often very high in OECD countries

discourage such efforts. Paradoxically these OPEC opponents know that if the organization were to suffer a setback and let oil prices fall substantially in the next few years, which would leave most oil exporters bankrupt, a most dangerous scenario might ensue.

Due to its intrinsic advantages, cheap petroleum (with Arab light at US\$ 20 a barrel versus the US\$ 26 it commanded on the spot market last September) would become an irresistible option. Not only would investments in petroleum substitution be deterred, but all energy substitutes, particularly coal, would lose ground.

In addition, if the price of crude fell considerably, bringing down with it those of other energy sources, the economic growth of industrial countries would be greatly enhanced, with a corresponding increase in energy demand in OECD countries. In time, the oil market would move in a direction similar to that prevailing in the early 1970s and which led to the price hikes of the past decade.

In spite of the evident progress made in the area of energy self-reliance, the OECD economies still retain some vulnerable points. Exploration of their oil deposits is extremely costly, and cheap OPEC crude would render many

wells uneconomical in the US and the North Sea. If the price of oil were to drop below the US\$ 15 per barrel level, such production would probably have to be abandoned, at least temporarily.

Then again reserves found in OECD countries are relatively scarce. In the past few years, most exploration investments have been concentrated in the US, with little in the way of results. At their current rate of production, US oil reserves are not as significant as they were ten years ago.

Of course it is not impossible that new large oil deposits be found within the OECD jurisdiction in the years to come, but this certainly seems unlikely right now. Two-thirds of the world's reserves are still in the Middle East, most of them capable of being explored at low or very low costs.

Besides, even if the OECD countries could afford to make the required investments to reduce energy intensity, the world demand is bound to continue to grow in the long run. On their turn, Third World countries do not have the resources necessary to reduce their energy intensity. All of this points to increased demand, with oil becoming more expensive and scarcer and Third World coun-

tries faring worse than the OECD countries as usual.

### An enormous responsibility

Speculation about future events, forecasts and changing trends could go on forever. But the above data are sufficient to demonstrate the market's fragmentation and uncertainty. They also show that oil prices and production may go through ups and downs which none of the individual actors and contestants can control, no matter how powerful they are.

Some of mankind's most vital needs depend heavily on the supply and prices of oil and energy in general, and negotiations by the three forces mentioned above towards market stabilization would certainly benefit every man and woman in the world. OPEC itself suggested such negotiations some time ago, and has recently repeated its proposal. For OPEC members, the issue goes beyond discussing petroleum with the OECD countries, since the interests of other Third World producers of raw materials must come into play.

In mid-1985, OPEC's major opponent, the International Energy Agency (IEA), which congregates 21 of the 24 OECD countries, examined and bluntly refused OPEC's proposal. The IEA refusal implies its virtual certainty of an OECD triumph over OPEC. Any such confrontation, even if it eventually turns out to favor the industrial countries, will contribute to further destabilize world markets, with serious consequences for all Third World countries. And if the IEA has miscalculated its capabilities, the ensuing crisis may have incalculable consequences worldwide. In any event, by refusing to negotiate the IEA countries have assumed an enormous responsibility. ●

(Pablo Piacentini)



# The dirty side of

## AFRICAN LEADERS TO DISCUSS FOREIGN DEBT

The Organization of African Unity has scheduled a summit meeting for March 1987 to discuss the continent's external debt, which is currently estimated at US\$ 180 billion. In calling the summit, the OAU revealed that its member's 1985 exports had remained at a meager US\$ 5 billion, or one-half of the 1980 figure. The sharp drop in the inflow of foreign reserves to African countries was further aggravated by a 20 percent in-

crease in imports and by profit remittances and payments to US and European banks and corporations.

Also according to the OAU, the African economies transferred a total of US\$ 23.9 billion abroad during the 1970s. Nigeria's current debt of some US\$ 20.1 billion is the largest in Africa. The African foreign debt per capita is estimated at nearly US\$ 450, an exceedingly high figure if one takes into account that the average African per capita income is less than US\$ 300.

## GUINEA: THE DEATH OF THE "ELEPHANT"

Guinea's national currency, the *syli* (a Malinke word meaning "elephant") went out of circulation last January 6 when the country entered the French franc era. The event implied more than a mere change in name and value. It entailed deep transfor-

valuation accompanied the monetary change, the new franc being worth only one-tenth of the former currency.

Henceforth Guinea's economic guidelines are to be dictated by US and European banks in line with IMF prescriptions. State banks have been closed while a project is in motion for the privatization of state-owned com-

## SUDAN: LARGEST DEBTOR IN AFRICA

Estimated by the World Bank at US\$ 65 billion, the Sudanese foreign debt is the largest in Africa, followed by Egypt's (US\$ 15.9 billion) and South Africa's (US\$ 14 billion). Next in the list divulged by the World Bank are Algeria (US\$ 13 billion), Nigeria (US\$ 12.1 billion), Morocco (US\$ 10.4 billion) and Zaire (US\$ 4.5 billion).

Of all countries in the list, only Nigeria and Algeria have refused to accept the conditions established by the International Monetary Fund for renegotiating the debt; all of the other five major African debtors have yielded to the IMF "conditionalities" imposing, among other things, domestic recession, currency devaluation and export promotion as the only way to gain access to new loans by the Western financial system.

South Africa reached an agreement with its creditors in February, following a partial moratorium on its debt payments.

Among the seven largest African debtors, three are oil exporting countries (Algeria, Egypt and Nigeria), while Morocco, Zaire and South Africa are major exporters of mineral ores. The total foreign debt of African countries is currently estimated at approximately US\$ 250 billion, or just above one-third of the total Third World debt.



mations in the entire Guinean economy, leaving behind most of the nationalist and socialist policies introduced by late President Sekou Touré. A sharp de-

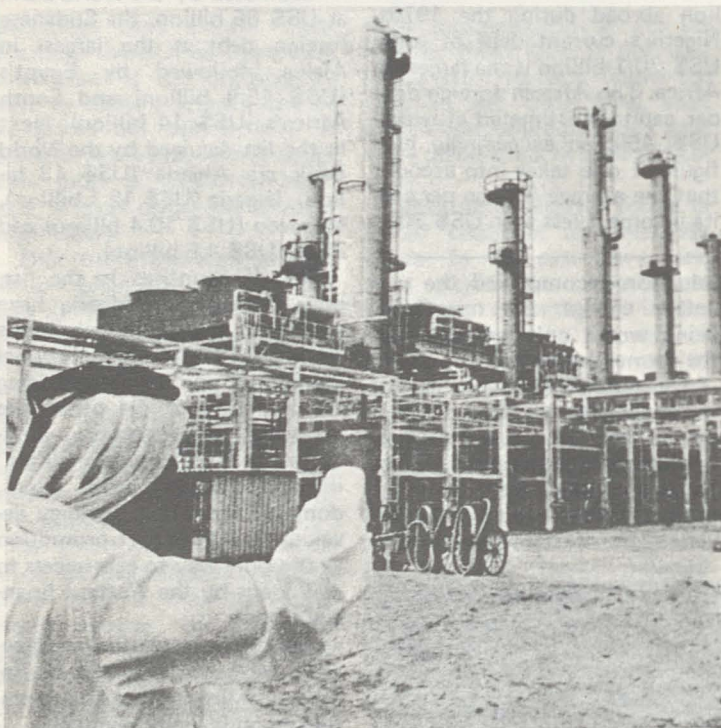
panies created during the Touré administration. All these economic changes are intended to fully incorporate Guinea into the French franc area of influence.

### ARAB COUNTRIES CLASH WITH THE EEC ON PETROCHEMICALS

Having been encouraged to set up petrochemical industries, the Arab Gulf countries, especially Saudi Arabia, are now paying dearly for the loans and finance received from Europe and the US. Starting January,

EEC reacted by imposing additional tariffs to protect the European polyethylene industry, which imports raw materials from Arab countries and processes them at higher operating costs.

European protectionist measures have seriously upset trade balances in the Gulf countries,



protectionist measures enforced by EEC countries have affected exports of petroleum products by the Arab countries, which build their industries in the 1970s counting on substantial aid from the US and Europe.

As goods produced by the petrochemical industry turned out to be far more competitive than their European counterparts, the

particularly in Saudi Arabia, at a moment when plunging world oil prices have an adverse effect on the income of petroleum exporters. Since most Arab countries have not yet fully paid for their petrochemical plants, protectionist measures adopted by the industrial economies prevent them from selling their processed oil products abroad.

### PERU: THE COPPER DISPUTE WITH THE US

Economic relations between Peru and the US have deteriorated since early 1986, and things are likely to get worse starting March when bargaining over the future of American Smelting, a subsidiary of the Southern Copper Corporation, enters a critical phase. The US-based transnational settled in Peru ten years ago to exploit copper reserves located in the south. Fiscal and customs benefits granted by the Peruvian government at the time in return for the initial investment expire in 1986.

Southern Copper claims it has not yet recovered its US\$ 700 million investment, while Peruvian authorities suspect the company has repeatedly underinvoiced exports in order to understate corporate revenues. Two probe commissions appointed by the Lima government have charged the transnational with exporting copper at prices below the international level in violation of the original contract. Official spokesman have said that Southern Copper will have to negotiate a new contract providing for full payment of taxes.

The copper quarrel adds momentum to the Belco Petroleum crisis. Unlike two other US transnationals, Belco had refused to renegotiate its oil production contracts, causing the Peruvian government to nationalize the company's assets. The US State Department retaliated by cancelling Peru's sugar import quotas and thus sided with the transnational, a fact that upset the Lima government which has accused Belco and Southern of violating Peruvian law.



# The dirty side of a "clean" industry

Viewed as "clean" by Western authorities, the electronics industry actually has its highly polluting side\*

In January 12, 1985, seven women workers were taken to the General Hospital in Penang, Malaysia, after they were overcome by what was believed to be a gas leak at an electronics company in the Bayan Lepas Free Trade Zone. Their complaints of dizziness and fainting spells were later diagnosed as the result of inhaling trichloroethylene (TCE), an anesthetic agent used for cleaning. However, according to a company spokesman, it was nothing more than a case of mass hysteria to be treated and dismissed as such.

Industrial accidents of the kind are becoming increasingly common in Malaysia. However, although Penang is billed as the world's center of semiconductor/electronics manufacturing, employing thousands of workers, little notice has been taken of the enormous risks and dangers electronic workers are exposed to.

In 1983 there were 120 companies operating in eight Free Trade Zones in the country, with investments totalling over US\$ 347 million and providing employment for more than 67,000 workers. In 1981, Malaysia's electronics industry supplied products worth US\$ 1.45 billion to the world market. The companies exported US\$ 1.67 billion of semiconductor devices in

1983, an impressive performance by any standards.

These companies settled in Malaysia because of the availability of cheap, docile female workers for labor-intensive jobs in the international production process. The Malaysian government offers these companies an attractive deal in the form of locational incentives (e.g., Free Trade Zone facilities) and loose labor laws. The latter, together with negligible enforcement, facilitate worker exploitation and make it possible for companies to perpetuate their harsh work

conditions and unhealthy work environment.

### A high-risk industry

According to the US National Institute on Occupational Safety and Health (NIOSH), electronics are "high health-risk industries using the greatest number of toxic substances." In the US, at a time when occupational hazards have become a topic of increasing concern and study in a wide range of traditional industries, the semiconductor business, one of the few growth industries in the country, has been left virtually untouched.

The sad case of Elfreda Castellano is an example of what can happen to an electronics worker. In 1979 Elfreda was employed by Dynetics Inc., a semiconductor manufacturer in the Phillipines. Her work involved handling solders and fluxes. After

\* This article was prepared for the Third World Network by APPEN (Asia-Pacific People's Environment Network).



Electronics manufacture is considered to be a high health-risk industry



One-half of all electronics industry employees in Penang have developed eyesight problems as a result of demanding work with optical gadgets

one year of service, she was confined to a hospital for raging fever and dark spots on her legs. She was later diagnosed as having cancer of the lymph nodes with leukemic transformation. She faced death due to cancer caused by her work.

In 1975, only three years after the first electronics plant opened in Penang, nearly half of the workers there complained of eye trouble and frequent headaches as the result of working with microscopic devices.

The electronics industry is generally viewed as "clean" and "light," but many workers face stressful working conditions and exposure to hundreds of toxic chemicals.

A photograph of the interior of an electronics plant is striking for its appearance of immaculate order. In a spacious, well-lit room, rows of women in white overalls bend over gleaming microscopes. On an actual walk through the plant, however, the

visitor often gags on the strong smell of chemicals, and a trial look through a microscope easily produces a faint dizziness or headache.

The jobs created by an MNC electronics investment in Malaysia involve labor-intensive assembly and final testing of electronic components. In the process, silicon wafers of two to four inches in diameter are sliced into about 500 separate chips. Each individual chip is then bonded to wire leads. Peering through a microscope or high-power magnifying lens, each assembler attaches a number of minute wires, each as thin as a thread of human hair, onto a chip by means of fine soldering equipment. The rest of the procedure involves dipping the bonded chips into a protective coating solution, and then baking them in ovens at temperatures ranging from 600 to 1,000°F (300 to 500°C) for sealing. Once the manufacturing process is com-

pleted, each chip must be tested. Assembly workers must dip them into tanks containing various chemicals, and then test them with complicated and expensive equipment.

### Major hazards

In addition to the exposure to chemicals, stressful working conditions are the main causes of physical and psychological hardships endured by workers in the electronics industry. Cases have been reported of workers suffering from eye problems after long hours of work on the microscope, and other health problems caused by the use of strong chemical solvents in cleaning and degreasing, which often irritate and blister the skin. The following are some of the hazards faced by electronics workers.

**TOXIC CHEMICALS.** Solvents most often used in the electronics industry include isopropyl alcohol, toluene, xylene, naphtha, trichloroethylene, methylene chloride, methyl chloroform, acetone, and several types of freon gas. All of these are organic solvents. Most organic solvents can remove the protective fats and oil in human skin, leading to rashes, cracking, red spots or blisters, and leaving the skin vulnerable to infections. When breathed in, solvent vapors can enter the bloodstream and travel to other parts of the body, especially the brain. Headaches, dizziness and drunkenness are among the effects of high exposure to solvents. Weakness, fatigue, nausea and vomiting may also occur.

Trichloroethylene (TCE) is used as a degreaser and all-purpose solvent for oil, waxes and greases in the electronics industry. Although TCE is widely used in Malaysia, there is virtually no control of the chemical by public authorities. And though TCE is volatile, there are

no established standards for the acceptable level of TCE vapors in the atmosphere of working environments.

Central nervous system (CNS) depression is the most common manifestation of intoxication caused by low inhalation of TCE vapors. In their order of increasing severity, CNS depression symptoms include lightheadedness, dizziness, mental dullness, fatigue, drowsiness, headaches, nausea, vomiting, and even coma.

**RADIATION.** In the electronics industry, quality control operators are exposed to radiation hazards. Excessive radiation exposure can lead to leukemia and mutations in the human fetus due to chromosomal damage.

**EYESTRAIN.** The productivity of electronic workers declines

rapidly after a few years of microscope work, when their eyesight begins to deteriorate.

**DEMANDING WORKING CONDITIONS AND STRESS.** A great deal of stress can be caused by working overtime, night work, and quota production systems.

Women account for 75 percent of the total work force in the electronics industry, and they face considerable stress and disruption of family life due to overtime and night work. Accommodating the dual roles as housewives and industrial workers is not an easy task. In addition, women workers face reproduction hazards in the electronics industry. Pregnant women workers who have been in contact with organic solvents or other types of chemicals will experience childbirth problems,

spontaneous abortions being common among them. Exposure to xylene causes longer and heavier menstrual periods, while antimony may lead to miscarriages and arsenic may cause both breast and urogenital cancer.

Thus, although the electronics industry is a modern, high-technology production area, workers remain as exposed to risks as in old-fashioned manufacturing processes. Even in such a sophisticated branch of industry, shortsighted managers fail to understand that healthy workers mean increased productivity. Government intervention is therefore required. The existing labor laws, both in Malaysia and in other Third World countries, need to be reviewed and, what is more important, must be effectively enforced. ●

## Environment News

### WATER SHORTAGE THREATENS ASIAN URBAN CENTERS

The International Union of Consumers Association (IUCA) has warned that the major urban centers of several Asian countries, including Nepal, Thailand and Malaysia, may face acute water shortages in the near future due to a continued depletion of water reserves for urban supply. Pang Leong Hoon, president of the Malaysian Institute of Engineering, said that water consumption in his country is expected to double by the year 2000, while reserve volumes have shown no increase so far.

UN and WHO studies indicate that 25,000 people die each day throughout the world as a result of diseases acquired from drinking polluted water. In addition statistics reveal that four out of five infant deaths in underdeveloped countries are caused by dysentery, a disease also transmitted by contaminated

water. Two thousand Bengalis died of dysentery in 1984 in the largest death toll attributable to polluted water over a brief period of time. Experts say that the depletion of water sources for urban supply is the result of ecological imbalance, indiscriminate growth of urban populations, and changing agricultural practices. In Malaysia, the Ministry of Science and Technology disclosed in 1979 that rivers in the country had been classified as "dead" water courses. Since then, an additional 20 rivers have joined the list of highly polluted water sources that are on their way to extinction.

### CAIDS: A NEW DISEASE MAKES ITS DEBUT

CAIDS (chemically acquired immunodeficiency syndrome), a new disease potentially more dangerous than AIDS, has recently

been detected in Albuquerque, New Mexico, on the US-Mexican border. Caused by human contact with trichloroethylene (TCE), a chemical used chiefly as a solvent, the disease led US health authorities to shut down two industrial plants in the area.

The new disease destroys all defensive mechanisms of the human body, rendering the patient helpless against infirmities of any kind. TCE is intensively used by assembly plants installed along the US-Mexican border, and US health authorities have now banned its industrial application.

Directors of the Mexican Center for Frontier Studies have requested US authorities to supply detailed information on their banning of TCE so that similar steps may be taken in Mexico, for the protection of hundreds of Mexican workers in the electronics industry which regularly uses TCE as a solvent.

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# Demystifying Modernism

Disproving the belief of many European experts, a social research among Islamic women shows that modernization is not always a synonym of Westernization in the Arab world

While having many of the generic features of other Third World nations, the Arab Muslim context also has specific cultural traits that determine the particular conditions of women and the accompanying development problems. To grasp the meaning of these specific traits, one must place the Arab Muslim countries in their special historical contexts and examine them in the light of their own processes of social change.

Significantly, social change in Arab Muslim countries was affected in colonial times by Western values and Western theories of modernization. The limited perspective of these theories derive from their particular temporal and social origins, which generated simplistic and definite concepts of modernization, tradition and development.

Rather than conceiving modernization and tradition as essentially asymmetric notions, most Western social scientists adopt an ideal model of modernization, and call traditional anything that diverges from such model. Yet tradition is not only too heterogeneous and evocative to be of much use as an analytical concept, but it also involves diverse values and structures.

It would be a mistake to view tradition as "static" and the concepts of modernization and tradition as being necessarily conflicting.

In fact the concept of modernization includes a number of ambiguities which stem from the tendency to identify and associate modernization with virtue.

This flaw in perception is due particularly to the failure to distinguish between what is modern and what is Western. The two are implicitly assumed to be identical. Nevertheless, to a non-Western society, the processes of modernization and Westernization are two different things altogether.

### Replication of structural inequalities

The structural inequalities that prevail in the world's economic system, separating the interests of the North from those of the South and imposing their disparities within individual Third World countries, are also to be found in the Arab nations. They have a special bearing on the issue of a just and equal participation of women in the development process, and there-

fore should be kept in mind as the basic background for planning education in order to contribute more equitably to the integration of women in development.

Because the prevailing concept of development is imbued with a marked ideological con-



Westerners tend to view as "backward" any Islamic custom diverging from European patterns

tent stemming from a basically economic, theoretical paradigm designed to explain and justify various facets of social reality, the cultural idiosyncrasies and particular priorities of Third World countries are overlooked, while abstract cross-cultural generalizations are applied to development. Accordingly, the Arab world is virtually "coerced" by the industrial world to believe that development is the direct extension of a whole world of knowledge, patterns of thought, lifestyles and experiences that have reached their acme in Western technocratic society.

Moreover, this alienating situation is aggravated within certain nations by the literal transfer

Rather than liberation, the imposition of Western models has brought further dependence and submission to Islamic women

of patterns of thought and forms of analysis from industrial countries. Very often, Arab officials tend to equate the success of modernization or development process with a society's ability to import as well as to perform according to standard models originating in the West.

As a result, most of the developmental projects designed for Arab communities, even by Arab policymakers, tend to be characterized by a blind duplication of conventional Western measures governed by exogenous

centers of economic powers that are viewed as the repositories of "Truth", "Civilization", and "Universality." Like their counterparts in the other "recipient" bloc of countries, Arab ones are pressured into situations of dependence accentuated by various effects of relationship of dominance created and nurtured by their "donor" countries' conceptions and patterns of development analysis.

Those Western stereotypes and images of female domesticity impinging on Arab cultures were



long ago denounced by voices like Amin Kacem's, who viewed them as forms of manipulation. As early as 1899, Amin Kacem maintained that the conditions of women in the Arab World were related to the prevailing types of social organizations that were importing foreign concepts such as Byzantine and Persian customs, imposing the veil on women. He argued that women's seclusion and exclusion from social affairs were a direct extension of such secular customs rather than of Islam, which may

be viewed as a *liberating* religion:

"Before any other legal system legalized women's equality with men and asserted their freedom and liberty at times when women were still in the most debased conditions in all nations of the world, Islam granted them all human rights and recognized their legal capacity, equal to that of men in all matters..."\*

Basing his arguments on the precepts of Islam, Amin Kacem also contended that women and men are equal in the eyes of God and advocated their equal *share* with men in both rights and responsibilities towards their society. Accordingly, he identified the Arab-Muslim weakness in denying women the involvement in the process of *production*:

"Among the weaknesses in a society is non-participation of the majority of its members in a productive work process... Women in every society average half of the population. To condemn them to be ignorant and inactive occasions the loss of half of the society's productive potential and creates a considerable drain upon the society's resources."

Consequently, he advocated the *education* of women by identifying education as another secular force which could liberate women from the bondage of a male societal-structure, as well as an essential *key* component in the process of development and production.

### The Moroccan context

Although Morocco is an Arab Muslim country having the common generic characteristics described for the Arab world, it can be distinguished by its own

\* Amin Kacem, *Fi-Tahrir Al Mar'a [Women's Liberation]* (Cairo: Unimul Makatib Bismisr Walkhari, 1928), p. 15.

cultural idiosyncrasies, especially with respect to women's integration in development. Understanding the Moroccan context depends on exploring the socio-economic, cultural and political structures unique to Morocco and its history.

Like its counterparts in the Arab world, Morocco's spontaneous drive to fight economic backwardness and independence was born during colonial times (French and Spanish Protectorates, 1912-1956). After independence, however, the kind of modernization started in the country was mainly acculturative, due to the imitation by Moroccan policymakers of the time, of patterns of analysis and models of development acceptable to the West and not necessarily consonant with their own cultural heritage.

Moroccan historian Abdallah Laroui argues that the creativity of the Nationalist Movement as a producer of change-generating ideas receded before independence, namely, during 1930-1932. Moreover, the most important groups in national development in the last eighteen years did not offer an integrated approach to the nation's problems and development.

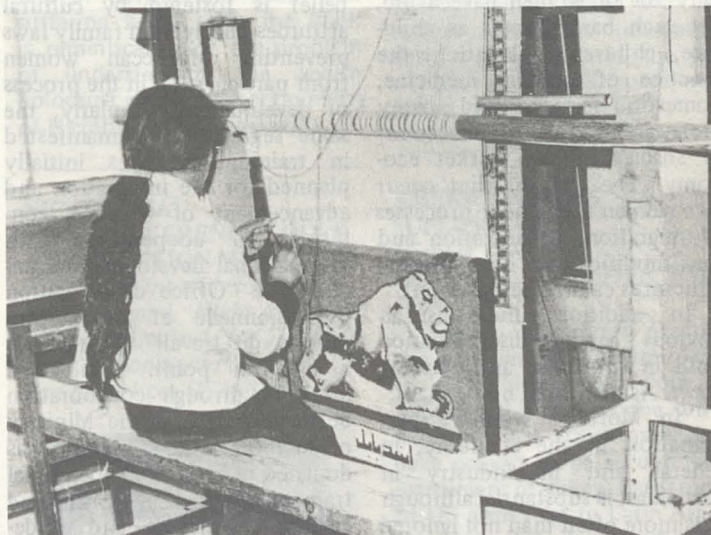
### Structural barriers

To understand the structural barriers to Morocco's endogenous development, one has to examine the type of modernization the country embarked on after independence. Following the Western type of modernization and, more specifically, the French style, Morocco's officials did not replace the old structures by new ones. Occasionally, the process of development since independence enriched the traditional culture with new heterogeneous elements but, for the most part, this enrichment led to its own impoverishment and distortion. Furthermore, educa-

tion, as a generating element of change and reproduction of modern social structure, remained acculturative too. Indeed, the educational system was not totally reformed; instead, it perpetuated the values and concepts that were designed initially by the French during the French Protectorate for the French youth.

This cultural dualism is reinforced by a marked schism demonstrated in the institutional discrimination against women. This is due partly to the failure

which grants male-supremacy and authority over women. By confining women to the family structure, Moroccan officials have kept them at a subsistence level when most sectors of the economy are money-based. The Moroccan experience, therefore, confirms that industrialization and modernization tend to enhance the difference between the sexes in underdeveloped economies and that it has produced a distortion in the dynamics between the sexes at the economic level.



Contradictory laws on women's rights have been traditionally adopted in countries like Morocco in spite of their process of social change

of the Nationalist Movement to carry out its post-independence task of socio-economic regeneration. The movement, indeed, neglected to continue to support changes in women's situations in society that had started in the urban areas during the late years of the French Protectorate.

In fact, women in Morocco were and are still subjected to laws and customs confining them to the domestic sphere, thus subjugating them to men. These laws are crystalized in the Moroccan Family Law, based on the 1957 *Code du statut personnel*

### Adverse impact of development on Moroccan women

Paradoxically, the Moroccan Constitution grants women parity with men in all spheres of modern life. Article 5 of the Constitution affirms the equality of all Moroccan citizens before the law. Article 8 specifically establishes that female citizens have the same rights of choice and eligibility as male citizens. As a result of these measures, the number of female white-collar workers in the government increased considerably in the two decades since independence.

The co-existence of incompatible forms of legislation, as shown in the *Constitution* and *Family Law*, aggravate and delay the integration of women into the process of development. In fact, when women have access to the modern sector, they are restricted to "pre-industrial" roles because performance in these related traditional tasks in the modern world does not require any training in new skills leading to decent places in the nation's economy.

According to official statistics only 8% of women have a job, yet such basic chores as child-care, children's education, the practice of popular medicine, domestic services and many more, are not taken into account in studies of the market economy. The changes that occur in a woman's life due to processes of migration, urbanization and the modification of domestic structures cannot be measured.

In addition, there is an obvious gender discrimination both in *education* and *employment*. As identified by Bennani:

"In Morocco woman's participation in the economy, in general and in industry in particular, is substantial although it is more often than not ignored and its value remains only partially recognized. The problem is a lack of education. The national illiteracy rate is 76 percent for all citizens, and for females it is 86 percent at the national level and 98 percent in the rural area."\*\*

On the ideological level, the concept of "domestication" is manifested in educators' behavior and attitudes to female education:

"The female teacher daily drills into girls the conviction

of their own degradation. 'You are only a girl', 'a pretty girl is a semi-loss, an ugly girl is a total loss'. Similarly, ignorant mothers 'train' their daughters in housework duties and prepare them to assume their 'natural' role in society."

The discrimination against women is further reflected in the labor market by the degree of women's participation in various aspects of public life. For example, the industrial sector is generally believed to be exclusively a "male domain." This belief is fostered by cultural attitudes and related family laws preventing Moroccan women from participation in the process of development. Similarly, the same segregation is manifested in training programs initially planned for the integration and advancement of women's conditions in cooperation with international development agencies. The "Office de formation professionnelle et de la promotion du travail" (OFPPT) is a case in point. Established in 1974 through collaboration between AID and the Ministry of Labor, the OFPPT was designed to administer vocational training programs, recruiting and training instructors, and to determine "manpower" needs in industry and commerce in Morocco.

In practice, however, the OFPPT is discriminating against women, writes Bennani:

"The training of women is restricted to the commercial sector. Women have access only to training courses in typing, shorthand, bookkeeping and accounting. In fact, commercial training in all but the last is exclusively female. Although training in accounting is mixed, it is in fact heavily dominated by males. Other signs of male favoritism were found in the provision of dormitory facilities and in the placement of graduates."

As Bennani's study shows, a single project like "industrial development" *per se* can hardly be considered a factor in the promotion of equality between women and men in Morocco. This project has been a failure because it did not deal with the problem of discrimination at the grassroots level. Imposing a program at the macro level cannot remove attitudes and beliefs that are internalized and ingrained in a people's belief system (attitudes, values, norms).

For people to change their belief system into positive attitudes towards development and the integration of both women and men alike, they need an adequate management of a system of education that nurtures such attitudes and enables people to internalize positive responses leading to development.

Conversely, it is hardly contestable that there have been substantial changes in Moroccan women's conditions since independence, such as the right to education, to vote and to be elected, and the right to work. However, these "rights" have not been incorporated in a careful plan of controlled nationwide development.

Any economic development in Muslim countries which considers the utilization of 50 percent of its human resources as secondary is a quixotic form of development that can only bring about illusory achievements.

The failure of anti-participatory development strategies, as exemplified in the global, Arab and Moroccan contexts with their presages of growing mass poverty and lack of endogenous development, suggests the necessity of a shift towards a development paradigm that is people-oriented and resource-efficient, leading to a more participatory development. (Zakia Belhachmi/IFDA)

\*\* Fatima-Zohra Bennani-Baiti, "The Role of Women in Industrialization: A Case Study of Morocco" in *Women and Industrialization in Developing Countries* (New York: UNIDO, 1982) p. 95.



## Third World Books

### BITTER WITNESS: NICARAGUANS AND THE "COVERT" WAR

*Acción Permanente Cristiana por la Paz, 515 Broadway, Santa Cruz, California, USA, 195060, 1984, 172 pages.*

The striking scenario of the disastrous effects of the war waged by the Reagan administration against the Nicaraguan people is portrayed in this carefully documented book. The volume features a chronology of counter-revolutionary attacks launched against Nicaragua from January 1981 to September 1984, detailed reports of the atrocities committed by mercenary fighters against the civilian population, and photographs of the destruction left in their wake.

The book is part of a permanent documentation project carried out by *Acción Permanente Cristiana por la Paz*, a US religious organization which, among other things, coordinates US citizens' visits to Nicaragua as witnesses of the devastation caused by the counter-revolutionary war. Upon their return, most of these people engage in an effort aimed at changing the US policy in Central America. The organization plans to publish updated and reviewed versions of this document at six-month intervals.

*Bitter Witness* tries to be as accurate as possible. Its sources are newspapers, magazines and personal testimonials. Only those actions verified by at least two sources are quoted. Its perspective is balanced and critical, aiming at giving the reader "an understanding of the revolutionary process of social change in Nicaragua, with all its flaws and failures, and the lessons learned from mistakes."

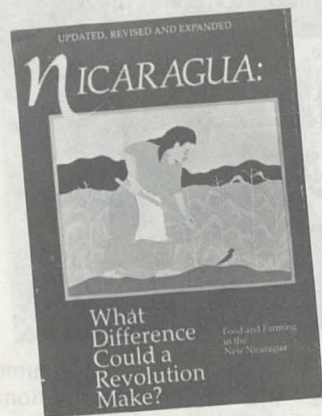
The detailed testimonials not

only relate sad, horrified reactions at the crimes committed, but often include valuable information on the history and internal conflicts of the community being attacked, which lead to a greater understanding of the counter-revolutionary war and its terrible consequences.

The authors advise the readers not to try to finish the book at one sitting. Because of the tale of destruction, death and suffering being told, the book is reminiscent "of the problem of understanding the Jewish holocaust or the nuclear bombing of Hiroshima and Nagasaki".

### NICARAGUA: WHAT DIFFERENCE COULD A REVOLUTION MAKE?

*Joseph Collins with Frances Moore Lappé, Nick Allen and Paul Rice Institute for Food and Development Policy, San Francisco, USA, 1985.*



This completely updated and revised edition analyzes the dilemmas encountered by the Sandinistas as they work against a legacy of injustice and poverty to create a more equitable food and agricultural system. Collins discusses how, despite the press-



ing need to defend itself against the human and economic devastation of *contra* attacks, Nicaragua has moved ahead with land reform and other innovations designed to improve the lives of the poor. 250 page with tables, charts and notes.

### AMERICAN ARMS SUPERMARKET

*Michael T. Klare  
University of Texas Press, USA,  
1984*

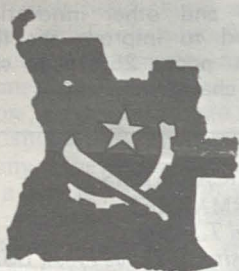
Tracing US policies, practices and experiences in military sales to the Third World from the 1950s to the present, the author explains how US arms exports have proved to be an unreliable instrument of policy. Case studies of US arms sales to Latin America, Iran and the Middle East provide data in assessing the effectiveness of arm transfer programs in meeting US foreign policy goals. The author also examines trouble spots in arms policy: the transfer of arms-making technology to Third World arms producers, the relationship between arms transfers and human rights, and the enforcement of arms embargoes on South Africa, Chile and other countries. He also compares the US record on arms transfers to the experiences of other major arms suppliers: the Soviet Union and the "big four" European nations — France, Britain, West Germany and Italy.

**A HISTÓRIA  
DE UMA TRAIÇÃO**  
(History of a Treason)

Raimundo Sotto Maior.  
Edições Alvorada, Luanda,  
Angola, 1985, 230 pp.

**A História  
de uma  
Traição**

R. Sotto-Maior

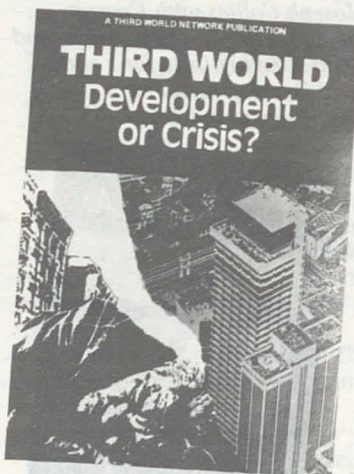


The current Director General of the Angolan News Agency (ANGOP), Raimundo Sotto Maior, has researched the origins and the political career of Jonas Savimbi, the organizer of the armed groups which make up the self-denominated National Union for the Total Independence of Angola (UNITA). Drawing on documents dating back from the colonial era, the book demonstrates how Savimbi tried to pass for a champion of Angolan independence while nurturing strong links with the Portuguese administration. The author also provides evidence on how UNITA's mastermind, seen in Angola as a renegade, consistently leaned in favor of foreign interests, especially as an ally of the Portuguese colonial army in a number of attacks against the MPLA forces, both before and after independence. The documents contained in the book are especially relevant now

that Savimbi is being presented by the Reagan administration as a "freedom fighter" while his connections with the racist South African government have become publicly known. The material collected by the author centers around the 1971-75 period, including papers seized from the former secret police organization (PIDE) of the Salazar regime, but extends to 1984, when new evidence of the Savimbi-Pretoria-Washington connection was disclosed in the world press.

**THIRD WORLD:  
DEVELOPMENT OR CRISIS?**

*Third World Network, 87  
Cantonment Road, Penang,  
Malaysia, 1985, 84 pages.*



Contained in this volume are the major contributions made by the nearly 100 representatives from 22 countries who participated in the Conference on the Third World Crisis held in Penang, Malaysia, in November 1984. The text is actually the Conference's final document, broken down into five sections: Third World domination by

industrial countries; the economic crisis in Africa, Asia and Latin America; the depletion of the Third World's natural resources through the predatory action of transnational corporations; cultural issues; and diplomatic relations between underdeveloped nations.

The book is the first publication to be issued by the Third World Network, an organization created at the Penang Conference to foster the exchange of experiences, studies and research among Latin American, Asian and African journalists, scholars and experts, as well as specialists in industrial countries.

Each of the book's five sections includes a final list of suggestions and proposals made at the Conference, which was also attended by third world magazine assistant editor Roberto Bissio.

**TWO WOMEN IN ONE**

*Nawal el-Saadawi  
Al Saqi Books, London, 1985.*

*Two Women in One* is the story of Bahiah Shabeen, an 18-year-old Egyptian student. It is also the story of countless women in the Third World, their hopes and ambitions, and their quest for emancipation and dignity. It is a telling reminder for women everywhere that hope should never yield to despair, that the future does hold a promise. Nawal el-Saadawi first came to the attention of English-speaking audiences with the publication of *The Hidden Face of Eve*. Her reputation as a powerful and moving author was further enhanced with the appearance two years later of a novel, *Woman at Point Zero*. She lives and works in Cairo.

# The unpublished letters of Eduardo Mondlane

Seventeen years after the assassination of FRELIMO's founder, his widow Janet Mondlane collects her husband's letters in a book of memoirs

**S**eventeen years ago, Mozambique's greatest nationalist leader was assassinated. Now his US-born widow Janet is getting ready to publish a biographical work containing a wealth of new materials on Mondlane, including most of their personal correspondence. In the following interview Janet tells us about her life with the founder of FRELIMO.

A white US citizen and the daughter of a bourgeois family, the young Janet Rae had to overcome all sorts of social prejudices to marry the man she loved: a young black African named Eduardo Chivambo Mondlane. "That was in the US in the early 1950s," she recalls. "At that time, a young white woman was not supposed to be dating a black man who — to make things worse — was not even an American, but an African. But I persisted and finally everything turned out the way I wanted. I can be a very determined and obstinate woman when I feel something is right. The first five years were the hardest, but I learned many things during that time.



Eduardo Chivambo Mondlane

It was not just society, but especially my own family that repressed me. So I learned to be patient."

Then came her departure from the US and the discovery of an entire new world: Mozambique with its people and customs, its refugees, its liberation struggle led by FRELIMO, of which Eduardo Mondlane was the first president until his assassination on February 3, 1969.

By following Mondlane, Janet's life changed drastically. "For a person with my background and upbringing, life took on a different turn altogether. Fortunately I found I had all sorts of support, especially from Eduardo. Without him I would have not seen the world as I did. He made me grow very much as a human being. He insisted that I have my own activities, he never tried to change me. I have always thought: how lucky I was not to have become a US housewife — how boring that would have been..."

## A book on Mondlane's life

We met Janet at a small apartment near Lisbon, a few kilometers away from the bustle of the city. She had moved there to work full time on her biography of Eduardo Mondlane, a work she had started about one year ago and which required her to leave Mozambique to do research work in England and Portugal. Throughout the interview, she often mentioned how much she missed Mozambique and her own children, whom she has not seen for some time. Yet she sounded optimistic and invariably good-natured. Though the difficulties of her life and the loss of her companion have left their mark on her, Janet at middle-age still pre-

serves much of the freshness of her youth. The conversation flowed easily and spontaneously, with Janet telling us why she decided to write a biography of Eduardo Mondlane.

"I did not intend to write a history of FRELIMO, but the story of a person, of how he thought, how he evolved and lived. The story of how a humble goatherder managed to go to school, graduate and leave Mozambique, and then return home to become a great political leader and the first president

good qualities as well as his faults...

The idea of writing the book came to me in 1970, less than one year after Eduardo's death, since most of the letters were in my possession. The task, however, turned out to be a hard one for me because I had so much to do for FRELIMO and for the liberation movement taking place in Mozambique. So I asked a friend of ours to do it for me. And he did in fact begin to work, collecting material, and so on.



RAPHAEL SILVA

Janet collected unpublished letters and interviewed 25 of Mondlane's friends

of FRELIMO."

*And what are you using as your basic material?*

— The entire biography is based on letters which Eduardo and I exchanged throughout the years. I have letters dating from 1943-45 up to the month of his assassination. I use these letters to explain his personality, the events in which he was involved and which belong to history, his

But in 1983 I felt the book wasn't coming out the way I wanted it. Not his fault — he is a good writer, I'd even say an excellent one. But because I had been closer to Eduardo I felt I should write it myself. And decided to do it as quickly as possible, because one forgets, people who had been a part of Eduardo's life were dying, none of his immediate family is alive any more...

*But you surely consulted other sources besides the letters?*

— Oh, yes. I carried out long interviews with more than 25 people who had been close to him and knew him well. In my book, I try to tell his story from the viewpoint of a Mozambican citizen, of those who lived out this period of history. This is important because too often we learn about what we do through the writings of Europeans who come to Mozambique to conduct research, then go off and write without really having lived there.

When I began, this kind of work was very hard on me. When I started once more to reread the letters we had written each other, I could do nothing but cry. I became ill. When this phase was over, I found I was able not only to cry but to laugh as well. To laugh at things and situations we had lived through. For the purposes of this project, it was a lucky thing we had been apart so much. There had been so many goodbyes, so many separations, before and after we were married. And there were so many letters: first we wrote each other weekly, then almost daily — there were tons of letters.

### A strong personality

*After all these years, did studying the letters and interviewing people who were close to your husband lead you in any way to alter your memories or the image you had of Eduardo Mondlane as a man and political leader?*

— Of course there were many things I had forgotten, but the idea I had of Eduardo as a person remained the same. He had a very stable personality. It's interesting that nearly everyone I interviewed had the same opinion about him. His strong personality was certainly due to the hardships he went through

when he was very young. No, my ideas about Eduardo did not change.

*Leaving the US to live in Africa, in such a different culture, must not have been easy.*

— It wasn't too hard. I couldn't imagine life without Eduardo. And having gone to work with the people in Mozambique as well as with the refugees in Tanzania, I felt very much at home. Even with the rifts that existed and the many conflicts — such things as are so normal in politics — the Mozambican people were very friendly, very kind, very hospitable. If I believed in reincarnation, I would think I had lived there before. Eduardo had told me so much about Mozambique and its people that, through some kind of osmosis, I had the feeling I was returning home when I first went there.

Besides, I felt very much protected — a protection which was very valuable to me after Eduardo's death in 1969. At the time we were living in Dar es Salaam, Tanzania, and I never thought of going back to the US. My father was very upset when Eduardo was assassinated. They had developed a friendly relationship over the years, very different from what it had been in the beginning.

My family was very sad and worried about my safety. Even so I never considered returning: by then, my children had become a part of Mozambican society. How could I take them away, uproot Mondlane's children from that environment?

I think I did the right thing when I decided to stay on. After their father's death, FRELIMO was very supportive and protective of his children. Of course this support could never substitute that of a father, it was not the same, but they were always surrounded by their aunts and uncles and grew up under



Eduardo Mondlane with Samora Machel (left) in the old guerrilla days

FRELIMO's guidance and total care.

### The man and the nationalist

*The book you are writing O Eco de Sua Voz (The Echo of His Voice) will certainly answer this question more fully, but can you tell us briefly what Eduardo Mondlane was like as a man and a nationalist, and when he first embraced his national liberation cause?*

— It would be impossible to separate the man from the nationalist. Shortly after his death, I remember being interviewed by someone who wrote for the ANC journal, who asked me, "Wasn't it in South Africa, while he attended high school, that his nationalist ideas took shape?"

My answer was no. His nationalist ideas had been formed well before then. They began in his cradle, in the heart of his tradition-rich family, in the countryside where he grew up. His spirit and love for Mozambique and his sensitiveness for the suffering of his people were in his heart from the very beginning. Perhaps these ideas matured in South Africa, and later in the US, where he received most of his education and intellectual support. Especially at the university level, for many things were happening in America in the 1950s.

One curious thing about Eduardo was that he could be very cheerful amidst the worst suffering. He could be very easygoing and playful, not only as a young man but also as an

adult, as the president of FRELIMO — a trait that sometimes surprised a lot of people.

He had a natural flair for jokes, for telling stories. I believe his sense of humor got him out of many difficult situations in life. He was a serious man who loved to laugh. He was able to communicate with anyone, of any age or class, from the very young to the elderly. He had an incredible ability to communicate.

I think I could say his personality was not complicated; he was very straightforward, very sure, very constant and stable.

*What about those faults you mentioned before?*

— Well... let me think about his bad traits. Wherever he traveled he would leave things behind. He sort of left parts of himself around the world — a few hats here, some papers in Switzerland, and then I'm sure he left a pair of shoes and who knows what else in Moscow. The world is full of things that belonged to Eduardo. After he died, people wrote asking whether I would like them to wrap up some of his things and send them to me...

But though he was so disorganized about his personal things, his ideas were very clear and precise. He had a great brain, an incredible capacity to see clearly to the core of world events.

*Mondlane hardly got to know Portugal — he was in Lisbon only a few months before going to the US to resume his studies. How did he view Portugal and the Portuguese?*

— Having arrived in Portugal, he wrote to a Swiss priest friend, "Why didn't you tell me that the Portuguese are such a small, likable people?" The missionary replied, "It did not behoove me to tell you these things, you had to discover them by yourself."

Eduardo lived in Lisbon for only a year but made many Portuguese friends. He loved people. He loved the world, and you could read in his eyes the love he felt for people. And they treated him well. When leaving Lisbon he was surprised, and also very proud, that so many friends had seen him off at the airport. To be sure, he was unable to leave the first time because the police took him off the airplane.

He never viewed the Portuguese as different from any other people. He never indulged in such thoughts as, "These are the enemy, the men who did so much harm to my life and my people." He never felt that way. When we were living on Long Island and he worked at the UN in New York, he often brought home members of the Portuguese delegation or he would have lunch at the UN with them.

What he would always say — a view which became ingrained in FRELIMO's policies — was that a distinction should be made between the Portuguese people and the policies of the Portuguese government. Eduardo was impressed with the suffering of the Portuguese people themselves under fascism. What he felt was unjust was that the policies of the Portuguese government should violate the will of any people, either in Portugal or in Mozambique.

**A proud "cambane"**

Eduardo's experience from his contacts with Portuguese people was very different from that of Amílcar Cabral or Agostinho Neto. Eduardo had lived most of his life in Mozambique, and most Europeans he met were Swiss.

I spoke with Angolan author Mário de Andrade in 1984 and he told me, "You know, Eduardo was not like other Africans, he was quite different

from the rest of us. We were always at the cafés where we talked and debated, trying to get to our roots, but not Eduardo, never. He did show up now and then (he never had much money to spend at cafés, did he?), but he never had any questions about his roots. He knew very well where they were, no need to discuss that matter..."

And that was true. One of the first things I remember about Eduardo was his telling me about his countrymen, the *cambanes*. He came from the land of the *cambanes* and he was proud of it. He was proud of being an African, very proud indeed.

Maybe because he was the son of a chief. His middle name, Chivambo, had belonged to an illustrious ancestor. His father had given that name to two other boys who died at an early age. Eduardo Chivambo, however, grew up to be a strong, proud man. Even as a baby he was taken to all the ceremonies, and he grew up among strong traditions. It was one of his sisters who gave him a push towards education, and once he got started he never stopped.

*What did the Mozambican nationalists think of you, a white woman married to one of their leaders, coming straight from the United States?*

— A traitor, a big traitor. Throughout the liberation struggle, I could hear things like, "One can understand Mondlane's reasons, but his wife, that white American woman... she must be a traitor." I also received many nasty letters, very nasty letters. There was quite a lot of hatred towards me.

*In one way or another this must have hurt you. Yet now you can talk lightheartedly about those people and situations.*

— With my training in sociology, I can understand all that.



Dariusz Mazurkiewicz

Mondlane founded FRELIMO by merging three nationalist groups which had been fighting for independence

I think the phenomenon should be studied in depth, but for those people... I was a traitor.

**"My heart is in Mozambique"**

As a white American woman, I had some interesting experiences during the fighting. At first my work was limited to supporting education and the schools. But as the liberated areas increased in number, my tasks expanded to include health, commerce, anything that was not directly involved with the war and the army. Except that in Europe people would forget whom they were speaking to. After all, I was white, right? When they heard my American accent they would forget who I was, and would begin to speak freely. And I would perceive what they really thought, what they planned to do about FRELIMO, what they thought of the Portuguese government. Then I would return to my people thoroughly informed about their true intentions...

*During the war, were you ever caught in combat situations?*

— In the liberated areas, as well as in Dar es Salaam, in Tanzania, we went through some dangerous times. Sometimes it was necessary to fetch the children and flee our home, even in Dar es Salaam. My wish had always been to protect them so that they would not grow up knowing fear. The boy was very fearful then, very sensitive, he was born that way. But in spite of everything I believe I managed to have them grow up in a relative freedom from fear and worries. They are no longer children now, and when they talk about the past they say their happiest moments were those days in Dar es Salaam.

Of course when you try to bring up your children that way, you must first incorporate that manner of thinking yourself. And when I look at the world now I find it in fact very simple, very small, like those rubber

balls we had when we were children.

*And where are your roots, really?*

— In Mozambique. My heart is in Mozambique. In the rest of the world I am a foreigner in the sense that I don't understand it very well. When I visit the US — my mother, brother and family live there — I find it somewhat hard to understand that culture and society. Many things have changed there in the last two decades, and I feel out of it. It is as though I was on the outside, looking in — can you understand that?

The same thing happens here in Europe, where I lived for I don't know how long in several different countries. It is always from the outside that I look at these people and cultures.

My life is Mozambique. I have no other life but Mozambique, I couldn't have any other. (*Baptista da Silva, with Maria José Belo Marques*)

## Cultural News

### ZIMBABWE RUINS TO BE RESTORED

The restoration of one of Africa's best-known archaeological sites, the Zimbabwe ruins, is the object of a US\$ 180,000 project being financed by the government of Zimbabwe. Located in the center of the country, less than 500 kilometers to the south of Harare, the ruins are a historical monument famous for the architecture of its time-worn towers. In prehistoric times, a number of African ethnical groups had flourished around the area, and throughout the centuries developed a highly-sophisticated technology.

British archaeologist David Collette, of the University of Cambridge, will coordinate the project.

### GARCÍA MÁRQUEZ'S YELLOW FEVER

The splashy yellow color of the cover of Colombian author Gabriel García Márquez's latest best-seller has so suddenly filled the shelves of Colombia's main bookstores that the local literary critics are referring to the book as a "real yellow fever." The 350,000 copies offered for sale last December, three months ahead of the announced launching date, have quickly sold out. A considerable number of copies were bought for resale abroad, since the 1.2 million copies printed for distribution in all Spanish-speaking countries proved insufficient to meet the demand.

*El amor en los tiempos del cólera* (Love in Times of Cholera) hit the bookshops of Colombia, home to the 1982 Nobel laureate writer, while the country was still shaken by the catastrophe following

the Nevado del Ruiz eruption and the bloody episode of the military assault against Bogotá's Palace of Justice. Colombians hadn't still recovered from the shock when love suddenly went once again into fashion through García Márquez's brilliant narrative.

The book can be found at airports, airplanes, hotels, summer resorts, newsstands, and even at such unusual places as supermarkets and drugstores. In the streets of Bogotá, strollers can be seen carrying a copy of the book or amusedly discussing the adventures of Florentino Ariza and the "libertarian delights of widowhood" which the novel so vividly elaborates on. Never has the public waited so anxiously for a García Márquez novel — this one his seventh — ever since he became the most widely read Latin American author in the world. Estimates are that the book printings can reach 10 million copies, with translations into 15 languages already contracted for.

### AYMARA: THE COMPUTER LANGUAGE THAT CAME FROM THE ANDES

The two-million Aymara natives living in isolation in the South American Andes could hardly have guessed that their language would one day achieve worldwide notoriety among computer specialists. Aymara is now being used as a code language in one of the few experiments which have so far successfully yielded computer-generated translations.

By means of a program known as Atamiri developed by Bolivian engineer Ivan Gizman Rojas, such languages as English, Spanish, Portuguese and French can be automatically translated



using Aymara as a fundamental link.

Having studied the language of the Aymaras, Rojas concluded that it was the only tongue in the world built around an absolutely logical and virtually mathematical structure. Aymara sentences need no connecting particles, and are so perfect that they seldom require full-stops or commas, different meanings being produced by adding regular combinations of suffixes. Based on his observations, Rojas used Aymara as a code on which to build a computer program which can translate Spanish into English at a speed of 30,000 words per hour.

Surprisingly, most Aymara natives are illiterate. Atamiri (which means "translation" in Aymara) works as follows: a text in English, for example, is fed into a computer which first translates it into Aymara, used as a lingua franca in the electronic memory. The text is then ready for translation into any other language.

Transnationals like IBM, Wang and NCR are currently testing the program, which has also been used by *The New York Times*. However, says Rojas, it is astonishing that in spite of all the successful testing abroad, transnational companies still reluctant to admit that a Bolivian engineer and a three-thousand-year-old language may have solved the problem of computerized translation.



# Radio as a Weapon in the East Timor War

East Timor guerrillas end the blockade of Indonesian invaders by setting up a radio station in the FRETILIN-controlled zone

After Alarico Fernandes betrayed the East Timor Independence Front (FRETILIN), and as Minister of Information and National Security took away with him all of the radio and information equipment available on the island, the Maubere people's resistance movement went through a rough period indeed when all communications from the outside and within East Timor were precarious at best. For nearly six years, the FRETILIN delegation abroad made contacts and worked hard to reestablish radio communications with the liberated zones. The first major step was taken in August 1984: in spite of the Indonesian military blockade, FRETILIN managed to get a transmitter/receiver into East Timor. After several attempts, it was possible to establish a direct line with another radio station which had been set up in northern Australia. The first broadcast took place on January 6, 1985.

"We now begin a new phase in communications with the outside world," said Xanana Gusmão, commander-in-chief of the FRETILIN armed forces, in his greeting message at the inauguration of the new radio. "In the difficult circumstances faced by our resistance to the military occupation by a powerful Indonesia, this will not be an easy phase, but it represents a major

qualitative leap since the reorganization of our struggle in March 1981."

On May 26 the existence of Radio Maubere was disclosed at a press conference in Australia, and for the next few days a good number of Australian newspapers and radio and TV stations highlighted the event.

"At first Indonesia tried to deny the existence of the radio,

claiming it would have been impossible for us to smuggle a transmitter into East Timor," said Olimpio Branco, the FRETILIN representative in Lisbon, at an interview with *third world*. "Since then they've been trying to capture the radio. But, should they succeed, we would simply set up a new one," he added.

### The information battle

If, on the one hand, the new radio station has made it possible to considerably improve the relay of information from the outside world to East Timor, it has also kept the guerrillas and the people abreast of local events. Until 1978, Maubere radio broadcasts were relayed to Australia (where the FRETILIN foreign delegation was based), and within the country three times a week in Portuguese, En-



Radio Maubere broadcasts from within guerrilla-controlled territory



Communications with the outside world have generated greater international support of FRETILIN activities

glish, Tetum (the local Maubere language), and Indonesian, for the benefit of Jakarta troops.

"At present," said Olimpio Branco, "the people working at the radio are still not fully experienced, since radio channels have only recently been restored after a seven years' interruption. So we still face some limitations."

In spite of such limitations, however, the radio offers a wide range of practical programming, such as information on health, agriculture, sanitation, and cultural news. In the interior, it serves two important purposes: to keep the guerrillas abreast of political developments, which has made for several considerable advances, and to divulge news from abroad through regular interviews and reports on events of interest to the resistance movement. Recently, for exam-

ple, the Mauberes were able to follow the Conference of Non-Aligned Countries via Australia. They were also kept informed, via satellite, on the celebrations of the tenth anniversary of Angolan independence, held from November 28 to December 7.

Radio Maubere is heard throughout East Timor. The constant changing of frequencies has allowed the station to frustrate Indonesian attempts at jamming its broadcasts through the transmission of noises or voices. Tuning in can thus be somewhat complicated, but in no way are Radio Maubere's broadcasts less effective or less listened to. Indonesian troops have unsuccessfully tried to locate the transmitter in East Timor. In the meantime, now that they have stopped insisting it is impossible for FRETILIN to have set up a radio station in East Timor, In-

donesian authorities are pressing the Australian government to do away with the receiver/transmitter in Australian territory.

Luckily FRETILIN enjoys active public support in Australia. Faced with the threat of having the station silenced, FRETILIN recently launched a solidarity drive to collect funds for the operation of Radio Maubere. In Portugal, a Committee for the Rights of the Maubere People (CDPM) recently launched a campaign for the same purpose, offering a small poster by third world free-lance cartoonist Antonio, featuring a poem by Fernando Sylvan, to donors contributing over 500 escudos. The CDPM has specifically declared that the campaign is intended to help FRETILIN in the information battle against the radio silence imposed by Indonesia. (Guimomar Belo Marques) ●

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# Third World Newsletters

Interested readers will find below a brief description of a number of specialized, limited-circulation publications issued by Third World political parties, civil movements and institutions dealing with various Third World topics and problems. Additions to this list will periodically appear in our coming issues.

**GUYANA INFORMATION BULLETIN** — Issued by the People's Progressive Party (PPP), Freedom House, 41 Robb Street, Georgetown, Guyana — Written



**THE OTHER ISRAEL** — Issued by the Israeli Council for Peace with Palestine, P. O. Box 956, Tel Aviv, Israel 61008 — Written by Israeli journalists and experts opposed to the anti-Arab policies of the Tel Aviv government, the publication aims to promote understanding with Palestinian organizations. (In English.)

by opponents of the current regime, the bulletin contains socialist-oriented analyses of Guyana's economic, political and social problems. (In English.)

**CEMDIN** — Issued by Centro de Estudios de los Medios de Comunicación de Masa, Apartado 6646, La Habana 4, Cuba — Discusses the role of newspapers, radio and television in Latin America, and especially in Cuba. (In Spanish.)

**AVALIAÇÃO** — Issued by Instituto Brasileiro de Análises e Estatísticas Sociais (IBASE), Rua Vicente de Souza 29, CEP 22251, Rio de Janeiro, RJ, Brazil — A monthly bulletin analyzing and interpreting the Brazilian government policies in the social, economic and institutional areas. (In Portuguese.)

**BOLETIN DE ANALISIS Y INFORMACIÓN** — Issued by Centro de Investigación y Acción Social, Apartado Postal 11-589, C. P. 06100, Mexico DF — Analyzes economic, social and political relations between the United States and Latin American countries. (In Spanish.)

**THE OTHER ISRAEL** — Issued by the Israeli Council for Peace with Palestine, P. O. Box 956,



**ADAC NEWS** — Issued by the Detention Action Committee, P.O. Box 368, Salt River 7925, South Africa — Contains information on the political repression of groups opposed to racism in South Africa, and news on the resistance to military service in the country. (In English.)

**INFORMACION** — A monthly newsletter put out by the Council of Churches of Namibia, P. O. Box 41, Windhoek 9000, South West Africa — Carries news on the Namibian domestic political situation and Christian opposition to racism and to the illegal occupation of the country by South Africa. (In English.)

**INFORME R** — Issued by Centro de Documentación y Información, Casilla de Correo 12152, San Miguel, La Paz, Bolivia — One of the most authoritative publications on the Bolivian economic and social scene, the In-



forme contains statistics, sectoral analyses, and regular special reports on specific subjects. (In Spanish.)

**OPINIÓN POPULAR** — Issued by Movimiento Nacional Revolucionario, Apartado Postal 230, San Pedro, Montes de Oca, Costa Rica — Contains updated analyses of the Salvadoran political and economic situation. (In Spanish.)

**THIRD WORLD NETWORK DIGEST** — Issued by the Consumers Association of Penang, 87 Cantonment Road, Penang, Malaysia — A publication special-

US and South African newspapers on the black struggle against apartheid. (In English.)

**URUGUAY EN LA COYUNTURA** — A weekly publication of Centro Uruguay Independiente, Gaboto 1282, Montevideo, Uruguay — Specializes in studies of Uruguayan political, social and economic conditions. Its editorial staff includes some of the country's most outstanding newsmen, as well as technical, economic and political specialists. (In Spanish.)

**BOLETIM DA AIM** — Issued by Agencia de Informação de Moçambique, B. P. 896, Maputo, Mozambique — Contains summaries of news, documents and ana-

dam, Holland — Appearing twice a month, the bulletin carries newspaper clippings from several countries on economic and poli-



tical problems in Angola, Mozambique, South Africa, Zimbabwe, Namibia, Zambia, Lesotho, Botswana and Swaziland. (In English.)

**CARPETA LATINOAMERICANA** — Issued by Agencia Latinoamericana de Servicios Especiales de Información (ALASEI), Apartado Postal 19-494, Mexico 19 DF — Contains reports, sta-



ized in Third World topics, with emphasis on the activities of transnational corporations, environmental protection, South-South trade relations, and the struggle of less developed nations for a New International Economic Order. (In English.)

**NEWS BRIEFING** — Issued by the African National Congress (ANC), P. O. Box 38, Penton Street, London N1 9PR, United Kingdom — A weekly round-up of news appearing in European,

lyses put out by the Mozambican News Agency. (In Portuguese, English and French.)

**FACTS AND REPORTS** — Issued by the Holland Committee on Southern Africa, O. Z. Achterburgwall 173, 1012 DJ Amster-

statistics and analyses covering the economic, political and social conditions prevailing in Latin American countries. (In Spanish.)

## Communications

# Rambovision: TV's Changing Role Models

New TV series exported by US TV networks to the Third World are well attuned to the White House's intimidating and interventionist policies

People don't go to the movies nowadays as often as they used to. All over the world, moviegoing crowds have been dwindling noticeably in the past few years. Now and then in the world's capitals, old movie fans watch sadly as their favorite theater closes down for good. Only in exceptional cases are box office receipts reminiscent of cinema's golden age of the 50s.

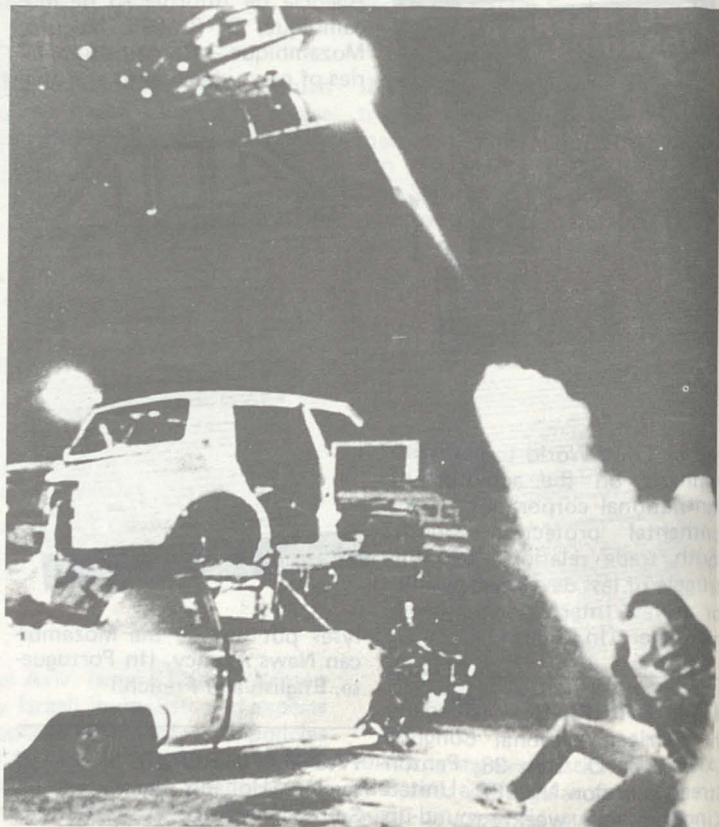
Has any of this discouraged Hollywood, that old mecca of the US movie industry? Not in the least. Faced with the need to reduce its output of feature films, Hollywood has increasingly turned to the production of TV movies, series and miniseries, not to mention the rehashing of old hits in videocassette form or such specials as the Oscar award ceremony and the Miss Universe pageant. To be sure, a lot of trash has been produced as a result, yet an amazing quantity of poor grade films are being distributed throughout the Western world and eagerly sought by television networks everywhere. Yes, the old mecca has remained as undaunted and busy as ever.

In most Third World countries, over one-half of all TV shows are produced abroad, most often in the United States.

In some of them, Hollywood-made series and movies make up 70 to 80 percent of the total programming, often on prime time. It would be naive

to underestimate Hollywood's continued ability to influence people's thinking and behavior all over the world, including entire social classes and community groups, by reaching each TV viewer individually. The *Dallas* series holds the record as the most watched TV feature in the world.

Of course, TV is one of the most powerful political forces in the West. In 1980, when Ronald Reagan was elected president of the United States by defeating Jimmy Carter, political observers credited his triumph to a spectacular talent for manipulating his own public image during the campaign. The movie hero's face, voice and aggressive post-



US agents in the *Blue Thunder* TV series show no respect for national frontiers or governments, especially in the Caribbean and Latin America

ure made him an instant ballot box star. The American public elected one of Hollywood's worst hams, thanks largely to television.

In due time and with the indispensable help of his shrewd advisors, Reagan learned how valuable the electronic medium can be. And now with the same dexterity he showed when making his way to the White House, a carefully rouged and powdered president appears on TV to seek support for his doubtful, bellicose foreign policy and his own crazy handling of "reaganomics."

So powerful has been TV's popularization of Reagan's views on world affairs among the US public that Hollywood quickly realized it couldn't afford to ignore the new public mood. It is hard to say whether it was Hollywood that inspired Reagan's Star Wars program or whether the actor-president himself helped to promote the Buck Rogers dreams of all of Hollywood's *Star Wars* sequels. The fact is that war, violence and all sorts of wild conflicts are now a predominant theme in most Hollywood-produced TV series being shown the world over.

### Ideological content

Two of these are *Masquerade* and *Blue Thunder*, both shown mostly on prime time — or in the afternoon, for the doubtful benefit of our children. In both, the number of violent deaths is staggering. In a chapter picked at random we could count 17 murders. Gunshots, people dropping dead, catastrophic explosions, automobiles and jeeps being blown into pieces by strategically placed time bombs — all of this curiously devoid of real bloodshed. Hollywood knows that the sight of blood spurting forth from a bullet wound in *Dirty Dozen*-style is unbecoming on TV. In the new series, the characters are simply

shot, fall down and out of the story as though they were mere moving targets at a shooting gallery. All very aseptic and horribly acceptable. Amid all the fighting and carnage, there emerges the old ideology of survival of the strongest, just as in old Hollywood westerns "superior" white men decimated "inferior" Indians.

This ideological content is a common trait of both *Masquerade* and *Blue Thunder*. On the surface, *Masquerade* is mere tourism. A grand tour of the East Bloc countries with stops in the Middle East and other points in conflict with the US. Europe is often the stage for the action, but even tropical Rio de Janeiro has served as a backdrop for one of the "missions".

The villain in *Masquerade* is more often than not an ugly Soviet spy lacking any professional cunning and good manners. The head of the Central Intelligence Agency operations, a certain Mr Lavender, plays a dangerous game of using spies to perform a number of dangerous missions after a renegade CIA operative has disclosed the identity of top US secret agents around the world. Cut off from the expert help of his exposed agents, Lavender is forced to resort to amateurs — common American citizens whose specific talents apparently qualify them for dangerous missions against the Soviet KGB spy ring. Whenever a mission calls for a given "specialty" — be it arson, safecracking or plain murder — the CIA chief searches a vast file with an entry corresponding to each US citizen. The chosen individual is then quietly recruited "to serve his country." Remuneration may include airplane trips, travel expenses, stays in luxury hotels, and last but not least the exhilarating feeling of having done a patriotic job. Once the "service" is completed, the lucky citizen is again quietly returned to his

little hometown, where he can spend the rest of his days savoring the memories of his unforgettable experience.

*Masquerade* apparently tries to demonstrate that US security depends on strict domestic control, with each citizen on police file, ready to be drafted for a defense mission in a never-ending undeclared war. In a recent chapter, the Portuguese government (installed after the April 1974 "revolution of the carnations") was on the verge of being destabilized by a maneuver staged by the CIA, the chief agent being a sedate lady from Kentucky.

### Good against evil

In the *Blue Thunder* series, with its fascination for sophisticated weaponry the central attraction is a modern, French-made *Aerospatiale Gazelle 1973* which has been refurbished and outfitted with the last word in murderous weapons, a solid steel armor and electronic and computing equipment. Flying scenes are directed by the same James W. Gavin who was responsible for the aerial acrobatics in the original *Blue Thunder* movie which inspired the TV series, in addition to *Airport '75* and *Airport '79: the Concorde*.

Amid bewildering helicopter action, the series narrates the adventures of an elite police group working in Los Angeles for Apex, a US government agency handling large-scale, emergency operations. In addition to the Police Department, Apex serves the US Treasury Department, the FBI and other investigation agencies, all in top secret operations including clandestine foreign missions.

In at least three of such operations, *Blue Thunder* illegally crosses the borders of Central American republics to rescue or abduct popular leaders who favor or disapprove of their coun-

try's relations with the United States. Behind the action there lingers the notion of a continued dependence of these republics on the political guidance of their big brother up North.

Here as in *Masquerade*, the East-West conflicts is depicted as a struggle between good and evil. A strange dualism pervades the entire story. The *Blue Thunder* pilot, a Vietnam veteran (therefore a "war hero") is responsible for leading the attacks of the group. He is the very model of strength and decision power. By his side, a fragile copilot named Wonderlove, a pragmatic man who operates the airplane's sophisticated computer, personifies reason and common sense. There is a harmonious confrontation and alternation of supremacy between the two. The ground support crew — two tough former football players named Bubba and Ski — represent sheer brawn and fearlessness, always ready to serve a cause regardless of its worthiness. They work as narration gadgets, complementing each other to suit the series' ideological content.

Ski is white and Bubba is black. The cast could be taken as a sample of American society: chaotic, urban, modern, crushed by the weight of unintelligible institutions, yet putting on a show of democracy which sublimates individual contradictions when national security is at stake. Its standard of justice is, of course, based on the use of force.

Curiously apt as expressions of some of Reagan's foreign policies, both series seem obviously intent on reviving the old Cold War mythology, no matter what its military consequences may turn out to be. Produced by the NBC television network, they were first shown on US TV in December 1983 and January 1984 — and one can only guess how much their subliminal messages helped to shape the public mood which reelected Ronald Reagan in November 1984.

While their central themes are outdated, one should bear in mind that not all movies are just mere entertainment. Remember that, during Jimmy Carter's

administration, we used to consume bland police stories such as *Kojak* and *Beretta*, telling how immigrants working for the police fought against urban violence. In such middle-class melodramas as *Mary Tyler Moore*, we discovered to the north a society with increasingly modern customs and style. The recent canned series now bring us the new-old foreign policy model which the US is prescribing for the Third World.

*Masquerade* offers the middle-class much exciting entertainment while quietly disseminating the US government's anti-communist messages.

*Blue Thunder* goes even further. Its Central American incursions attempt to justify the belligerent attitudes adopted by Ronald Reagan and the Pentagon towards the region, while trying to sell the idea of forceful intervention as a means of protecting US interests. In other words, a new version of the Cold War is being served to us in classic Hollywood style. (Roberto Machado Jr.) ●

## Communications News

### THE WORLD PRESS AND THE AFRICAN DROUGHT

"The return of even sparse rains was enough to wash away all of the frantic interest of the Western press in the five-year drought which still plagues the Sahel." This phrase, uttered by an African newsman, turned out to be the starting point of discussions by a group of African and European experts held early this year in the city of Ouahigouya, in Burkina Fasso. The purpose of the meeting, sponsored by the Pan African News Agency (PANA), was to examine what the group called "the drought weariness" after a full year of comings and goings

of US and European press correspondents and TV crews all over Africa.

The conclusion reached by both the press and aid agency specialists was that the US and European press at large had eventually "forgotten" the plight of Africans living in the Sahel and other areas where an intense desertification process in on the march. PANA's acting director, Dr Dagash, admitted that such periodical lack of interest is likely to recur as long as the world fails to introduce a New Information Order.

In the meantime, African participants in the Burkina meeting sought to create alternative

ways to continually keep the world abreast of the African drought problem. The idea of issuing a newsletter on the drought was temporarily rejected due to lack of finance, but PANA decided to strengthen its staff coverage of the economic situation of drought-hit countries. Suggestions were also approved on greater use of radio broadcasts to generate greater awareness of drought-control measures among rural populations, as Ghana has been doing since 1956, while emphasis was placed on increased coordination between the African press and institutions charged with collecting statistical data on the drought.



Sports/Special



## The Market Rules

**S**port is certainly a peculiar cultural phenomenon. Sports have indeed become highly popular, and major sporting events like the Olympic Games and the World Cup are now global in scope. The drive for success, recognition, or mere visibility on the world stage has made sports a part of the development process. The airport, the road and the stadium all are means by which the supposedly modern, advanced culture of the developed world can be extended to developing nations. Yet in the context of poverty and deprivation, sport is surely something of a luxury when set against the demands for food, health and education.

The dominant culture of sport has been condemned as rooted in competitive individualism, the drive for success and the desire to win at all costs. The world of sports has been characterized as inherently capitalistic, sexist and racist in out-

*Sporting events such as the Olympic Games and the Soccer World Cup have been so deeply influenced by TV and advertising that making a profit is now more important than competing*

look. It has also been argued that sport boosts cooperation and teamwork, heightens international understanding, provides entertainment, drama and spectacle, increases physical awareness and self-confidence, develops grace, elegance and agility of movement, and, by no means less important, helps to foster health and fitness.

There are of course very close links between the current popularity of sports and the development of television. Major sporting events have become global events only through the extension of television and satellite communications. The uniting of two thousand million people in front of TV sets throughout the world during the Moscow Olympics in 1980 was a startling new cultural phenomenon.

In this sense sport must be considered as a component of media imperialism — as part of that culture which has been extended to the Third World through the pervasiveness and economic power of major media corporations in the developed world, especially in the USA. In turn the whole complex pattern of media imperialism is only one part of what has been termed cultural imperialism — colonization not by armies but by ideas and values.

### Cultural imperialism and media imperialism

The current state of the world of sports is largely a product of the growth of television since World War II, and in particular the technological advances of the past twenty years. Satellite communication has enabled the transmission of live pictures from virtually any area of the globe back to the major TV markets of the USA and Western Europe. The spread of national TV systems to most nations in the world has made TV viewing a part of the everyday life of thousands of millions. Sophisticated microelectronic devices

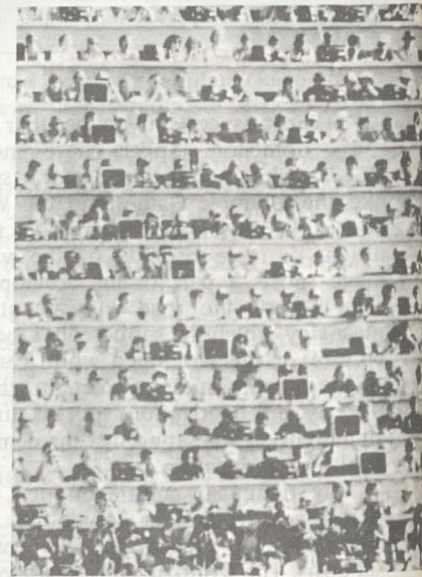
have given ever greater control over the handling of the visual image, making it possible to produce slick programs blending live and recorded items, studio and on-location materials, and feeds from separate continents into a single seamless unity. The ability to provide such program material from the USA and Europe to the rest of the world means that sport has become a component of cultural imperialism in a new and heightened form.

Not long ago it was argued that the growth and spread of television would provide the Third World with the means for its modernization and development. There is now, however, a strong case for arguing that the media have not so much speeded up development as heightened dependency on the West. Third World countries have become dependent on the developed world for both the technology and the bulk of program material, giving rise to a striking pattern of dominance by major media producers in the West, particularly in the USA.

In many ways, sport provides the ideal cultural material for global television. It is sited neatly between journalism and entertainment. It has the immediacy, authenticity and unpredictability of news, but it also has the stars, the drama, the narrative structure and the spectacle of show business.

Major sports like athletics, football, gymnastics, tennis and boxing have become almost universally understood and accessible partly as a result of TV coverage. Unlike other cultural forms, televised sport presents few language problems — all it takes is the dubbing in of a new commentary.

Ross West Light



TV's presence in major sporting events has altered the nature of the contests and the behavior of contestants



Male values still dominate the Olympic Games...

### The dominant culture of sport

It is possible to analyze sport and its coverage from the viewpoint of its cultural significance and ask, "Which values are dominant?" It has been argued that the cultures of sports are at base ideological. They offer a view of the respective roles of men and women rooted in patriarchy, a view of class rooted in the amateur ethos, a view of race rooted in Anglo-Saxon superiority, and they celebrate a success-oriented world rooted in the capitalist work ethic.

Television does not simply reflect this culture, but rather represents a version of it, a form of selective construction. Its choices of what events to show, where to place the cameras, when to cut, all help to offer a particular version of the sporting world. (To give one quick example, Australian coverage of cricket, by introducing cameras at both ends and cutting directly between head-on shots of batsman and bowler, places greater emphasis on the idea of cricket as a gladiatorial, individual contest, as compared to the traditional BBC style, in which fielders are in shot more often, and bowler vs. batsman is not such a dominant part of the visual style.) The addition of commentaries constantly anchors the meanings available in the images, offering us continual interpretation, giving us a frame of reference, a way of *reading* the sport.

A major shaping assumption within sport, and one that is routinely accepted, is the physical superiority of men over women, meaning that in most sports men can perform better. It auto-



AP Wire Black Star

...but women are striving to catch up

matically follows that male sport can be more interesting. Major exceptions to this pattern are those sports which can be presented as stressing grace, elegance and poise — supposedly feminine qualities. Gymnastics and ice-skating are perhaps the only television sports in which women's events are given more emphasis than men's.

A second shaping assumption has been the amateur ethos, the idea that people are competing for the glory rather than material reward, that sport is a hobby rather than a full-time occupation, and that participating is more important than winning. Belief in this ethos has of course been seriously eroded by the intense capitalization of top-level sport in the past twenty years. But there was never a solid basis in reality for this ethos. Born initially out of the desire of the Victorian bourgeoisie in England to avoid contact with the lower orders, the main function of the amateur ethos was to produce restricted clubs, class-conscious institutions, and competitions in which aristocrats and those whose income gave them more freedom to travel and to train had massive inbuilt advantages.

Since the 1950s and 1960s, however, this amateur ethos has been in contradiction with, and to some extent supplanted by, competitive individualism. An increased emphasis on success, on the absolute necessity of a brutal training regime designed to extract maximum productivity from the human frame, and on the rewards to be obtained through victory have become prominent features of the world of sports. Commentators highlight work-rate as a cardinal virtue, without which nothing is possible.

The dominant values have also been challenged. In recent years the most significant area of controversy has had to do with the growth of women's sport. In tennis, athletics and golf, women performers have had to struggle for outlets to play at all, and then for adequate rewards. The women's pro-tennis circuit was established only through the organized autonomous action of top women players. Only in 1984, after much lobbying, was a women's marathon included in the Olympic Games. Despite a threatened court case in the USA, there are still no women's 5,000 and 10,000 m races. Yet there is substantial medical evidence that in some stamina events, like long-distance running, women are capable of more efficient performance than men. Gaps in performance are indeed narrowing in a wide range of events, leading some to argue that women will soon catch up with men. The problem is that this argument merely perpetuates male dominance by recycling the assumption that women should be compared to men, and only where their performances are equal will women's sport be worthy of attention.

All available spaces are taken up by advertising messages



## Sport: spread by television?

It is certainly true to say that the audience for sport has been massively expanded by television in the post-war period. Just what effect it has had on active participation in sport is another question for which there is little hard evidence on which to base any assertions. It can surely be claimed that TV has come to have a major influence on the image people hold of sports and their associated values and ideals.

It should be established that the form currently assumed by the global television system is by no means an inevitable outcome of the nature of its own technology. The system whereby a small number of producers broadcast a limited amount of program material to a vast, undifferentiated mass audience is only one particular form that TV technology can produce. Indeed the present boom in domestic video ownership, and the expanding number of channels made available by cable systems, provide a basis for expanding the range of program material available. Of course this possibility is also determined by the economic conditions under which production takes place.

Sport has had a particularly close connection with advances in the transnational nature of TV. The live relay of sporting events has constantly proved to be one of the most attractive and viable uses of each extension of relay techniques. The Berlin Olympics of 1936 were transmitted to a few large screens in the city in an early experiment. The 1948 Games were broadcast to the 80,000 sets within 50 miles of London's Alexandra Palace, the base of BBC TV at the time. The development of the Eurovision cable links between countries in the 1950s enabled the relaying of European Cup football across the continent and brought 40 hours of live coverage of the Rome Olympics to British screens.

Telstar, the first communication satellite to become operational in 1962, ushered in a new era. The 1964 Tokyo Olympics were broadcast live to 39 countries, while the Mexico Olympics of 1968 were the first to be seen in Europe in color. Of course the spread of color TV did much to popularize sport, making events seem both more real and more spectacular. More than any other factor, these developments have turned major sport events into global spectacles. The Ali vs. Foreman heavyweight fight went to 100 countries; the Moscow Olympics were watched by an estimated two thousand million people.

Sport is good for television for a number of reasons. It fits the small screen fairly successfully, offering colorful and realistic dramatic spectacle. Compared to other forms of television, it is fairly



Advertising has changed the nature of several events ...

cheap to cover, even where relatively large fees have to be paid for rights. It is potentially very popular. Major events like the Olympic Games and the World Cup can amass uniquely large audiences: they have a certain cultural universality. Major sports like athletics, tennis, football, gymnastics and skating are understood in most countries in the world. Sport coverage presents few language problems — it does not require the complex and expensive dubbing or subtitling necessary to sell such programs as *Dallas*.

The dominant culture of sport must be seen in the context of media imperialism, and like media imperialism in general, sport coverage has involved the export to the Third World not only of programs, but also of technology and professional expertise.

It is not just the live coverage that is up for sale. BBC's football highlights program, *Match of the Day*, is widely sold to countries abroad. As a result, English football is sometimes followed more closely in these countries than its domestic version. Sport packages made up by media like the US ABC are on sale worldwide at the artificially low rates made possible by differential pricing.

Despite the rhetoric of developmental theory, which talks wistfully of the need to fulfill the desire for education and information, it has often been the desire for sport and other forms of entertainment that has provided the impetus for new TV services, as was the case in Senegal.

Regular television services were introduced in Senegal in 1972 following pressure from the Dakar elite and Thomson CSF, the French TV equipment maker, to show the 1972 Munich Games. ORTR supplied free programs and films to fill in the time between the Games. After the Games, it was impossible to close down TV broadcasting due to pressure on the Government from those who had bought sets.

Similarly, TV was first introduced in Indonesia

in 1962 in order to cover the 1962 Asian Games. It is clear that major television events provide the perfect excuse which the sales staff of media technology can use so as to win orders for lavish technological equipment. Pye TVT have contracted to supply £30 million worth of equipment to Mexico's Televisa for the 1986 World Cup, including 9 OB units and 100 Philips computerized cameras. Televisa plans further escalation in the technological arms race of sports coverage by using ten cameras at every match.

Along with the export of technology goes the export of the professional ideology — the dominant Western concepts of "good television." During preparations for the 1978 World Cup in Argentina, representatives of the European Broadcasting Union discovered that Argentinian football coverage used an entirely different set of camera positions from that accepted in Europe:

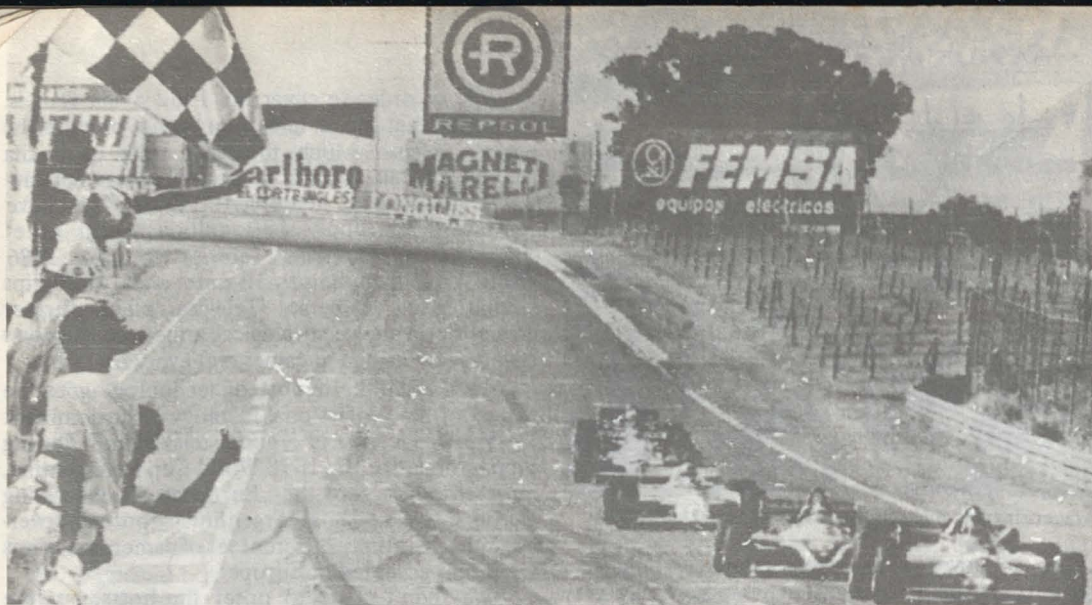
"We didn't want to upset the hosts, but the standard of coverage was just not up to European expectations. So we took extracts from British and European coverage, held seminars for the Argentinian cameramen, directors and producers, and pointed out all the faults in our own work. On this basis they accepted the system we adopt." (Bill Ward, head of EBU's 1978 World Cup operations group, quoted in *Broadcast*, Nov. 21, 1977.)

So impressed were the Argentinians with the European convention of football coverage that they even altered three brand-new stadiums to accommodate the "correct" camera positions. The World Cup operation was used as a basis for establishing

...turning athletes into endorsers of all sorts of products



Barr Bartholomew/Black Star



In international sporting events, public attention is split between the competing athletes and a deluge of commercials

Argentina's first nationwide TV service, which after EBU advice adopted the 625 PAL color system. Cash earned from the sale of World Cup rights enabled them to order cameras from Bosch Fernseh, video recorders from RCA, and a range of microwave links from French, US and Japanese suppliers. This form of pressure towards adoption of a "universal" international style in sports coverage has played a major role in the spreading of dominant Western concepts of broadcasting professionalism.

The economic importance of TV to sport and the dominant place of the US and Europe have also begun to have a major effect on the scheduling and organization of sporting events. Games in the 1978 World Cup in Argentina were scheduled to coincide with peak viewing time in Western Europe. The marathon in the 1984 Olympics in Los Angeles began in the afternoon heat so it could be shown live to the US East Coast in prime time. Boxing matches in Europe, Africa and Asia have been scheduled for the middle of the night in order that they might be beamed to the US in the evening. John Bromley, head of sports at the London Weekend Television, has commented:

"The Olympics are now more of a media event than a sporting occasion. If a network is paying US\$ 85 million and wants the 100-meter final run before breakfast because that is peak viewing time at home, then that's when the final is going to be run."

#### Sponsorship and entrepreneurs

The transformation of sport by television has in turn brought about a further transformation 92 - third world

every bit as dramatic. The growth of sponsorship since the mid-1960s has transformed the economic base of top-level sport and the earning potential of top sport stars. This transformation has spawned the growth of entrepreneurship in sport, producing a whole range of agents and promoters. Sport has of course always been a form of entertainment. But just as TV has accentuated the spectacular at the expense of the festive, so the expansion of sponsorship and entrepreneurship has tended to accentuate the show-business aspect of sport. The failure of the traditional amateur forms of sport organization to recognize and control these new economic forces led to contradictions between the traditional forms of organization and the needs of the new entrepreneurship. These contradictions were manifest in the way the power of the traditional authorities over their events and performers was to be undermined by the developing economic forces.

The growth of sponsorship is largely a product of TV coverage of sports. The really large sums in sponsorship have consistently gone to those sports which ensure extensive exposure for the sponsor's name. Therefore, in order to obtain sponsorship, there has been a growing tendency on the part of sport organizations to attempt to tailor their events to the needs of television.

Just as sponsorship has changed the face of many sports so it has also changed conditions for top sport stars. TV and sponsorship both tend to center upon the highest levels of sport. As a result the star system of sport has been given increased emphasis, with top sport stars increasingly tending to become media celebrities. This in turn has greatly heightened their potential earnings from

advertising, endorsements, promotions and fringe benefits generally.

Because the existing traditional amateur organizations were so slow to recognize these new forces, a void opened up into which stepped the sports agent. Since the existing organizations were geared primarily to serving their own interests as a whole, they were not ideally suited to enable top stars to cash in on their fame. Such stars were therefore increasingly forced to turn to outside agents to represent their interests. This along with the growth of sponsorship and the consequent need for a "middle-man" role, bringing together sport, sponsor and TV, became a major factor in the emerging power of the new entrepreneurs.

One of the first significant sports agents was Jack Kramer who promoted a long series of professional tennis tours in the 1950s and 1960s. The trend for top stars to turn professional became so significant that eventually Wimbledon and the rest of the tennis world were forced to capitulate and introduce open tennis.

Tennis has since progressed towards its current state of inflation — too much money chasing too few stars — with the results that the status of many tournaments is unclear, that it is unclear where authority over the action of players lies, and that top players like Bjorn Borg can make so much money playing exhibitions that they no longer see the importance of tournaments. Contradictions obviously arise here, as TV and sponsors want to attract top stars to every tournament and hope that the main stars will survive to the final. This last point has even led to questions about the impartiality and independence of umpires and other officials, who it is suggested, depend upon promoters and sponsors for their livelihood. There has certainly been a tendency towards rather artificial, made-for-TV events to attempt to secure stars and heighten drama with huge prize money. The CBS Heavyweight Championship of Tennis led to an inquiry by the Federal Communications Commission because it was advertised as winner-take-all when in fact a substantial guaranteed advance was paid to both winners and losers.

The growth of sponsorship has also produced a rather different form of agency — that which brings together the sport, the sponsor and the TV companies, ensuring the most effective capital returns and taking its own cut in the process. West-Nally have become a major force in this area. They played a key role in the First World Athletics Championships in 1983, an event which was expected to earn the International Amateur Athletic Federation between US\$ 20 and 25 million. West-Nally sold the television rights, film rights, sponsorship and ground advertising. As in the 1984 Olympics, sponsorship was sold to a

small number of companies which West-Nally said they hoped would "bring dignity as well as profit to the event." The EBU paid nearly US\$ 1 million for the TV rights. Sponsors like Cola Cola, Iveco, Kodak, Canon and TDK paid around US\$ 1 million each as well, presumably providing what they could in the way of "dignity." The audience was believed to have topped 1,000 million — the great value of athletics being that unlike football it is also popular in the major TV markets of the US and Japan. West-Nally have also organized sponsorship deals for the last two football World Cups.

The combination of the work of such agencies, the growth in sponsorship, the spread of TV



Tennis players like Bjorn Borg have turned into prosperous entrepreneurs on their own right

worldwide and the rising earnings of top stars have contributed to the heightening of a number of contradictions within sport. First the role of the traditional amateur paternal organizations in fostering all levels of sport, while redistributing some of the available resources downwards, is in contradiction with the new entrepreneurial agencies' trend to draw all resources to the top elite levels. Second the patriotic nationalism that placed emphasis on representing one's country is in contradiction with the opportunity for top stars to make greater sums in other ways. (Think for example of the tendency for top tennis players to play lucrative exhibitions, rather than compete in the Davis Cup, the difficulty Western countries often have in persuading their top athletes to compete in internationals, or the migration of top footballers, which frequently leads to their non-availability for internationals.)

The media's focus on the highest levels, creating and sustaining a star-based culture, is in contradiction with the need for active, well-supported lower levels that will enable sporting expertise to develop — in short, the contradiction between elite and grassroots. Finally the development of an international spectacular form of TV sport is ultimately in contradiction with the more participatory and festive tradition that is part of the social experience of spectatorship at live events. Because major events are now so often tightly stage-managed for the benefit of the cameras, it is hard for a spectator to avoid the feeling that one is merely an extra providing background color for the (real) television audience.

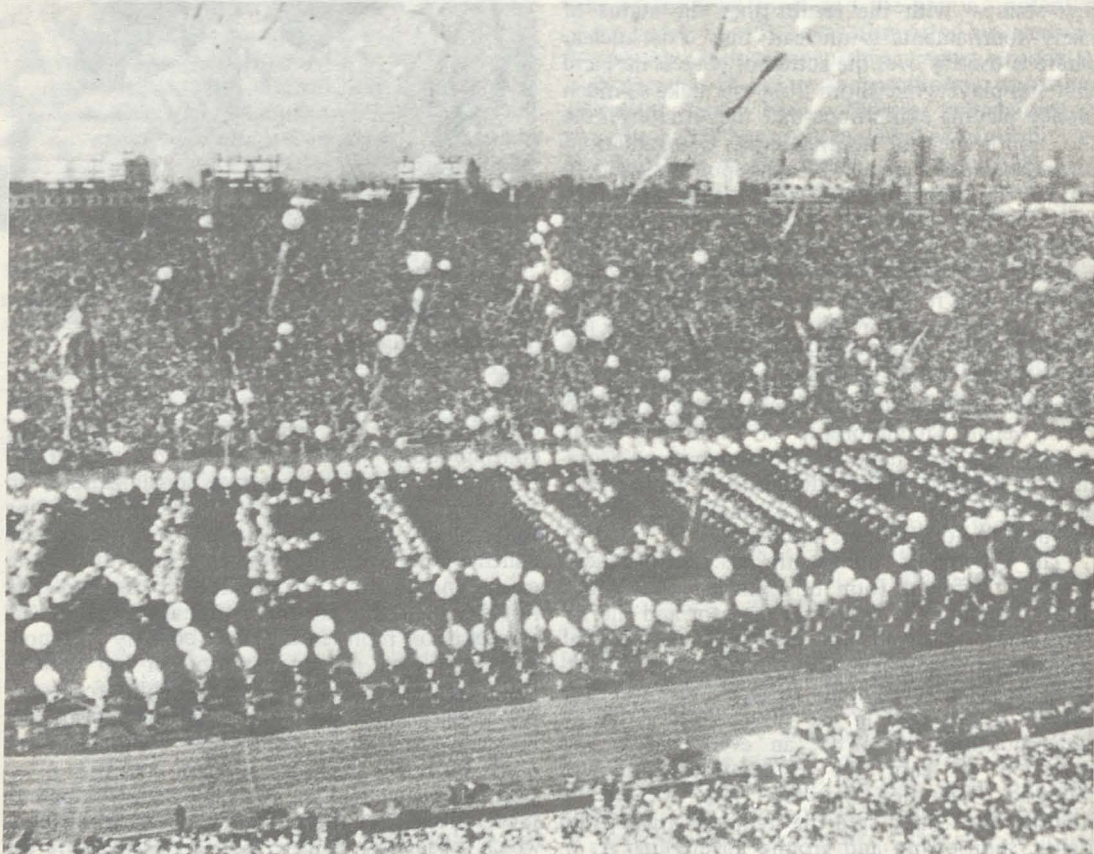
### Effects

The selective focus of TV coverage tends constantly to marginalize Third World performers, Third World events, and Third World sports. The news value of sport is determined by the interests and points of view of the major Western countries.

*Dave Tennenbaum*

Clearly this is an uneven and complex process. The success of African distance runners in the past twenty years has of course contributed to Africa's greater cultural visibility. But how much of this visibility becomes framed by notions about "natural" ability, "instinctive" talent, or happy-go-lucky approach — concepts of populist geneticism that are, at root, racist?

The way international competition, particularly within the Olympic movement, is structured reinforces the image of major-power dominance. The Olympic Games have become a stage upon which the major powers celebrate and parade their grandeur. In particular the use of medal tables reinforces a framework of reference that offers the Olympics as a contest between East and West. (Note though that this framework has been shaken by the absence of many Western nations, including the US, from Moscow in 1980, and the absence of most Eastern bloc countries, including the USSR, from Los Angeles in 1984.) The outlook for the cohesiveness of the Olympic movement, given the politically naive choice of Seoul as a site for 1988,



In Olympic and World Cup games, a major role is played by political propaganda on behalf of the host country





Coverage of sporting events on European and US TV has generated patterns which Third World countries try to imitate

is of course not good. But it is worth asking, in the context of thirty years of great-power confrontation, not just in the medal chase but also in the arms race and space race, whether a bit of fragmentation in the world of sports would be such a bad thing.

A third effect is the trend towards continuing dependency on the West. Along with television technology, the Third World has imported a professional ideology. Similarly in sport organization, the subordinate place occupied by Third World countries within international organizations has tended to mean that their own organizations have been set up as miniature versions of those dominant in the West, and thus inevitably tend to work in similar ways. The dominant culture has had the effect of spawning a desire to emulate, a need to appear on the world stage to establish national prestige. At times, in some countries this has led to disproportionate resources being directed into impatient bids for World Cup or Olympic success, attempting to foster an elite before any base exists on which to build.

In some countries this desire to emulate has in turn encouraged the importation and construction of forms of sporting infrastructure inappropriate to the real needs of a genuine development aimed at nurturing human growth and a healthy sporting culture. In the wake of the 1973 increase in oil prices by OPEC, the Middle East countries became potential customers for sports equipment manufacturers on the grand scale. Saudi Arabia placed

orders for three Olympic sports complexes, at a cost somewhere between US\$ 500 and 1,000 million. The one in Riyadh featured a three-pool swimming hall based on the Munich Olympic pool, a five-stop elevator to carry divers to the boards, and compressed-air bubbles blown into the water to cushion their landing. The floor of the training pool could be raised and lowered hydraulically, and the main pool featured US\$ 500 thousand worth of Swiss timing equipment.

A similarly lavish project in the United Arab Emirates is the US\$ 70 million, 1,300-acre sports center being built by Shaikh Mana in association with other investors. Features include a 15,000-seat stadium with an artificial turf field, a private membership club house and a sports medicine center, a pool, restaurants, fast-food centers, tennis and squash courts, cinemas, a hotel, and an amusement park complete with a wave pool, shooting galleries, a theme park, a twelve-lane bowling alley, and a 1,500-seat ice-skating arena. The management company, the Rank Organization, would not reveal the cost of refrigeration for the ice ring, located in a building with a room temperature of 83 degrees.

To recap then, the principal effects of the dominance of the developed nations in the sporting field are the marginalization of Third World events, competitors and sports; the reinforcement of the image of the major powers; the perpetuation of cultural dependence; and the tendency to rely on and import technology, personnel and values from the developed nations. (Garry Whannel) ●

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# Humor



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