

IN THE WORLD

ARGENTINA

The case of the missing nuns

By Diana Johnstone

Sister Alicia Domon and Sister Leonie Duquet, both Frenchwomen who had lived for many years in Argentina, were among that devoted minority of Catholic clergy who in recent years decided to live not only for the poor but with them, sharing their work and cares.

Such saintly clergy have frequently been martyred by the military "defenders of Western Christian civilization" currently ruling Argentina and neighboring countries. Thus when the two nuns were carted off, one on Dec. 8 and the other on Dec. 10, by groups of armed men, nobody doubted that they were in the hands of one of the ultra-right parapolice groups, such as the notorious "Triple A," that are in the habit of grabbing people from their homes or off the streets at any hour of the day or night. Some victims of such arrests turn up later as "bullet-ridden bodies," some are later "found" in jail, while others are never heard of again.

In addition to identifying with the poor, Sister Alicia had apparently further sinned against Christian civilization, military style, by sympathizing with the grief-stricken mothers of some of those who have never been heard of since. She was reportedly seized at gun-point along with a score of these women, gallantly dubbed "madwomen" by Gen. Videla's modern knights, who had gathered at the Church of the Holy Cross in downtown Buenos Aires. The English-language *Buenos Aires Herald*, the only Argentine newspaper that dared report the mass abduction, openly drew the obvious conclusion that only security forces could have pulled off such an operation without being bothered by the rest of the security forces that occupy the capital.

The only thing that made the disappearance of Sister Alicia and Sister Leonie any different from thousands of similar cases was that this time, the French government decided to lodge a strong formal protest. On Dec. 13, the French embassy in Buenos Aires delivered a note to Argentine authorities charging that plainclothes policemen had abducted the two women and holding the Argentine military government responsible for their safety.

Auto executive killed.

Videla's regime, which could teach Pinochet's a thing or two, is used to a higher degree of international tolerance. It seems not to have taken kindly to this reminder of its responsibility to keep its rampaging police from slaughtering nuns.

On Dec. 16, just after the Argentine ambassador in Paris was called into the French Foreign Ministry, the Argentine government issued a statement that blathered on, in the typical abstract style of Latin American military dictatorships, about "subversion, locked in its nihilism" being responsible for kidnapping the nuns, but provided no facts.

The same day, Andre Gasparoux, technical director of the Argentine branch of the French Peugeot automobile firm, was shot dead in Buenos Aires. The government blamed the Montoneros. Both the French community in Argentina, and the large community of exiled Argentines in France, tended to suspect that Gasparoux was bumped off not by Montoneros but by the same security forces that abducted the nuns.

It is true that the auto industry in Argentina has long been the scene of fierce labor disputes that frequently lead to murder. Despite the junta's ban on all strikes and union activities, auto workers have continued to show their fighting capacity by all sorts of slowdowns, from

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Argentine President Jorge Videla (left) with two air force generals.

Rodolfo Walsh's last open letter

By Cedric Belfrage

Last March 24 the Argentine military junta headed by Gen. Jorge Videla celebrated the first anniversary of its seizure of power. On that day Rodolfo Walsh, one of Argentina's top writers, circulated an open letter to Videla recalling what had happened during the year to citizens suspected of democratic or left views. The score: 15,000 "disappeared," 10,000 jailed and tortured, 4,000 known dead, tens of thousands exiled.

On March 25 two military armored cars appeared at the house where Walsh was, in Buenos Aires province; they destroyed the house with gunfire and took Walsh away. In the ensuing nine months the junta has been futilely bombarded with inquiries and protests. Today hope that Walsh remains alive has been virtually abandoned.

Such is the degeneration of Argentina under what may be the worst of all the South American terror regimes, with its rising note of Nazi-style antisemitism. Argentine writers, traditionally uninhibited, don't write such things now unless they have taken the precaution of emigrating first. The most famous of them, Jorge Luis Borges, remains in Buenos Aires as a jewel in the junta's bloody crown, praising it for saving the country from chaos.

Walsh, on the other hand—once something of a Borges disciple—has in recent years been a fighter with his pen against repressive government actions. Since he felt compelled to write his open letter, and promptly "disappeared," the terror has steadily intensified. Hence the possibility that he will ever be heard again, on this or any other subject, is remote.

Institutionalized torture.

In the weekly *Proceso*, Mexican intellectual Jose Emilio Pacheco thus sums up what Walsh wrote to Videla:

"The barracks of Argentina have been

turned into concentration and extermination camps, practicing limitless torture and summary execution. To cite one example among thousands, the Peronist leader Jorge Lizaso was skinned alive. Against the military secrets of these institutions, no legal resources can prevail. Lawyers daring to defend political prisoners disappear along with their clients. In the hands of the new torturer-hangmen, the rack and other traditional instruments of inhumanity are supplemented with surgical and pharmacological techniques.

"For the junta, extermination of guerrillas is the end that justifies all the means. By this road (wrote Walsh) they have arrived at institutionalized torture, almost metaphysical in the sense that its object—to get information—disappears in the sick spirit of those who practice it, giving place to the desire to triturate human substance, to annihilate it and wring from it the dignity that the torturers and their chiefs already lost.

"They have tried to present as 'military actions' what were quite clearly and simply massacres. The great majority of those killed are union leaders, intellectuals, relatives of guerrilleros, oppositionists who never took up arms, or mere suspects. The military government says that the guerrilleros' casualties in one year have been 600 dead and 15 wounded. This only shows that those taken prisoner are systematically exterminated. 'Shot while trying to escape' is common currency, as is the appearance of corpses on the banks of the Rio Plata with clear and atrocious signs of torture."

Wages frozen, prices soar.

No one believes the junta when they blame "right extremist groups" for these crimes. What they call the 'Triple A' is comprised today of the three armed services—army, navy, air force. The junta is no impartial equilibrium between 'vio-

lence from two opposite poles,' no arbitration between 'two terrorisms': it is itself the source of Terror, it has lost all control and can only babble the discourse of death.

"These tortures and murders—and many more—are not all of the suffering now imposed on the Argentine people, who are subjected to planned poverty: 40 percent cut in workers' wages; need to work 18 hours instead of six as before, to fill the 'family food basket'; freezing of wages while prices soar interminably; impossibility of any sort of trade union protest, infantile mortality of 30 percent in Great Buenos Aires, a metropolitan area converted by such policies into a ten million population slum; whole districts without water while the Plata and subterranean springs are poisoned by the refuse of the regime's industries; annual inflation, 400 percent; external debt, \$600 per inhabitant; gross national product down 3 percent.

"And at the same time a \$1.8 billion defense-security budget for 1977, equivalent to half the country's exports; military pay raised 120 percent, and 5,200 new jobs created in the armed forces... The only beneficiaries of these policies dictated by the International Monetary Fund are the old landlord oligarchy, the new speculating oligarchy and the transnationals.

"Walsh ended by saying that even if and when the last guerrillero was liquidated, the internal war would continue in other forms; for the causes of the Argentine people's resistance do not disappear, but are only aggravated by the memory of the murders and atrocities.

"If the letter cost him his life, Rodolfo Walsh cannot have been altogether surprised."

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JAPAN/U.S.

Economic war clouds over the Pacific

By William Burr

Japan Inc. is once again causing sleepless nights for American policy-makers concerned with preserving America's place in the world and also keeping the world capitalist system intact.

American business groups and the AFL-CIO are pressuring Congress to curb Japan's huge export surplus by protectionist legislation. But because Japan depends on exports to both industrialized and Third World markets to acquire the income to finance its crucial raw material and energy import bill, it has fought American pressure. Failure to reach a commercial accord with Japan could lead to trade war, political antagonisms and the deepening of the global recession.

During December, officials from both the U.S. and the Common Market told the Japanese government that if it did not take immediate steps to reduce its \$16 billion dollar trade surplus, Western industrial capitalist nations would be forced to retaliate against Japanese exports. With the exception of certain specialty steels and certain types of electronic equipment, Americans and European rulers are not telling the Japanese to sharply curb their exports. They recognize the strategic importance of exports to Japan's economic health. But they are advising Japan to sharply increase its industrial and agricultural imports in order to provide opportunities and employment for unemployed production capacity and labor-power in the West and in the Third World.

Growing mistrust

From the standpoint of American and European rulers, Japan is not behaving as a responsible member of the industrial capitalist community of nations. European and American leaders accept a "reasonable" level of Japanese competition, but they fear that Japan is reverting to the "beggar thy neighbor" commercial policies which helped trigger World War II. Carter administration officials see the Japanese policy of restricting industrial imports and expanding industrial exports as a way to maintain employment at the expense of Japan's biggest trading partners and the Third World. Only 20 percent of Japan's imports are of manufactured goods compared with 53 percent for the U.S. and 66 percent for West Germany.

The Carter administration also wants Japan to expand its manufactured imports from the Third World so that the industrial sectors in those countries can help earn the income needed to pay the mounting debts held by American, European and Japanese banks. Inability of Third World nations to service their debts could generate a world-wide banking panic and depress world capitalism.

The controversy over Japan's trade surplus has already caused some degree of mistrust among top political leaders. Last spring Prime Minister Takeo Fukuda promised the U.S. that Japan's global trade and payments surplus would not exceed \$700 million. But the total surplus on current account is estimated at \$6 billion for 1977. Japan's aggregate balance with other industrial nations includes a near \$10 billion surplus with the U.S. and a several billion dollar surplus with the Common Market. Japan used much of that income to pay for huge energy imports.

Officials in the Carter administration do not care to insinuate that Fukuda deliberately misled Carter but, according to one policy-maker, there is a feeling in Washington that Japan has set up "a pattern of protracted unfairness, which has to be corrected if we are to avoid extremely awkward political consequences."

Fukuda was probably sincere in his promise but there were two basic reasons why he could not produce short-term results. One, the Japanese system of import protection is so integral to the economy that rapid changes would be very



Japanese Prime Minister Takeo Fukuda.

One Japanese leader warned before the visit to the U.S., "Economic war leads inevitably to real war... a cornered mouse might fight back and bite the cat."

difficult. Japan's tariff structure is an important barrier against manufactured and many agricultural imports, but no less important is the system of import quotas largely designed to protect agriculture. Regulations on the quality of goods, complicated customs procedures, a nationalistic bias towards locally-produced goods, and restrictions on foreign investment in Japan all tend to reduce imports. Financial experts in the U.S. and Europe have accused the Japanese of consciously undervaluing the yen in order to raise the yen-price of imported goods and increase the competitive advantage of exports.

The other basic factor in forestalling remedial action by the Japanese government is the bleak economic outlook. The economy is plagued by industrial overcapacity created during the investment boom that preceded the 1973 energy crisis. The strength of the export sector is crucial to preventing more serious economic problems. The seriousness of the surplus capital problem and its long duration has led Japanese economic planners to conclude that industry must be restructured and its profitability restored through mergers and scrapping excess capacity. The Japanese system of planning has in the past

been able to deal with restructuring when it was confined to one industrial sector or the other. However, Japan's economic problems are so pervasive and the global economic picture is so uncertain that the desired reform program is too comprehensive to be immediately forthcoming.

Nearly insulting.

Fukuda's inability to keep his promise and growing domestic pressures led American policy-makers to begin "turning the screws" on Japan. As the export surplus mounted during the summer of 1977, the U.S. Treasury began to intervene in world financial markets to force the revaluation of the yen. Secretary of Treasury W. Michael Blumenthal hoped that revaluation would depress the export industries and make it necessary for the Japanese government to reflate (raise the level of economic activity through increased expenditure), thus increasing effective demand and broadening the market for imports.

American pressure forced an 18 percent appreciation of the yen during 1977, which led to real profit declines in important industries. But, in general, it has not caused a basic decrease in the volume of exports

because the high debt structure of Japanese corporations forces many firms to maintain sales even if at a low rate of profit.

In October, the World Bank advised Japan to reflate in order to soak up more imports and reduce the trade surplus. But only unilateral action by the American government forced the Japanese government to begin a policy review. A mid-November special trade mission warned the Fukuda regime of drastic protectionist legislation unless it took "extraordinary measures." Emphasizing the strength of protectionist sentiment in and out of Congress, the delegation presented the economic and commercial demands of the American government. These included unilateral tariff cuts, elimination of import quotas, and the streamlining of customs procedures. A key demand was reflation of the economy. The U.S. wants Japan to set a target growth rate of 8 percent for fiscal year 1978. Such a target is expected to provide sufficient demand to measurably increase the level of imports.

During mid-December, Japanese officials came to Washington. While they agreed to a growth target of 7 percent, American officials are skeptical about the decision since Japan failed to meet the 1977 growth target. American negotiators considered the concessions on tariffs and quotas "nearly insulting" and predicted that they would only result in a \$735 million increase in American exports. The quota concessions, for example, left American cattlemen, citrus growers and auto manufacturers—always eager to crack the Japanese market—very dissatisfied.

Under-Secretary of State Richard N. Cooper, the chief American negotiator, told the Japanese that they must reduce their trade surplus by 40 percent during 1978. The Japanese negotiator, Minister for External Economic Affairs, Nabuhiro Ushiba, replied that they would not adopt a policy of deliberately running chronic trade deficits. It is clear, however, that the final word has not come from the Japanese. They see the December talks as only one round in a protracted series of negotiations, and will announce additional concessions to special trade negotiator Robert Strauss in his visit to Japan planned for Jan. 12.

Crucial test.

Whether the Fukuda government can meet the demands of American and European capitalism is questionable. The agricultural lobby is a key constituency of the ruling Liberal Democratic party and is a fervent advocate of the quotas. Another political risk faced by Fukuda is that fuller concessions on non-tariff barriers may involve the sacrifice of Japan's substantial small business sector which employs two-thirds of the labor force.

But any effort to discipline Japan through enacting a discriminatory commercial policy could have dangerous implications for internal Japanese politics. Some Japanese leaders are complaining about American pushiness, and commercial war could lead to a resurgence of Japanese nationalism.

Carter and Congress have to heed protectionist sentiments. Carter also has to balance the claims of domestic interests with the need to maintain global capitalist stability and peaceful relations with Japan, a key member of the system. Given the present structure of global military power, inter-imperialist war is not a short-term possibility but economic conflict could create deep political antagonisms between the U.S. and Japan. The Carter administration's response to Japan will be a crucial test of its ability to manage the current crisis of world capitalism.

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