

SPANISH CITIES

The Socialists win in the big ones

By Casey Blake

BARCELONA

WHEN THOUSANDS OF Socialists and Communists gathered in Madrid's Plaza Mayor in the early morning of April 4 to celebrate their victory in the municipal elections of the day before, they were attacked by police with a brutality reminiscent of the worst days of the Franco regime.

The city's newly elected Socialist mayor responded with a promise that the incident would be the last example of police suppression of the left in Madrid. Spain's long and contradictory democratic transition had finally come home to that country's neighborhoods and municipalities in the first local elections in almost half a century.

Socialist mayors were elected with Communist support in Madrid, Barcelona and Valencia—Spain's three largest cities—as the result of a campaign marked by a growing polarization of political forces between the right and left.

The right-ward swing of Adolfo Suarez's Union of the Democratic Center (UCD) and the break of left and nationalist parties from Francoist control of municipalities signal the end of the "politics of consensus" that has guided Spain's political evolution since the death of Franco in 1975.

The aldermen elected on April 3 have yet to choose the mayors for Spain's cities and towns, but agreements made during the campaign by Socialists and Communists make clear that the UCD will find itself isolated in the largest and most significant local administrations.

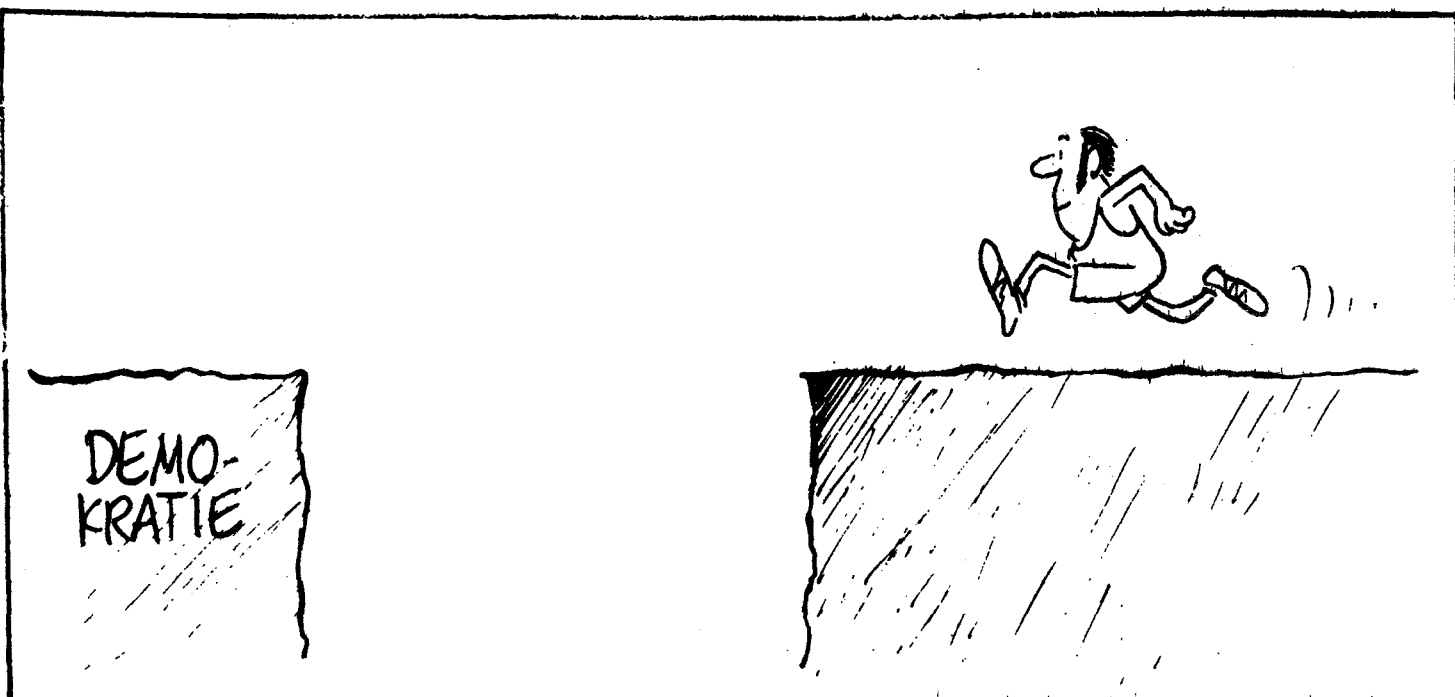
Socialist Enrique Tierno Galvan will head Madrid's municipal government, making him the only Socialist mayor of a European capital. The honorary president of the Spanish Socialist Workers Party (PSOE) and leader of that party's left wing, Tierno won election largely on the basis of his reputation for honesty and great prestige as a leader of the anti-Franco democratic opposition.

"Bloc of Progress."

In Barcelona, Socialists and Communists began negotiations to establish a "Bloc of Progress"—including Catalan nationalist parties—that would isolate the UCD in that city and throughout Catalonia.

During the campaign, Valencian Socialists and Communists announced their intention to govern together. They will form a left majority in the new administration.

In Euskadi and Andalucia, Spain's



most troubled regions, the nationalist and regionalist sentiments expressed in last March's legislative elections remained strong on April 3.

Bilbao and San Sebastian, the two largest Basque cities, overwhelmingly elected aldermen from the Christian Democratic Basque Nationalist Party (PNV) and the left *abertzale* or "patriotic" Nerri Batasuna coalition.

The Socialist Party of Andalucia (PSA), which showed spectacular gains

movement. They thus constantly postponed these new municipal elections since 1977.

The continuance of hand-picked Franco functionaries in local governments in the seemingly endless elaboration of the new constitution last year has given many Spaniards the impression that nothing has substantially changed since Franco's death.

The daily cycle of Basque separatist terrorism and police brutality in Euskadi, and the worsening of Spain's economic

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in that region in the March elections, made impressive showings in all the major municipalities of Andalucia. It remains to be seen whether the PSA (nicknamed "Sherry Batasuna" by its detractors) will support leftist municipal coalitions or form pacts with the UCD in return for favors for that economically depressed region from Madrid.

Socialist and Republican victories in the 1931 municipal elections brought on the second Spanish republic. Centrists are aware that local governments were the traditional strongholds of the left in the '30s, and are fearful of the popularity earned by leftist militants in the democratic opposition and in Spain's citizens'

crisis, help to explain low voter turnout (58 percent) in the April 3 elections.

Centrist accommodations.

President Suarez held national legislative elections in March (See *ITT*, Mar. 14) in the hope of stemming a left sweep of municipalities. The March elections gave his party slightly less than a parliamentary majority, making necessary an agreement with members of the defeated right-wing Democratic Coalition.

The accommodation to this rightist rival apparently came at a large price, namely the purging of the small moderate or social-democratic sector of the first Suarez government. The next one will favor the conservative Christian Democratic and ex-Falangist factions of the Centrist party.

Just days before the municipal elections, parliamentary bullying by UCD and Democratic Coalition deputies allowed for the investiture of Suarez as president without debate in a televised spectacle designed to influence the campaign.

Communist party (PCE) leader Santiago Carrillo warned Suarez that his party's right turn could seriously threaten the country's democratic transition.

"If the UCD adopts constantly tougher positions towards workers' demands," Carrillo said, "it is going to cause political tensions and instability in the next four years, crisis of the government and even a crisis of the regime."

After the investiture, PSO first secretary Felipe Gonzalez called Suarez on his past as former secretary of the Falangist *Movimiento* and asked about a possible coalition of political forces "uncompromised by Francoism" during the next four years.

The UCD's abdication of the political center with the presence of many ex-Franco bureaucrats in its lists of candidates damaged the centrists' credibility in the campaign.

Spanish cities have suffered 40 years of dictatorial rule. The left and nationalist parties argued effectively that the April municipal elections allowed for a real rupture with the speculation and corruption of the past.

The PSOE and PCE filled their lists with urban specialists and economists, as well as with leaders from the labor and neighborhood movements. While all candidates promised clean and decentralized government, the personal prestige of these candidates contrasted sharply with the biographies of many centrists who had collaborated openly with the old regime.

Centrists red-baited.

The rightist shift of the UCD at the national level was accompanied by a campaign of fear and red-baiting by centrists in many cities. The UCD's candidate in Madrid railed against the "ultra-leftist Marxist professor," Tierno Galvan, while Valencian centrists revived the divisive specter of a "new Popular Front" to describe the relations between the PSOE and the PCE.

As Catalan businessmen threatened to pull out investments in cities with "Marxist mayors," the UCD's mayoral candidate in Barcelona criticized the Communists as "undemocratic" for attempting to isolate the right. He predicted that a Barcelona "Gulag," with psychiatric treatment for 200,000 UCD voters, would be necessary to isolate the centrists.

Spain has had five months of electoral campaigns, national and local. They began with the campaign for the constitutional referendum last November. Throughout those campaigns, such big questions as the democratization of the armed forces and police, a solution to Europe's highest unemployment rate, and the elaboration of statutes of local government for Spain's nationalities and regions were put on the back burner.

An entirely new set of laws regulating—among other things—labor disputes and the government-controlled radio and television, await action by the new parliament.

With so much at stake, the Spanish right has opted for a tougher, less consensual position. The Socialists, who hoped for victory last March, and the Communists, who advocated a "government of democratic consolidation" to include Socialists and possibly Communists, now find themselves in the opposition to a national government formed exclusively by the UCD.

In the polarized Basque provinces, this situation threatens to intensify social and political conflict over the next four years, with dangerous consequences for the new democracy. The recent victories of the left and of nationalists and regionalists in Spain's major cities allow for the formation of a significant challenge to the right's hegemony over the pace and extent of the Spanish democratic transition.

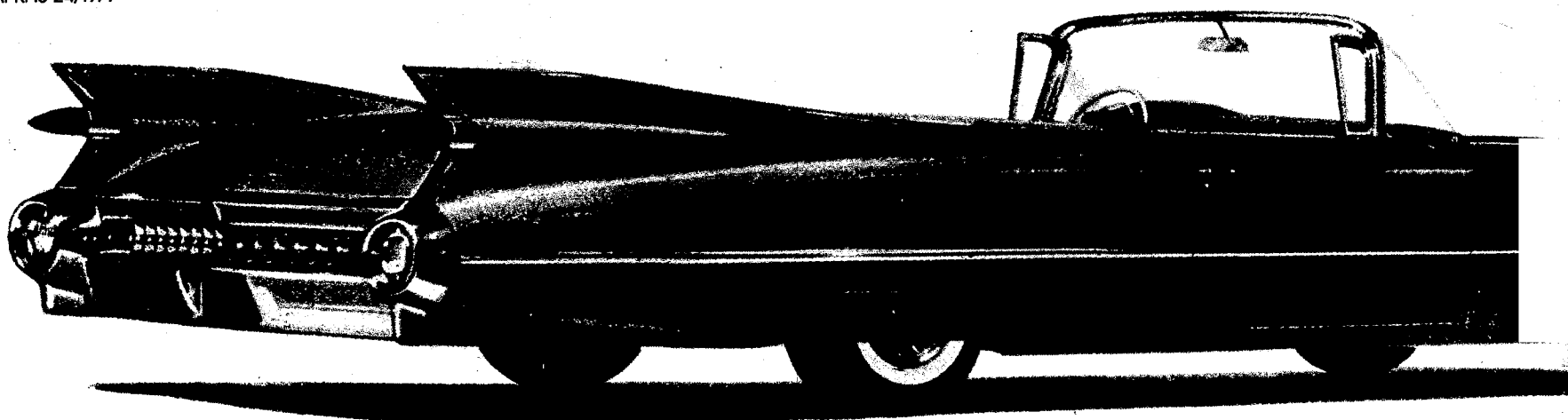
Cautious pullback in Vietnam

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snipers picked off the buglers, units became confused, as they had been conditioned to operate according to bugle signals. "To try to take mountain peaks by human wave tactics," said Vy Ngoc Quen, "is terribly costly, especially when up against our well dug-in troops. All they met in that campaign were our young regional troops and local population, but it seemed to have dawned on them that if things continued they would soon run into our regular army, including the elite divisions they thought were in Kampuchea. But even the forces we used put 19,000 Chinese out of action in the Longson pass area."

To my question as to why there were lines of people moving down the road away from Langson with their buffalo and household goods, Vy Ngoc Quen replied, "Once we realized Chinese intentions, we started moving old people and children back to safety. They are still moving south to designated areas because immediately after the Chinese withdrawal we started reorganizing life in places close to the frontier. We have sent young people who can continue production but be ready to fight."

The Vietnamese are certainly acting as if there would be a second round. Perhaps, they seem to believe a way to prevent it would be to take those within the Peking leadership who want to teach the Vietnamese a lesson for a trip along the Langson-Hanoi road. "An old military man like Deng Xiaoping would realize that if a 1000-truck convoy left Langson not a single one would be left within about 30 kilometers," Vy said. "The first two or three knocked out would seal the fate of the rest, who could not turn around on that road. They would be sitting ducks for the gunners in those zig-zag trenches whom no amount of bugle-blowers and human waves could dislodge."



WHAT'S GOOD FOR GENERAL MOTORS

"The automobile industry is like the weather: everybody talks but nobody does anything about it."
—Justice Dept. Memo, 1968

General Motors

was put together in 1913. In that year, President Woodrow Wilson wrote, "I do not expect to see monopoly restrain itself." He went on to note that if there were people in business "big enough to own the government of the United States, they are going to own it." They do.

Over the years, the government's power over major corporations has been steadily eroded by corporate control of regulatory and law enforcement agencies originally mandated to restrain big business. How and why this occurred is illustrated by the history of government failure to control General Motors.

GM's size and power have allowed it to avoid antitrust prosecution and to seep into every area of daily life in the U.S. Whether it be energy, environmental, inflation, or transportation policy, GM usually prevails. As one administration lobbyist told me, "Whenever we go to Capitol Hill, in almost every office we enter, we find that GM's been there ahead of us."

GM is the largest and most vertically integrated corporation in the U.S. It controls and owns every level of input into automotive and transportation equipment production. These links to supply, manufacture, distribution, and service make it unlikely that GM will negotiate lower prices for ignition systems, body parts, or bearings. Higher prices all along the line help GM's bottom line of superprofits.

GM's production is not limited to automobiles. They control the lion's share of bus, locomotive, transmission markets, as well as producing missiles, military equipment, microwave ovens, and refrigerators.

GM's power doesn't stop merely with the industrial empire it owns directly, but spreads throughout the boardrooms of corporate America where GM directors and their associates insure that business decisions don't clash with GM's interests. Through 580 such interlocks, GM enjoys special channels of communication that the Federal Trade Commission has argued "lead to the destruction of competition, preferential treatment in the purchase and supply of goods and financial services, and the concentration of undue economic power in a few hands."

The concentration of corporate power has left us with an unbalanced system of urban transportation incapable of meeting the needs of energy efficient, safe and cheap mobility for the next decade. The story was revealed in Bradford C. Snell's landmark study on *American Ground Transport*, prepared for the Senate Antitrust Subcommittee in 1974. Snell details how GM became involved in destroying streetcar railways and converting urban transportation to more inefficient, costly buses.

GM organized with tire, petroleum, and another bus manufacturer to forestall a glut of supplies of their products on the post-World War II market. To create demand, manipulation of the market and destruction of mass transportation like electrical railways was essential.

The classic case was in Los Angeles after World War II. The Pacific Electric

(PE) System then spanned an area of 75 miles transporting 80 million passengers annually, and had been crucial in settling the L.A. region. In preserving the environment, rational land use, and efficient transportation, the PE System was exemplary. GM and its allies bought up the PE system and integrated it into a new Pacific City Lines system that severed downtown L.A.'s rail links and converted the system to buses. With the lack of direct rail service to outlying areas, the use of smellier and slower buses, and the added congestion that bus conversion brought to the downtown area, people left public transit and business fled the downtown area. Increased automobilization and urban sprawl were the results.

The motorization of L.A. did not go unopposed. Civic groups and local government vigorously opposed GM's conversions of the rail system to buses since it would further the "smog menace" and destroy a popular transportation system. But by the early '50s, Los Angeles had lost control over such decisions to the California Public Utilities Commission, which was more accessible to corporate than popular sentiments.

Without the danger of public referendum over transportation in Los Angeles, GM countered public protest with "expert opinion" before the state regulatory bodies. Jessie Haugh, GM's "hit man" for electrical railway elimination, had Illinois Institute of Technology professor (and GM consultant) Martin Ellicott testify that pollutants from buses could be controlled. GM Truck and Coach engineers were flown to Los Angeles to minimize the effects of bus pollution.

Motorizing public transit was a disaster for mass transport. Operating costs rose and with it the increasing debt drove over 90 percent of the transit firms into bankruptcy forcing cities to municipalize the fiscally crippled transit systems. With public transit made into a public burden, GM promoted its major interest—the automobilization of America.

The same corporate coalition that destroyed electrical transit in L.A. joined with other auto manufacturers, oil companies, rubber companies, construction firms, to create Washington's powerful Highway Lobby, which has managed to put over \$200 billion in highway development while letting other transportation alternatives rot. In this greatest of government boondoggles, the highway pork barrel became bottomless. The more highways built, the more people use automobiles. The more automobile congestion, the more highways are built.

Somehow highway expenditures always avoid the budgetary knife in inflationary times. Another \$10 billion was appropriated to highways in Congress last year. Yet, in a fit of anti-inflationary fervor, Congress seems destined to cut a relatively insignificant \$33 million from the rail budget.

GM's fingerprints are all over government transportation policy. One of GM's many men in Congress, Rep. Bud Shuster (R-PA), has led the congressional offensive against seat belts, pollution controls,

safety regulations, highway spending cuts, and anything that vaguely threatens GM's power to decide what our means of motion should be.

Last year when Department of Transportation Secretary Brock Adams overrode GM objections and mandated the new Transbus specifications that would have provided 7.5 million disabled Americans access to public bus systems, Shuster immediately introduced a congressional amendment to reconsider the decision. GM had thought it had succeeded, under the Ford administration, in getting federal approval of its new advanced design bus, and so it retooled its bus manufacturing and quickly captured contracts across the country, leaving other bus manufacturers who waited for government standards without any part of the new bus market. The successful effort to delay the Transbus was, as Paralyzed Veterans of America spokesman John Lancaster put it, "an effort to bail out General Motors for a bad business decision."

Antitrust laws

have not curbed GM's corporate power. This failure exemplifies what one University of Wisconsin researcher recently found to be the rule of antitrust enforcement: the larger the firm and the more concentrated the industry, the less likely the corporation is to face prosecution. Antitrust laws are usually used to discipline smaller companies into serving the needs of the large corporations.

Antitrust regulation was born in the period of populist challenge and anti-corporate sentiment that swept the country around 1900. As struggles against private corporate power became stronger, corporate liberals in government feared, as antitrust legislator Sen. John Sherman put it, that "the popular mind is agitated with problems that may disturb the social order." Seeking compromise to demands for worker participation in industry and public ownership, Sherman and others proposed antitrust regulation as a ceremonial concession to public demands.

With regulation, the issues of corporate power were removed from the community meeting halls and streets into the chambers of courts and governmental agencies. Insulated from public scrutiny and demands, corporations and government were brought closer together. As a fixture of government policy, antitrust "enforcement" has legitimated the ruse of "free enterprise and competition" while acquiescing to corporate grabs for greater economic power.

It's almost 40 years since the first antitrust investigation of GM started. Today well-meaning FTC lawyers still go through the motions of an ineffective rear-guard action. The image of a virile FTC tearing off a chunk of GM and feeding it to the American people is as illusory now as it was in 1939—probably more so. The investigation is still in the subpoena-writing stage. Two subpoenas written in two years with little compliance. Every time the FTC requests documents, GM pleads the rights of corporate privacy and politely tells the FTC to get lost.

In the summer of 1948, the financial and policy committees of GM set prices above the previously accepted 30 percent rate of return. Evidence of this illegal use of monopoly power *used to be* part of the

Justice Department files on GM. Between 1930 and 1955, GM officers were instructed to purchase stock in local transit companies and to influence local government officials to buy GM buses and scrap electrical railways. GM cash surpluses were deposited in banks throughout the country in order to pressure bank officials to support bus conversion programs and highway building. Evidence of these GM directives *used to be* part of the Justice Department's records and were intended to be used in an antitrust case against GM. *A* this and more *used to be* in Justice Department files. But it is now destroyed or safely sequestered at GM offices in Washington; it will never appear in court.

The evidence was not stolen. There was no break-in. What happened illustrates a much more subtle and dangerous relationship between corporate power and government regulators.

As the Republican administration faded into oblivion in 1976, the FTC overtook investigating GM's auto market monopolization from the Antitrust Division. Since 1966, the Justice Department had ignored successive staff recommendations to prosecute GM. The Justice Department handed considerable material to the FTC. But they failed to mention 555 boxes of material on GM dating back to 1916 that were hidden away at the Federal Records Center. The FTC learned of the boxes from a researcher who happened upon them and promptly asked for the material.

The Justice Department pooch-pooched the material's importance, but, through Department contacts, GM quickly learned of the FTC request. GM general counsel Frazer Hilder immediately contacted Antitrust Division chief Theodore Kauper, an old law school friend. Hilder wanted to see the documents before the FTC.

Kauper handed the matter over to a rising Division star, Hugh Morrison, who has since become a member of the august multinational law firm of Cahill Gordon. Seizing the chance to ingratiate himself in high corporate circles, Morrison defended GM's request, arguing that the bulk of the documents were the property of GM, obtained through Grand Jury proceedings.

This conveniently confused the issue as much of the material had not originated from the Grand Jury. But why GM suddenly felt compelled to claim files they had left in government hands for decades was ignored.

Those boxes contained our last full historical record of GM activities. I have filed various Freedom of Information Act (FOIA) requests and discovered that interviews, documents, and public materials mentioned in earlier GM investigational memos by the Justice Department have been elsewhere "destroyed for lack of historical significance." Luckily, the federal government made copies of some of the materials, which ended up at the Federal Records Center.

But what happened to the boxes? As 1976 wore on, skittish GM executives, fearing a Carter victory and renewed antitrust activity, impatiently pushed the Morrison opinion to obstruct transferring the documents to the FTC. By October, an Antitrust Division official wrote to his colleagues: "I gather from my conversations with GM people that they are somewhat resigned from a practical standpoint that they will probably end