

NICARAGUA

By Chris Norton

MANAGUA

NICARAGUA CELEBRATED the fifth anniversary of its revolution July 19 amidst a draining war by U.S.-directed contras and political maneuvering by pro-U.S. political parties.

In the space of a week, these parties named candidates for the upcoming November 4 election, welcomed home their presidential candidate, former ambassador to the U.S. Arturo Cruz, issued an ultimatum that they wouldn't run unless all their demands were met, and then, as the deadline for parties to register came, announced they wouldn't participate. At press time it is unclear whether the parties will eventually run candidates.

Many observers believe the whole charade was designed to embarrass the Sandinistas at the beginning of the electoral campaign and to give the Reagan administration ammunition to discredit the election, which it has already claimed will be a "Soviet-style farce."

Meanwhile, the Sandinistas declared that the elections would go ahead and large numbers of Nicaraguans registered to vote. The Sandinistas are expected to win the elections easily, especially in the absence of strong candidates from the pro-U.S. business sector parties. Of the small left and centrist parties participating in the election, only the Independent Liberal Party (PLI), headed by Virgilio Godoy, the former minister of labor in the Sandinista government, could make a strong showing. The PLI was part of the pro-Sandinista Patriotic Front until February, when they withdrew to prepare their campaign. Still, Godoy's base is limited mainly to Nicaragua's relatively small middle class.

The Sandinistas, on the other hand,

Arturo Cruz, the U.S.-backed presidential candidate, got a hero's welcome by the upper class—a display many believe was calculated to embarrass the Sandinistas.

have broad popular support, especially in the poor working-class barrios and among campesinos, who make up almost half the population and who have received land under the agrarian reform. Interior Minister Tomas Borge has told reporters he would cry if the Sandinista National Liberation Front (FSLN) didn't get 70 percent of the vote, perhaps an optimistic figure but a measure of their confidence.

In another sign of confidence, the head of the directorate and FSLN candidate for president, Daniel Ortega, announced a loosening of the state of emergency restrictions July 19. Ortega pointed to the Reagan administration's hypocrisy, calling for greater democracy in Nicaragua and at the same time launching a covert war that Ortega said had necessitated the emergency restrictions.

Press censorship was lifted, except regarding military affairs, and political parties that registered will have complete freedom to hold public meetings, previously restricted under the emergency law.

Is Cruz' return merely for show?

But the self-defined democratic parties immediately rejected the concession as "insufficient," and reiterated a nine-point list of demands, pledging not to run unless all of them were met. Most of them were merely technical and many had already been addressed.

But their candidate Arturo Cruz announced that their non-negotiable demand was that the government start a "national dialog" with the contras, a demand unacceptable to the Sandinistas. This move may backfire on the conservatives, since it identifies them with the U.S.-backed contras, despised by most Nicaraguans, even those opposed to the Sandinistas.

This position further pegs the opposition as a front for the Reagan administration, which asserts that the U.S.-directed contra attacks are actually a civil war fought by former revolutionaries betrayed by the Sandinista directorate. The other major U.S. identified opposition group, the Catholic hierarchy led by Archbishop Miguel Obando y Bravo, also called for "national reconciliation" with the contras in Obando's Easter pastoral letter.

Whatever domestic repercussions, the drama of the "honest Democrat" Arturo Cruz returning to Nicaragua to battle the "totalitarian Sandinistas" will probably sell well in the U.S. Cruz is an ideal candidate by U.S. standards—a career banker with the Interamerican Development Bank, he served as head of Nicaragua's central bank as well as ambassador to the U.S. under the Sandinistas that allows him to be portrayed as a disenchanted former Sandinista.

Cruz got a hero's welcome by Nicaragua's upper class. Met at the airport by representatives of bourgeois parties, COSEP (a right-wing private sector group), leaders of pro-U.S. labor groups, and most of the employees of the conservative *La Prensa*, a crowd of supporters shouted, "With Arturo Cruz, we'll have toothpaste" (a commodity in short supply in Nicaragua), and "comunismo, no, democracia, si."

The next day he laid a wreath for the martyred *La Prensa* editor, Somoza foe Pedro Joaquin Chamorro, and described himself as a true follower of the ideals of Sandino, but a "centrist" between the extreme left and right.

While attacked by the pro-government papers, Cruz was lionized by *La Prensa*, which published an eight-part series he wrote detailing Nicaragua's descent under the Sandinistas.

Despite Cruz' performance, which the Sandinistas charged was directed by the CIA, the U.S. is reportedly unhappy with the Nicaraguan opposition, considering them incompetent and more interested in debating fine ideological points than negotiating with the FSLN. The Sandinistas have shown themselves to be far better organizers and politicians.

War toll grows.

The FSLN still has major problems—the war, shortages of basic goods and tensions with the Catholic Church hierarchy. The war is much more serious than generally reported in the U.S. press. Some 7,400 Nicaraguans have been killed by the contras in the last three years, a yearly average proportionally 10 times higher than the number of American lives lost annually in Vietnam.

In the past four months Democratic National Front (FDN) counterrevolutionaries have increased their attacks in northern Nicaragua. They appear to be better trained and equipped, especially with sophisticated communications gear. Their biggest boost has been regular aerial resupply flights by planes and helicopters

based in Honduras. These flights allow the contras, who formerly attacked, then immediately retreated to Honduras, to remain in the thinly populated mountains in Nicaragua.

The contras have started major battalion-sized attacks. The last was against Ocotol, a regional center near the Honduran border. More than 1,000 troops attacked the town June 1, and a special commando unit penetrated the center of town, destroying the radio station, a sawmill, a government food distribution warehouse and other civilian targets.

Just before the July 19 celebration, another contra force estimated at 1,500 attacked government-sponsored agricultural projects just 15 kilometers north of Esteli, the deepest penetration into this part of the country. The attackers com-

In addition to drafting young men for six months of Patriotic Military Service and the large-scale mobilization, the government has made special efforts to ensure these areas adequate supplies. Throughout northern Nicaragua, campesinos till their land with rifles slung over their shoulders. Julio Arce, an agricultural worker on a collective dairy and cattle farm in Esteli, says he sometimes worries about contra attacks. But he's willing to defend the revolution's gains. "Before, we worked for the bosses," Arce said. "We made 10 cordovas a day. Now we make 44, and the profits are shared equally among us [the 43 partners in the collective]." The collective has existed for five years, and the government has built many houses on the outskirts of Esteli, which it sells cheaply to workers on long-term loans.

Esteli, along the northern Pan American highway, is undoubtedly one of the strongest bastions of Sandinista support. The Sandinistas organized some of their first underground cells there, which served as transit stops for guerrillas

In northern Nicaragua, campesinos still till their land with rifles slung over their shoulders.



pletely destroyed a \$1 million seed potato project sponsored by the Dutch government.

Contra casualties.

The government has responded by saturating these areas with troops and militia units, and the contras have taken heavy casualties—almost 500 in the last two weeks in June according to official sources. Despite the losses, the contra groups have been ordered to remain inside Nicaragua, indicating an apparent willingness on the part of the leadership to sacrifice these fighters.

Despite their offensive, the contras haven't been able to take control of any towns or territories. They have terrorized large portions of northern and central Nicaragua, striking at anyone and anything identified with the revolution. Government-sponsored agricultural co-ops and health centers have been particular targets, as well as campesinos and government workers. In contrast to Salvadoran guerrillas, contra forces use terror

heading north to fronts in the mountain ranges. These cells, in addition to a militant student and worker movement, attracted repression by Somoza. By the time of the September 1978 insurrection, the whole city was opposed to his rule, and when 25 guerrillas entered the town, the people rose up and held the city for 10 days until the National Guard, preceded by a savage aerial bombardment, reconquered the city block by block. Esteli, after two more insurrections was called "three times heroic." But it paid a heavy price—8,000 dead out of 40,000 residents and 60 percent of the housing destroyed.

Now, after starting to rebuild the city, residents are facing the prospects of new attacks. Many of the young men have already volunteered for military service, and many campesinos on the cooperatives are also mobilized. Seven of the 43 men on the La Porra collective where Arce works are serving on the front. So far none of them has been killed, but many other men from Esteli, both young and old, have come back in caskets. ■

Unions

Continued from page 3

raises of 10 percent in the first year and 4 percent in the following two years in part to compensate for losses caused by Reagan administration policies.

When the talks broke off as the contract expired, the Postal Service announced that it would unilaterally impose its last offer—a 23 percent cut for newly hired workers. But Rep. William Ford (D-MI), head of the Post Office and Civil Service Committee, argued that the Postal Reorganization Act of 1970 that set up the Postal Service as an independent federal agency prohibited such action. Just as postal workers are not allowed to strike but must submit to fact-finding and arbitration, Postal Service management cannot, as private employers can, unilaterally set terms once an impasse is reached, Ford said.

If the Postal Service action is not challenged and reversed in court, there will be increased clamor for a strike—or at least contingency plans for a strike—at the two big unions' conventions in late August. Union leaders had seemed confident that they could defend before arbitrators postal worker wages as in line with private sector pay. But the tie-breaking arbitrator on the panel could be named by the Reagan-appointed director of the Federal Mediation and Conciliation Service, a man described by one union that knows him well as unabashedly pro-company.

A study for the Postal Service showed postal workers receiving 23 percent more than the average private sector wage, and a higher premium in comparison with all retail trade or service work. But postal worker wages are less than those of competitors at UPS or Federal Express. In any case, it would be more appropriate to compare with union contracts, not average pay, and the average postal pay of \$11.80 an hour is not out of line. Besides, the average private sector pay reflects lower rates due to racial and sex discrimination in jobs and pay, and the Postal Service's apparent high pay in part reflects its less discriminatory employment policies.

"Of course, it's terribly politically motivated," APWU spokesman Alan Madison said of the Postal Service demands. "You'd have to have lived in a cave in Krivitz, Wisc., for years not to believe so." Oakland APWU branch president Paul Roose sees the Postal Service trying to establish the two-tier system as a precedent for both the federal government and the private sector.

AFL-CIO contract analyst John Zalusky believes that employers pushing two-tier pay systems, which cropped up back in the '50s in an effort to restrain skilled worker wages, "are looking at the long-term advantage, not the short-term. It's more symbolic of trying to break the union." Union leaders fear such discriminatory systems will divide workers, turn new workers against unions and restrain wage improvements, first hurting black and women workers more but eventually affecting everyone.

That is particularly bad in light of the

2.8 percent annual wage increase in contracts this year (compared with 6.6 percent the last time those contracts were negotiated but about the same as 1983 contracts), a figure depressed by the wage cuts in many construction union contracts. Another sign of continued labor weakness in the face of such difficulties: strike activity so far this year has been even lower than in the past two years, which were record lows.

Auto and coal.

Auto and coal union leaders think that they can hold—or gain—ground without pushing up those strike statistics. It is still early in the talks, and full proposals have not been offered—or made public. (The UMW is being especially closed-mouthed.) But both the UAW and the UMW want to restrict subcontracting of work, and that would not only raise employer costs but also involve more union control over management—a guaranteed point of bitter conflict.

The UMW also faces further unraveling of the united employer front, the Bituminous Coal Operators Association (BCOA). Only 30 operators remain, compared to 130 last time, although they control two-thirds of the tonnage. Smaller mine owners may hope for better terms or at least to avoid a strike, but the UMW has sent letters to all asking for pledges to abide by the BCOA agreement. As part of its extensive education program to prepare miners for the possibility of selective strikes, as opposed to the usual industry-wide walkout, the union is also trying to prevent inexperienced local negotiators from making agreements without the international's supervision.

Besides protection against subcontracting, the UMW is likely to strengthen transfer rights for laidoff miners and make it easier to organize non-union operations. And the companies will probably want to cut medical costs and holidays. Although parts of the coal industry are hurting and nearly one-third of the 160,000 active UMW members are out of work, the union is likely to want wage and benefit gains as well, especially since productivity has increased so rapidly—57 percent in underground mines since 1978.

Autoworkers can point not only to record corporate profits but also to big productivity gains—15 percent over 1982-83—as justification for "restore and more," the slogan of the movement to recoup concession losses and make new gains. So far leaders in that campaign are happy with the UAW bargaining positions. Those include reduced work time (possibly restoration of the paid personal holidays that were surrendered), controls on "outsourcing" (shifting work to non-UAW factories domestically or overseas), double pay for overtime (as a way of discouraging the massive overtime that blocked rehiring of an estimated 55,000 workers last year), better pensions (also a way of opening jobs to the unemployed), a return to the annual productivity-linked pay increases in addition to improved profit-sharing and greater controls over investment and new technology.

"We're going directly for a say in the investment function of the corporation," UAW spokesman Peter Laarman says. "We want all sourcing decisions to be negotiated with us. We want veto power. We want joint determination across the board. 'You wanted us to be partners in adversity and we were, [the union is saying to the companies]. Now we want to be partners in success and job security.'"

The figures clearly illustrate the UAW's concern. This year with 565,000 hourly

workers—170,000 fewer than in 1978, the auto companies will produce nearly as many cars and trucks. Worse, small car production in the U.S. is threatened. GM still may pull the plug on its Saturn project to develop a new small car, and that is one of the clubs it will use this fall against the UAW. Already it is planning to import 290,000 small cars from Japan, 60,000 from Korea and 60,000 from Mexico as well as assemble 200,000 cars in the U.S. jointly with Toyota that will have half imported parts.

Ford is also planning imports of 160,000 cars from Mexico and Europe. The union, consequently, is considering negotiating some form of "domestic content" requirement in its contract, modeled on its controversial legislation. This would require a set percentage of the value of GM and Ford cars to be produced domestically.

So far the contractual requirements for consultation have been hard to enforce. As negotiations started, the UAW angrily protested a sudden shift of 250 jobs out of a Flint plant—part of the new "Buick City"—to a nearby non-UAW parts plant. Another 1,200 jobs in Flint were



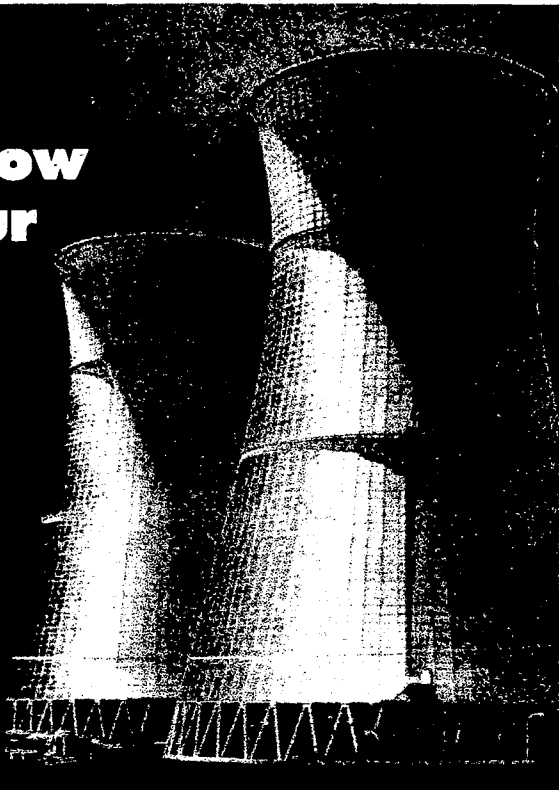
Labor security is threatened by low pay for new hires as well as 'outsourcing.' Greater union control, shorter work weeks, less overtime and old-fashioned solidarity are some responses.

also shifted when GM sold stamping plant equipment to another, reportedly non-union firm building a new plant.

Union bargainers expect the companies to offer money as a way of distracting workers from demands on outsourcing. But the union is not interested in a buy-out, as the typographers' union negotiated years ago. It wants jobs—in the UAW—including transfer into new sectors, such as the computer service firm—Electronic Data Systems—that GM recently purchased for \$2.5 billion. Pete Kelly, a GM bargaining committee member who is president of the Tech Center local, said, "We have to take care of the anger in the plants from concessions, the [executive] bonuses, but also to look to the long term and look for union controls over outsourcing and new technology."

If the shock of recent concessions gives way to new union demands for control over corporate investment decisions and expanded employment, as the mineworkers and, to a greater extent, the autoworkers are making, then a new era of labor relations may yet emerge but with labor, not management, setting the framework for dispute.

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By David Mandel

JERUSALEM

THE WEEK AFTER THE MOST IN-
decisive election in Israel's
history, the country's par-
liamentary system is being
pulled by strong forces to-
ward a probable major realignment.

Most of the electorate was polarized
around the two major blocs. But gains
were registered by parties on their fringes,
to Labor's left and the Likud's right,
while the center parties, which thrive on
bargaining with both sides, all did worse
than they had hoped. Yet because of the
stalemate, these parties have more lever-
age than ever before. This seems likely to
force, a little later if not immediately, a
government involving at least part of
both large rival groups.

The opposition Labor-led alignment
emerged with the largest number of seats.
But the initial celebrating took place
among the ruling Likud bloc, which fin-
ished only three seats behind, 44 to 41.
Pre-vote polls had predicted a gap be-
tween 10 and 20 seats (they are allocated
proportionately).

Likud morale was further bolstered by
the fact that five of the seven seats it lost
compared to its 1971 total were gained by
parties even further to the right, includ-
ing the racist Meir Kahane, whose appeal
to the lumpen element in depressed neigh-
borhoods and towns attracted an embar-
rassing 26,000 votes, 1.3 percent of the
total. Together the Likud and other solid-
ly anti-Labor parties control 49 out of
120 seats, and at least seven more mem-
bers of parliament (MPs) would clearly
prefer to go with the right. While the
total represents a slight drop from three
years ago, there was clearly no significant
erosion in the right's majority among Is-
rael's Jewish population, despite wide-
spread dissatisfaction with the conduct of
its economic and foreign policies.

The three seats lost by Labor to closely
allied parties on its dovish flank, which
doubled their representation to six, and a
new, more radical party—Progressive
List for Peace—won enough Arab votes
for two additional places in Parliament.
Together with the Communist-led Demo-
cratic Front for Peace and Equality
(DFPE), which held on to its forum, this
grants Labor a "cushion" of six more
solid anti-Likud votes, though the two
left parties are considered too outside the
pale to actually join the government. The
anti-Likud total is thus 56, exactly the
same as the pro-Likud total.

That leaves eight newly elected MPs in
the center who could go either way. Of-
fers of policy concessions and high cab-
inet seats real and rumored were thus the
subject of bids by both major blocs to
maneuver majorities for themselves dur-
ing the post-election week.

Contradictory rumors were flying as
the negotiations picked up steam once the
final results were announced, and five of

Likud and Labor may both split to yield a more secular center.

the eight pivotal politicians seemed to be
leaning slightly toward Labor, which
might bring in a few more. Shimon Peres,
therefore, might soon be able to form a
weak coalition that would have to avoid
offending a host of contradictory inter-
ests: religious nationalists only slightly
less committed than the Likud to massive
settlements in the occupied territories;
anti-clerical doves who hoped before the
election to be Labor's sole coalition part-
ner; the Likud's former finance minister,
who campaigned on a platform of severe
austerity and who has now reportedly
been offered his old job by Labor; the
DFPE and progressives on the left, who
would not blindly support a government
that differed little from the Likud; and in
a crucial position, with three seats, for-
mer Likud Defense Minister Ezer Weiz-
man and company, seeking a route back
to the corridors of power.



Der Spiegel

such "national unity" did poorly; Weiz-
man entered the race with hopes of a
much better showing: the National Reli-
gious Party came out with only four seats
as opposed to six in 1981 and 12 in 1977:
and Tami, which precipitated the election
and hoped to enlarge its three-member
faction by winning the ethnic, North Af-
rican Jewish vote, ended up with only one
MP.

But during the campaign's final week,
Yitzhak Shamir and the Likud skillfully
raised the slogan of national unity as part
of their last-ditch effort to put Labor on
the defensive. And the strategy worked.
Peres, confident of a large victory, dis-
missed the possibility as not serious, which
it wasn't. But about 80,000 disenchanted
former Likud voters who had told the poll-
sters that they would probably vote for
Labor this time, changed their minds at
the last minute, afraid of a one-sided re-
sult and enticed by "unity." These voters'

ISRAEL

Voters' stalemate sets stage for major bloc shifts



Der Spiegel

But Likud prospects look at least as
dismal. The right end of the spectrum is
deeply estranged from Weizman because
of his relatively dovish turn over the last
several years. And a Likud-based coal-
ition would have to include as well four
different religious parties, all of which
are after similar spoils.

National unity?

A likely outcome appears to be that each
large party will be able to keep the other
from building a majority. This is espe-
cially true because all eight men in the
middle insist that their first choice would
be "national unity" government involv-
ing both Labor and Likud.

The idea is not new: Likud ministers
sat in a Labor-led government from 1967
to 1970, but as distinctly junior partners,
and during a period of euphoria and eco-
nomic boom following the Six-day War.
In the recent election the proposal played
a crucial role that has been overlooked by
most analysts.

The small parties that promise to seek

five seats made a world of difference.

Thus, while a government involving at
least parts of both Labor and Likud may
well emerge, the idea has serious prob-
lems. For one thing both parties insist on
heading it. While Labor points to its larg-
er vote total as a mandate for the task,
the Likud claims that more of the small
parties prefer it.

On the other hand, if the small center
parties hold out too long, the two major
parties could conceivably agree to rotate
the premiership and leave them out in the
cold. This would horrify the religious
parties most of all, because one thing that
most of the Labor Party and Likud MPs
could easily agree on would be a drastic
reduction on theocratic restrictions on
recreation and personal life.

Despite their look-alike gains during
the campaign, there are real issues that
separate Labor and the Likud. Most of
Labor's leaders and constituents are gen-
uinely alarmed at the prospect of long-
term rule over a hostile population of 1.5
million in the West Bank and Gaza strip,

while the Likud is committed to holding
the territories and eventually incorporat-
ing them into Israel.

Yet the Likud does not really have an
answer on how this could be accomplish-
ed without either sacrificing the state's
Jewish character or creating a South Af-
rica. The dilemma partly explains the rise
of the ultra-right Kahane—who is only
slightly less fanatic than Tehiya (five
seats) and Morasha, one of the religious
parties (two seats)—as well as the popu-
larity of Likud figures like Ariel Sharon.
Kahane explicitly, and the others impli-
citly, point to a solution of "emigration"
—unlikely ever to be voluntary. Kahane
explains the apartheid options: "Dem-
ocracy and Judaism are not compatible."

While such ideas did attract an alarm-
ing number of votes, they are by no means
shared by all Likud supporters. Most of
the bloc's Liberal Party component could
swallow Labor's outlook on the territor-
ies, if offered the right cabinet seats. Even
in post-Menachem Begin's Herut (the
Likud's major faction), some leaders and
many young followers are far less com-
mitted to the traditional greater-Israel
view than the old guard. A Likud now
unable to rule as it has for the past seven
years and without its former patriarch
could easily break up under the strain of
parliamentary deadlocks. Part of it might
then join a Labor-led government while
trying to regroup with Weizman and oth-
er forces of the moderate right.

If this happens, several of the most
dovish Labor MPs together with its old
Yitzhak Shamir's (above) call for national
unity pulled his trailing Likud coalition
to within three seats of Labor, led by
Shimon Peres (below).

left Zionist partner Mapam (six seats on
the joint slate) might feel less constrained
from splitting the other large bloc as
well. Peres could still remain premier be-
cause the Likud would have split first,
and a new sizable bloc of the moderate
left could be formed together with the
three MP citizen rights movement. A
Labor fissure could even be a relatively
friendly one: for years many party activ-
ists, both hawks and doves, have suggest-
ed that their total electoral appeal might
be greater if they ran separately and then
cooperated in coalition building. This
never happened for fear that the Likud
might then become even larger and con-
solidate its rule.

In any case, a more rational realign-
ment of the secular center that might be
able to stand up to the religious bloc
might result. And if prodded enough
domestically and by the outside world,
such a center government could reject
once and for all the ultra-right's delu-
sions of empire and halt the danger of
fascism.