

# This week in history: December 13-19

12 December 2021

## 25 years ago: Tupac Amaru hostage crisis in Peru

On December 17, 1996, 14 members of the Tupac Amaru Revolutionary Movement (MRTA) took 72 hostages in the Japanese Embassy in Lima, Peru. Inspired by the Cuban revolution and basing themselves on a perspective of petty-bourgeois nationalism, guerrilla movements played a lamentable role in the class struggle in virtually every part of Latin America, and the hostage crisis of 1996 only underscored the dead end of such guerrilla movements as a form of struggle.

The MRTA seized the Japanese ambassador's residence in order to pressure Peruvian President Alberto Fujimori into releasing the group's imprisoned members, to extract ransom payments and to protest the treatment of the country's impoverished population.

The Fujimori regime was one of the most despotic in all of Latin America. It ruled Peru largely by emergency decree, while prosecuting a counterinsurgency campaign that claimed thousands of lives. Hailed as a model for the structural reform programs crafted by the International Monetary Fund, the Peruvian economy created super profits for foreign capital and a thin layer at the top of Peruvian society, while reducing the broad masses to misery.

The MRTA made no appeals for popular support. Described by the media as "Marxist guerrillas," its methods and policies had nothing in common with Marxism. Isolated from the working class, the MRTA's armed actions were a form of protest aimed at influencing, rather than overthrowing, the Fujimori regime.

The MRTA was founded in 1983 by three factions: The Revolutionary Socialist party, a group which grew out of the former "left" military junta of Gen. Velasco; the MIR, a Castroite group which emerged from within the petty bourgeois nationalist APRA party; and a faction of the Stalinist Communist Party.

The first group promoted the revolutionary pretensions of "progressive" generals, the second advocated actions by guerrilla bands in the countryside, and the third gave its loyalty to the Moscow Stalinist bureaucracy. What all these factions shared was their conviction that some force other than the working class would be the vehicle for social struggle in Peru.

The 126-day siege ended in a bloodbath when the military stormed the residence in February 1997.

## 50 years ago: Nixon announces major devaluation of US dollar

On December 18, 1971, the US dollar was devalued by 8.57 percent in relation to other currencies. The devaluation was part of the "Nixon Shock" of economic measures that came with the end of the Bretton Woods system of fixed currency parities based on dollar-gold convertibility. The devaluation, along with the other measures such as wage freezes, were intended to push the cost of the global economic slump onto the working class and to protect corporate profits.

The specific terms of the devaluation were decided at a meeting of "The Group of Ten" countries who met in Washington. There Nixon met with leaders from Japan, Canada, France, the United Kingdom, and other Western European countries. After the agreement had been reached, Nixon described the meeting of the world capitalist powers as "the most significant monetary agreement in the history of the world."

In addition to the decreased value of the dollar, the US agreed to remove the 10 percent import surcharge that Nixon had imposed earlier in the year, in the official scrapping of Bretton Woods announced on August 15, 1971. The new official price of gold increased from \$35 an ounce to \$38, the first increase in the price since 1934.

Other currencies also went through a reevaluation at the meeting. The Japanese yen rose in value by 16.88 percent. The British pound and French franc did not have an official reevaluation of their currency in regard to the purchasing power of gold, but the US devaluation meant that their currencies rose in value by 7.89 percent against the dollar.

The West German mark increased in value by 12 percent while the Italian lira and Swedish kronor decreased slightly by about 2 percent. It was decided that the Canadian dollar would continue to "float," meaning that the Canadian central bank would not set a fixed exchange rate and the value of the Canadian dollar would alter depending on market conditions.

In his comments on the devaluation, Nixon stated that the decision was in line with his efforts "to restore domestic wage and price stability productively." In other words, the Nixon administration was doubling down on its commitment to enforce speedups, unemployment, and wage freezes against US labor.

The reassessment of the dollar was a concession by the United States to other world economies to temporarily hold off a major economic collapse. The economic crisis was fundamentally spurred on by the declining global economic position of the United States as the post-war period came to a close and industrial economies like Germany and Japan had recovered and became competition for the US.

### **75 years ago: Vietnamese resistance launches the Battle of Hanoi**

On December 19, 1946, Vietnamese independence forces, led by the Communist Party, launched a daring raid in Hanoi against French troops seeking to reconsolidate colonial rule.

During World War II, Japan had seized control of Vietnam, then known as Indochina, a broader entity encompassing modern-day Laos and Cambodia, displacing the former colonial power, France. With Japan's defeat, French imperialism aided by Britain sought to reestablish its dominion. Vietnamese Stalinist leader Ho Chi Minh had been involved in a series of maneuvers attempting to curry favor with the US and French imperialists.

Peace talks between the French and Vietnamese independence forces broke down in late November when sections of the French military seized upon a minor incident as a pretext for the shelling of the coastal city of Haiphong.

The Vietnamese campaign to seize control of Hanoi was aimed at exacting retribution for that massacre and came as the prospect of any negotiated settlement was increasingly remote. Vietnamese fighters evaded French guards patrolling the city, detonating explosives in its main power plant. This action plunged Hanoi into darkness. The Vietnamese guerrilla forces sought to capitalize with surprise attacks on French positions throughout the city.

Over the following days, the French would use their superiority of arms and trained soldiers to regain control of Hanoi. This included the shelling of parts of the city and brutal house-to-house searches and raids. Well over 500 casualties were inflicted in the fighting, while the battle was one of a series of events that would plunge Vietnam into decades of war, as independence fighters took on the imperialist powers.

### **100 years ago: Four-Power Treaty signed**

On December 13, 1921, Britain, France, Japan and the United States signed the Four-Power Treaty which was instrumental in establishing a new status quo in the western Pacific in the

aftermath of World War I and the defeat of German imperialism.

The Four-Power Treaty was largely concerned with maintaining the integrity of the island possessions of each power in the region. Taiwan, for example, was a possession of Japan and the Philippines of the United States. The treaty also sought to limit territorial expansion by the great powers.

On December 12, the United States and Japan had signed the Yap Treaty which attempted to resolve American concerns about the control of submarine cables, then the primary form of militarily secure intercontinental communications, off the small Pacific island of Yap, a former German possession which had been mandated to Japan by the League of Nations. The United States, which was not a member of the League of Nations, was accorded the rights of a member in mandated territories.

The treaties were negotiated at a major conference dominated by the Great Powers, the Washington Naval Conference in Washington D. C., from November 1921 to February 1922 under the auspices of the League of Nations. China, Italy, Belgium and the Netherlands also participated. The main purpose of the conference was to prevent or curtail a naval arms race in the Pacific, particularly by Britain, Japan and the United States. The Washington Naval Conference is portrayed in bourgeois diplomacy as the first successful arms control conference in history, despite the eruption of imperialist war in the Pacific in 1941.

Other treaties made at the conference put limits on naval tonnage of the imperialist powers, satisfied Japanese interests in Manchuria and China, and continued the American Open Door Policy in China which allowed for American influence in what was at the time a semi-colonial country with many regional warlords vying for influence.



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