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**EASTERN EUROPE :
DICTATORSHIP
OR DEMOCRACY
ONE DISASTER
AFTER ANOTHER**

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EASTERN EUROPE : DICTATORSHIP OR DEMOCRACY ONE DISASTER AFTER ANOTHER



WHAT IS HAPPENING IN THE EASTERN BLOC ?

The Debate in Our Fraction

The scope and rapidity of the changes in Eastern Europe are a challenge to the analyses of revolutionary minorities who have to base their practice on the closest possible understanding of social reality. The greatest confusions and ideological manipulations are being propagated today and revolutionaries have to be able to make it clear that only marxism, despite the beating the bourgeoisie is trying to give it, can explain the causes and the significance of these changes. Although the capitalist class has redoubled its efforts to dispose of what it calls "communism" and "marxism", revolutionaries can, in fact, show the validity of their theory and perspectives by using the example of what is happening in the East. What is the meaning of the events in the Eastern bloc?

- They prove the validity of one of the programmatic bases of the revolutionary movement since the 20's : communism has never been realized in any country or in any bloc on this planet. Capitalism has remained the dominant mode of production all over the world and the inter-imperialist antagonism between the two major blocs is a question of capitalist rivalry and not a question of two supposedly different modes of production.

- In this sense, in the Eastern bloc as in the West, it is the law of value, wage labor, the race for profits, competition and the division of society into antagonistic social classes (whatever the particular forms they may take in the East or the West), which are at the bottom of a fundamental and insurmountable crisis of the system showing its contradictions and ultimate limitations.

- The reign of capitalism and its contradictions is expressed in the exacerbation of inter-imperialist tensions and military rivalry on a world scale. The carving up of the world into two imperialist blocs since 1945, both armed to the teeth, is the highest expression of this tendency. Only in this context can the root cause of what is happening in the Eastern bloc be understood and a coherent analysis be given of the perspectives these changes offer for humanity.

- In the East and in the West, where society is divided into classes whose interests are radically opposed to each other (the capitalist class and the proletariat), the capitalist class facing economic crisis must impose austerity on the working class and reduce it

to total submission to the needs of capital. But the existence of a combative proletariat unwilling to take this lying down is the key to the present and the future situation. The marxist theory that class struggle is the motor force of history remains more than ever the perspective for our time.

On the whole, events in Eastern Europe confirm the validity of marxism in general, and a left communist perspective. But it is impossible to close our eyes to the questions raised by these events and to the fact that we must be ready to do something more than just repeat our old schemas if we hope to be able to explain them fully. The profound theoretical and political weaknesses of the revolutionary milieu cannot be ignored. Even though marxism is far from collapsing as the bourgeoisie maintains, revolutionaries must make an effort today to analyze a reality whose appearances are often chaotic. They must BOTH reaffirm the validity of marxism AND go further to a general discussion that alone can lead to the elaboration of an analysis adequate to explain today's events. These events, which affect the inter-imperialist balance of power and the balance of forces between the classes, have led to a debate in our organization. As all of the experience of the revolutionary milieu shows, carrying on a debate, whether it involves nuances of appreciation or major divergences, is not a simple thing to do. But it is the only way to make marxism a living reality, to go forward, away from schematism, dogmatism and sclerosis. In this article, we are going to summarize the agreements and disagreements that we have come to as a group in our discussions on Eastern Europe.

What is the balance of power between the two imperialist blocs? Is the division of the world that seemed written in stone since 1945 now crumbling? Is the Soviet bloc disintegrating, making a third World War impossible? Has the bourgeoisie become a pacifist class? What does the Gorbachev faction really represent for Russia? Is the Warsaw Pact falling apart? What is the role of Germany in the strategies of the two blocs? Is the proletariat profoundly under the spell of democratic mystifications in the East? All these questions, which everyone is discussing in one way or another, are at the heart of our debates.

Our group has always tried to follow the ins and outs of imperialist manoeuvres as closely as possible. In the text, "Russian Imperialism Searching For A New Lease on Life" in I.P. #12, we stood out against almost all the other groups in the milieu who were, at that time, saying that the process taking place in the East since 1985 was of negligible proportions and served as a mere smoke screen for the bourgeoisie to lull the proletariat. Our article emphasized the nature and causes of the profound restructuring that was taking place symbolized by Gorbachev's rise to power and the application of perestroika. Our "Theses on Gorbachev" in I.P. # 14 was the first effort to give a

coherent framework to what was happening, challenging some of the accepted truths the communist left has been defending for a long time, about stalinism and its form of class domination. The text expressed the following points :

- Contrary to the major powers of the Western bloc, the specificity of the USSR is that it combines a profound economic backwardness, inherited from its particular historical development, with the claim to be a global superpower, at least for the last 45 years. This situation is at the heart of the explosive contradictions seen today.

- This weakness has been exacerbated by the re-emergence of the world economic crisis 25 years ago. The contradictions that sap the USSR are to be found on three levels : economic, social (brought on by the erosion of the myth of "communism") and military. The imperialist military rivalry intensified during the Reagan presidency, forcing the USSR into spending a great deal on the development of military equipment and technology.

This has added to the difficulties of the Eastern bloc and forced the USSR into an increasingly untenable position.

- All of these conditions have forced the Russian state into a major reorganization. In the period since 1985, the Gorbachev faction, armed with a new political-economic program, has won control of the major levers of power. The program of this faction is aimed at affecting the three levels of the crisis mentioned above: overcoming economic backwardness and stagnation, catching up with technological advances, giving the USSR the capacity to sustain military competition with the West, and, most of all in class terms, intensifying the exploitation of labor. These are the fundamental aims of this "perestroika" which has garnered the support of many elements in the Russian capitalist class.

- The Russian bourgeoisie has been forced into adopting radical measures but although the aims of perestroika are clear, its chances of success are extremely limited given the historical context, the many centrifugal forces in Russia itself and the very power of the Western bloc to counteract these plans.

There was general agreement in our group on the orientations of the "Theses" and this agreement remains in effect today, although events have posed new questions that raise disagreements in our discussions.

Reforms in the Eastern bloc have accelerated. The "Theses on Gorbachev" tried to deal with a specifically Russian context but the chain reaction of changes in so many Eastern countries (Poland, Hungary, Germany, Czechoslovakia, Rumania, Bulgaria, etc) had wide-reaching effects and raised other questions. These events were a challenge to the Fraction and forced us to go deeper into the analysis of reality. A wider debate thus begun in our group with the publication of the two texts in the "Supplement to I.P. # 15".

The two texts have many points in common :

- The changes that have taken place in the satellite countries, like those in the USSR itself, are the product of the world-wide economic crisis of the last two decades and of the unceasing imperialist pressure the Soviet bloc has been under.

- The restructurations were part of a deliberate policy of Gorbachev to spread perestroika and the need for reforms to the rest of the bloc. It is Gorbachev's policies and not popular demand that were at the origin of the changes.

Although this latter idea appeared in both texts, the texts differed as to what happened after this "green light" was given by Gorbachev to the Eastern bloc countries.

The text representing the majority position put the emphasis on the fact that Gorbachev was creating the conditions for a real counter-offensive against the Western bloc. Far from losing control over the process and even though this process has gone beyond his original purpose by liberating all kinds of dangerous centrifugal forces, Gorbachev has changed the strategic, economic and political game plan of Europe, according to the majority. In this, he aims at neutralizing and dividing the Western bloc and upsetting plans for a united European market in 1992. In this sense, after years of pressure from Western assaults, the USSR is now entering a new phase to try to free itself of what has become fatal weaknesses.

The second text, expressing a minority position and written by the author of the "Theses on Gorbachev", considers that these "Theses", although basically correct, had in fact underestimated the disastrous effects of the economic crisis in the Eastern bloc and over-estimated the Russian State's ability, via Gorbachev, to react successfully to this situation. This minority text defended a different position in relation to the balance of forces between the blocs : the events in the satellite countries are seen more as the culmination of a Soviet debacle than as the expression of a positive reaction of the USSR. Even if Gorbachev pulled the strings of the changes at the beginning, (changes motivated, as far as this text is concerned, by the need for the popular mystification of democratization), the situation can only turn increasingly against him and to the detriment of Russian interests.

As the events themselves have continued to unfold, our discussions have continued and although this has not yet resulted in a convergence of views, it has clarified the questions that remain in debate. These concern:

- 1) The general causes for the restructuration in the East;
- 2) The nature of the Russian strategy and its chances for success;
- 3) The meaning of the democratisation process in the satellites, of the new political forces of the bourgeoisie that have taken power

there in view of the decomposition of the stalinist parties, and the withdrawal of the Russian troops; all this has to be placed in the context of the balance of forces between the blocs;

4) The global implication of a reunification of Germany and the benefits and losses for each bloc;

5) The balance of forces between the bourgeoisie and the proletariat and the implications for a revolutionary perspective.

1) THE CAUSES OF THE CHANGES IN THE EAST

Although bourgeois propaganda has tried to credit the idea that the reforms are the result of a collapse of "communism" and the triumph of "liberalism" or even the so-called enlightened humanism of Gorbachev, the Fraction is united in maintaining its position on the causes of these events :

- The 'shake-up' in the Eastern bloc is the result of the same capitalist economic crisis affecting the West. After the brutal degradation of conditions in the Third World over the last decade, it is now the turn of the second weakest link in the capitalist chain, the Eastern bloc. The spectacular nature of the events in Eastern Europe must be seen in the context of the historical development of the region and the form of state capitalism adopted there.

- In terms of inter-imperialist rivalry, the USSR is and will remain the weaker bloc. This weakness can be seen in the type of control it established over its sphere of influence

after World War II (which it is forced to reconsider today) : economic pillage of the satellites leading to the gradual ruin of these countries; absolute political control through the stalinist parties subservient to Moscow; discrediting of the various national states; military control amounting to a veritable armed occupation of these countries. Although these measures ensured Russian control in the past, they gradually became a liability for the interests of Russian imperialism and the bloc as a whole.

- But the difficulties of the Russian bloc lie on an even deeper level. In the context of the economic crisis, such contradictions are the result of the weakness of the bourgeoisie and its inability to impose austerity and war preparations on the workers. The working class, both East and West, has not allowed itself to be mobilized for these aims. That is what is preventing the capitalist class from carrying out its ultimate logic of war, thus posing enormous problems for the ruling class.

These factors explain the context of what is going on in the East and are NOT the subject of any disagreement. It is on the following points that disagreements arise.

II) THE RUSSIAN STRATEGY AND ITS LIMITS

The idea that not only Russia but the entire Eastern bloc has fallen apart, that the situation is out of control and that the USSR has given up its role as the head of a bloc or that the Russian faction of the world bourgeoisie has just committed suicide exists not only in the population as a whole but also in the revolutionary milieu (see our polemic with the ICC). For our Fraction, such ideas are just the result of mistaken appearances and panic and should be rejected along with the general media barrage. There is, in fact, a Russian strategy even though it is not an all-powerful machiavellian plot allowing Russia to control everything from A to Z. Although we all agree that there is such a strategy, there are many disagreements about the content of this strategy and its chances of success.

A. The first hypothesis comes from the minority text in our supplement. It sees the Russian strategy having only very limited chances of success. Even though the Gorbachev wing has an idea for an overall strategy, the means to impose this strategy, the material basis to realize it in practice, are missing. Thus, events tend to escape from Moscow's control and the Russian rulers often see their options reduced to simply reacting to immediate events. The proof is in the inability of the Russians to prevent all the stalinist parties being thrown on the scrap heap and the greater and greater eastward retreat of Russian troops. In the opinion of the comrades of the minority text, the loss of this material basis for Russian domination in the region spells a serious defeat for Soviet imperialism.

B. The majority position, on the other hand, continues to maintain that, despite the Russian bloc's undeniable weakness and the impossibility of any Russian offensive at this time, the Russian State and its backbone, the Russian military machine, are looking to reestablish a basis for winning the imperialist balance of power.

It is obvious that Russian chances, like those of Hitler in the thirties, are not good against the superiority of the Western bloc. But, like the Nazi state, this doesn't prevent the Russians from having a real imperialist option and from doing everything possible to save Russian interests. In this sense, Gorbachev's strategy is more ambitious than it seems. After the retreat of Russian forces from the periphery (Afghanistan, etc.) which began this restructuration of Russian imperialism, Russia is now centering its attention on Europe, trying to destabilize it. The advantages of such a policy can only be judged in the long term. The Russian "retreat" covers something quite different from a decomposition of the Russian empire or a suicide.

Beyond the weaknesses revealed by the fall of the stalinist parties and the withdrawal of Russian troops in central Europe, these events were decided, planned and almost or-

ganized by Gorbachev himself as part of a desire to loosen ties with the satellite countries. Some comrades of the majority text wonder if state capitalism or Russian domination of the countries surrounding it are intrinsically linked to past forms of stalinism. Shouldn't we learn from the last ten years of evolution in Poland that, if necessary, new political forces can be generated in the East, capable of assuring the rule of capital and integrating Russian domination? In forty years the Eastern bloc countries have changed. The economic links created during this period cannot be swept away from one day to the next. The Western bloc itself is sapped by a crisis making its attraction and efficiency somewhat problematic.

III) THE ROLE OF THE SATELLITE COUNTRIES IN THE BALANCE OF FORCES BETWEEN THE BLOCS

From these different appreciations of the nature and extent of the Russian strategy come different evaluations of the inter-imperialist balance of forces. The fact that these analyses affect the question of war and the possible belligerents in this war cannot be ignored.

For all our comrades, the USSR remains the main adversary of the American bloc but :

A. The comrades of the minority position defend the idea that recent events mark a clear victory for the Western bloc which has seen its basic objectives for Europe realized. Russian armies have been pushed eastward, "democracy" triumphs, Germany will be reunified. Recent events mark a profound defeat for Russian imperialism which in view of its current political and military debacle will find it difficult to carry out the objectives it has always had : to invade Europe by making use of massive troops and materiel based in the East. This position is based on several points :

- Military reality shows a collapse of the Warsaw Pact. The withdrawal and reduction of Russian forces has not been a deliberate choice of Gorbachev but the result of pressure from the satellite countries themselves and reflects the advance of Western recuperation over all of Europe.

- Gorbachev is forced to try to attract Western capital and technology but this campaign, is a two-edged sword: if successful, it will provide an objective basis for a Western domination of the Eastern bloc countries.

- There is a clear tendency towards the integration of countries of central Europe into the Western bloc in one way or another. The pro-Western factions now in power there are a sign of this. But this integration is a process and far from a fait accompli.

The degree to which the Warsaw Pact is coming undone is a subject of debate among the comrades but most of the minority agrees that this is the direction of events in the present period.

2. For the majority of comrades, however, this idea of a spectacular advance of the West and a defeat of the Russian bloc seems incorrect and immediatist. It doesn't take into account the fact that this change in the balance of forces took place before Gorbachev's rise to power. Far from falling into helplessness and defeatism, the USSR is trying to maintain and solidify its position as a rival to the American bloc. Even the eventual loss of one satellite country or another, which remains to be seen, would not fundamentally undermine the existence or aggressiveness of the Russian bloc. Although the West is undeniably attractive to Eastern European countries, the hypothesis of a crumbling of the Soviet bloc is not plausible. First of all, an immediate and total integration into the Western bloc is impossible. Moreover :

a. The idea of even a dislocation of the Warsaw Pact seems doubtful. The withdrawal of the troops (which was negotiated with the West and accompanied by a withdrawal of the Western military presence as well), is not a proof in itself of the passage from one bloc to another (example : Afghanistan). No country has actually left the Warsaw Pact which is trying to create a more reliable coherence. Events in Baku prove to what extent the Russian army is still capable of intervening.

b. For many comrades, the economic integration of Eastern bloc countries into the West is far from obvious. Although some comrades see the opening of new markets in favor of the West as a real possibility, others see this as unlikely in the context of the crisis of capitalism in the West, as well as the East.

c. Some comrades feel it is wrong to label the new factions in control in some Eastern nations as "pro-Western", whether these "new democratic forces" are Solidarnosc, new Social Democratic parties or various democratic forums. Their function is to attract foreign capital and pull the wool over the eyes of the working class but they have always been a part of the State. As such, they are more an expression of stalinism's ability to change its spots in the East. However, maintaining these factions in power (a present-day concession on the part of the Russian State according to some comrades), will not be possible in the long run.

These disagreements about the balance of power between the blocs and the dynamic of the integration of the satellite countries into the Western network continue over another related issue : perspectives for the reunification of Germany.

IV) THE STAKES OF GERMAN REUNIFICATION

Although few people until quite recently thought that this would come to pass soon, it now seems that the reunification of Germany is in the works. The conditions for this unification seem to change from week to week, even from day to day. This makes it very diffi-

cult, even with a theoretical understanding of imperialism, to grasp the real stakes of this move for the two imperialist blocs who have made the undeniable economic power of Germany the focus of their imperialist ambitions since the end of World War 2.

The "Theses on Gorbachev" envisaged the possibility of a new Rapallo for Russia, that is, the possibility of neutralizing West Germany by proposing the reunification with East Germany. The USSR would benefit from the military, economic and political advantages of such a neutralization. Since the "Theses", our thought has evolved but towards different conclusions.

1. For comrades of the minority position, this thesis overestimated the Soviet capacity to impose itself on the situation. The reunification that seems to be going forward is not the one Russian interests envisaged. A reunification of East and West Germany in the framework of NATO would be a fundamental defeat for the Russian bloc and the realization of all American objectives in this region since 1945. The risks for the West are minimal. Such a reunification would only tie the Western bloc closer together by, for example, pushing France to move closer to the U.S. Some comrades feel that a reunification in the context of NATO, as Bush now demands, would represent a serious weakening of the Russian bloc. It would be wrong to think that a reunited Germany would frighten the Eastern bloc satellites into a closer rapprochement with Russia. For them, the historic enemy is and remains the Soviet Union.

2. Other comrades are skeptical of such a scenario of reunification. Gorbachev has obviously thrown the apple of discord into the Western bloc. The price of this unification will only be paid in the long term. The risks for the West are real : the economic "modernization" of East Germany, promised by the West and especially by West Germany, will be a source of problems for all. This reunification aims at destabilizing the European Community (the EEC) by placing German unification above it. Furthermore, the fears of a new Germany will serve to keep the Eastern bloc countries in the Soviet orbit.

V) THE BALANCE OF POWER BETWEEN THE CLASSES

In the Eastern bloc, as in all countries of the world, the bourgeoisie is forced to impose austerity on the working class. To this end, the capitalist class needs to be able to dispose of ideological mystifications to keep the proletariat in check and prevent it from uniting on a class terrain because such a class conscious struggle would be too dangerous for capitalism.

The balance of forces between the classes in the present situation is not the subject of any debate because there is substantial agreement. But on this question of primary importance to revolutionaries, the discussion has led to the clarification of the following points.

1. The social situation is an essential part of the contradictions assailing the bourgeoisie today even though the present upheavals in Eastern Europe have not occurred under direct pressure from the working class, with the exception of the general situation in Poland.

2. In the short term, there is certainly a great risk that the workers in the East as well as in the West will become disoriented as a result of the media barrage of democratic campaigns. But in the long term, the revolutionary perspective remains valid. The Eastern European proletariat will finally have the experience of "democracy" and see for itself what this bourgeois political framework has to offer. The conditions for international revolution will thus be aided by this homogenisation of objective and subjective conditions for revolution in the world.

3. Although the proletariat is indeed confused and disoriented by democratic mystifications, it would be wrong to think the workers are really mobilized behind the bourgeois efforts, as they were in the 1940's. The workers are merely placing their struggle for better conditions in a false political framework.

On these questions, there is no majority and minority because we agree. But for some comrades, even though the historic course is

still towards revolution and class confrontation, today's events do not lead to great optimism. They see a much deeper disorientation of the working class in the Eastern bloc countries because of "democracy". In this sense, today's situation is menacing and reveals all the difficulty the workers are having in developing their own perspectives. The very fact that inter-imperialist rivalry between the blocs is in the forefront of the international arena makes the danger clear.

Even this brief examination of the debates shows how complex the questions are and how great the effort needed now to go forward. We are certainly counting on continuing the debate and we hope that these issues will spark debate in the revolutionary milieu as a whole. Our magazine is open to any contributions that can serve to clarify this debate.

In this issue of the magazine, the reader will find a series of articles on the Eastern bloc; some, like the article on Rumania and the critique of the ICC, defend the majority position, while another, "The Changing Face of Imperialism", is an individual contribution from the minority. We hope that all these articles will encourage readers to write and participate in this on-going debate about major events happening today.

Alma

ROMANIA

DICTATORSHIP OR DEMOCRACY ONE DISASTER AFTER ANOTHER

The fall and execution of Ceausescu last December, and the acceptance by the new Romanian rulers and their National Salvation Front of an end to the power of the Communist party (sic.), at least in the monopolistic form prevailing over the past decades, homogenized the political situation in the Eastern European countries of the Russian bloc. This homogenization should not lead us to overlook the national specificities that produced nuances in the upheavals that have shaken the countries of this region. In Romania, more than in the other countries, the context in which the upheaval occurred was characterized by a particularly lively and explosive discontent, bred by the peculiarly miserable conditions of life imposed by the old regime. The more or less democratic opposition to the Ceausescu dictatorship, already organized well before the revolt (wasn't the NSF in clandestine existence before its seizure of power?),

insinuated itself into this breach opened by the popular uprising. The general social instability, the massive and spontaneous mobilization of the population to overturn the dictatorship, provided the opportunity for the Generals and politicians who wanted a change to win for themselves a mass base. The new holders of power have injected a democratic poison into the veins of the proletariat, thereby -- for the moment -- derailing a class response to the continual worsening of the living standards of the working class.

Beyond these specificities, Romania -- like the rest of the bloc -- has been shaken by the rumblings of Gorbachev's Perestroika, the essential goal of which is to preserve and strengthen the cohesion of the Russian bloc, and above all to allow Moscow to continue to play its role as leader of this bloc. Like a single man, like one army, the countries of



A defaced poster of Nicolae Ceausescu

Eastern Europe have experienced the identical scenario. In Romania, as elsewhere, beyond the illusions of the people on the complete autonomy of its revolt, recent events have overall conformed to Gorbachev's plan to bring about structural changes that will shore up his control and prevent the economic, political and social crisis from further eroding the coherence of the bloc. Against the media blitz on the end of "the cold war", and the new pacifism of the rival imperialist blocs, the similarities and speed of all these changes (Romania being no exception) show how Russia -- which has provided the impulse for them -- is far from renouncing its role as head of the bloc. This is so, even if Russia's present policy is determined by a general weakness rooted in its history and in the conditions in which it first fashioned an imperialist bloc: in its competition with the Western bloc, Russia has never been a real economic power; on the contrary, the essentially military character of the coercion that it exercised over its vassals made such an "alliance" heavy with contradictions, tensions and possible upheavals.

Last December in Romania, the entire world was subjected to a media orgy (think about the televised massacre organized around the "genocide" in Timisoara) devoted to the struggle of an "heroic people" confronting tyranny with only their bare hands and prepared for any sacrifice to win their "democratic freedom". Today, the Romanian "1789" so touted by the international bourgeoisie has already lost much of its glitter. Despite important elements that differentiated the Romanian events from those transpiring in the neighboring countries, it is now increasingly evident that an important part of what occurred took place behind the scenes, far from the glare of the seemingly omnipresent media. Even if the ideological smokescreen around Romania still prevents us from having a complete picture of the events themselves, key points are clear.

In accord with Gorbachev's general orientation for his bloc, Ceausescu's fall had been prepared well in advance. The Romanian military was the pawn advanced by Gorbachev. From the highest ranks of the army to the Minister of Defense (the execution of the old Minister of Defense proves it) contacts existed with Gorbachev and his advisors to organize and prepare the overthrow of Ceausescu by a new team openly

situating itself on a Gorbachevian ideological and political terrain. The position and action of the army was the key: by turning its guns against Ceausescu (with Moscow's blessing), the army made it possible for Romania to complete the process of change in the Russian bloc and assume the new political profile common to these countries.

The overall control of the situation by the present Russian rulers continues in Romania, even if we cannot exclude the possibility of future shifts. The growing difficulties of the National Salvation Front, already discredited within weeks of coming to power and the target of popular discontent that it can barely appease, also expresses the complexity of the situation faced by Gorbachev. Nonetheless, the new Romanian rulers are determined to hold onto power at all costs. There are several indications of their allegiance to Russia: beyond the personal friendship between certain members of the Front and Gorbachev (Iliescu, for example), they have maintained a continuous contact with the Russian leadership to coordinate their actions. Today Moscow can invoke with the same pathos as the rest of the world, "the heroic revolt of the Romanian brothers".

The upheaval in Romania must therefore be understood in light of this general law which has operated throughout Russia's satellite countries over the past year: a political reorientation imposed by the Russian rulers.



Ion Iliescu

Nonetheless, in Romania, this change in the regime and the realization of Russia's aims have taken exceptional forms: in contrast to the other countries of the bloc, this change in power occurred in a climate of violence that saw the populace -- including the working class -- take up arms at the side of the army to put an end to the Ceausescu dictatorship. The real working class discontent that has such a difficult time everywhere in the world today in expressing itself on a clear class terrain, was -- in Romania -- simply recuperated by a faction of the bourgeoisie. The violence, the bloody confrontations, the popular mobilization, that in Romania constituted the framework for a renovation of the state, are to be explained by the aberrant nature of Ceausescu's Stalinist regime. But the participation of the proletariat, arms in hand, in a bourgeois democratic struggle fundamentally directed against its own class interests, shows -- if that was still necessary after Beijing -- how campaigns for

"democratization" in the so-called communist countries pervert, and will continue to pervert in the early '90's, the worker's resistance to the effects of the crisis. Even if it is of short duration, this muzzling of the proletariat will have been extremely costly. However, such a situation will not last. Indeed, we can already see evidence for this view: after having gone on strike in December for the establishment of "democracy", the working class has already begun to utilize the strike weapon in defense of its living conditions. The rapport de forces between bourgeois ideology and proletarian consciousness is a shifting one, fraught with danger, as well as opportunity, for the working class.

Romania has shown in an extreme form the weakness of all the countries of the Russian bloc. It is this weakness -- worsened by the international economic crisis of the past 20 years -- that has put Gorbachev up against the wall, and forced him to initiate the political changes in the countries under his tutelage even at the risk of chaos. The outrageous form taken by Stalinism in Romania must not make us forget that every country in the world is groaning under the burden of the crisis and decadence of the capitalist system. Historically, in Romania, the dictatorial character of state power incarnated by Ceausescu, simply extended into the period after the second World War and the passage of Romania into the Russian bloc, the fascisante, autocratic, corrupt, forms of state of the '30's -- and this despite several democratic constitutions enshrined in Romania. After the second World War, the monopoly of power by the Stalinist party and the control of the economy by the state have been -- in the historico-social context of an agrarian country -- on a par with the most rigid application of basic Stalinist principles. These included in Romania:

- a completely unrealistic plan for the economic and industrial development of the country, accompanied -- in light of the impossibility of realizing the state plan -- by a permanent falsification of statistics, implying in its turn, disorganization, the growing failure of economic structures and the constant impoverishment of the producers;

- a systematic and chaotic "collectivization" of agriculture, so as to place under total state control the disposal of all food stocks. This permanent spoliation of the peasant class destroyed the life-blood of a country that as late as the '60's was at an economic level no worse than the rest of the bloc;

- the repayment of the foreign debt undertaken by Ceausescu in the name of national independence, another Stalinist "panacea", only aggravated the situation and accelerated the process of disintegration. The sharp fall in imports, the emphasis placed on the necessity to export at any cost, which duplicates the policy now preached by the IMF in the Third World, completed the destruction of the Romanian economy.

The anachronistic character of the economy and pervasive dysfunctions in distribution are the consequence of the distortions in the operation of the law of value inherent in state planning in the East. Despite the promises and present illusions concerning the act of god that brought about the change in rulers, in Romania -- as in its neighbors -- these economic realities will persist as long as capitalism and its crisis lasts. For the proletariat, that means an increase in the rate of exploitation, scarcity, unemployment and moral and physical degradation. The drop in the standard of living to a bare survival level, as in Romania, is -- in a perspective of a worsening of the international economic crisis -- the only future that capitalism can provide.

Present illusions, the entrance of the Romanian proletariat into the danse macabre of struggle for "democracy", must not be allowed to eclipse the potential of combativity for class demands inherent in the Romanian proletariat. The violent struggles of recent years, above all in '87, have demonstrated this fact. This working class potential remains endemic to Romania. That is why -- based on the lessons of Solidarnosc in Poland, which acted as a fireman to put out the class struggle -- a whole network of "free trade unions" arose clandestinely in Romania, seeking to direct working class discontent into a struggle for the democratization of the state. The virulence of the December 1989 revolt for democracy, which to a degree was controlled by this very network, is the clearest expression of the dangerous work of ideological corruption carried out by the free unions in the East. Free unions and democratization have already shown what they are capable of in terms of imposing austerity on the workers in Poland; they are now undertaking the same job in Romania. The accent placed by the National Salvation Front on the need to reconstruct Romania is a thinly disguised call for new sacrifices to be made by the proletariat. To this must be added the continuing appeals to support the democratic regime under pain of a return to "dictatorship". Meanwhile the total concentration of power in the hands of the NSF, the strengthening of the state power inherited from the Ceausescu regime, the promotion of Generals to ministerial posts, have begun to open many eyes. Nonetheless, all this has not yet been sufficient to reveal to the workers what lies hidden behind the democratic veil.

It is difficult to make predictions about the immediate future. The necessity for Gorbachev to "soften" the political regimes in the East, while retaining control of the situation -- all without unleashing forces that can't be controlled; the need for, but difficulty of, radicalizing the democratic mystification without losing control, as well as the prospects for the proletariat to see through these ideological traps, are so many factors that make accurate predictions difficult. What is clear is the difficulty facing the proletariat in such a period. The

twentieth century, by identifying as communist a whole part of the world which was its opposite, has completely denatured the communist perspective, which nonetheless is the only valid one for the world proletariat. The present "spectacle" organized around the collapse of the regimes in the East, which are in fact manifestations of the world capitalist crisis, is being utilized by the bourgeoisie to once more divert the proletariat -- East and West -- from its class objectives. The events in Romania, in closing the decade of the '80's, have been

the pretext for a new round of campaigns of false solidarity orchestrated by world capital to corrupt the proletariat. The appeals at Romanian embassies to fight for democracy, the French foreign minister's call for the formation of an international brigade

to help our Romanian "brothers" destroy the monster Ceaucescu, are the height of bourgeois hypocrisy in its campaign to ideologically poison the working class.

ALMA

EASTERN EUROPE : DICTATORSHIP OR DEMOCRACY ONE DISASTER AFTER ANOTHER

THE ICC AND EASTERN EUROPE

A Degenerating Organisation makes a Flip-Flop

The events in Eastern Europe show, once again, the difficult situation the bourgeoisie finds itself in and the desperate energy which it has to expend to maintain its system of domination. But it also shows its capacity to unleash an ideological media campaign as never before.

In this period, when it is still difficult for the working class to affirm its own class perspectives, it's crucial that revolutionaries analyze events clearly and correctly in order to unmask the propaganda lies of capitalism.

At the time we are writing this, the ICC is the only revolutionary organisation offering a fully developed position; therefore this article focuses on their mistakes. The events in the Eastern bloc have made this organization, which was already increasingly wobbly on its own programmatic foundations, succumb to the hysteria of bourgeois propaganda. Drowning in an ocean of phenomena, it is throwing the resolutions adopted at its last Congress out the window and questioning one of its basic theoretical concepts: the division of the capitalist world into imperialist blocs.

We are speaking out against this position, not only because it reflects profound confusions but also because of the dishonest way in which it was arrived at: like stalinist organizations, the ICC changes positions monolithically, without any open debate.

The information for this article comes from ICC publications but also from three public meetings where we discussed with them. Three points will be dealt with :

- the ICC theory of "the implosion of the Eastern bloc"
- how the situation affects the working class
- how a revolutionary organisation changes position.

I. "IMPLOSION", A SPONTANEOUS EFFECT OF THE ECONOMIC CRISIS

The ICC has always defended the view that the capitalist world is divided into 2 rival imperialist blocs. It has always insisted, against revolutionaries of the past (like Kautsky or Lenin) as well as those of today (like the PCI or the PIC) that this is an essential manifestation of the decadence of the system. But no longer. In the presentation to its "Theses" in International Review #60, it now says:

"The disintegration of the Eastern bloc, its disappearance as a major consideration in interimperialist conflict, implies a radical undermining of the Yalta agreements, and the spread of instability to all the imperialist constellations formed on that basis, including the Western bloc which the USA has dominated for the last 40 years."

According to the ICC, the Eastern bloc is

disappearing through "implosion", as a result of the economic crisis.

"The USSR and its bloc are no longer at the center of the inter-imperialist antagonisms between two capitalist camps, which is the ultimate level of polarisation that imperialism can reach on a world scale in the era of capitalist decadence". (ibid.)

The ICC thinks we are in an unstable period in which there is only one bloc, while "new constellations" are emerging ...but which and when they do not know.

This analysis implicitly rejects the concept of decadence. As the ICC itself stated in the International Review #19 and Rosa Luxemburg before them, imperialism is a manifestation of the decadence of the capitalist system which leads to ruthless competition between states and from which no state can escape:

"Imperialist policies are not the work of one country or group of countries. They are the product of the worldwide evolution of capitalism at a given moment of its maturation. By its nature, it is an international phenomenon, an indivisible whole which can only be understood by its reciprocal relations and from which no state can escape." (Luxemburg, Junius Pamphlet)

This competition between states implies the existence of two elements:

- the economic crisis as the motor force behind imperialism;
- the attitude of the bourgeoisie and its military strategy.

a.) The economic crisis as motor:

As Luxemburg showed, the crisis of the system and the onset of its decadence generates and exacerbates imperialism. The constitution of rival blocs, fighting tooth and nail and having only imperialist war as a temporary 'solution' to their crisis, is fundamental to the understanding of imperialism. But when the ICC states that "To make war, you need at least two camps and one of the two today has disappeared" and adds, in the same article in Internationalism 149, that "the immediate possibility of generalized war has momentarily receded" ... when it says all this, it is denying imperialism and its origins. Indeed, for the ICC, one of both blocs has "imploded" under the pressure of the crisis. In this way, it turns Luxemburg's analysis on its head: the economic crisis is no longer the motor behind the development of the imperialist tensions but on the contrary, the crisis makes imperialism disappear! The crisis doesn't lead to war but reduces the danger of war. The fact that the ICC says it does so only momentarily does not change its theoretical mistake.

b.) The bourgeoisie:

The deepening economic crisis forces the bourgeoisie to a struggle of frantic competition, a battle in which no bourgeoisie can afford to remain neutral if it wants to survive. But the ICC seems to think that a

capitalist class can step out of the ring and throw in the towel. This goes against the concept of imperialism, against the very nature of the bourgeoisie.

When the ICC describes a shipwrecked Russia telling its satellites: "do what you want, change blocs if that is what you want", as one ICC comrade put it at our Brussels public meeting, it is swallowing bourgeois propaganda and not seeing reality in a Marxist framework. Similarly, when it describes a Russian army in turmoil "only good for watching the trains go by" as the ICC stated at the same meeting, it doesn't see the change in the military strategy of the Russian bourgeoisie and ignores the warring nature of all capitalist states. And what about Rumania where the army was the only cohesive force in the "democratic reforms", or East Germany where the army listened to the Russian military advisors and ignored Honecker's orders to shoot at angry demonstrators. What about the Red army restoring order in Baku?

The USSR continues to behave like a real bloc leader, towards its satellites as well as towards its outer republics. Just because Gorbachev wants to protect his image and preaches non-intervention, that doesn't mean that he is powerless or that the army has disappeared. All the ideological tricks that he is displaying are indicative of a bourgeoisie fighting back, not one that is paralyzed and out for the count.

As we emphasized in IP #14 and 15, the changes in the East do not mean that stalinism or state capitalism have disappeared or that the Russian bourgeoisie is panicking and losing control. The changes represent an attempt of a bourgeoisie tormented by a catastrophic economic crisis, stuck with an unworkable military strategy towards the US and increasingly threatened by violent reactions of the workers, to reorient its economic, military and ideological policies. But the ICC has chosen to develop a view in which imperialist blocs collapse all by themselves, without any intervention of the working class and without any redistribution of the cards such as occurs after a world war.

II. IMPLICATIONS FOR THE WORKING CLASS

"However, despite the difficulties it is encountering, the dynamic of the working class struggle has not been broken. On the contrary it is still developing. The potential combativity of the working class is not only intact, it is growing stronger. Under the painful spur of the austerity measures which can only get worse, the working class is being compelled to fight and confront the forces of the bourgeoisie. The perspective is for the development of the class struggle."

"The apprenticeship the proletariat is serving to learn the bourgeoisie's capacity for maneuvering is a necessary factor in the development of its consciousness, of its strengthening faced with the enemy in front of it".

(Resolution on the International Situation of

the 8th Congress of the ICC, published in Int. Review #59, end of '89, p.16)

But, as the ICC says, history is accelerating and what was said in November '89 became its opposite one month later : workers' consciousness has regressed, workers have taken a beating, they have been dispersed, the class is confused (ICC public meeting). And this organisation which has trumpeted activism to the heavens now affirms: "the best thing that workers can do is to stay calm" (Internationalisme #147, p.5) and repeats at a public meeting: "we can only say to the workers in the East: stay home".

When a revolutionary organisation begins to unravel its own programmatic framework, like the ICC did in 1985, it gradually tends to lose its political coherence too and this makes it unable to put world events in a global, marxist framework. One symptom of this absence of framework was the ICC's caricature of triumphalism and activism. But its leftist-style interventions, its concessions on principles, its appeals to join trade union demonstrations were bound to lead to creeping demoralisation. Already in '88 in France, it saw only a student movement and missed the return of the workers onto the social scene. In China in '89 it saw only a student movement for democracy and no presence of, or potential for, workers struggle. Today the rudder has made a complete turn. The confusion which the ICC now sees resides in its own analysis.

We think that the current propaganda campaigns are merely a peak in the ideological pressure which the bourgeoisie has incessantly exerted during the 80's. It's clear (and we have asserted this against the ICC) that the 80's were not the "decisive advance" of the "years of truth" which the ICC expected. They were marked by the difficulties which the working class is experiencing in finding its own class perspectives.

The current campaigns don't make it any easier. The false hope in "democratic reforms" threatens to derail or weaken the workers' struggle. But the reality of the economic crisis and the harsh austerity measures, ruthlessly applied by the new "democratic" rulers, will show the workers who their enemies are and fan their combativity. Already tramway conductors in Bucarest have demanded better wages and miners in Poland and health workers in East Berlin have struck for wage demands.

To defend clear analyses and class perspectives is the very essence of a revolutionary organisation. While the ICC tells workers to go home and stay calm, we want to support the movements of our class, pointing to their weaknesses too and showing the link with what must become their goal: the destruction of the capitalist system of exploitation. If an organisation can't defend that, it shouldn't call itself revolutionary.

III. HOW DOES AN ORGANISATION CHANGE POSITIONS ?

"Theory is grey, the tree of life is green".

The ICC has used this little phrase time and time again as a fig leaf to cover its theoretical incoherence and abrupt changes of position. With it, the ICC justifies a separation between theory and practice (which we have been denouncing for years) and an abandonment of principles in order to tail-end events ("history accelerates!"). But this inability to make theory a living tool to understand the world also takes away the capacity for revolutionary analysis. When the ICC tells us that "theory is grey..", we answer:

"As such, (theory) is not a positive science but a critical one. It 'specifies' bourgeois society and studies the visible tendencies which affect the current development of society and the road which leads to its practical transformation. As such, it is not only a theory of society but also a theory of the proletarian revolution".
(K.Korsch: Karl Marx)

At the above mentioned public meetings, our Fraction and sympathizers of the Fraction, as well as contacts of the ICC asked this organisation to explain its 180 degree turnabouts on such fundamental questions as:

- the analysis of the events in the Eastern bloc, presented a few months ago as a mere ideological campaign and only "so-called" changes, are now seen as chaos, the implosion of an entire bloc;
- its understanding of imperialism, which it now denies in practice, and its new theory on the economic crisis as a force that destroys an imperialist bloc;
- its evaluation of the class struggle, so overestimated until recently, now viewed with grim pessimism about the future of the historic course.

The answers that were given went like this : "it's necessary to adapt to the events", "everything changed so fast that the ICC itself was behind"; "there's a difference between changing position on class lines and on secondary issues", etc...

Already during the so-called "debates" which led to our exclusion from the 6th ICC Congress, we denounced the shameful attitude of this organisation in suppressing debates and in putting individual pressure on those who wanted to form a tendency within it. During the parody of a debate around the change of its platform in 1985, the same attitude could be seen. Despite the seriousness of such a step, there was no discussion, just a change without justification. Previous arguments were magically transformed into their opposite.

Similarly, the events in Eastern Europe today lead the ICC to aberrant positions, to an abandonment of the concept of imperialism, to an outright denial of the work of its international congress without any debate in its press, without any explanation to the class and the revolutionary milieu. Without

raising an eyebrow, the ICC comrades, chanting in unison, defend the opposite of what they defended before. It makes everyone who hears them think of the sclerotic, stalinist image of an organisation in which all political life has ceased to exist for a long time where more fierceness goes into the tone than into the political argumentation.

IV CONCLUSION

"The party must remain scrupulously faithful to the political theses which it has developed, otherwise it precludes any advance in the revolutionary struggle".
(Bilan #5, March 1934, p.156)

The ICC seems to have relegated this elemen-

tary reminder from "Bilan" to the dungeons of its archives. In practice, this degenerating organisation spreads serious confusions in the revolutionary milieu and in the working class.

Swept away by the dominant ideology, unable to grasp daily events with class principles and marxist methodology, the ICC is becoming a vehicle for the class enemy. We must denounce this confusion.

In this and previous issues of IP, the reader will find our positions on the events in Eastern Europe. We hope they will contribute to a debate in the revolutionary milieu and maybe even in the ICC.

Rose



EASTERN EUROPE : DICTATORSHIP OR DEMOCRACY ONE DISASTER AFTER ANOTHER

DEBATE

The Changing Face of Imperialism

As with the workers struggle in Poland in 1980, the current events in the Eastern bloc represent a major moment of acceleration in history, putting revolutionaries to a test: either they will clarify their overall understanding of present-day conditions or they will regress. Thus, our Fraction has decided to debate these events intensively and publicly and to follow closely how the rest of the revolutionary milieu is reacting.

There are some interesting parallels between Russia's occupation of Eastern Europe and the colonisation of the periphery by Western capitalism. Both were imperialist, military operations aimed at assuring markets, finding cheap labor and, above all, plundering the local resources. The decolonisation of the periphery occurred when the lemon was squeezed dry and the costs of maintaining a colonial administration outweighed the remaining benefits. To some extent, the same observation

might be made about a Russian withdrawal from Eastern Europe. The main difference is, of course, that after decolonisation, most ex-colonies remained firmly within the bloc and continued to be exploited and dominated by their "former" masters, while the "de-occupation" of Eastern Europe would logically lead to its integration into the other bloc as the minority text on Eastern Europe, published in the supplement to IP # 15 claims. Yet there are reasons to question whether such an outcome is as predictable as this text suggests.

What we are doing is trying to foresee the consequences of a change in Russia's imperialist policy. So we must analyze what it is winning and losing in the economic area which is after all the *raison d'être* of its imperialism.

There are many differences between the two blocs that exist today and the two blocs

that formed on the eve of World War II. The main one is, of course, that in the late thirties the working class was globally defeated, which gave the capitalist class the liberty to pursue any imperialist policy it wanted, including global war. Another is that the blocs then were relatively loose formations while today they are the products of more than four decades of consolidation, not only militarily but economically as well. A third difference is that the main countries of the blocs then were, roughly speaking, on the same level of economic development, which meant that they were hit by the crisis in roughly the same way and reacted to it in roughly the same way too (even if Germany, having less access to the world market, was forced to take the aggressive lead).

Today, the difference in the level of economic development between the 2 blocs is glaring. As Mac Intosh explained in the "Theses on Gorbachev" in IP# 14, the Eastern bloc has not completed the transition from formal to real domination of capital and is indeed hardly making any progress in that direction. The organic composition of its capital is decades behind the West, making it impossible to compete with the rest of the industrialized world in an open market, except in a few specific areas such as military hardware. This anomaly has existed for so long because of the relative autarky of the Eastern bloc, shielded from the open world market. Without this shield, its capital would be wiped out by the stronger competition. And because of this shield and the limitations on internal competition as a result of central planning, it is not undergoing the same impetus to shift emphasis from extraction of absolute surplus value to the extraction of relative surplus value through technological innovation.

The result is that capitalism's world crisis hits the two blocs in a different way. The symptoms take different forms and there are different symptoms too. These unique circumstances (relative autarky, low organic composition, incomplete transition from formal to real domination) result in the fact that capital in the Eastern bloc is colliding more directly with a tendential fall in the profit rate, without this fall being triggered to any comparable degree by the problem of saturation of internal and external markets. In the West, the tendential fall of the profit rate is compensated for by the increase in the extraction of relative surplus value. So, while commodities contain less and less surplus value and therefore less and less potential profit, the increase in the mass of commodities and thus in the mass of profit compensates for this but demands at the same time ever larger markets to realize these profits. That is why the saturation of the market (the result of the inherently growing imbalance between use value and exchange value in capitalist production) interrupts this process, triggers the crisis and shapes the policies of the capitalist class in reaction to this crisis, its imperialist policies etc.

The Eastern bloc of course, also suffers from the effects of the saturation of the world market, witness the impact of the oil glut for Russia, for example. However, it is logical that its much lesser participation in the world market also means that its overall economy is less affected by its contradictions. That's also why, during the recessions of the 70's, the East could project an illusion of relative stability ...that, and secrecy. But even then it was clear, and now officially recognized, that this was a period of stagnation, without sharp contradictions but also without expansion, despite credits from the West and despite a rise in exports (oil). But export markets were not needed so much because there was less to export, due to less extraction of relative surplus value. The result was also that the tendential fall of the profit rate was less compensated for. So, what the CWO (the Communist Workers Organisation; U.K.) says about capitalism in general is, because of its peculiar characteristics, true for the Eastern bloc: capital there could still expand its own market if it were not stopped by the tendential fall of the profit rate. If, in other words, with the same production costs, it would produce more commodities, it would undoubtedly find an internal market for them, that is, exchange them for value that could return into the production process, produced by workers who now cannot spend their wages and work notoriously slowly and inefficiently, and with capital units which now often remain idle because of lack of raw materials and spare parts (or which now must produce their own spare parts at much greater costs) etc.

The way the crisis hits the East inevitably determines its imperialist strategy. While in the 70's this strategy was still aimed at directly expanding its sphere of control through military means, in the 80's the failure of this policy had become obvious, as its few "successes" (Vietnam, Ethiopia, Afghanistan) were more costly than beneficial and the weight of military expenditures became ever more crushing on its sick economy. So a change in its strategy became unavoidable because of the lack of other options. It cannot maintain, let alone expand, its position on the contracting world market because of its low organic composition (high production costs). It cannot squeeze anything out of Eastern Europe anymore; on the contrary, the aggravation of the economic crisis there threatens to create unmanageable social upheavals which could affect "social peace" at home. It cannot launch a world war to grab anything significant because it is militarily outspent by the West and even more because it lacks sufficient control over its undefeated working class. The only potential military gain could be found in areas on the periphery where the costs would be far higher than the benefits. And on top of all that, the deepening of its economic crisis threatens to bring a storm of class struggle for which the capitalist class in Russia, lacking the shock absorbers of its colleagues in the West, is utterly unprepared.

So what Gorbachev is trying to do is not one amongst several options. It is the only option left. He is not in the position of Hitler exclaiming: we must export or die. His problem is that he has very little to export and the use of the military card in present conditions can only worsen this situation. Since he is in no position to defeat the working class and mobilise it for the military expansion of the bloc, the only thing he can try to do is to focus all resources on increasing relative exploitation in order to tap the potential internal market which still can be expanded within the East bloc. To achieve this, he needs a massive influx of Western technology and a freeing of resources which now go to military expenditures and other unproductive costs (Today, more than 40 % of all machine tool production and 70 % of all research and development in the USSR is swallowed by the military). Both conditions cannot be fulfilled without a drastic change in its imperialist policies, going well beyond a shift in rhetoric. Gorbachev's slogans about "the end of the cold war", "the common European home", "new thinking" are propaganda but they are accompanied by real changes: a significant drop in military spending, retreats from Afghanistan, Cambodia, Angola, a decline in military aid to clients such as Syria, real progress in arms negotiations because of Moscow's willingness to give up much more than the West, and now, the beginning of the end of the occupation of Eastern Europe. In the not-so-long term, Gorbachev's hopes are doomed, because of the overall context of deepening economic crisis. He can only cling to the hope of a temporary recovery and a defeat of the working class which would allow Moscow to launch a new imperialist offensive.

But in the short term, the shift in the interimperialist climate has benefits for both blocs. For the West, these are clear:

- a decline in military spending would bring some much needed help to control deficit-spending, a relief which would far outweigh the economic contraction which this decline would cause;

- it would maintain, even increase its military superiority. If reductions are carried out as they are outlined at present, both blocs would be roughly equal in conventional and nuclear arms but the West would still have its technological edge, far greater naval power and much more reliable armies; (1)

- it scores a mayor propaganda victory which recredits its ideological mystifications;

- economically, it would profit from exploiting cheap but relatively skilled labor in the East and finding, to a limited extent, new markets there;

- it has the prospect of "peacefully" extending the bloc by integrating Eastern European countries, especially the DDR.

But for Moscow, there are short-term benefits too:

- the prospect of substantial Western investment, if not in Russia itself, than at least in Eastern Europe, which then could function as a bridge to get Western technology into the USSR too;

- relief from military spending, which could be even more beneficial than for the West, given the strangling effect of these expenditures on the economy and the much larger proportion of deficit spending;

- the creation of social shock absorbers in Eastern Europe and, to some extent, in the USSR too, which would make the capitalist class there better armed against the class struggle. Democracy and market reforms provide the cover for brutal austerity which otherwise would be impossible to impose without major social upheaval. In the short run, the reforms improve the chances for the capitalist class to inflict defeats on the workers of the East, to block their struggles with illusions. For the moment they stopped the hemorrhage of credibility of the state (and even of the bloc). By increasing differences between workers and giving more responsibility to "free enterprise" (thereby making it less obvious that the state is the workers' common enemy), solidarity between workers is undercut. An added benefit is that the diminished role of the Stalinist parties in the governments responsible for the rise of inflation and unemployment, gives them a glimmer of hope for recuperation in the future.

Will the current reforms in Eastern Europe automatically lead to the integration of these countries into the Western bloc? The risk is certainly there, especially in the case of East Germany. Yet I think such an outcome is less predictable than it may seem. The political reforms in Eastern Europe and the possible retreat of Russian armies from there, would not go hand in hand with a liquidation of the relative autarky of the bloc. If that did happen, if Eastern Europe suddenly became an open market for the West, with open borders and convertible currencies etc, its capital would be wiped out, unable to compete against Western capital. So the diminishing of this autarky would necessarily be very gradual and limited. Limited also because Western capitalism is in crisis too and has no Marshall Plan or promising markets to offer to Eastern Europe. The only markets Eastern Europe can count on are within the bloc, the result of economic relations cemented during more than 40 years of occupation. This has made these countries economically interdependent and this interdependency cannot simply be given up, especially since the deepening crisis of the world economy eliminates serious alternatives. Furthermore, Eastern European countries are now far more dependent on Russian oil and gas than the USSR on Eastern Europe's shoddy industrial exports. So Gorbachev is not entirely fantasizing when he speculates that the economic ties would be strong enough to maintain the bloc despite a retreat of the tanks. It would be a weaker, less cohesive bloc, but, in fact, its strength and cohesion had already become an illusion, eroded by the gulf between the ruling cliques and the rest of society.

To turn the tide, the Kremlin was forced

to uncharacteristic boldness, to embrace a strategy so risky that the forces it unleashed are repeatedly escaping its control, as witness the amazing speed of the absorption of East Germany into the West. Often, Gorbachev is forced to cut his losses in order to stick to his plan for achieving his main objective: giving the state the capacity to defeat the working class, so that it can recapture the initiative in the interimperialist struggle, on which its long term economic aspirations rest.

As explained above, in the short term the capitalist class can make some progress towards that goal (both in the East and the West) resulting from a more effective use of the democratic mystification and all tools for control linked to it (elections, "free" unions, "free" mass media, free religion, etc). But the remaining strength of this mystification is largely based on the fact that the "democracies" are the economically stronger countries. This is the real material basis for its propagandistic strength, because it allows the false impression of a causal link between parliamentary democracy and better living conditions. It is only in that light that the mass mobilisations in Eastern Europe can be understood. In no way can they be compared to the mobilizations for democracy and anti-fascism, which were part of the preparation for World War II. Today, many workers support democratic reforms because they mistakenly identify them with an improvement in their living conditions and not because they are defeated and ready for war. True, the fact that they buy this illusion is not a positive sign. But neither is it something new. In the Eastern bloc there was

never a direct confrontation between the democratic propaganda and reality because the forces advocating parliamentary democracy were kept out of power. And so, because only reality and the direct experience of masses of workers can destroy a mystification, the democratic illusion kept a more powerful hold in the East than in the West. Today's reforms reap the fruits of this hold but destroy its material basis at the same time.

Now, more openly than ever, democracy is used as a tool to attack the workers. More openly than ever, reality will unmask it as a false solution to the increasing misery which the capitalist crisis imposes on the world. Therefore, today's changes improve the long-term chances for the working class to shake off this pernicious illusion. And the fact that East and West, the workers will face similar ideologies, similar traps and opportunities, will strengthen the dynamic towards unity and internationalisation of the class struggle.

As for the interimperialist struggle, at present, the situation seems to confirm the perspective outlined in a text in December '87, which was rejected by the majority in the EFICC: that, as a result of: 1) the gravity of the economic crisis in general and in particular the weight of fictitious capital

(debts, inflation, unspendable wages, speculative stock booms) on the productive process and 2) the undefeated condition of the working class and the threat this implies in conjunction with 1): we were entering a period of attenuation of inter-imperialist conflict and decline in military spending. The weakness of my text was that it did not see that Moscow would be the driving force in this change and make the bulk of the concessions because its crisis would be so much more severe and urgent. Today it is clear that this attenuation of open inter-imperialist conflict went together with a major shift in the balance of forces between the blocs, with a retreat of Russia and an advance of the West. But we have to be clear on the reason why we are now in a period in which the danger of world war is seemingly fading in the background. It is not because the Russian bloc has "imploded" as the ICC mistakenly thinks, nor because world leaders no longer believe in war, as pacifist propaganda suggests, but because the capitalist class now is forced to face squarely the crucial obstacle in imposing the war solution to its crisis: the undefeated, unmobilisable working class. It will be a time of massive attacks on our class, a period loaded with potential as well as dangers.

Sander

1) Since this text was written (Dec. 6) it has become clear that Moscow is even prepared to abandon the goal of equality in conventional forces in Europe and to accept an American military superiority in the region for the time being.

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Under all its forms, capitalism engenders misery, austerity and insecurity. But, it also engenders the revolt of its own grave digger. To put an end to the dictatorship of capital in both its "democratic" and "totalitarian" forms, the working class must clearly identify each as its real enemy, and with this consciousness affirm its own revolutionary perspective.

R. C.

APPEAL TO READERS

We intend to make this magazine an instrument of political clarification and understanding of the situation today. We also need to have the tools necessary for direct intervention in the class struggle (leaflets, posters, newspapers). Our limited material resources and our small number makes this task very difficult. We appeal to our readers to help circulate Internationalist Perspective and to carry on political discussion with us. We ask you to subscribe to our magazine and to show a practical support for our efforts by giving a contribution if you can.

THE ECONOMIC SITUATION

Bankruptcy in the 'Third World', Collapse in the East, Debt and Unemployment in the West « Everything is Fine »

The Western powers are now celebrating their success -- as ignominious as it was easy -- in the countries behind the "iron curtain". Events are carefully portrayed so as to show that Russia and its satellites are, or were, "communist" states and that the "communist" experience has ended in a resounding historical bankruptcy on all levels. For the apologists of the "free world", "communism" has failed everywhere its principles have been applied, wherever the masses at first believed in it, then became disenchanted and ended by revolting against it so as to regain their freedom. The charges leveled against "communism" are formidable. Instead of eliminating social inequalities, it has raised the privileges of the "Nomenklatura" to the n'th degree, bloating every hierarchy, and instituting universal impoverishment. Instead of the advent of justice, it has produced waves of bloody violence within the horrendous continuity of a sort of "Asiatic despotism". For the ideologues of the "free world", communism is Stalin, Pol Pot, Deng and Ceausescu, the hothouse from which arise the tyrants who impose their murderous will by condemning millions of innocent people to the Goulag.

The Western powers are a bit late in expressing their "horror" and "indignation" with this totalitarianism: they accommodated it from the entrance of Russia into the den of imperialist brigands which was the League of Nations, to the Stalin - Roosevelt - Churchill - De Gaulle alliance to crush the hydra of "barbarism" in the anti - fascist crusade of 1939 - 1945, ending in the redivision of the world at Yalta. In the past, hasn't the West furnished thousands of jeeps and tanks to the Red Army (sic.), then granted credits to the most bloodthirsty dictators such as Ceausescu and Deng - this

latter the butcher of Tienanmen Square? What these regimes have wrought provides the West with the opportunity to make their own regimes look good, to justify their own version of a system of the ferocious exploitation of human beings by capital; they present themselves as the guarantors of freedom, as the land of asylum for the "rights of man", so scorned and trampled upon in the East. Listen to these con - men: capitalism is wonderful, the best of all possible worlds, the only one capable of assuring bread and liberty; the working class must mobilize for the unconditional defense of the democratic principle in the West, and for its conquest in the East.

That is why these ideologues of the "free world" salute Gorbachev, who is trying to liberalize his country with Glasnost; they cheer the popular uprising and the passage to the "good side" of the Romanian army, thereby permitting the victory over Ceausescu and his Praetorian guard, the Securitate. The same people who celebrate the success of the American military operation "Just Cause" which put General Noriega behind bars and reestablished order in Panama, these bearers of progress, pretend that free competition has prevailed over a statist economy and that capitalism has won out over "communism". And the proof for all this; Gorbachev and all the other heads of state in the East are humbly begging Western capitalists to invest, and appealing for subsidies from the IMF to help them reconstruct their economies.

This ideological campaign by the apologists for the "free world" involves a black - out on the actual situation in the West. What they try to hide is the fact that every measure adopted by the bourgeoisie in the West to overcome the economic crisis has been

an abject failure. The various governmental plans, based on monetary manipulations and massive injections of credit, so as to jump-start the economic mechanism have been so much pissing in the wind. Despite the sonorous speeches about the health of capitalism, it is economic stagnation that prevails in the West. With the onset of the final decade of the twentieth century the account books of the bourgeoisie present a somber picture: commercial and budgetary deficits, a rise in interest rates, inflation of the mass of money in circulation. No matter. The bourgeoisie simply ignores the seriousness of the stock market crash of Friday the thirteenth in October 1989, when 200 billion speculative dollars went up in smoke, just as it overlooks the fact that the capitalization of most companies is increasingly fictitious, having no real counterpart in productive assets, and that nothing can prevent the bursting of the speculative bubble swollen beyond measure by worthless "junk bonds".

The bourgeoisie, a class alienated par excellence by the commodity form and in thrall to the irrationality of the world market, is characterized by an erratic behavior. Sometimes, drugging itself with soothing discourses and credits, it indulges itself with wondrous perspectives. Sometimes, the leaps and plunges of the stock market produce distress in its ranks. Nonetheless, in either case, it hopes that its system will escape the earth shattering collapse that lies in wait, after which the "Dow Jones", the "Nikkei", the "Footsie" and the "Dax" will be condemned to the rubbish heap. The ideologues of capital minimize the importance of the indebtedness of the great industrial countries in the thrall of the bad genie of credit, who has ensnared them in this vain practice which cannot really compensate for the lack of effective demand on the global market. They point to the supposedly lucrative contracts of the giant American and European companies with Russia and the countries of Eastern Europe. They utilize the implantation in the East of certain of them (Fiat, Pechiney, Tractobel, Total, Ferruzzi, etc.) as a smokescreen to hide the new wave of lay offs by the tens of thousands which are hitting -- no longer the backward or obsolete sectors -- but the modern automated plants with the highest organic composition of capital. The proof of the worsening of the economic crisis in the advanced industrial heartlands of the West is the shake-out and paring down of the auto industry (GM, PSA, RNUR), of the steel industry (Sollac, Cockerill, Clabecq), and computers (IBM).

Just as the price of shares quoted on the stock exchange and dividends are distorted, so too the statisticians of the bourgeoisie fiddle with the unemployment figures. The bourgeoisie hopes to make the exploited accept the idea that the existence of the unemployed category, made up of workers who will never again find jobs in the productive

apparatus, is the necessary price to pay to strengthen the body of capitalism. And this bitter pill goes down a bit easier inasmuch as the state is still able to provide those ejected from the productive apparatus with unemployment benefits which assure them of a bare minimum, sometimes supplemented by benefits provided by the localities.

Industrial growth continues to shrink in the heat of the crisis, much like a piece of cheap meat. After last Autumn's crash, several large industrial and financial groups had to record a significant drop in their profits; among them, the three biggest auto makers in the US, Chrysler, Ford and GM, PSA and RNUR in France, the world's number one computer giant, IBM, and the aircraft maker Lockheed. The English chemical giant, ICI, the Belgian trusts, Electrofin and Petrofin, the largest German electric utility, RWE, as well as well as computer maker Nixdorf, pace setters of the London, Brussels and Frankfurt stock exchanges, were all shaken by the crisis. In response, each has set out to reduce the mass of workers employed in an effort to trim the fat.

Used to insisting on the imposition of regimes of draconian austerities in the East, the Western media hides the growth of unemployment in its several forms at home: short time and part time work, etc. They, who denounce the persecution of the Muslim and Turkish minority in Bulgaria, they, who condemn the iniquitous regime of Apartheid in South Africa, utter nary a word about the program to expel eight million immigrant workers and their families because they don't belong to the "national communities" of the countries of the EEC, which are being prepared by the governmental agencies of that entity.

According to the Andreotti's, Kohl's and Mitterand's, the giant, single, common market of 1993 will be the universal panacea that will provide jobs for every European worker. Europe, impartial and generous as always, will bring civilization and progress to the people of the Eastern part of the continent, who -- in vain -- demand it from their own governments. In fact, this Union will resemble a shoving match in which each of the players will covet the best part of the cake, will try to make deals to its own exclusive profit. The absolute need to enlarge markets, given the enormous productive capacity of capitalism, will produce an increasingly bitter competition. Which means that the commercial war will heat up with new confrontations still more violent than those seen up until now.

More than ever, the Americans and Europeans will have to erect dikes against the commercial flood emanating from the "four Asiatic dragons" by utilizing customs barriers to protect their internal markets from the peddlers from the Far East. At the same time, they will try to force open the markets of South Korea, Hong Kong, Japan and Malaysia.

All indications are that the Western capitalists will not allow themselves to be stopped by the paltry economic results of the Russo - American summit at Malta, which at best would only yield the leading countries of the bloc a growth of 0.5% each year between 1990 - 1995. Because the effective demand represented by the markets of the most developed countries is exhausted, the Twelve will multiply their efforts to export to and invest in Eastern Europe. They envisage a whole series of steps to integrate Eastern Europe into their own economic orbit, i.e. to participate in the exploitation of the working class of those countries.

If all the imperialist sharks are circling around the countries belonging to COMECON, it is not in the interest of the US, Japan or Europe to see the Russian bloc simply collapse. In such a case, the world situation -- already destabilized -- could become uncontrollable and evolve towards a situation of chaos, that would be dangerous for every capital. As usual, a Holy Alliance would have to be erected against the working class.

As every market on the planet has become the scene of intense capitalist rivalries, each national bourgeoisie must obtain from its factories the best competitive edge, this being the decisive element in this struggle to the bitter end. A more competitive capital means a more exploited working class, producing a greater surplus product by way of a maximum of surplus - value, which means a fall of relative wages. That is why the overall process of economic restructuration, in the sense of a rationalization involving ever more perfected labor techniques, is directed at always raising the productivity of labor. The state and the employers insist that the phenomenon of concentration and restructuration, by rationalizing the productive process, will -- in the end -- create jobs and therefore new wealth. But, a simple look at the figures will show that unemployment has skyrocketed while the workers produce ever more wealth, in short, that rationalization has proceeded against them. To the speeches urging the workers to spit out ever more surplus labor must be added the vulgar -- and well known -- neo - Malthusian appeals to consume less by saving and abstinence, because the ruling class needs to reestablish a positive trade balance.

The economic crisis has struck most savagely at the Russian bloc, even if the Brezhnev regime for many years prevented the explosion of the enormous contradictions that had built up in Russia. In the end, however, the Russian ruling class had to bite the bullet. In the midst of the world wide competition between capitals, it fell to a state bureaucracy and not to a classic bourgeoisie to have to try to put its national economy on the track of an intensive development. The architect of this undertaking, Gorbachev, has attempted to renovate the state administration so as to redynamize a social life threatened with total sclerosis. To that

end, he has little by little replaced the conservatives, linked to the old methods of administering capital, by reformists. Thus, Dobrynin, Ambassador to the US for forty years, Chebrikov, the old KGB "hardliner", Chitcherbitsky, the party chief in the Ukraine, and Ligachev, have all been given the boot. Less than a year after his own investiture, Gorbachev had imposed his own line, affirming himself the single master in the Kremlin. Today, Gorbachev holds quasi - absolute power, making him the most powerful Russian leader since Stalin, one who -- like all dictators -- brandishes the threat of chaos so as to better impose his program of "reforms". It is clear -- despite the inanities coming from the media -- that Gorbachev is a shrewd leader, whose function consists in defending the interests of Russia against the West.

According to A. G. Aganbegyan, Gorbachev's most intelligent advisor, the Russian economy must be based on a more efficacious utilization of its means of production. His basic insight is that it is not a question of producing for the sake of production, but to produce with an adequate profit margin, this being the key to the success of Perestroika. To that end, the present reform of the Russian economy looks back to and takes up (on a higher level) the views of the famous professor Lieberman from the 1960's. In his time, Lieberman defended a Plan with less rigid centralization and more freedom for the different enterprises, less red tape and more initiative at the base, all to stimulate economic activity.

Now, as yesterday, it is a matter of modernizing capital with a view to increasing its rate of accumulation! An exploiting class composed of businessmen, technocrats and managers, is acting like any other bourgeoisie so as to obtain a growing mass of value. It can draw on the theoretical works of its modern seer, Aganbegyan, for recipes to generate profits.

Just as in the West, in the East it is necessary to increase the productivity of labor and the rhythm of industrial growth to a to an enormous extent; it is necessary to inflict the knout of brutal exploitation on the proletariat and to tighten discipline. The worker at the point of production must be made to demonstrate his enthusiasm for the job every minute of every hour of the five day week. His wage must be organically linked to the labor furnished. With its slogans extolling competition among workers, its placards demanding greater productivity, its stop watches and foremen determined to eliminate dead time and cigarette breaks, Perestroika comes down to a war machine directed against the internal enemy: the working class! The tradition of Stakhanovism is very much alive.

Moreover, Perestroika translates into massive layoffs. In a single year, 130,000 workers and employees of the rail network have been thrown out of work, to swell the already considerable mass of the unemployed. Together with Aganbegyan, the other leading

economists, Bogomolov, Chmelov and Sliankov openly acknowledge the reality of unemployment in Russia, where work is a "sacred right" guaranteed by the most democratic constitution in the world. Thus, the bourgeois economic science of that land, which can no longer hide the fact of unemployment, acknowledges that Russia is capitalist.

Perestroika is a program of anti - working class measures to impose austerities. It accelerates the reduction of wages, while increasing prices on the "socialist market", with the result that the standard of living falls sharply. It feeds inflation (now 12%), creates vast pockets of misery and maintains the sacrosanct hierarchy in every domain of social life. After five years, Perestroika has not prevented the situation from worsening, which demonstrates the limits of bourgeois "voluntarism" in its capacity to master the crisis. Retail stores remain nearly empty or contain stocks of commodities of poor quality, while those of better quality fetch exorbitant prices. The irresistible growth of drug addiction, on top of rampant prostitution and a deeply rooted alcoholism, bears witness to the horrendous impoverishment of daily life in Russia.

Today, the media announces a deluge of liberal measures, of reforms, changes in orientation, rectifications, that will sweep away state capitalism which has purportedly become a socially passe form. In fact, even if a growing mass of foreign capital is being invested in Russia, this will not bring about a liquidation of the planned, statified, economy. With Perestroika, the state will continue to define the orientation taken by production, determining its volume, even in enterprises created as "joint ventures". It is the state that will fix productive norms and codify the relations between the capitalist class and the working class; that will exercise its fiscal and financial control over the whole of production, preserving its monopoly of the strategic industrial sectors.

At the last Congress of Peoples Deputies, the Prime Minister asserted that competition between economic units need not mean the abandonment of planning. And he emphasized that certain propositions were unacceptable, among them the institution of "private property", especially in land, and a large - scale denationalization of the state sector.

Moreover, he declared his opposition to a too pronounced policy of foreign borrowing, that might lead to a tightening of economic dependence. Whether it's a question of the establishment of the market as an essential element of the new economic mechanisms, or of according enlarged decision - making powers to the directors of trusts, Kolkhozes or production cooperatives, Perestroika has the overall aim of adjusting state control in the phase of the total domination of the mechanisms of capital. Russia has not embarked on a march backwards from the historic tendency towards state capitalism.

Gorbachev has never proposed replacing state capitalism by a classic, liberal economy of laissez - faire, through the means of some sort of "Thermidorean counter - revolution". He is no "deviationist", but is someone who has always acted within the framework of state capitalism, so as to hasten Russia's completion of the crucial steps from the formal submission of labor to capital, to the real domination of capital.

The range of application of the law of value is undergoing a vast extension, penetrating each pore of the social fabric, controlling every inter - human relation. In this sense, Perestroika represents a catharsis in the history of Russian capitalism and not a "revolution in socialism" or a "revolution putting an end to a perverted socialism", as Nagel, the Stalinist professor of "Marxist" economics at the Free University of Brussels would have it.

Born at the end of World War Two as "peoples democracies", the Eastern European countries of the Russian bloc have existed as economies in which the law of value operated within the framework of state capitalism. Far from being an undifferentiated monolith, the mode of nationalization and industrialization occurred in these countries in forms corresponding to the historic reality of each national capital. However, all of them belonged to the Russian bloc, and suffered for it. Not only did they miss out on the Marshall plan, which might have reconstructed their economies after the destruction of the war, but Russia pillaged the best part of their industrial potential and their agriculture. The successor to the Kominform, COMECON was the instrument for planning and

the division of labor in the "socialist" community. Through barter agreements (imposed by force by Russia), Moscow literally pillaged its satellites and cornered their exportable products by way of an inconvertible rouble. Through COMECON, Russia has imposed on these countries conditions that have thrust them into a situation of poverty, hunger and ruin. For a generation, these countries have had to live as colonized and vassalized states.

With the world crisis, these economies, based on an extreme statification of their productive apparatus, have sunk deeper into the morass. To keep afloat, they have exported whatever they can, while buying the least possible overseas. The fact that their trade is principally with Russia has been to their detriment.

Thus, Romania saw its economic dependence on Russia and its impoverishment grow. For years, everything possible has been exported so as to pay off its foreign debt -- estimated to be 12 billion dollars before the fall of Ceausescu. The "everything for export" campaign plunged the populace into total destitution. And it would be worse tomorrow: the reserves of oil, gas and coal were quickly being exhausted and Romania would soon find itself without the abundant wealth that had constituted the very basis of its

export capacity. With a trade balance falling deeper into the red, Romania was heading towards its Third - Worldization by way of a new round of debt.

With respect to its partial success, Hungary had become the model to follow for the other countries of the Russian bloc. However, the relative abundance and diversity of its production, about which its leaders congratulated themselves, was in fact no more than a fragile facade. From strong growth, Hungary had passed to economic stagnation. Very dependent on foreign trade, Hungary found itself strapped with a debt of 18 billion dollars and a 20% inflation rate. From January 7, a series of price rises was set in motion by the sharp reduction of subsidies. These price rises were considerable: 25 to 30% for food, as well as tobacco, beverages and cars. On February 1, the price of milk and dairy products increased 25%, rent, including heat, 50%. Public transportation saw a rise ranging from 40 to 65%.

Sharp price rises also welcomed the Poles into the nineties -- a palpable, new sign for them of the savage application of the austerity plan by which the Mazowiecki government hoped to restore the Polish economy to health. In the dead of Winter, electricity, home heating and gas rose in price 400%. The price of coal increased seven fold, gasoline 100%. These price rises triggered an increase of 250% in the cost of rail and bus tickets, while postage and telephone went up 100% and 200% respectively.

In the other countries of Eastern Europe, the economic situation is no less disastrous. Inasmuch as the bulk of the monies from exports goes to heavy industry, while the bulk of foreign purchases goes to the acquisition of Western technology, the imposition of rationing on the population has known no respite.

From Bratislava to Sofia, state enterprises are judged by their performance, competitiveness and profits. These economic categories of the capitalist mode of production are everywhere subject to the same merciful verdict: either the factories are profitable and they continue to operate, or they produce at a loss and they must close -- an exception being made for armaments factories, where questions of cost of production and profit are relegated to the back burner because of the necessity of "national defense".

To assert themselves on the world market, the countries of Eastern Europe need the capital, systems of modern production and sophisticated means of commercialization possessed by the West. That will permit them to raise their competitiveness and increase their trade, notably with the EEC. Such was the objective of COMECON, decided on in January 1990 in Sofia. The changes that have been made indicate that these capitalist factions remain committed to these objectives. None of them has broken their links to

Moscow, while each has rallied to the standard unfurled by Gorbachev, who acted to quiet the uproar in Hungary and Czechoslovakia.

The plans for economic and financial aid from the West will not permit any real improvement in the availability of consumer goods for the populace. Rather, they will benefit the branches of the all powerful heavy industry, without any regard for the most miserable part of the population, which will continue to live on rations. Neither the reforms, nor injections of capital, will produce a real increase in the share of the national revenue devoted to satisfying the needs of a population left famished by the operation of a war economy.

Six months after the massacre in Tienanmen Square by the Chinese peoples army, the Chinese economy is slipping ever deeper into the capitalist crisis. The immemorial misery of the population has been further aggravated by the state's measures of restructuration. With the imposition of a brutal austerity program, the material situation of the industrial proletariat and of rural workers has further worsened. Hundreds, even thousands, of enterprises have been closed by government decision, for "bad management". Wherever the objectives of the "socialist production of commodities" have not been achieved, state workers have been laid off en masse. Millions of people in the rural areas, turned into pure proletarians by the pragmatic reforms of Deng and Zhiao, are today without work. By the beginning of 1988, almost 50 million peasants had left the land for the overpopulated cities, where the government forced them to live like the coolies of old under the sway of a comprador bourgeoisie.

Those who now feign concern with raising the standard of living of the workers continue to immolate living labor on the altar of higher productivity and the enlarged accumulation of capital. While demanding from its workers the maximum in sacrifice, The "reform" state only pays them the minimum considered necessary for the provisioning and reproduction of the commodity labor - power.

In the West, all this hubbub is used to show that Western workers are better provided for and happier than their class brothers in the East, and that they can thank capitalism for their present good fortune. In showing workers that there is no contradiction between their own interests and those of the bourgeoisie, the former will better accept their ball and chains. In the East, the ruling class wants to yoke the proletariat to the battering ram of "reform" and convince it that its own interests lie in saving the national economy. Everywhere, the capitalist exploiter attempts to drown out class conflict so as to have social peace and a free hand.

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metaphor and reality

In our political language, we inevitably use metaphors, images to make abstract thought and complex social processes more comprehensible. But precisely because of reality's complexity, there are few metaphors which remain valid at all times. After all, they are only images, while reality is a constant flux, the product of dialectical relations, changed by a myriad of factors.

It is typical for a confused or degenerating method to fall into schematism. To reduce reality to one-dimensional simplicity, linear causality. This denial of complexity makes the schematist a cheap prophet who has no problems whatsoever to predict when the decisive confrontations will take place (in 'the years of truth'), where they will start (Western Europe) or what recipes must be followed. (1)

I am not suggesting that reality is too complex to detect historical laws or to project future events. The problem with schematism is not so much the deduction of a 'schema' but the fact that its schemas are based on crudeness and empiricism: crudeness which denies the complexity of reality, denies the influence of secondary factors, denies the non-linear causalities which are intrinsic to dialectical relations; empiricism which reasons that phenomena are bound to happen in the same way as they occurred in the past, which is by definition anti-dialectic, anti-marxist.

Because they are definition simple images, metaphors are irresistible for schematists. It is not the use of metaphors itself that is typical for schematists, rather the fact that in their schemas, they become independent from the reality they are supposed to represent. When reality no longer conforms to the metaphor it is reality, not the metaphor, which is dropped - mainly through simple denial. Or else, the metaphor is refined a bit more, which makes it only caricatural. (cf. the ICC's characterisation of the present moment as the "third phase of the third wave of class struggle".)

Let's examine the metaphor of the 'wave'. A wave swells, crests, crashes, ebbs. Then a new wave builds up, and so on. The concept behind the metaphor is that the class struggle develops in a regular, linear and predictable manner, following a rhythm of ebb and flow until the dyke of capitalist defence breaks. We are either in a period in which the wave is swelling or in a period of reflux, the metaphor does not provide room for another possibility. Therefore, when real events do not seem to conform to the metaphor, the schematist will feel forced either to deny them through triumphalism or

to see them as an ominous sign (such as the class not living up to its tasks, etc.)

Does history support this view? Obviously, it does to some extent - the revolutionary wave from 1917 until the early '20s being the most important example. Class consciousness is a practical, concrete process, so it is evident that it will accelerate in the praxis of the struggle in the right conditions, when the moment is right, like being pulled upwards as a wave in the ocean. But the class struggle leading up to this revolutionary wave can hardly be described as a succession of waves and neither was it simply a period of reflux. The metaphor of the wave is also applicable to the period opened in 1968 (though its crest seemed to have occurred at the very beginning, while what followed was not a reflux) and with a bit more difficulty to what we have called the second wave (whose end - the crushing of the workers struggle in Poland in 1981 - made us look out for the third wave). But in my view, only schematism permits the latter part of the '80s to be described as this 'third wave' or as a period of reflux. I reject this simplistic choice. But before going into the reasons why the metaphor is no longer valid (apart from the empirical evidence) I'd like to examine another metaphor which has become a deformation of reality: recession.

Although it has a technical definition - two consequent quarters of 'negative growth' - recession is a metaphor too, which sometimes does and sometimes does not, aptly describe economic reality. It is a metaphor of the capitalist class, used to describe its economy as a continuous expansion following a cyclical regularity of which recessions are the lower part. Implied in the metaphor are the assumptions:

-that 'recession', a downturn is a 'normal' part of economic life just like winter is a normal part of the year's cycle;

-that the absence of recession means a boom, a 'high point' of a healthy, solid economy.

Economic reality during the present 'high conjuncture' so often praised by the US government as the longest in post-war history, shows how big the gap between metaphor and reality has become. Even in the strongest capitalist country, the present 'recovery' is characterised by falling wages, harsh austerity, increased poverty and homelessness, increased decay of the infrastructure, health care, education, more and more people permanently unemployed, struck even from the statistics. The metaphor has the typical characteristics of schematism: empiricism (the cycle is rarely explained beyond saying that this is how it happened before) and crude-

ness. A whole number of factors essential to understand the economic life of capitalism are eliminated by this metaphor: the role of war and reconstruction, the rate of exploitation, the level of profit (in a marxist sense), the profit/interest ratio and the ratio between productive and unproductive labour, to name the most important.

So if the metaphor of the business cycle, and recession as a part of it, are descriptive for economic reality, this can only be true in a very narrow, very partial way.

We as marxists have been guilty in being insufficiently clear on this, in relying too much on a capitalist metaphor to describe the capitalist economy. Of course, we haven't described recessions as 'normal', but rather as steps on the staircase towards the dungeon of economic collapse (how's that for a metaphor?). But in relying too much on the evidence of recessions to describe the capitalist crisis (which is empirical at best) and dealing with the periods of 'boom' mainly as periods in which the next and even worse recession is prepared (not unlike the periods of reflux in which the next and more powerful wave of class struggle is building up), we maybe have remained much too superficial in our understanding and explanation of this crisis and have developed insufficiently the marxist framework for this purpose.

This is of course stimulated by our dependency on information from capitalist media. And this information is more fragmented and confused than in Marx's time, which makes its quantitative growth more a disadvantage than an advantage. It does not distinguish between productive and unproductive growth; it gives hardly any data to measure organic composition (2), rates of profit and exploitation; it analyses each economy from a national point of view, making it very difficult to get a handle on global phenomena (like capital movements). Yet these are the things we must try to analyse to understand what's going on. Making predictions about the next recession (worse than ever) into the cornerstone of our economic analysis is a mistake, not because there will be no next recession (there certainly will be - see our analysis in IP6 and IP9) but because, by fixating on such surface phenomena, we confused metaphor and reality.

Since 1984 we have emphasised the importance of global capital movements as a tool to understand reality. We used the image of 'vampire recovery' - another metaphor - to describe how the growing sickness of the capitalist system takes the form of an accelerated flight of capital to the centre of the system. The remaining profits of this sick system are being increasingly concentrated in its strongest parts (80% of the external and internal deficits of the US are now financed by foreign capital) where they are, more and more, absorbed by speculation in shares, real estate, etc (a boom feeding on itself) and by armaments spending and the expansion of the so-called service sector - which are just waste from the point of view of expanded

reproduction since their costs have to be carried by the rest of the economy. In our analyses, the situation of the 'third world' is usually used to qualify the apparent tenacity of the economies of the 'first world'. (Again, first, second and third world are metaphors which are plain deformations of reality but which have become shorthand). But it is more than that: it is an expression of the global tendency of profit becoming increasingly suffocated by interest (3). That, on top of the tendency of growth of the unproductive sector at the expense of productive sectors in the 'first world' (the military build-up, the 'service' economy), amounts to a global contraction of the world market (understood in a marxist sense, as the place where surplus value is realised in such a way that it can return into the cycle of production).

We have long recognised that capitalism's overall economic situation is worse than in the '30s, despite the fact that the centre of the system was then in a 'depression' and now it is not. This we explained in the first place through the development of state capitalism. The state, through its central role in the economy, not only on a national but also an international scale, has been firmly managing the descent.

We had predicted this in the '70s, but then it was generally understood that the state would primarily organise a redistribution of surplus value in such a way as to prevent a chain reaction leading to the shrinking of the market, whose continuous expansion was seen as necessary to offset the tendency for the rate of profit to fall. After all, it was such a chain reaction which had led to the depression in the '30s and the previous crises.

To some extent that analysis was correct. There was an abundance of examples of massive state subsidies in steel, auto, shipyards, oil, textiles, mines, agriculture and banking. Of course, even then, state capitalism intervened in two ways: against the shrinking of the market through redistribution of surplus value, and directly against the fall of the rate of profit by increasing the rate of exploitation. During the '80s, the balance between those two policies has shifted towards the latter. The result was that, rather than preventing the shrinking of the market, the state has been organising it. This raises the question of how, with a continuous shrinking of the market, a depression could be avoided.

The main answer is of course that the sharp increase of austerity, of the rate of exploitation (both absolute and relative) has to some degree diminished the need to compensate for the shrinking of the world market (even if, in itself, it is a factor which contributed to this contraction).

Secondly, the shift was not total. The state continues to defend key industries and to protect financial structures and provides artificial markets like the military sector

which, despite their overall negative impact (they offer no real expansion but a sterilisation of capital; their costs must be shouldered by the rest of the economy), provide the state with tools to control the level of economic activity and thereby avoid the chain reaction mentioned above.

Thirdly, the substantial increase in the mobility of capital and the tendency to depend more on an increase of absolute exploitation of the working class (rather than on an increase in relative exploitation which would imply increased levels of capital investment which have not occurred in the '80s because of the contraction of the markets) have led to some global restructuring of capitalism: substantial segments of industry (particularly of department II - consumer goods) have been moved to selected countries on the periphery, in particular along the Pacific rim (Taiwan, South Korea, China, Hong Kong, Malaysia) - while at the same time, the global de-industrialisation of the periphery has accelerated. This factor must have led to a substantial increase in the average rate of exploitation, thereby acting as a break on the tendential fall of the rate of profit. It also may have brought some correction in the chronic disequilibrium between capital with a high organic composition and capital with a low c/v - which, in my view, is a central issue to understand what triggers the capitalist crisis. (More on this in a future issue of IP.)

But we do need more information to evaluate the impact of those factors.

A consequence of all this (the shift in emphasis from prevention to management of the contraction of the world market) is the exacerbation of unequal development (whereas the consequence of a continued emphasis on the first would have been an equalisation of the effects of the crisis, which we would have welcomed as a positive factor for the homogenisation of class consciousness). The opposite must also be true: the unequal degree of the deepening of the crisis in different zones fosters illusions and reinforces the bourgeois nationalist framework, not only in the better-off countries, but even more so in those harder hit. This is particularly clear today, now that the crisis has dragged the 'second world' into the abyss where the 'third world' already was. The fact that it isn't the 'first world's' turn yet provides the material basis for the massive propaganda campaigns about the 'death of communism' and the vindication of 'democratic capitalist' principles.

So this brings us back to the first metaphor, or rather the reasons why it does not seem to be applicable to today's reality. The factor mentioned above shows that the deepening of capitalist crisis does not automatically lead to a wider understanding of capitalism's bankruptcy, that it can generate elements to reinforce illusions in the opposite. Ann's article in IP14 on class struggle in the '80s tackled the same question and pointed to the

fact that (in our ICC-schematism) we have underestimated the capacity of the capitalist class to react, to refine its ideological tools (like rank-and-file unionism), to mount massive ideological counter-attacks. Too often we have assumed that the fundamental incapacity of the capitalist class to overcome its contradictions also means an incapacity to react to the problems of the moment, a passive attitude towards the historic course, thereby seriously underestimating state capitalism's power to recuperate all forms of confused resistance to itself. And during an earlier Fraction meeting, Marlowe argued that the increased mobility of financial capital, its increased capacity to move production from one place to another, has been a factor adding to the confusion of the working class because it undermines the effectiveness of traditional methods of workers' resistance; or, put in another way, it demands a greater development of class consciousness to overcome today's impasses.

However, we must seek to understand not only why we are not in a 'wave', but also why we are not in a reflux. Why all this confusion, all these ideological attacks have not caused massive demoralisation; why, year after year, important strike movements have occurred. As Ann's article showed, the development of new capitalist traps has not prevented basic capitalist illusions, like those in the unions and the left, from suffering continuous erosion. And the way in which some of the recent movements have struggled with questions like self-organisation show some fruits of this subterranean maturation. As was explained in the article on Poland in IP11, the very erosion of capitalist illusions can go hand in hand with a reticence to fight, a questioning of what the goal of the struggle can and should be. Even if the answer can only emerge in massive struggle, the appearance of these questions is a maturation of class consciousness which does not immediately translate into more open struggle.

It could very well be that we are today at a juncture of two periods: the period in which the proletariat struggled bravely but full of illusions in the viability of the existing economic order and the period in which the proletariat's own perspectives are starting to emerge. The inevitable difficulties which accompany the birth of this new period, the frightening enormity of the task that follows from understanding that the existing economic order has nothing to offer anymore, are in my view the most important factors explaining why we are neither in a wave nor in a reflux.

The wave concept itself cannot lead to such a conclusion: it leaves only the choice between the triumphalism of the ICC and the pessimism of the CWO and others. The events of May/June in China, the suddenness with which calm was shattered, should remind us of the unpredictability of social upheaval, the difficulty of measuring subterranean maturation. We in the Fraction, and all in the revolutionary milieu, have to understand that

in order to accomplish the clarification for which we exist, we must move away from the scenarios, the simple schemas, the short-term predictions (in regard to the economy as well as the class struggle), towards the analyses of the deeper trends, and the fundamental political content of the struggle and our intervention in it.

Sander
23 September 1989

Notes

1. At the start of the '80s, the ICC predicted that in this decade (labelled the 'years of truth') there would take place 'the decisive confrontations which would determine the historic course', determine whether the crisis would lead the world to revolution or to inter-imperialist world war. When we criticise the ICC on this obvious mistake it is not out of glee - after all, at the time we were in the ICC and many of us in its central organ. But worse than this mistake itself is the ICC's refusal to admit it and thus its inability to learn from it, its incapacity to face the immediatism and schematism which colour its basic assumptions about the current period. (More on this in 'The Decline of the ICC' in IP9.) Marxist method protects no-one from making errors but when you refuse to admit errors, you abandon the marxist method and fall into dogmatism.

For a critique of the ICC's scenario on how and where the revolution will start, see 'Mistakes on the Mass Strike in Poland' in IP10.

2. The ratio between constant capital (machinery, infrastructure) and variable capital (labour force) used in production. The global organic composition determines the global rate of profit; the organic composition of a particular capital determines its competitive position.

3. The debt problem is not a 'third world' problem; the 'third world', being the the weakest competitor in the world economy, is only the place where this problem manifests itself most clearly, as do all symptoms of capitalism's illness. The spectacular increase of debt creation since World War II has served two quite distinct purposes: first, to enable a rapid expansion of the world economy - this function dominated during the post-war reconstruction; second, to postpone into the future the bitter fruits of capitalism's fundamental contradictions, thereby accumulating them, making them an even larger and insurmountable obstacle. It is this function which has increasingly characterised the debt creation since the '70s.

Since then, the rate of debt growth in the world economy has exceeded the rate of productive growth and the result is that the latter is increasingly strangled. In order to sustain growing debt, an economy must grow fast enough, and find sufficient outlets, to deduct not only the repayment of the debt but also the payment of interest from the surplus value it realises, and have enough left over for the next cycle of production which, in its turn, demands a larger share of the surplus value as the increased competition for a tighter market forces each capital to raise its organic composition faster. This again accelerates debt creation and an increase of the interest burden. Today, the crushing of profit by interest is exceedingly clear. We see it in the pauperisation in the 'third world', whose debt burden of \$1.3 trillion is now nearly twice the 1982 total; in the role of the debt burden in the collapse of the Eastern bloc; in its ballooning corporate debt (in the US, interest payments on corporate debt now consume 5.2% of total revenue against 3.6% in 1983, while profits fell to 4.5% of total revenue against 6.9% in 1984).

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OUR POSITIONS

The external Fraction of the International Communist Current claims a continuity with the programmatic framework developed by the ICC before its degeneration. This programmatic framework is itself based on the successive historical contribution of the Communist League, of the I, II and III Internationals and of the Left Fractions which detached themselves from the latter, in particular the German, Dutch and Italian Left Communists. After being de facto excluded from the ICC following the struggle that it waged against the political and organizational degeneration of that Current, the Fraction now continues its work of developing revolutionary consciousness outside the organizational framework of the ICC.

The Fraction defends the following basic principles, fundamental lessons of the class struggle :

Since World War I, capitalism has been a decadent social system which has nothing to offer the working class and humanity as a whole except cycles of crises, war and reconstruction. Its irreversible historical decay poses a single choice for humanity : either socialism or barbarism.

The working class is the only class able to carry out the communist revolution against capitalism.

The revolutionary struggle of the proletariat must lead to a general confrontation with the capitalist state. Its class violence is carried out in the mass action of revolutionary transformation. The practice of terror and terrorism, which expresses the blind violence of the state and of the desperate petty-bourgeoisie respectively, is alien to the proletariat.

In destroying the capitalist state, the working class must establish the dictatorship of the proletariat on a world scale, as a transition to communist society. The form that this dictatorship will take is the international power of the Workers' Councils.

Communism or socialism means neither "self-management" nor "nationalization". It requires the conscious abolition by the proletariat of capitalist social relations and institutions such as wage-labor, commodity production, national frontiers, class divisions and the state apparatus, and is based on a unified world human community.

The so-called "socialist countries" (Russia, the Eastern bloc, China, Cuba, etc.) are a particular expression of the universal tendency to state capitalism, itself an expression of the decay of capitalism. These are just so many capitalist bastions that the proletariat must destroy like any other capitalist state.

In this epoch, the trade unions everywhere are organs of capitalist discipline within the proletariat. Any policy based on working in the unions, whether to preserve or "transform" them, only serves to

subject the working class to the capitalist state and to divert it from its own necessary self-organization.

In decadent capitalism, parliaments and elections are nothing but sources of bourgeois mystification. Any participation in the electoral circus can only strengthen this mystification in the eyes of the workers.

The so-called "workers" parties, "Socialist" and "Communist", as well as their extreme left appendages, are the left face of the political apparatus of capital.

Today all factions of the bourgeoisie are equally reactionary. Any tactics calling for "Popular Fronts", "Anti-Fascist Fronts" or "United Fronts" between the proletariat and any faction of the bourgeoisie can only serve to derail the struggle of the proletariat and disarm it in the face of the class enemy.

So-called "national liberation struggles" are moments in the deadly struggle between imperialist powers large and small to gain control over the world market. The slogan of "support for people in struggle" amounts, in fact, to defending one imperialist power against another under nationalist or "socialist" verbiage.

The victory of the revolution requires the organization of revolutionaries into a party. The role of a party is neither to "organize the working class" nor to "take power in the name of the workers", but through its active intervention to develop the class consciousness of the proletariat.

ACTIVITY OF THE FRACTION

In the present period characterized by a general rise in the class struggle and at the same time by a weakness on the part of revolutionary organizations and the degeneration of the pole of regroupment represented by the ICC, the Fraction has as its task to conscientiously take on the two functions which are basic to revolutionary organizations:

- 1) The development of revolutionary theory on the basis of the historic acquisitions and experiences of the proletariat, so as to transcend the contradictions of the Communist Lefts and of the present revolutionary milieu, in particular on the questions of class consciousness, the role of the party and the conditions imposed by state capitalism.

- 2) Intervention in the class struggle on an international scale, so as to be a catalyst in the process which develops in workers' struggles towards consciousness, organization and the generalized revolutionary action of the proletariat.

The capacity to form a real class party in the future depends on the accomplishment of these tasks by the present revolutionary forces. This requires, on their part, the will to undertake a real clarification and open confrontation of communist positions by rejecting all monolithism and sectarianism.