

n° 18
quarterly
£1/\$1.50

INTERNATIONALIST PERSPECTIVE

OPPOSE THE GULF WAR



**WITH
CLASS**

WAR!

IN THIS ISSUE: **USSR** THE HARD ROAD
FROM CAPITALISM TO CAPITALISM

CONTENTS

INTERNATIONALIST PERSPECTIVE

NO. 18

OPPOSE THE GULF WAR WITH CLASS WAR..... page 1

USSR: THE HARD ROAD FROM CAPITALISM TO CAPITALISM..... p.7

DEBATE ON EASTERN EUROPE: WHAT REMAINS OF THE WALL?

- THE MINORITY POSITION: AN UPDATE..... p.13
- A CRITIQUE OF THE ICC p.16
- CRITIQUE OF THE FRACTION: ON THE EXISTENCE OF IMPERIALIST BLOCS....p.20
- A RESPONSE..... p.20
- PUBLIC MEETING WITH THE CBG IN LONDON: THE UPHEAVALS ON THE INTERNATIONAL IMPERIALIST SCENE..... p.22
- CBG-PRESENTATION: HOW FAR WILL THE COLLAPSE OF THE RUSSIAN BLOC GO? p.24

SUBSCRIPTIONS addresses

Single issues:
1,50 dollar or 1 pound (UK)

Subscriptions:
one year - four issues
5 dollar, 3.50 pound or
equivalent in other currencies

MAKE ALL CHECKS PAYABLE TO CASH

IP
PO Box 395
Montclair, NJ 07042
U.S.A.

BM BOX 8154
London WC1N 3XX
Great Britain

DESTRYKER
BP 1181
Centre MONNAIE
1000 Bruxelles
BELGIQUE

PUBLIC MEETING

Internationalist Perspective holds regular public meetings in London, Paris, Brussels and New York. They are part of our effort to contribute to real discussion and debate around vital questions facing revolutionaries and the whole working class today. For information on coming public meetings, please write to our local addresses.

OPPOSE THE GULF WAR



WITH CLASS WAR!



The Iraqi invasion and occupation of Kuwait last August, and the swift American response to this challenge to its hegemony, in the form of a massive military buildup of land, sea and air power, has brought the Middle East to the brink of war. By the time this article is read, Baghdad and Basra may have been reduced to rubble by American B 52's, much of the industrial infrastructure (refineries, ports, petrochemical plants, etc.) of Kuwait and eastern Saudi Arabia, as well as its multi-ethnic workforce, may have been devastated by Iraqi Scud missiles, and tens of thousands of troops on both sides -- drawn largely from the working classes -- may already have been killed. The stakes in this looming conflict in the Gulf involve nothing less than the prospect that the region will be turned into a veritable slaughter house!

The prospect of war has already given the lie to the propaganda of the capitalist state -- that is, every state! -- and its organs of mass manipulation, to the effect that the so-called end of the "cold war" has ushered in an era of peaceful capitalism. The crisis in the Persian Gulf is proof -- if proof were really needed -- that the image of a peaceful capitalism is a cruel delusion, that even as the confrontation between Russia and the West in the heart of Europe is attenuated (if only for the moment), other confrontations between capitalist states, big and small, involving the great powers, threaten to explode into bloody conflagrations.

Despite the concerted efforts of the media in the West to portray the Iraqi ruler, Saddam Hussein, as a psychopath and madman, and despite the effort of Iraqi propaganda to portray George Bush as a xenophobe determined to humiliate the "Arab nation" so as to satisfy his racist lust, this conflict cannot be reduced to the irrational behavior or psychopathology of individual leaders of capitalist regimes. Without denying that the personality of individual leaders is a factor in the historical process (even as that very personality is itself shaped by a complex of socio-economic and cultural factors), great historical events -- such as wars -- are the product of the internal dynamic and imperatives of socio-economic formations or modes of production, and not of sovereign individuals, no matter how powerful they appear. It is not the "irrational" behavior of a Saddam Hussein or a George Bush which explains why the world totters on the brink of war in the Gulf, but rather the eminently "rational" imperatives of capitalism.

Iraq's economy, ruined by the costs of its decade long war with Iran (which had itself been undertaken in an imperialist bid to grab the rich Iranian oilfields), groaning under an enormous burden of debt (largely contracted in the course of building its formidable military arsenal), was threatened by the policy of cheap and plentiful oil to which the rulers of Kuwait were committed. The occupation of the Kuwaiti oilfields (and possibly those of Saudi Arabia as well) presented Iraq with an opportunity to reverse its desperate economic situation and to continue to underwrite its aggressive military ambitions to unite the Arab world under the hegemony of the Iraqi ruling class. In short, Saddam Hussein has acted as the embodiment of the imperialist interests of Iraq, interests firmly rooted in the very logic of the overall capitalist accumulation process and its imperatives.

The Iraqi threat to the oilfields, and Baghdad's bid for regional hegemony, was not

only a mortal threat to the other Arab ruling classes of the region, but to the vital interests of the US, and of its European and Japanese allies as well. Moreover, quite apart from Iraq's sudden threat to the smooth flow of cheap and plentiful oil on which the profitability of world capital depends, Baghdad's move to assert its claims to regional hegemony represented a challenge to Washington's own aim to impose a durable Pax Americana over the Middle East. Such a Pax Americana, within which Saddam Hussein's regime was to have had an important, albeit modest, sub-imperialist role, had seemed within reach as a result of the grave weakness of Russian imperialism and its significantly reduced capacity to be a major "player" in the Middle East. Iraq's invasion of Kuwait, then, could not fail to provoke a response in Washington. In short, George Bush has acted as the steward of the imperialist interests of the US and its bloc, interests on which the very continuation of the capitalist accumulation process depended.

It is not the madness of leaders such as Saddam Hussein or George Bush, but the implacable logic of CAPITALISM as a global system, based on the extraction of surplus value from living labor, that now threatens to turn the Middle East into a vast graveyard. Not the irrationality of this or that leader (as if there is such a thing as a "rational" leader in a necessarily violent and brutal socio-economic formation), but the substantive irrationality of capitalism as a mode of production, has brought the world to the verge of another bloody war.

Faced with the imminent outbreak of hostilities, the first task of an organization of revolutionaries is to clearly and unequivocally draw the class line. This means to openly articulate a position -- theoretically, propagandistically and agitational -- which corresponds historically and immediately to the interests of the working class as a universal class, the class that can alone break the infernal logic of decadent capitalism. In the face of imperialist war, drawing the class line means a firm and open commitment to REVOLUTIONARY DEFEATISM, intransigent opposition to all the belligerent states in the conflict. The interests of the working class, and through it the whole of humanity, can only be served by opposing the imperialist war with the class war. In that sense, any support -- "critical", "military" (as opposed to "political"), or otherwise -- constitutes a betrayal of the working class, and incorporation into the camp of capitalism. All the sophisticated claims of leftism to the effect that in the Gulf it is a question of a big imperialist (the US) against a small state (Iraq), and that as a result socialists must today provide military support for Saddam Hussein are only one more form of the naked class collaboration by which so-called revolutionaries have repeatedly betrayed the working class since 1914. The impact of leftism has been so pervasive on the present generation that it is only with the greatest difficulty that we can today recall the example of the Serbian Social Democrats, who

in July 1914, when their country was threatened by imminent invasion from the far more powerful Austro-Hungarian empire (and this even before Russia and France went to war and Serbia's struggle was directly incorporated into that of the Entente), voted against the war credits and called for the defeat of their own small nation, threatened as it was with extinction at the hands of its powerful and voracious neighbor. The Serbian Social Democrats (and the Bolsheviks in Russia after them) knew how to draw the class line, and it is the obligation of revolutionaries today to respond to Iraq's military adventure and the line that the US has drawn in the sand, by drawing that selfsame CLASS LINE. Such a position constitutes the only basis on which Marxists can oppose the barbarism of decadent capitalism.

The arguments with which the leftists seek to justify their efforts to mobilize support for Saddam Hussein's terroristic regime, their crass call for military support for a regime that has repeatedly butchered workers and revolutionaries, require our consideration only because they may find an echo amongst those who are honestly disgusted by the militarism of the West, and who think this is the way to oppose it. Two arguments in particular have been utilized by Trotskyist groups which have excelled at combining shameless verbal protestations of a commitment to proletarian internationalism together with the most disgusting calls for military support for the murderous Baathist regime of Saddam Hussein.

One "argument" which we have encountered at anti-war demonstrations is that the conflict in the Gulf is not an inter-imperialist conflict, because Iraq -- however anti-working class its regime -- is not an imperialist state. Therefore, the Trotskyists assert, socialists must provide military support for Iraq in the name of anti-imperialism. The reason proffered for the startling claim that a regime which has invaded first Iran and now Kuwait in an effort to conquer sources of vital raw materials and win regional hegemony in the Middle East is not imperialist, is that Iraq does not export capital. Inasmuch as the export of capital, according to Lenin, is the defining feature of imperialism, according to these Trotskyists a state -- like Iraq -- which doesn't export capital cannot, by definition, be imperialist. On the basis of such formalistic (and specious) reasoning, those who seek to oppose American imperialism are called on by the leftists to enlist in Saddam Hussein's war against the "infidels". Has it not occurred to these leftists, who have denounced Israeli imperialism (in this case, of course, quite correctly), that on the basis of their own criterion, Jerusalem's militaristic design for a Greater Israel cannot be designated as imperialistic, inasmuch as Israel is not an exporter of capital? Indeed, on the basis of such a criterion Tsarist Russia in 1914 would not have been imperialist (Lenin's condemnations to the contrary notwithstanding), and neither would Japan and

Nazi Germany in the 1930's - 1940's! This is not the place to take up the complex question of imperialism, which would involve confronting Lenin's Hilferdingian model with those of Rosa Luxemburg and the then left Bolshevik, Nicolai Bukharin; acknowledging that Lenin's own theory was an explanation of imperialism on a global scale, as a distinct phase in the historical development of capitalism as a mode of a production on a world scale, and not a litmus - test to determine whether or not an individual state was imperialist; recognizing that in the era of state capitalism and its imperialist blocs the very structure of imperialism has been transformed -- a transformation which Lenin at best only dimly perceived. What can and must be said in the context of the present article is that this denial that small states which are not based on the export of capital cannot be imperialist is in flagrant violation of the founding documents of the Communist International in 1919, i.e. at the moment when that organization represented the cutting edge of the proletariat's struggle for world revolution. According to the "Manifesto" adopted by the first congress of the C.I., under the conditions of decadent capitalism every state would be either an imperialist state or a regime of the victorious proletariat. As a result of the new era inaugurated by the world war even the smallest capitalist states would be compelled to attack their neighbors in a violent imperialist frenzy. It is just such an imperialist frenzy that characterizes the behavior of Iraq no less than the US -- though the latter operates on a global scale, while the former must confine its brutal militarism to a single region.

Another "argument" of certain Trotskyists to justify their calls for military support for Saddam Hussein is the analogy with the Bolsheviks in 1917 at the moment of Kornilov's coup against the provisional government of Kerensky. Just as the Bolsheviks provided military support for the bourgeois Kerensky against the reactionary peril represented by Kornilov, so today revolutionaries must provide military support for Saddam Hussein in the face of the threat represented by the US as the center of imperialism. Historical analogies certainly have their value, but this one breaks down completely when one compares the historical context in which the Bolsheviks acted and the one prevailing today (and this without raising the question of whether the actions of the Bolsheviks were correct even in their context). In 1917, in Russia, there was a situation of dual power: the workers Soviets and their armed militia directly challenged the authority of Kerensky's provisional government, the overthrow of which they were actively preparing; within the Soviets, a revolutionary party -- the Bolsheviks -- was winning popular support for its positions. It was only because of these conditions that the Bolsheviks (rightly or wrongly) called for military support for Kerensky. Nothing remotely resembling dual power, Soviets and a revolutionary party with a powerful base in autonomous organs of the working class exists in the Iraq of Saddam Hussein. In such a

context, shaped entirely by the brutal power of the reigning capitalist clique, the strained analogy with the Bolsheviks is not only completely baseless, but constitutes pathetic cover for leftism's incorporation into the ideological and political apparatus of capitalist barbarism.

If one wants an accurate historical analogy from 1917 as a guide to the obligations of revolutionaries today, faced with the imminence of war in the Gulf, it is necessary to look at the position of the Bolsheviks just after the February revolution that overthrew the Tsar. At that moment, a faction of the Bolshevik party, led by Kamenev and Stalin, argued that with the overthrow of the Tsar, the character of the war against Germany had been transformed, and that in the face of the advance of German imperialism it was necessary for the Bolsheviks to abandon defeatism and to support the bourgeois provisional government at the front. Lenin and the other leaders of the party in exile or in camps in Siberia were aghast when they arrived in Petrograd and found their party issuing defencist propaganda, and very quickly reversed the dangerous course to which Stalin sought to commit the party. For Lenin, it was clear that even in the event that the powerful German imperialism threatened to completely defeat the much weaker Russian state, the only way in which revolutionaries could really fight against imperialism as a global system, could really oppose the march of barbarism, was to firmly adhere to the principles of proletarian internationalism, to advocate revolutionary defeatism. If one seeks an analogy with the conditions facing revolutionaries in the present conflict, this is it.



While clearly drawing the class line is the first obligation of revolutionaries faced with the prospect of imperialist war, it is not the only one. If a revolutionary organization is not capable of also understanding the complex interaction between the cycle of accumulation, the balance between the two historic classes (proletariat and capitalist), and the inter-imperialist tensions between states and blocs, and if it does not recognize the complexity of the relation between the economic and political "moments" of capitalism, including the way in which the capitalist class in each state (never a monolith) arrives at decisions, it will never be able to point out the general line of march of historical events, which is the foundation for its intervention in the class struggle. In analyzing the Gulf crisis, many revolutionaries have demonstrated that

while they can draw the class line, they substitute a simplistic type of schematism for the difficult theoretical work that can alone make it possible to comprehend the complexities of contemporary state capitalism. Three aspects of the Gulf crisis in particular have already been the occasion of such schematism in the revolutionary milieu, and a glance at them can help illuminate the unfolding of this crisis in its global context.

The first concerns the role of Russian imperialism and the assertion of the ICC that Russia has completely ceased to exist as a "player" on the chessboard of world imperialism. In fact, two questions are at issue here: first, the overall condition of Russian imperialism in the wake of the devastating reversals it has suffered at the hands of its American rival over the past year or two; second, the impact -- direct or indirect -- that the Gulf crisis is having on Russia and on its capacity to play a role in the Middle East.

There is absolutely no doubt that the imperialist balance of power has swung drastically against Russia over the past year; nor that the loss of control over the countries of Central and Eastern Europe, and the failure of the Russian capitalist class to resolve the economic and political crises sapping its very capacity to rule even within its own frontiers, has -- for the moment -- severely limited its capacity to play a significant role in the Middle East. Nonetheless, in the absence of a proletarian revolution, the Russian capitalist class in one form or another will reassert its control, its capacity to rule. Whether that takes the form of a populist "democracy" a la Yeltsin, a presidential dictatorship with a technocratic cast a la Gorbachev, or a military junta, whether it assumes a "Western" or Slavophile ideological cast, once the bases of its class rule are again secure Russia will reassert its imperialist will. Moreover, given the size of its economy, its powerful armed forces with their nuclear arsenal and global reach, and its geo-political position at the confluence of Europe and Asia, it is almost certain that Russia will play a decisive role on the inter-imperialist scene. The ease with which certain revolutionaries in Paris today so confidently write off Russia as an imperialist power is reminiscent of the French political and military elite who in 1925 asserted that a then prostrate Germany could never again threaten France, only to watch the Wehrmacht "blunder" into Paris fifteen years later.

Yet even now, Russia is far from absent as a factor in the Gulf crisis. Both the significant rise in the price of crude oil as a result of the crisis, and the very volatility of the Middle East today, have benefited Russia in its capacity as a major producer of oil and natural gas. The uncertainty of the Middle East as a supplier of energy, has already tempted Germany and Japan to think in terms of massive investment

in Russia, which will in turn provide the latter with the hard currency and technology that has been one of the main objectives of the Gorbachevian structural reforms. To such an indirect effect of the Gulf crisis on Russia, must be added the direct gains which the Kremlin (and particularly the "Arabist" military-security apparatus) hope to make in the event that the US actually opens hostilities. No matter how such a war ends, it is bound to fuel anti-Western sentiment amongst both important factions of the ruling classes and the mass of the population in the Arab world. For the Arabists in the Kremlin, who take a long-term view of events, such an outcome holds out the very real promise of allowing Russia to re-enter the Mid-East cockpit in the future -- a prospect that will be facilitated by the skillful double game that Russian diplomacy is now engaged in.



Schematism has also affected the way revolutionaries, such as the ICC, have understood the motives and bases of US policy in the Gulf. Mesmerized by their own slick formula of "social decomposition", the ICC, has concluded that the American imperialist bloc must be disintegrating. Taking their schema for reality, these comrades have concluded that Germany and Japan will assert their independence from the US and even challenge its hegemony now that Russia ostensibly is no longer a factor in the imperialist equation. In fact, the Gulf crisis is demonstrating the cohesion of the American bloc and the necessity for Europe and Japan (despite their vaunted economic power) to line up behind Washington and its Diktat when political and military power is needed to assure vital economic interests, such as the supply of oil. Not only have Germany and Japan failed to speak in their own voice in this crisis, but they have had to tamely follow the lead of the US. Such an outcome was not merely dictated by America's overwhelming military and political power, but also by the integrated economic structure of the bloc that American state capitalism constructed on a global scale in the wake of World War Two. This bloc, economically based on the dollar as a universal currency, and on a network of

International institutions such as the World Bank, the IMF, GATT, the OECD, etc., in all of which the US plays a preponderant role, is the economic pendant to America's unchallenged military -- and hence political -- supremacy. The participation of key Arab countries such as Egypt (in addition to the directly affected Gulf states), of Iraq's strategically vital neighbor Turkey, and of European states such as France and Britain, in the blockade which is strangling Iraq, as well as the success of Washington in utilizing both the UN and the Arab League as a diplomatic cover for its military moves against Iraq, all testify to the intact, and indeed enhanced, power of the American bloc as an imperialist entity.

The flight from the rigor of Marxist theory (and its recognition of the complexity of social reality) into the simplistic formulae typical of schematism can also be seen in the conspiracy "theory" with which revolutionaries such as the ICC attempt to account for the actual unfolding of the Gulf crisis, and of the emerging American policy in the region. The most serious failings of a worldview that sees the unfolding of complex events such as the Gulf crisis as the result of a conspiracy (in this case, one hatched in the White House), are its complete incapacity to recognize the existence of real divisions within a ruling class, to acknowledge the possibility of miscalculation, mistakes and accidents as a factor in social existence, and its grotesque exaggeration of the power of a capitalist class which seemingly has an unlimited capacity to impose its will on political reality, effortlessly mystifying everyone -- except of course the revolutionary organization protected by the magic amulet of its schema.

In the present instance, the conspiracy theory in question takes the form of the ICC's contention that the US deliberately lured Iraq into invading Kuwait last August, so that it could then have a pretext for launching a war and destroying Saddam Hussein's regime. This latter, was purportedly necessary to demonstrate the might of the US, so as to attempt to retard the fragmentation of the American bloc as a result of social decomposition. Such a view completely ignores the very real divisions within the American ruling class on Mid-East policy, both before and after the invasion of Kuwait, as well as the complex process by which a ruling class arrives at a decision and decides to act. These divisions were reflected in the debate in Congress last Spring over trade sanctions against Iraq, ostensibly because of its human rights violations, but in reality reflecting deep divisions within the government over the role that Baghdad would play in an emerging Pax Americana in the Middle East. This same division could be seen within the Bush administration itself, with the Commerce Department advocating increased trade with Iraq (even including sophisticated weapons technology), in large part supported by the State Department (which had come to believe that Iraq could be a trusted sub-imperialist guaranteeing stability in the region), while the Pentagon increasingly saw Iraq pursuing

its own project for regional hegemony, which threatened vital US interests -- a perspective that led the Pentagon to vociferously and successfully oppose the transfer of sophisticated weapons technology to Iraq just weeks before the invasion of Kuwait. It was these divisions in Washington and the very real mixed signals received in Iraq, that help explain Saddam Hussein's miscalculations last August.

Once Iraq had actually invaded Kuwait, these divisions within the American ruling class were largely resolved in favor of a policy of confrontation. The preponderant view within the ruling class -- including its political faction, the Administration, Congress, the Pentagon -- was and continues to be characterized by a determination to block Iraq's bid for regional hegemony in the Gulf by all necessary means. Nonetheless, disagreements over strategic policy remained, though largely confined to the fringes of the ruling class, with a small left faction opposing unilateral American action in favor of working exclusively through the UN, and a larger neo-isolationist right-wing faction arguing that no vital American interests are at stake in the Gulf and opposing the dispatch of troops. Much more significant, however, is the growing disagreement within the ruling class over tactical policy in the Gulf, over the precise means to be used by the US to achieve its strategic objective of halting Iraq's challenge to American interests in the Middle East. One faction, still a minority, whose views are represented by ex-Secretary of State Henry Kissinger, favors speedy offensive military action not merely to remove Iraqi troops from Kuwait, but to destroy the regime of Saddam Hussein, disarm Iraq and eliminate its capacity to ever again challenge American hegemony in that part of the world. Another powerful faction of the ruling class including much of the leadership of the Democratic party in Congress, (e.g. Senate Armed Services Committee chairman Sam Nunn) and an important part of the foreign policy establishment (including such figures as Zbigniew Brzezinski) favors letting sanctions work for a much longer period of time, and if force is necessary to rely almost exclusively on US air power to destroy Iraq. This faction of the ruling class is particularly sensitive to the danger faced by American imperialism if it fails to achieve its strategic objectives politically and has to use force: the difficulty of sustaining popular support for a ground war, the risk of fanning the flames of anti-Americanism in the Arab world, the problems caused by the void left by a defeated and prostrate Iraq in the wake of an American military victory. The core of the ruling class, including the President and the Pentagon, while seemingly willing to accept an Iraqi withdrawal from Kuwait, even if it leaves Saddam Hussein in power in Iraq, is not prepared to wait indefinitely for such a political or diplomatic success. In the absence of such a breakthrough in the near term, the Bush administration seems prepared to use force to drive Iraq from Kuwait. Such divisions within the ruling class are not mystifications skillfully orchestrated by the



White House as a simplistic conspiracy theory would have it, but the expression of the complex process by which the ruling class adopts a policy. The inability to comprehend this is the mark of a schematism that will

make it impossible for a revolutionary organization to fulfill its vital task in the class struggle even if class instinct still allows it to draw the class line.

As capitalism moves closer to a murderous war in the Middle East, revolutionaries who understand that today more than ever the alternative is socialism or barbarism must energetically respond by openly calling for working class solidarity instead of nationalist hysteria, for defeatism on both sides, Iraq and the West. Our task is to work with all the resources at our disposal (theoretical, propagandistic and agitational) to expose the imperialist nature of this conflict. Any support, critical or otherwise, for any belligerent state, is support for capitalist barbarism. However this particular crisis ends, diplomatically or by force of arms, it has clearly demonstrated that the implacable logic of decadent capitalism is inter-imperialist conflict and the prospect of ever more bloody wars. While such wars may begin in a variety of ways, the logic of capitalist war can be stopped only in one way: by the revolutionary class struggle of the proletariat -- in the factory, the office and at the front!

MAC INTOSH

November - December 1990

MEETING IN LONDON

CONTINUED FROM PAGE 23

Perhaps as the ICC now thinks the threat of world war has practically been removed from the historic agenda they have become a little complacent. Our views on Eastern Europe and the Gulf crisis obviously upset them as they made very heavy weather about our analysis of the international situation being "squalid", "disgusting", etc. We hope that they will explain in their publications.

Neither was there any significant opening up of discussion. The comrades of the CBG - apart from the main speaker - did not participate substantially in the discussion. Given that the CBG has not published an issue of the Bulletin for over a year this meant that an opportunity for expressing their views publicly was lost. We hope that comrades will find a means of disseminating their discussions again.

A POST SCRIPT

Holding a joint meeting with the CBG certainly seemed to upset the ICC comrades' sensibilities. They refused to discuss the Gulf, Eastern Europe or anything else until they had embarked on one of the customary forms of diversion by the ICC at our public meetings in Brussels, Paris and New York: a denunciation of the Fraction's existence and, in this

instance, spiced with the accusation of opportunism by consorting with the CBG which they say is not part of the proletarian movement. They acknowledged for the first time that all matters relating to the return of materials by the CBG to the ICC are finished - "on the accounting level, the record is straight". However, they said, "the history of the group cannot be undone". [We understand that this is a variant of the (correct) view that once an organisation has betrayed the proletariat by going over to the camp of the bourgeoisie - such as social democracy at the outbreak of the First World War - it cannot return to the proletarian camp. This raises two points: first, that the ICC has now changed its long-standing view if it says the CBG is a bourgeois organisation; second, that since the actions of the CBG were not on the level of the social democracy, who decides who is in the proletarian milieu - the ICC alone, it seems.] Despite the fact that we wrote at length on these matters in IP a year ago they made no response in their press because the Fraction "did not have a real presence in Britain". So much for clarifying points of general principle for the whole of the international milieu.

As far as we are concerned, we have principles in our relations with other groups and we set them out clearly in our press and correspondence. In holding this joint meeting we adhered to our principles and to our desire to discuss important matters for the proletariat in the open.

Marlowe

USSR

THE HARD ROAD FROM CAPITALISM TO CAPITALISM

Dire news from the Russian empire has become a daily staple of the media. Falling production, increasing shortages, the threat of hyperinflation and massive unemployment paint a picture of a country in the midst of economic depression. Ethnic strife, bitter power struggles, central and local governments negating each other's decisions, reform plans that become dead letters before the ink they are written with is dry, show the world a ruling class in disarray.

For some, in the capitalist media as well as in the revolutionary press, the Russian empire has already collapsed. Not for the American ruling class though, who continues to upgrade its nuclear arsenal; and it's safe to assume that its motives are neither a threat from Saddam Hussein nor from Helmut Kohl. It has taken a military assault on Baku and an economic blockade against Lithuania, but so far no attempt at secession has been successful. The military security apparatus remains remarkably unscathed in the worst crisis Russian capitalism has faced in 7 decades. The news is not that there is a desertion problem for the armed forces but that it is still relatively minor (0,5 % of the call ups in 1989).

Those who think the collapse has already taken place suggest that the Russian ruling class is standing by powerlessly in its own crisis and utterly incapable of reacting. But in reality, the impasse predates the spectacular manifestations of crisis of the last 2 years. As we argued before, the Russian ruling class gradually came to the conclusion that its policies had failed and that a drastic overhaul in the way capitalism is managed was necessary to maintain even the slightest chance to achieve the economic and military aims vital for the survival of its rule. To understand the aggravation of the situation of the last year, it is necessary to point out that the crisis the Russian ruling class is wrestling with today is not simply the result of the worsening of the economic situation in itself, but also of the severe dislocation that unavoidably accompanies its attempts to switch from one form of capitalist management to another.

We took our title from an article in the British business magazine "The Economist", which of course, gave it an entirely different meaning. What it meant to say was how hard it is to undo "the failed experiment of 70 years of communism" and to return to the conditions prior to the October revolution, in order to achieve an "efficient system of production". How aseptic, how neutral this word "efficiency" sounds! Russians and Americans, leftists and rightists, all use this term with gusto when discussing the

economic problems in the East. But let's be clear on what they mean. They don't refer to a rational way of producing, since there is nothing rational about capitalism in the West, where overproduction and poverty increase side by side. They don't mean an absence of waste, since waste of resources is a hallmark of Western capitalism that becomes only more pronounced with every passing year. Not only is an increasingly large part of the economy used for totally wasteful ends, from military production to the millions employed for shuffling papers around, but also in the rest of production, precious resources are used up for making things that are meant to be thrown away as quickly as possible so that more commodities can be sold.

No, what they really mean by the word efficiency, is the capacity to maximalize the extraction of absolute and relative surplusvalue*, or, in other words, to increase the exploitation of the working class.

A brief look over the shoulder reminds us that that this "lack of efficiency" is not really inherent in Russian state capitalism. Under Stalin, the USSR was arguably the most "efficient" capitalist country in the world, with the highest economic growth and the fastest industrialization rate. What made this possible was probably the most brutal exploitation ever inflicted on the working class anywhere (though there are many contenders for that title).

It was thanks to this "efficiency" that Russian capitalism emerged as one of the principal victors of the second interimperialist butchery, annexing Eastern Europe into its empire and becoming the only country in the world capable of challenging American global domination. However, Stalinism's efficiency resided in the extraction of absolute surplus value, its advances in the extraction of relative surplus value were much less impressive. Its economic backwardness in relation to the West, a condition it had inherited from Tsarist time, had not disappeared. After the war it even increased, as Russia was forced to erect the "iron curtain" around its expanded empire to consolidate its conquests and to close out foreign capital against which it could not compete on a purely economic terrain; but it thereby also limited its own participation in the world market and took away the benefits which the import of foreign capital could have brought for the extraction of relative

*Absolute surplus value is increased by making workers work longer and/or decreasing their real wages; relative surplus value is increased by augmenting the output per worker through work reorganization, technological innovation, etc.

surplus value. Nonetheless, the Eastern bloc's autarky was only relative, trade with the rest of the world remained vital to such an extent that when open crisis returned in the West at the end of the 60's, growth tapered off in the Eastern bloc too. And it has gone downhill ever since.

Russian capitalism benefited from the spoils of conquest. Factories were dismantled and hauled lock, stock and barrel to Russia, and the entire economy of Eastern Europe was reorganized to fit the needs of Russian capital. But the benefits of economic pillage are not lasting. They wear thinner with every year, and with every year the gap between the Russian bloc and the West increased. Once the world economy as a whole passed from a period of expansion (reconstruction) to a period of contraction (crisis), it became predictable that the weakest players in the global competition game (the so called "third world" countries) would be the first to go under, and that the second weakest (the "second world") would be next.

The crisis widened the gap between the stronger and the weaker capitals. It also punished the Stalinist type of capitalist management for all its weaknesses vis a vis the West. After all, Stalinism could hardly be considered the most sophisticated form of capitalist rule. It was on the contrary, the product of the extreme weakness of Russian capitalism. When the counter-revolution brought Stalin to power, feudalism was still the dominant mode of production in much of the empire, and the country was in ruins after years of revolution and civil war; at the same time, world capitalism as a whole had sunk into its phase of decay.

A global and drastic manipulation of the law of value was a key element in Stalinism's overhaul of the Russian economy. What motivated production was not the profitability of the parts, but the global needs of the whole of Russian capital, as defined by the Stalinist ruling class in function of its goals of rapid accumulation and war preparation.

But what was a major advantage for Stalinism's efforts in catching up with the rest of the capitalist world and preparing for war, became an important disadvantage once Russian capital tried to function in more "normal" conditions and it became no longer practical nor feasible to terrorize society to the extent Stalin had done.

Western state capitalism too is characterized by a manipulation of the law of value. Through taxation, subsidies, government-orders and direct ownership, capitalist states of the West try to steer all parts of their economies towards the goal of strengthening their global competitive position. But in the end, capitalist managers are still disciplined by the necessity to turn in a high enough profit. The market punishes or rewards them to the degree they can maximalize the extraction of surplus value from "their" workers, lower production costs, find new markets, etc. The extent to which the law of value is manipulated under Stalinist management makes this kind of "automatic" disciplining impossible. The way in which prices are determined makes it impossible to ascertain how much real profits or losses are made; the

only thing managers have to do is to meet the production quota imposed by the central bureaucracy. Furthermore, their status within the ruling class is less determined by how successful they are in economic exploitation than by their personal loyalty to the political elite. All this creates a breeding ground for inertia and corruption within the ruling class. Despite a much larger apparatus for controlling and imposing discipline within the capitalist class itself, the state obtains much less discipline from its managers than its Western counterparts.

Economic weakness, not ideology in itself, explains the historical necessity for the Russian capitalist state to develop and maintain such a blunt and massive apparatus of control and repression.

Without it, even the capitalist class itself would be torn to pieces by powerful centrifugal forces, as recent events have amply illustrated.

Without it, the state couldn't make workers work, for it cannot offer even a hope of improving living conditions, nor even the illusion of empowerment through trade unions and parties that are "free" -- meaning that they are fairly autonomous institutions of capitalist control, organic parts of a capitalist superstructure that possesses enough inner cohesion to give parties and unions sufficient leeway to follow the moods of the workers, thereby maintaining their capacity to influence them.

The absence of such credible tools for mystification is probably the biggest handicap for Russian capitalism's efforts in raising or even maintaining the rate of exploitation of the workers.

Not only "free" unions, "democratic" elections, but the whole panoply of ideological institutions, churches, mass media and other spectacle producers swallowed by the state to recuperate any forms of dissent and autonomous resistance, can only thrive in a society whose economy is truly based on relative exploitation and the mass production which it makes possible. And that isn't Russia. In addition, since the state in the USSR openly takes charge of the entire economy, it also gets the blame for all its failures. As it pretends to plan everything, any unemployment or inflation is seen as the direct result of its decisions, while in the West they can be blamed on blind, anonymous market forces. The state's overall control means also that all workers have the same boss, that the state can not pretend to play a "neutral" role in economic conflicts. This makes the danger of extension of workers' struggles much greater, as was repeatedly illustrated in Eastern Europe, particularly in Poland.

During Stalin's time, the working class in Russia had been unable to massively resist the imposition of terror because the class had been devastated by previous events: the revolution and the civil war in which many of the most courageous and revolutionary workers perished; and the crushing of the revolution from within by the Bolchevik party. (Similarly, the crushing of the proletarian revolution in Germany in the 20's helped create the conditions for Hitler's regime). But the post-war generation of workers had not been marked by such defeats and therefore

could not be bullied into making ever greater sacrifices for capital like their elders had been. The way in which the regime under Khruchev and Breznev reacted to outbursts of class struggle showed its fear for the extension of workers' struggle very clearly. Not only were these events completely blacked out (not only were they never mentioned in the media but also, communications to the sites of struggle were severed and roads were blocked) but they were also typically answered simultaneously with severe repression and concessions to workers' demands, at least in the short term.

Stalin's successors were therefore less able to raise the rate of exploitation, not only than Stalin had been, but also than their counterparts in the West. The resulting stand-off was nicely captured in a famous saying of Russian workers: "We pretend to work and they pretend to pay us".

The return of worldwide economic crisis made this disadvantage even greater. While capitalists in the West reacted to their problems with massive lay-offs, restructurings, a concentration of capital which improved their competitive positions on a shrinking world market, Russian capitalism was unable to take similar action and thus saw its backwardness relative to the West increase even more.

The crisis also increased the drawbacks of the relative autarky of the Russian bloc. While it prevented foreign competition in its protected market, it also prevented the import of technology which Russian capital so sorely needed to increase the extraction of relative surplus value. After it was squeezed dry, Eastern Europe gradually changed from a boon to a burden for Moscow. While production costs outside the bloc decreased in relation to those of the Comecon countries, Russia was forced to buy commodities from its satellites which it could have bought more cheaply and of better quality on the world market. At the same time, it was forced to meet their demand for oil and gas, for which it could get higher prices and in hard currency elsewhere. In the end, the economic usefulness of Eastern Europe for Russia became more than doubtful. If that would have been its only function, it's conceivable that Russia would have let them go much earlier. But Eastern Europe was also a key asset in the Kremlin's military strategy (For more on this, read: "The imperialist balance of power on the European continent" in IP # 17). And the darker its economic perspectives became, the more the Russian capitalist class was pushed towards the war "solution". That's why the 70's was a period of Russian attempts at military expansion, from its initiatives in the Horn and Southern Africa to the invasion of Afghanistan.

But the 80's marked the impasse of the war option. Not only because of the West's vigorous riposte around the world and its accelerated military build up which finally outspent the Russians and made their economic problems so much worse, but even more so because it became increasingly clear that the Kremlin lacked the control over society and particularly over the working class (it inspired neither enough fear nor enough respect) to escalate its war efforts onto a more global scale. The unrest

in the working class showed the fragility of it's grip, as did the increasing discontent and desertion-rate of the troops in Afghanistan.

Because of its incapacity to launch a savage attack on the working class, the economic impasse had driven Russian capitalism towards the war option, and now the impasse of its military efforts drove it back to the social question: to defeat the working class was clearly the condition to achieve economic as well as military goals.

It is in this context that the reforms of the Gorbachev era must be seen. Their essential goal, as we argued all along, is to increase the rate of exploitation by removing some of the above described obstacles, which had historically grown as intrinsic parts of its system.

But before it could take the working class head on, the state needed to make the capitalist class itself capable of carrying out the required economic and ideological attacks. In order to impose "the discipline of the market place" on the workers (i.e., massive lay offs, speed-ups, etc) it first had to be imposed on the agents of capital itself. Managers of capital had to take responsibility for increasing the exploitation of 'their' workers, not just executing orders from above. Like in the West, they had to be economically rewarded or punished. Therefore, they had to be given more autonomy from central state-planners and from the Stalinist party. As this implied a loss of power and privileges for the state- and party-bureaucracy (the so-called "Nomenklatura") and a loss of security for the managerial strata themselves, already the first stage of economic reforms met with enormous resistance from within the capitalist class itself. The urgent necessity to shrink the state bureaucracy substantially in order to bring the bloated budget deficits under control, further fanned this resistance. But it was the political reform accompanying the economic measures which brought the anger of the "Nomenklatura" to its highest pitch. In order to acquire the ability to hold elections, to institute "free" unions etc. the state had to force the party bureaucracy to give up some exclusive powers and privileges (see: "The political reconsolidation of the Russian capitalist class", in IP # 17). The Stalinist party's monopoly on power was ended to create room for more credible organs of ideological control.

While Gorbachev had enough control over the higher echelons of the party to push through such measures, the resistance of the party bosses at lower levels was and is so strong that his efforts to make the Stalinist party itself an instrument of the reforms seem largely to have failed, forcing him to make increasing use of elements and political organs outside the party structure.

It must be emphasized once again that the goal of the political reforms undertaken by the Gorbachev leadership was and is not a mere switch to Western style parliamentary democracy. As we have tried to show before, the economic weakness of the USSR, the lack of a highly developed ideological superstructure which the state can incorporate

into itself, and the historic genesis of the Russian empire as a prisonhouse of nations whose cohesion is primarily based on military domination, all preclude this. Gorbachev's gamble was that some aspects of the political arsenal of Western capitalism could be taken over, while their disrupting effects (for the Russian context), could be neutralized by a de facto presidential dictatorship.

It is anybody's guess whether the Russian leadership realized that this course would lead to the (at least temporary) loss of much of Eastern Europe. My guess is that they didn't, but the question isn't really important, since they didn't have any alternative but to try the unknown. At this stage of the game however, Gorbachev seems to be losing his gamble. The steps he has taken to reform Russian capitalism have clearly aggravated it's crisis.

How the reforms aggravated the crisis

The reforms caused an irreparable loss of authority to the Stalinist party. They were intended to do just that, but the loss became larger than intended because the ruling class was so divided. The attacks on the Nomenklatura created a political vacuum and it was the Kremlin's hope that this vacuum could be filled by a reformed Stalinist party itself. We can only imagine the different scenarios they must have dreamed up. According to Gorbachev's political advisor Georgy Shkuzhakov, the aim was a political stabilisation around 3 parties, one on the left, one on the right and one in the middle. It's easy to fill in the details: Gorbachev's centrist party would rule per presidential decree, playing out 'the left' and 'the right' parties against each other, while those 2 parties assumed their role of loyal opposition.

Such a division of labor must have seemed possible on the eve of last June's Party Congress. It would have been quite a feat: the transformation of the Stalinist machinery into a whole spectrum of "democratic" parties, ready to recuperate and channel any resistance that the coming period would stir up, wherever it would come from.

But the ruling class was too divided to realize this. While the so called right (Ligachev, etc) expressed the anger and fears of the strata of the ruling class under attack, they were utterly incapable of coming up with any alternative program to face the crisis. They remain rudderless, leaderless but not neutralized. While appearing to acquiesce in Gorbachev's reforms, they continue to obstruct them at the local level. Such is their power to paralyze the wheels of capitalism that Gorbachev is constantly forced to seek compromise; that when he has taken a couple of steps to erode their privileges, he has to take a step back to assuage them. It is logical that many among them dream of a military coup followed by an illusory return to "the good old days" and it's likely that some of them are making their own contributions towards creating chaos through ethnic strife and economic desorganization, in

the hopes of forcing the army to make such a coup.

Precisely because the "right" is neither neutralized nor coopted in an effective division of labor, a split was not possible at the June Congress. The "left" (the Democratic Platform around Yeltsin etc.) of course largely left the party, which was an absolute necessity for its credibility, but Gorbachev himself had to stay on as General Secretary, a function he presumably would have liked to leave to concentrate on the presidency, because the Party could not be trusted.

Why didn't the "left" regroup in a new, united "democratic" party which would present a clear and attractive alternative to the Stalinist party? Such a step would fit into the logic of a "left-in-opposition strategy". But at this point, the formation of a strong "left" party designed to win the trust of the working class in order to neutralize it's resistance (which in the context of the USSR would not mean using the rhetoric of the left in the West, rather the opposite) would be too dangerous. The capitalist class in the USSR is too weak and too divided; therefore the left must eventually join the government to help shore up it's credibility and cannot be allowed to go on an all-out collision course with the Stalinist party. The only way to avoid that was to postpone the formation of such a united "left".

So, rather than reflecting a clear victory for Gorbachev and a pulling together of the capitalist class in the USSR resulting in a new division of labor between newly-formed organs of political control, the June Congress showed that, while the reformers maintained the upper hand, the struggle within the ruling class continued to rage. The result was not only that the conservatives continued to resist and sabotage the reforms wherever they could but also that the central state continued to lack the political tools to push through the reforms in a well orchestrated manner. The political vacuum created by the attacks on the Nomenklatura was not filled in a centralized way; so naturally local factions of the capitalist class, which had grown stronger because of the increasing pull of centrifugal forces, stepped into the void. In those republics where the reformers had gained the upper hand (like Russia and the Baltics), they took their own measures to accelerate the reforms.

These in turn aggravated the economic crisis and it's easy to see why. Republics, regions and even cities tended to raise prices of locally produced commodities to stimulate output, to increase local revenue and to collect more taxes, or to bring prices closer to world market levels. But in doing so, they inevitably invited retaliation. If one republic for instance raised agricultural prices to boost farm production, consumers would flock to neighbouring republics. These neighbours, already suffering from chronic shortages, would have to protect themselves by issuing rationing cards to locals only; or, as the Ukraine did recently, by issuing its own currency that must be used together with roubles to purchase most basic goods; or, as Uzbekistan did, by banning all food exports. Such protectionist measures invite in their turn retaliation from neighbours, leading to

mini-trade wars that make all shortages worse for everybody. And because monopoly-production is prevalent for most commodities, all these disruptions reverberate throughout the whole economy, causing ever more disruptions and shortages. When for instance the production of oil pumps in Azerbaijan is interrupted, it immediately affects the oil output because there is no second supplier of oil pumps elsewhere in the country. And so on.



Food from Berlin's cold war stockpiles is being sent to the Soviet Union.

The reforms aggravated the crisis in other ways too. In the first stage of Perestroika, in order to teach local managers how to operate under the discipline of the market, the authority of companies to determine their own wage and price levels was greatly enhanced. The idea, of course, was to create concrete incentives to increase production. But this failed disastrously, mainly for 2 reasons. The first was that 90 % of their production isn't sold on an open market but directly to the state. So far, nothing has changed in this regard. Price increases therefore, simply meant that the state was charged more for the same output. And because prices on the retail market remained controlled, the increases couldn't even be passed on to the consumers. So the net result was that the state paid more subsidies. The second reason was that the increased leverage of local managers, in stead of leading to lower production costs, caused an increase of (nominal) wages. Facing growing unrest and discontent among the workers, feeling less backed up by a state more reluctant to use its repressive power while seeking to regain some credibility, fearing also that repression would inflame resistance, the local managers tried to placate the workers by giving them wage raises well above the inflation level. In '88, wages rose with 8 %, in '89 with 12 % (while price controls kept inflation at 5 %). That these raises were of little use for the workers since there was nothing in the shops to spend them on, didn't mean that they weren't a problem for the capitalist class. These involuntary savings, now amounting to 500

billion roubles, are like a sword of Damocles hanging over any plan of price reform (as we shall see further). The reform planners had hoped these wage hikes could be avoided. As they couldn't yet be prevented by the discipline of the market (since the state is still almost the sole and guaranteed customer) they were supposed to be prevented by punitive taxes, levied upon companies whose wage costs rose faster than their output. But these sanctions had a limited impact since companies could not go bankrupt and close. With higher wage costs and higher taxes, an increasing number of companies needed to borrow more, while becoming less and less able to pay back.

This process accelerated so dramatically at the end of the 80's, that the government increasingly lost control over the money supply, which rose a spectacular 56 % in '89 alone.

With more and more roubles in circulation and less and less commodities that could be bought with them, only the system of price controls kept hyper-inflation from exploding. Yet only by retreating from the responsibility for price levels would the state be able to let the "neutral" law of supply and demand do what it couldn't force through itself directly : administer extreme austerity (lay-offs etc) and stimulate production through increased exploitation.

To bridge this contradiction, Prime Minister Ryzkov proposed in may a series of massive price hikes (doubling food prices, etc) after which a growing number of prices would be allowed to float. As so many others, the plan was shot down and Ryzkov became the scapegoat and may very well be dropped when, at some future time, the government wants to emphasize with a symbolic gesture that a new course is taken. His plan was seen by many as a double miscalculation : a miscalculation that the working class' reaction against such a steep price jump would not represent a major problem ; and a miscalculation that the price hikes would absorb enough of the money in circulation to free prices afterwards without hyperinflation.

It became clear for most in the ruling elite that a price reform could not work by itself. To give it a chance, at least two other conditions should be met: 1) Something more drastic was needed to absorb the mass of money in circulation,

2) The hemorrhaging of money had to be stopped: that meant drastically cutting state expenditures but, even more, letting unprofitable companies go bankrupt and close.

The famous "500 days plan" of the Shatalin Commission made at least a serious attempt to meet those conditions. This plan, which was supported by the "left" (Yeltsin, etc.) proposed not only price increases but also a massive sale of state property (factories, farms, housing) to absorb the excess of money (and to expand the free market at the same time). To bring the money supply under control, it would reduce state expenditures dramatically : the state would withdraw responsibility for most companies, so that hundreds of them would go under and close ; the state would end foreign aid and cut deeply into military and other expenditures ; and it

would halt price subsidies for 70 to 80 % of all commodities.

While this plan certainly corresponded better to what the ruling class sought to achieve economically than Ryzkov's half-hearted price reforms, it also implied a much more brutal attack on the working class and therefore a greater risk of social upheaval, although its proponents argued that the greater risk was, in fact, further delay. Gorbachev hesitated, talked about compromise, seemed to bless the Shatalin-plan but finally backed yet another plan which, according to Yeltsin's camp, was bound to end in failure once again.

The big difference between the Shatalin and the Gorbachev plans

lies not so much in the economic measures (although the second remains much vaguer on the practical steps to be taken and on the time-framework in which they would have to fit) but in the question of the political control.

While the Gorbachev plan would divert some unspecified authority to the 15 republics, the real power (especially the power of taxation, the control over the money supply and the banking system, over oil and the other main resources, the control over military force) would all remain exclusively in the Kremlin's hands. The Shatalin proposal, on the other hand, went much further in giving the 15 republics control over banking, their own resources, taxation, etc.

Even from the point of view of the global interests of Russian capital, such a broad devolution of political power could seem attractive. Both plans are, in the first place, draconian austerity plans, so the big question is : who has the authority, the credibility to force them through. The central state apparatus certainly does not. During the last years, its authority is further eroded and is now lower than ever. That's why both plans count heavily on the local republics to implement the austerity measures. It stands to reason to also give them the political control to accomplish the job. As Yeltsin said : "Only turning over the power to the republics can win the public support necessary to ride out the upheavals of creating a free market." The big "but" is of course that in the Shatalin plan the transfer of power is so massive that the central state would risk crumbling and the already powerful centrifugal forces would get an enormous boost, leading to the collapse of the "Soviet" union.

To this objection, Shatalin's supporters answered that the risk is there in any case, and that their devolution would rather decrease it : a loosening of central controls would diminish the desire to escape from them. The country would not fall apart, because none of the republics can economically survive without the others (in 11 republics trade with the rest of the USSR represents 40 to 60 % of total production. Only the Russian republic itself is relatively self-sufficient. And only the Baltic republics would stand a slim chance of shifting trade to partners outside the union). Once the republics can decide in their own interests, the Shatalin supporters argued, they will find plenty of reason to stick together.

There was another argument in favor of the Shatalin plan. Just like a switch to

privatisation would allow the central government to escape responsibility for the many unprofitable companies that would go bankrupt, the switch to more independence for the republics would make it possible for the central state to escape blame for the extreme poverty that would spread in the economically weakest republics, particularly in Central Asia.

But for the army security apparatus, the dominant faction of the Russian capitalist class, the risk of disintegration contained in the Shatalin plan is just too great to be acceptable. So Gorbachev's vague compromise was adopted.

To some extent the antagonism between Gorbachev and Yeltsin reflects a political division of labor within the Russian capitalist class. Without the hostility of the Kremlin, Yeltsin and other 'democrats' and locally popular politicians would not enjoy the credibility which they now have. But at the same time, this antagonism reflects a real power struggle which does not benefit the global interests of Russian capital. The instability and uncertainty which it prolongs, aggravate the economic crisis.

The authority of the central state has become too weak to restrict Yeltsin and other popular politicians in the republics to a left-in-opposition role. The capitalist class has to try to forge some sort of working alliance between the Gorbachev and Yeltsin camps, in order to realize its plans. If it fails to do so, the likely result will be mounting instability and chaos, with the increasing risk that the whole process will spin out of control and the union collapses. But the military security apparatus would not allow this to happen without making a resolute attempt to reverse course. What the outcome of such a military coup would be is impossible to predict. An open military dictatorship over an economy in ruins, a civil war, autonomous working class'revolt ; it would all depend on the balance of forces between the different factions of the capitalist class and between the capitalist class and the workers.

For the latter, it is vital to recognize that Yeltsin is no alternative to Gorbachev, like Gorbachev was no alternative to Breznev ; that Armenian or Lithuanian nationalism are no alternatives to Great Russian nationalism. All these options are capitalist options, for the workers they only spell M-I-S-E-R-Y.

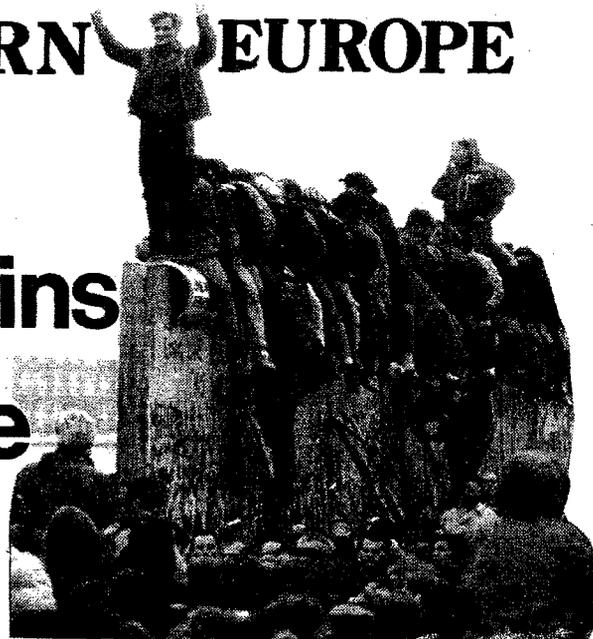
This is a difficult period for the entire working class, not just the workers in Russia. In the short term, the worldwide propaganda campaigns for capitalist democracy and for nationalism have been powerful.

But the deepening of the crisis in all parts of the world economy, including the strongest, erodes the power of these mystifications and will increasingly foster the realisation that world capitalism is beyond repair. The emergence of massive, simultaneous workers' struggles in East and West will point to the real alternative. It is on a graveyard of illusions that the perspective of

DEBATE ON EASTERN EUROPE



what
remains
of the
wall?



The Minority Position: an Update

1) The recent changes in Eastern Europe have led to a great deal of discussion in what is still called the revolutionary milieu, as well as within Internationalist Perspective itself. We decided to open up our discussions to our readers and solicit their responses. The elaboration of a coherent, consistent analysis is never the fruit of individual cogitations alone. In fact, more often than not, it is the result of debate, of the confrontation of ideas and momentary opposition. Understanding the train of thought and the method of a debate is often more important than the outcome of the debate itself. Of course, with the excuse of looking for greater efficiency, some political organizations decide to reveal only the end result of their discussions and keep silent about any eventual disagreements. We have never chosen such an option.

2) The discussion that emerged in I.P. was certainly not fortuitous. It concerned the evolution of Russian imperialism and the change in the inter-imperialist balance of power that resulted from this. Many aspects of a revolutionary orientation are related to the clarification of this debate. Is there still a danger of imperialist war today? Can we foresee further changes in the East without a proletarian intervention?

3) But the main question under discussion in I.P. was the appreciation of what the weakening of Russia meant for its control over the Eastern bloc. A position like the ICC's, involving the fall of Russia and the end of its bloc, was not adopted by I.P. and was severe-

ly criticized.

4) The debate in I.P. developed in the context of our theoretical effort to understand the events in the East, to continue the analysis begun in texts such as "The Theses on Gorbachev" published in I.P. #12. The majority and the minority both recognized :

- the enormous economic problems of the Russian State and its consequences for Russia and the satellite countries;
- the efforts made by the faction in power in the Kremlin to modernize the State and the economic apparatus through "perestroika";
- the strategic changes Russia has had to make on the imperialist front to try to loosen the hold of the American offensive;
- the ideological changes made in the official mystifications used to channel the discontent of the working class in the USSR.

5) Divergences appeared, however, on the meaning of the difficulties Russia has encountered and the consequences for the imperialist balance of power. While no one in the revolutionary milieu foresaw the fact that East Germany would actually change blocs and join the West, the majority of I.P. did use the opening of the Berlin Wall as a way to show Russia's loss of control over its satellites.

6) The minority position, on the other hand, did not draw out all the consequences of the

opening of the Berlin Wall permitted by the Russians. The retreat of Russian troops was not foreseen. Russian military power seemed intact. Since then, the price offered by West Germany to pay for the departure of Russian occupation troops has become clear. Gorbachev has officially recognized the reunification of the two Germanies. There can be no further doubt of this and the minority position on this point is clearly wrong. We admit this and a more collective position is developing in I.P. Nevertheless, some questions still remain under discussion and nuances of appreciation still exist.

7) The events in Berlin can be seen as a defeat for perestroika. Despite all the pressure from Moscow, Honnecker and his henchmen resisted and opposed the political remodeling favored by Gorbachev. Contrary to the opening up accomplished in other countries like Hungary, the old-guard stalinists in Germany sabotaged and blocked all efforts at reforms in the Party. It was a failure for Gorbachev who was obviously unwilling to play the policeman to put German clocks in line with Russian timekeeping.

8) Through its occupation army, the Soviet Union used East Germany as an important staging area allowing the USSR to indiscriminately pillage the economies of the countries under its control. Losing East Germany was an important strategic defeat for the Soviet Union. But with his spectacular campaigns for peace, Gorbachev got the world powers to renegotiate the deployment of military forces in Europe. Conscious of the weaknesses of the Russian defense system, (and the affair of the teenager's stray plane showed this unequivocally), Gorbachev has been trying to find a way to loosen the grip of the Reagan strategy. Paralyzed by the reality of the financial catastrophe of the Russian economy, the Kremlin played the card of media pacifism, (the only card it could play), to try to get a reduction of military spending. Since that time, Gorbachev has gone out of his way to try to prove to Western powers that his word can be trusted.

9) Contrary to what the majority of the organization felt about our position, we never defended the idea that the USSR has been getting stronger. The first point of our previous minority Resolution seemed quite clear on this. But the present policy of the USSR is not just makeshift nonsense; it is a clear scorched earth policy.

Since the unfortunate example of Afghanistan and the retreat in good order orchestrated by Gorbachev, the USSR has been trying to avoid being cut off by the advancing U.S. strategy. The Red Army made use of the 60's when the West was discomfited by decolonization and it gained a foothold in certain strategic zones in the 70's when the U.S. was paralyzed by Vietnam. But the Red Army was not equipped to deal with a guerrilla war. The Kremlin seems to have realized this after the disastrous experience of Afghanistan. At that point, the

USSR opted for a reorientation of its policies:

- * a military disengagement from zones previously judged to be important;

- * the development of a large-scale diplomatic effort;

- * a low-profile in the Gulf confrontation, joining the UN Resolution for an economic blockade of Iraq. With the rise in the price of crude oil, the USSR as a major exporter of oil has had nothing to complain about. And while Gorbachev received a hefty dowry in German marks for the withdrawal of Russian troops, the U.S. has had to increase its budget deficit to allow Bush's GIs to mess around in the desert.

- * With the agitation in the Arab world against the "American invader", Gorbachev is more and more the apostle of peace and a negotiated settlement and he is received with great pomp in Bonn and Paris;

- * Even better, the concentration of military forces in the desert allows him to focus attention on this other threat to Western security. The Eastern flank of NATO is obviously changing. Why should the cannons continue to be pointed towards the East when the enemy is more to the South. Gorbachev and his wife can be seen doing the salons in Paris and along the banks of the Rhine.

10) Moreover, with the reunification of Germany, the USSR has lost its role as policeman in the East. The withdrawal of troops appears as a sign of detente, offering Russia the opportunity to multiply its appeals to the West, something that it could never do before. By ending an occupation that was increasingly costly and unprofitable for them, the Soviet Union can come to the West in a non-aggressive stance and ask for financial investments to help relaunch its wasted economy.

11) Unable to pursue the imperialist fantasies of his predecessors, Gorbachev has concentrated on keeping the ship afloat. Reducing military expenditures, redeploing its forces under pressure from its rival military bloc, the USSR tries to take advantage of whatever comes along to abandon as little terrain as possible.

12) Gorbachev's inability to pursue a costly imperialist policy is due not only to pressure from the U.S. but also to the economic difficulties of the Russian system. The effects of the reforms put in motion by the Kremlin must be appreciated. Without enough capital to finance a modernization of the productive machinery, Gorbachev has had to turn to the outside world to sustain this

operation. The application of his new policy has not been smooth sailing but it hasn't been a total failure either or the end of the Russian state as the ICC claims. Perestroika has come up against hostile reactions from parts of the bureaucracy itself as well as from the proletariat. If a temporary credibility is to be gained for the state, perestroika must continue with destalinization and this disturbs some of the fundamental mechanisms of bureaucratic survival in the Russian Empire. It is a question of one of those giant purges that the Russians know so well. But the state in class society has the role of trying to balance the divergent interests within capitalism, and while in the West instances of concertation can exist, in the East these instances are lacking. The particularisms encouraged by the growth of the economic crisis and by the discourse of perestroika itself express themselves in a more violent manner. These are setbacks that any system can suffer from and they can be overcome to some extent. Gorbachev is, thus, trying to put some life into local parliaments but this is presented in the Western media and even by some revolutionaries as a sign of the end of the Empire. In fact, it is just the opposite. Gorbachev is trying to create a federal state in the USSR. The nationalist revolts are in fact significant for the new structures and relationships they reveal in relation to the central power and for certain conjunctural weaknesses of the state apparatus they highlight. For many years, we have defended the idea that it was impossible to have changes towards parliamentary democracy in the East. This analysis was based on the absence of democratic traditions in the East, on the absence of the economic and material basis of western capitalism and the absence of a bourgeoisie used to dealing with the electoral circus. "Stalinism is over", proclaimed the ICC, but what took its place? Does the organization of "free" elections, the appearance of more than one voting list, mean that the traditional structure of the state in the East has changed? Can one claim that factions of the bourgeoisie capable of playing the democratic game have appeared in the East these past few months? It is not the Party that shapes the state but the state that shapes the Party. Today we are witnessing only some plastic surgery on the state. This formalistic democracy will only be used against the workers by the "alternative" reformers who have taken power in recent months. But they have to dispose of some real power of mystification if they hope to succeed. This is what the Yeltsin faction is betting on in Moscow. The problems of Solidarnosc with the working class in Poland show us that the workers have not yet said their final word despite all the papal benedictions. Disoriented by nationalist exhortations, the reality of the crisis seems to have reminded the workers of their internationalist class terrain.

13) The upheavals in the East may have changed the international situation but they are not incomprehensible occurrences. Weakened by a catastrophic economic situation, the USSR has tried to get back on track by selling off

whole pieces of its shaky empire. But its power remains as long as military reabsorption has not taken place and this is far from the case.

Although the abandoning of East Germany represents a retreat on the imperialist front, it can also constitute a favorable opportunity for the USSR to gain new financial investments. Despite its retreat from strategic zones in Eastern Europe, the Red Army remains in force at more secure bases.

Thus, what we are witnessing is not a fundamental shift in the balance of forces between the imperialist blocs. For many years, the U.S. has taken advantage of the economic weakness of the USSR to take important positions away from it. The upheavals in the East illustrate this situation further.

F.D.

USSR

CONTINUED FROM PAGE 12

international workers' revolution will grow. It may seem a far-off hope today, but as the Chinese writer Lu Xun said long ago: "Hope is like a path in the countryside: originally there was no path - yet as more people are walking increasingly on the same spot, a way appears."

Sander Nov. 13

POSTSCRIPT

Since this article was written, the power struggle within the capitalist class in the USSR has further exacerbated.

The breakdown of central authority, the sabotage by conservatives, and the hoarding and black marketeering stimulated by the expectancy of steep price hikes, have worsened the food situation to such a critical point that the regime was forced to beg the West for emergency-food aid. Western capitalism, evidently fearing that a downfall of Gorbachev might lead to military rule, has been eager to send surpluses to Russia. At the same time, both the Defense minister Marshall Yazov and the head of the KGB have gone on TV to make ominous threats against "the forces of chaos". Prime minister Ryzkov was sacked, a KGB-veteran was installed as minister of Internal Affairs and vigilantes were created as a "food police". Moving both against the "right" and the "left", Gorbachev's goal clearly is to strengthen the powers of the presidency, while at the same time working towards a coalition government that would have the credibility to impose his austerity plans.

That's why he needs urgent approval for his new Union Treaty, which would give the 15 republics more power than they now legally have, and give the central government more power than it now really has. That's why he gave himself even more "emergency powers", while at the same time replacing the government as the highest executive organ with a "Federation Council", composed of the presidents of the republics, which could form the basis for a coalition government. But so far, the power struggle within the ruling class in the USSR hasn't abated.



What follows are 2 texts by ER of the Seattle/Vancouver Discussion Group, which we are publishing because they are a valuable contribution to the debate in the revolutionary milieu on the dramatic changes occurring in the world, a debate which the EFICC wants to stimulate as much as possible. We agree with the main points of both texts. The first criticizes the ICC's interpretation of these events and the way this organization sees the debate on these issues. It adds some new elements to this critique, which will undoubtedly be continued in later issues of IP, as all the disastrous implications of the ICC's new apocalyptic "social decomposition"-theory become clearer. The second one takes issue with one aspect of our critique of the ICC in IP 16, which according to ER, made it appear that the disappearance of an imperialist bloc could only happen as the result of military defeat in the imperialist war or revolution, which would mean that the collapse of the Russian imperialist pole is an impossibility, without the intervention of either of these 2 factors.

The text is followed by a short note by the author of the article in question, clarifying what was meant.



A CRITIQUE OF THE ICC

The ICC seems to be particularly taken with catastrophism. All they see in the east is everything falling apart, everything out of control, total chaos. Of the present-day bourgeoisie in the USSR, they say: "Never has a ruling class been so weak." (International Review, p.3) This seems to me to be going too far. The ICC seems to overestimate the depth of the crisis in the USSR and other eastern countries. How does the ICC write about the crisis in the east? It lists for us at great length all the devastating facts and concludes that everything has collapsed; it tells us there is no possibility of democratization. And when it feels compelled to offer an explanation for this catastrophic collapse, it invokes its deus ex machina: "Social Decomposition". Revolutionaries cannot be satisfied with this approach.

It isn't just that the ICC is repeating the western bourgeoisie's prattle about total collapse of everything in the USSR and adjacent countries. The ICC says Stalinism has irrevocably disintegrated. And it also says that "liberalization" cannot possibly succeed. So what is to replace Stalinism as the form of bourgeois political domination in the USSR? The ICC would presumably refer to the nationalist forces emerging in the peripheral "republics" of the USSR. But then, by "liberalization" the ICC must mean something very specific, in particular Gorbachev's "perestroika" ambitions. But insofar as "liberalization" is a genuine negation of Stalinism, the "liberalism" of "radical forces" such as Yeltsin, Democratic Platform, Sajudis in Lithuania etc. is entirely compatible with nationalist "atomization" of the USSR into "sovereign" states. In fact, such is what we would expect genuine "liberalism" -with its ideal of "national self-determination" to stand for. There's no question that nationalist tendencies are strengthening. But it also seems clear -to me at least- that Gorbachev's "liberal"

ambitions include a significant amount of decentralization of power -from Moscow to the various national "republics". There's no question that Gorbachev is relenting on this, that he is only willing to go along with this decentralization because he is forced to if he wants to retain power -that once he began the process of removing the Party's monopoly of power, he also unleashed powerful centrifugal forces which he can only hope to appease, to buy-off, to co-opt, so as to maintain the overall structure of the USSR, perhaps as a sort of "federal" system akin the USA or Germany.

This raises the difficult question of to what extent is the overall situation out of control in the USSR. I think that both the ICC -when it says everything is totally out of control- and the EFICC majority as of IP 16 -when it says Gorbachev and his faction in the Party have pretty much everything under control- are wrong. Both answers are too simplistic. The whole tendency towards break-up and chaos only resulted from the implementation of Gorbachev's policies. At the same time, these policies were formed and implemented because of the threat posed to the interests of Russian capital by the economic crisis and by the U.S. offensive on the imperialist front (an offensive which must be considered as having succeeded) -in other words, Gorbachevian Perestroika was a response to a situation of weakness, of failure, an attempt at radically altering the economic conditions domestically and the imperialist conditions internationally. Economically, Perestroika aims at "rationalizing" Russian capital, to make it more competitive and more profitable by making each sector and each enterprise more "responsible", more concerned with its own profitability, by taking into account its costs of production. Essentially, then, the move is towards enterprise "autonomy" and reliance on "market forces", and away from central state planning as regards "microeconomic" matters. On the imperialist

front, Gorbachevian policies focused on presenting a "new", "pacifist" USSR, willing to make all sorts of concessions to the West. As an international ideological offensive, Gorbachev's "pacifism" must be considered a success. A primary aim behind this offensive was clearly to reduce Russian military spending -the weight of which on the USSR's economy, in the context of the failure of Russian military and imperialist strategy at the hands of the U.S. offensive throughout the 80s, was the factor which necessitated the drastic policy changes associated with Gorbachev -and to use the "pacifist" ideological offensive to force the Americans to go along with the its disarmament proposals. By slowing down the arms race (which was the most it could hope for on that front). it hoped to give itself breathing space to modernize and rationalize its capital so that sometime in the future it could press ahead with that race (or at least the overall imperialist struggle) in a more competitive position. (Whether or not it wanted to "divide" the Western bloc and obtain western technology is debatable, but in any case these would have been at best secondary aims.) It simply had to do this, to relieve itself of the crushing weight of military spending (now admitted to be at least 25 % of USSR GNP). As a consequence of the international "pacifist" ideological offensive -which came to be the image most closely tied to Gorbachev -Moscow found itself forced to abandon the card of military invasion -even as a threat- to "impose order" in its satellite states. Only in this way could Moscow not lose the "pacifist" credibility it had obtained -at least, in the West -under Gorbachev. At the same time, Gorbachev wanted pro-Perestroika leaders and factions in control in the satellites, in part to serve as testing grounds for his own policies, in part to strengthen his policies against the "hard-liners", in part to show to the West that he and Perestroika were "for real", and in part because the situation in Poland -which showed the future to all the "Warsaw Treaty" states- really demanded it, particularly regarding the matter of "democratization", so as to mystify the proletariat. As a result, the "spectacular" changes of autumn '89/winter '90 took place, leading to the legalization of opposition parties and "forums", elections in the spring, and some of the oppositions (whose rhetoric, at least, is anti-Stalinist and anti-Russian military presence) -in East Germany, Hungary, and Czechoslovakia -winning office.

Those changes went further than Gorbachev, Shevardnaze, et. al. wanted. East Germany is now lost to the West, and Hungary, Czechoslovakia, and Poland will likely follow. Gorbachev's strategy of "liberal-pacifist" containment of the satellites failed. It even led to the fanning of the fires of nationalist discontent and demands for autonomy, and even outright secession in some cases, in the USSR's own internal "republics". These nationalist forces are clearly very strong, suppressed as they have been for so long and so brutally. Their eruption is clearly a case of capitalist barbarism. And the describing of

the effect of their eruption on the USSR (as a supra-national state) as "decomposition", as the ICC does, is accurate and evocative. But at the same time, Gorbachev and his associates and followers -which as of the close of the 28th congress of the CPSU in July '90 apparently includes the majority of the CPSU, the leadership of the "Soviet" military and of the KGB -have not entirely lost control of the political situation in the USSR. It seems clear, for example, that Gorbachev, et. al. will not permit the outright secession of peripheral "Soviet republics" such as Azerbaijan, Lithuania, etc.- that they will use military force to prevent any such moves, and if they judge the situation as getting out of hand, they will impose military force. It's all too easy to look at the situation and judge it as being totally out of control as the Western bourgeois media and the ICC do. But the USSR is not any typical "advanced, democratic" republic. The myriad conflicting forces now raging in the USSR are certainly chaotic. And the stark economic reality is undeniably worse than most of us had imagined. But the Gorbachev team is still running the show, they still have an enormously powerful military and security apparatus at their disposal to utilize to "quell social disturbances", to "re-impose order", and to keep rebellious "republics" in line vis a vis "normal economic and political functioning" where need be. It is true that this control is not complete, that in certain regions there is a significant amount of activity not under Moscow's control and not in accord with the wishes of Gorbachev, et. al. But the Gorbachevian program is willing to permit a certain amount of this "regional autonomy". Gorbachev doesn't want to control every little detail of social life everywhere throughout the USSR as all his predecessors since Stalin have felt themselves forced to. Gorbachev believes he can control the overall "Soviet" political, military, and economic process, while much of the local, particular matters are left up to regional and local officials, "as long as they respect the constitution." Further, he and his gang appear to be willing to put up with a lot of "chaos", etc., to pay this price as a "temporary convulsion" on the way to his hoped for society.

So there is much that is "out of control" of Gorbachev and his gang in Moscow. But we cannot compare this situation to that which existed under Breznev or Krushchev or Stalin. Gorbachev does not want to have the absolute control previously exercised. He knows that Russian capital can no longer afford it. Both because it is so expensive to operate and because it is ridiculously inefficient as a way of operating as a major imperialist power in the context of an ultra-competitive and crisis-ridden world economy. We must thus be clear about how much control Gorbachev really needs to run the USSR the way his aim is to run it and also about the nature of his control. It will clearly be less direct than "orthodox" Stalinism. The orientation is clearly towards the sort of control exercised by the executive apparatus of the state in the western "democracies". Of course Gorbachev couldn't possibly replicate Western

"democratization" even if he wanted to. But we have no reason to believe he wants to. It seems clear he wants to hold on to the mystification of the USSR as a "socialist state".

In the article "After the Collapse of the Eastern Bloc, Destabilisation and Chaos", in Int. Review 61, the ICC list a series of events which are claimed to "confirm" "...that the Eastern bloc has ceased to exist". The first is "the main Western leaders' (Bush, Thatcher, Mitterand especially) support for Gorbachev (often accompanied by extravagant words of praise)". While this is not an event itself, it is a trend manifested on various occasions. However, it certainly does not in itself confirm the non-existence of the Eastern bloc, since this support has existed and has been manifested on numerous occasions prior to the "spectacular" events of autumn '89, in fact before Bush was even elected President, while Reagan was still in office. Certainly, this support confirms that Gorbachev and the USSR are in a severely weakened position vis a vis the West, that what is occurring under Gorbachev's leadership is greatly in the interests of the West, and that that means Gorbachev is presiding over the "defeat" of his own imperialist bloc. But not that the bloc no longer exists.

The second is that "it is apparant from the results of recent meetings (...) that the antagonisms which opposed East and West for forty years really are disappearing." This is really a dangerous claim to make, insofar it is not made clear what exactly these "antagonisms" are. One could well suppose they are simply imperialist hostility. Of course, such antagonisms could not possibly be disappearing. What could really be said to be disappearing is the capacity of the Russian ruling class to impose itself as an unquestioned "gendarme" upon a whole slew of countries in a drawn-out struggle for global domination. It is the antagonisms which were based on the Russian ruling class on the one hand and the American ruling class on the other hand having this capacity which is disappearing, while others are being transformed in such a way that is not yet clear exactly how they will end up metamorphosed once they stabilize. It is this rather grey region of social reality which the ICC simply paints over in stark black and white with its "everything has collapsed everything is in a state of a total chaos" rhetoric.

Next is "the USSR's announcement that it intends to whithdraw all its troops based abroad". Is this true? If it is, it's hard to take seriously. It makes for good publicity given Gorbachev's image as a pacifist, but we have little reason to expect it will be realized. Certainly many troops in Eastern and Central European countries will be withdrawn. But "all...abroad"? Nothing is forcing Moscow to do this. And the costs are far greater to bring them all back than not to. The remaining facts the ICC invokes go no further in confirming the non-existence of the Eastern bloc. There is no doubt that much of what the ICC



says is true. The changes have been vast in both depth and extent, in both quantity and quality. The difference is over the interpretation of the events, their significance as a whole, and in their global and historic context. Judging this significance is extraordinarily important. There is so much to take into account that it is practically extremely difficult to comprehend, to fully take into account. And it doesn't make matters easier that matters have changed so much from week to week as to qualitatively alter the significance of the overall situation in such a way as to require a thorough re-interpretation of the situation— or rather a new interpretation of the qualitatively new situation. This has happened many times over the past nine months! And it keeps occurring. The analyses that revolutionaries develop must take this into account. Not only must analyses be modified and expanded from week to week (if they can be made that often), but analyses which appear one week to be valid in light of the information then available will sometimes be seen to be invalid a week or two later in light of new information.

In this situation, which the ICC recognizes as "unprecedented in capitalism's history... and so difficult to analyse" (Int. Review 62, p 22), the ICC has opted to have reached all its essential conclusions concerning these events in its "Theses on the Economic and Political Crisis in the Eastern Countries", apparently "drawn up in September 89" (IR 61, p 1), signed 5/10/89, and published in its IR # 60. Since then the ICC has only patted itself on the back for events in the interim having "amply confirmed" its analyses, while only seeing more and more chaos and situations completely out of control, not just in eastern Europe, but everywhere. How could confirmation be any more complete? Further, the ICC has gone to great length to express in a thoroughly arrogant manner its disgust at the lack of rapidity and "reflex" of the rest of the revolutionary milieu in response to "the wind from the east" (see particularly "The Vanguard That Came Late" in IR 62). Given this, the ICC deserves to be severely

criticized for the way in which it reacted to the events in the eastern countries. While its "Theses" were apparently drawn up in September '89, in IR 59, published in October, is published the ICC "Resolution on the International Situation" from its 8th Congress. This resolution was likely drawn up in August of '89. What did this resolution have to say about inter-imperialist tensions? It says that on a global scale the USSR has had to retreat in the face of the Western offensive. But... "The Russian bourgeoisie has been able to take advantage of this retreat by launching under Gorbachev's guidance, a major diplomatic and ideological offensive on the theme of peace and disarmament." Further: "The western offensive, continues as the USSR is trying to profit from the situation by reducing the technological gap and modernising its weapons while creating a mystifying aura of political innocence." (IR 59, p 14). More generally, the trend is seen as being towards "intensifying war preparations" on both sides; "The budgets of the armies continue to swell, if necessary fuelled in a discrete manner. Even more destructive weapons are in the pipeline for the 20 years ahead of us. Nothing has fundamentally changed despite all the soporific sermons, and the spiral of war is going to accelerate."

One month later, everything had "fundamentally changed" according to the ICC. The Russian bloc had supposedly "definitively collapsed", while "the whole system of international relations and imperialist constellations which emerged from World War II" was being destabilized. Further, while at its 8th Congress the 3rd wave of class struggle was seen as continuing as strong as ever: "The perspective is of the development of the class struggle." (IR 59, p 16); One month later, its "Theses" perceive a "retreat in consciousness of the proletariat": "Given the historic importance of the events that are determining it, the present retreat of the proletariat -although it doesn't call into question the historic course, the general perspective of class confrontations - is going to be much deeper than the one which accompanied the defeat of 1981 in Poland." In other words, for the ICC, the "Third Wave" had crashed.

What was it that was seen by the ICC as being of such monumental "world-historic" significance to necessitate these extreme conclusions? What was it that must have happened between August and September '89? The funny thing is that the "Theses" themselves make no reference to any particular events, to events which according to the conclusions of the "Theses" must have been earth-shaking. The "Theses" only speaking of "convulsions which today are shaking the countries under Stalinist rule", while the brief introductory note to the "Theses" refers only to "the confrontations between party bosses and repression in China, the nationalist explosions in the USSR, the constitution of a government led by Solidarnosc in Poland", all of which are said to be "of great historical importance". Yet all of these events except the last one mentioned occurred before the ICC's 8th Congress, whose resolution on the international situation, as we've seen,

claimed "nothing fundamentally has changed". Clearly we have a rather bizarre situation here. We are forced to conclude on the basis of what the ICC has published that in its eyes the whole world was turned upside down, the collapse of Stalinism and the Russian imperialist bloc, the beginning of the disintegration of the Western bloc, and the defeat of the 3rd wave of class struggle, all a result of... the constitution of a government led by Solidarnosc in Poland. Curiouser, and curiouser. (the ICC could have, and should have, referred to the increasing exodus of East Germans to the west through Hungary, which it was obviously aware of when it drew up its "theses" in September '89).

Now what makes this situation truly bizarre is that the "territorial" press of the ICC wrote about the constitution of the Solidarnosc-led government in Poland (WR for its sept. '89 issue and Internationalism for its Nov.-Dec. '89 issue; I haven't seen the relevant issues of any of the other territorial publications), and the significance they accorded this event was anything but that which the "Theses" had. WR saw nothing of earth-shaking importance in this event. Its article didn't even entertain the hypothesis that this was even the beginning of the collapse of Stalinism and the Russian imperialist bloc. (Remember, in the "Theses", drawn up in September, the ICC was led, on the basis of this event in Poland -in the context of the others mentioned above which preceded it -to conclude that the Russian bloc had "de facto disappeared"). The article asserted that "there is no essential difference about the policy to follow between Solidarnosc and Jaruzelski, nor with their Russian masters." further: "The 'free elections' and the results desired were already planned in April." The major problem held to have arisen as a result of the event for the Polish bourgeoisie is that Solidarnosc will no longer be capable of acting as a credible "left in opposition". The article in Internationalism generally concurs with this assessment (accorded the formation of the Solidarnosc-led government in Poland) although it does make some claims at least as much at odds with the conclusions of the ICC's "Theses" as the WR article. Thus: "This event was historic in that it was done with the concurrence, it not insistence, of the eastern bloc leader, the Russian state." Thus, not only was the eastern bloc still in existence, but its leader was fully in control of this "historic event". A section of the ICC was publishing this in November, while more than a month earlier the ICC had concluded that the "significance" of this event couldn't have been more contrary! * (It should be noted that in the same issue of Internationalism it was claimed that "The struggle we see in the US today is clearly an integral part of a continuing wave of international class struggle that began in Belgium with a struggle in the public sector in 1983, and has continued to develop and deepen ever since." (p 5). To say the least, the ICC's mode of centralization was seriously malfunctioning during the autumn of '89. In fact, the reason for raising these various points, which could easily be forgotten in the barrage of events and ICC publications since the beginning of the year, is not merely to

point out the dishonesty and capriciousness of the ICC (particularly in the light of their gloating about their "prescience", and ultra-sectarian polemics with the whole of the milieu over the events in question in Int. Review's 61 & 62), but to raise the question of "how a revolutionary organization changes its positions" (as the article by Rose in IP 16 puts it; I have here raised different points than those Rose did) on events of such historic importance...
ER (end of July, 1990)

*And the ICC has the audacity to write in Int. Review 61 that the EFICC's capacity to interpret the events in Eastern Europe "doesn't inspire much confidence, to say the least "since in IP 15 (of winter '89-'90) it is argued that "the installation of the Solidarnosc government in Poland didn't imply any loss of control by the Stalinists" ! (p 23) Shameless dishonesty!

Critique of the Fraction: on the existence of imperialist blocs

I don't think Rose is correct when she claims (in I.P. #16, p. 10) that the ICC's position that the Russian bloc no longer exists "implicitly rejects the concept of decadence" and denies the reality of imperialism and its origins. The marxist understanding of decadence and imperialism developed over the years by the communist left, particularly by the Italian Fraction, the Gauche Communiste de France (GCF) and the I.C.C., does not imply that during the epoch of decadence -- even during the period of open crisis in the decadent cycle of crisis/war/reconstruction -- there must always exist two opposing imperialist blocs. (Admittedly, their understanding never contemplated the possibility that an imperialist bloc could cease to exist as a result of anything other than either a world war or a proletarian revolution.) History itself shows us that there have been times in the epoch of capitalist decadence, even during open crisis, when there did not exist two imperialist blocs, ie. in the early thirties.

In the early forties, in the face of the consolidation of the new imperialist blocs after World War II, the GCF made significant contributions to the marxist understanding of imperialism and imperialist blocs. According to the GCF, "in the epoch of imperialism, the defense of national interests can only take place within the enlarged framework of an imperialist bloc." Internationalisme #30, (1948). Nevertheless, "despite the inter-imperialist antagonisms which make the world momentarily appear as two single fighting units, the tendency is for the decadent capi-

talist world to go towards disintegration, disorganization, the dislocation of units...." Internationalisme #37 (1948). Clearly we have two contradictory tendencies. While "normally", we would thus expect to see, especially during periods of open crisis, leading towards imperialist war, the strengthening and consolidation of imperialist blocs, there can also be "unusual" times (and not just at the end of a war when the world is redivided by the war's victors), when the tendency towards dislocation becomes stronger than the tendency towards consolidation. At such times, an imperialist bloc can at least partially, come apart. Nonetheless, "no single nation can be in opposition to all the other nations in the world, whether it be on the economic level or even less, on the military level." (I.R. #8, p.4) Therefore, once an imperialist bloc falls apart, the tendency is for the constitution of new blocs. Obviously, the dominant power (or powers) of the dislocated bloc must then attempt to "win" some of the countries away from the other bloc. At the same time, with the dislocation of the one bloc, the tendency towards consolidation in the other bloc can only weaken. Thus, the dominant tendency within the latter will be towards exacerbation of antagonisms between the countries that make up that bloc. Consequently, one should expect to see nations of both the dislocated "bloc" and the other bloc "courting" each other with the prospect of forming a new bloc.

Such an analysis does not deny imperialism or reject the concept of imperialism.

E.R. (September 1990)

A Response

After reading E.R.'s contribution on the question of imperialism, some clarifications would seem to be in order: on the one hand, with respect to the original points, on the other, concerning our own conception of imperialism.

A first clarification would be to point out that our original article absolutely does not defend the view that there is a necessary and immutable division of the world into two imperialist blocs. For us, it is clear that these blocs can change, alliances be overturned, the balance of forces shift so that other entities are constituted. It is therefore quite normal for there to be periods when distinct blocs no longer exist, but when nonetheless -- as E.R. himself indicates -- we observe a movement towards the reshuffling of the geo-political cards.

The critique that we made in our original article does not pertain to whether or not a bloc can cease to exist as an imperialist power, but why such transformations occur, and what is the dynamic of such a process. In this regard, the ICC believes that an imperialist bloc -- Russia's -- has purely and simply disappeared under the pressure of

the world economic crisis, which manifests itself in a much more acute way in the East. Now, when we re-read the definitions of imperialism provided by Rosa Luxemburg or Lenin, the results are quite interesting: imperialism in the first place is not a deliberate choice on the part of the capitalists, but the product of the exacerbating contradictions of the economic system; as a result, there follows the competition to the death between imperialist states. Lenin, for example, tells us in his Imperialism that "one of the essential features of imperialism is the rivalry between several great powers seeking hegemony."

If we take into account these two fundamental elements, we see that blocs can be supplanted by other blocs within a framework in which the weakest will have lost its hegemony through economic and or military reverses, of a localized or generalized nature. But what one finds with the ICC is a complete abandonment of this very notion of frantic competition between imperialisms: a bloc -- and its bourgeoisie into the bargain! -- has disappeared, without there having been struggles between rival factions, between rival countries, and without the balance of power shifting in favor of one or several other imperialist powers. The present analyses of the ICC of "social decomposition" (theorized in International Review 62) confirm the soundness of our critique and what is at stake in the ICC's regressions, inasmuch as while speaking of the potential for the construction of new blocs, it affirms that this perspective is unrealizable because society is "blocked" and the bourgeoisie shackled by its own chaos. Moreover, for the ICC, this situation of economic crisis, far from strengthening the threat of imperialist war (leading to an exacerbation of inter-imperialist conflicts under the pressure of the crisis) temporarily removes this danger to the profit of localized conflicts. It must be noted that side by side with this latter position, we continue to find in the press of the ICC the warning of the danger of war. This is only one of the manifestations of the process of degeneration of an organization in which old and correct positions cohabit with analyses in flagrant contradiction with the past framework and coherence.

Finally, a last element contained in the Marxist understanding of imperialism is the tendency of the bourgeoisie to centralization, to regroupment, to the organization of its forces to better resist the pressure of the crisis of its very system. How then can we understand this analysis of the ICC which sees a tendency to "decentralization": the Eastern bloc implodes, the Western bloc no longer has any *raison d'être*, each local imperialism is on its own; the whole constituting a vision of chaos and a total incapacity of the bourgeoisie to react? We could also ask where in this "chaotic" analysis of the ICC are we to find the proletariat, and why has it not leaped into the breach opened up in the front of its class enemy -- but this is not the object of our response.

In conclusion, we must insist that the purpose of the article in IP #16 was to denounce the regressions of the ICC, regressions that have made it forget that one of the bases of imperialism is the crisis of the capitalist system which exacerbates the competition between capitalist states. For this, the ICC has substituted a vision in which these imperialist entities can cease to exist under the pressure of internal difficulties alone, without there arising a movement towards the constitution of a new balance of forces.

ROSE

COLLAPSE

CONTINUED FROM PAGE 29

the market has seen Russian workers threaten a response and the bourgeoisie has paused while it had second thoughts. But during these delays the terminal crisis hasn't stopped, it has deepened immeasurably. Further it is wrong to imagine that because the proletariat is sundered from its minorities and its own history it is already defeated. It has not been defeated because it has not yet been attacked. It has not yet demonstrated whether its historic solution (revolution) is on the agenda or not for in the heartlands of the world empires, both East and West it has not yet been engaged in combat - a combat which bourgeoisie first in Russia and then elsewhere must start if they are to survive, and which still has the potentiality, despite all the dangers, to lead to the development of revolutionary consciousness. Certainly the prognosis for workers in the sectarian and nationalist bastions of Eastern Europe, especially in the balkans isn't good - but in that things are little different from the period of the last revolutionary wave. The proletariat of Russia has yet to enter the stage of struggle against a bourgeoisie of a collapsing economy forced to attack them. And of course we are not speaking solely of Russia. The situation in Russia isn't some isolated occurrence, peculiar to Stalinism, or to the State Capitalist bloc, but a manifestation of a World Recession, a World Crisis. Just as in the last revolutionary wave it was the weakest who went to the wall first, so too it has been this time around. But it won't stop there. The West faces essentially the same crisis, its turn is due - all the indicators are there that they too face the abyss.

In such circumstances it is vital that the milieu as a whole faces up to these issues and engages in the process of clarification for us all and for our class so that when the next phase comes we are ready. For our part we in the CBG seek to engage in the process of discussion and clarification which is urgently needed. We would extend an invitation to everyone else in the milieu to take part with us.

Ingram.

PUBLIC MEETING WITH THE CBG IN LONDON

The Upheavals on the International Imperialist Scene

As we have often said, the Fraction aims to have the widest contact with groups in the political milieu. Among them is the Communist Bulletin Group with whom we have continued the dialogue begun with our meeting in the summer of 1989 and reported in IP15. This dialogue has been fruitful in enabling our two groups to appreciate each other's positions and analyses.

In continuity with our concerns to maintain such contacts with other groups and to open our continuing discussions to the milieu, our two groups held a joint public meeting in London entitled 'The Eastern Bloc: The Middle East - Scene-Shifting on the Imperialist World Stage'. Obviously, the subjects are extremely important for the revolutionary milieu which has wrestled with the problems generated by these events - unfortunately, often ending up with demonstrations of theoretical weakness. It was hoped to provide a forum for the expression not only of the positions of organisations but also of the minority positions. The Fraction has been prominent in systematically exposing its own minority positions and we hoped, along with the CBG, to further the effort of opening up internal debate to the outside and to encourage other revolutionary groups to do the same.

In the event, as well as the organising groups, there were also present members of World Revolution, the British section of the International Communist Current, and of Subversion. This brief article aims to describe and comment on some of the main issues posed.

THE PRESENTATIONS

The meeting opened with presentations by both groups. The Fraction outlined the main lines of its analyses of the development of the crisis in the Eastern bloc as presented in IP17 and then linked the weakened position of Russia to the unbridled, aggressive posture by the US in the Gulf. Because we are devoting so much space to these matters elsewhere in this issue of IP, we shall not repeat ourselves here.

The CBG presentation has been written up and is printed at the end of this article, and poses questions many of which are being discussed throughout the milieu. It describes in particular the various problems which have been confronting the Russian ruling class - such as the depth of the crisis in the Eastern Bloc, the steady erosion of Russia's global position to the benefit of the United States, the failure of any mechanism so far tried to turn the situation round to any

degree. While there are many insights within this text, there is also a weakness running through its whole structure: the CBG poses a substantial number of questions but leaves so many of them open. For example, it is unclear as to whether they regard the Russian bloc as having totally disappeared or not.

As a result, it is difficult to see where the CBG stands, as a group, on many questions. They are quite correct to point to the complexity of the present situation, and they do differentiate themselves clearly from certain key positions of other organisations (such as the ICC's theory of social decomposition - more of which later). This tendency to pose and then hold open many questions stems from a reluctance to take positions, as an organisation, unless the current situation is posing an immediate and burning question. The CBG has a positive desire to encourage the diversity of views which always emerges in discussion on such a complex reality, but they push this to a fault. They do not see that in taking a position an organisation can also be assisting discussion both within itself and within the milieu as a whole. In our view, the Fraction's efforts over the discussion of the Eastern bloc has been helped by doing just this, and readers can judge for themselves by examining recent issues of IP.

THE DISCUSSION

The key issues focussed on in the discussion were: the state of the blocs today; if they have collapsed, could new ones be constituted?; the present position of the major classes and the theory of social decomposition.

In considering the state of the Eastern Bloc there was frequent use of the word "collapse". But, as we pointed out, if this word was used, then it was necessary to be clear on what was meant. For us, while the Warsaw Pact was defunct as a fighting force, the Bloc had by no means disappeared. There were many intricate economic, political and statal ties between the different constituents of the USSR, and between the countries of Eastern Europe and Russia. There are gradations in the relations between Russia and the various countries: East Germany has been integrated into the West; Poland, Hungary and Czechoslovakia now have a considerable latitude; Bulgaria less so; the Baltic states are still completely under the Russian thumb. For the CBG, the Russian bloc no longer exists; Russia is still intact, however, but events have been greatly to the advantage of the West.

For the ICC, however, not only the Russian bloc but Russia itself has ceased to exist. For them, Russia is history. In coming to this view, the ICC has taken an evident centrifugal tendency in today's situation as having already reached one possible conclusion. And if there are indications of 'collapse' in the Eastern Bloc, what of the West? Here the ICC resorts to a truly breathtaking idealism. For them, the Western bloc is disintegrating because "this is implied by the disappearance of its rival", as they pithily explain in International Review 62. For evidence, they pointed to what they saw to be only the fiction of unity of the western forces in the Gulf. They described tensions between the various countries - which undoubtedly exist - and saw only fragility in the alliance. However, we reminded them that there has never been any bloc or alliance of capitalist states which has not been riven by internal tensions. Again we see the ICC taking an aspect of a situation and magnifying it out of all realistic proportion to support their theory. We pointed out that there were centripetal forces too: the military and the KGB which together constitute a binding force for Russia. Even

the nationalist movements - which do have a centrifugal aspect - are a force to deflect the discontent of the working class and therefore play a role in strengthening the state.

The ICC argued that with both blocs disappearing it would nonetheless be possible for new formations to appear. They cited as historical precedence the situation in 1945 where the old blocs (the Allied and Axis powers) disappeared - the Axis being crushed, and Russia splitting away from the other allies - and new blocs (American and Russian) were set up. We pointed out the over-simplifications in this picture: the 'blocs' before 1945 and the 'blocs' after 1945 were not the same creatures at all. Those before the war were, essentially, just wartime alliances. After 1945, the blocs were set up to integrate military and economic capabilities of the countries within each bloc under the hegemony of a single power to confront globally their respective military adversaries. The post-1945 blocs organised between them most of the world economy.

However, the ICC interventions seem to contradict the analysis in International Review 62 which argues that the present conditions of capitalism have not only caused the present blocs to disintegrate, but are preventing the formation of new blocs with the possibility of eliminating altogether the perspective for world war.

There was a substantial amount of discussion on the ICC's new theory in which a new process of social decomposition is strengthening since history has supposedly reached some sort of an impasse in which neither the bourgeoisie nor the working class has been able to impose its solution on the crisis. This new theory, extensively described in their

press (International Review 62), was taken up by the ICC members at the meeting but without being argued at any profound level - such as the effect on the process of production, on the relations of production, etc - as one would expect of any theory purporting to be a development of marxism. Instead we were beseeched to recognise the terrible state of the world - drugs, alienation, rainforest destruction, holes in the ozone layer, etc - an appeal whose emotional high points were presented by an ex-member of the ICC who hopes to rejoin soon. Our insistence that, however horrible these problems were in human terms, they were still only symptoms of capitalist decadence which had been there for many years and their worsening in recent years had not introduced a new force in the situation between the classes. To this the erstwhile apostate, now aspiring novitiate, countered by saying we did not understand dialectics and that the increase in quantity (of social and environmental decay) had led to a change in quality and therefore it did amount to a new force in the situation. And that was that: essentially, no-one else sees what a bad shape the world is in.

There was some discussion about the publication of debates. The ICC ridiculed the publication of majority and minority texts by the Fraction and cited as an example the publication of a minority resolution on Eastern Europe in IP17 which said that German reunification inside NATO was impossible; they pointed out that this very event was going to take place only some days after the public meeting. This highlighted the difference in approach between our organisations. The publication of that minority resolution (of April 1990) was, for the Fraction, part of the process of marking milestones in the development of a debate. Although, as a revolutionary organisation, it is essential to have a position on major events it is also essential to ensure debate continues, to show when views change and how positions develop. The Fraction has done this, and explained when minority positions have become majority positions, how the composition of the majority and minority have changed, and to admit when mistakes have been made. At the meeting, FD, the author of this resolution, said that he recognised he had made a mistake on Germany; unlike the ICC he was open about acknowledging it - it was the ICC which acts dishonestly by not explaining why it changes its positions. He pointed out that the ICC militants were now talking of the disintegration of the blocs and the constitution of a third imperialist force, a complete turnaround on their past views - such as ten years ago when it was defended by the group Pour Une Intervention Communiste they had argued strongly against it.

Frankly, the discussion overall was disappointing. There was little sense of 'urgency' over events in the Gulf despite the possibility - raised explicitly - that a major conflict in the area might be imminent.

Presentation by the CBG

How Far Will the Collapse of the Eastern Bloc Go?

It is not my intention in this presentation to present a fully fleshed out answer to the many questions which the events of the past year or so, particularly in the Russian Empire have raised. No one who claims to have all the answers to events which raise so many questions for the proletarian milieu can expect to be taken seriously, especially organisations whose track record of getting things right is as poor as some. However at the other extreme surely it is now impossible for anyone to assert that nothing much is really happening, or that even if something dramatic **is** happening there are questions which should not be asked as to do so would call into question understandings deemed fundamental to our theoretical underpinnings. This presentation will attempt to outline the questions which world events this past couple of years positively forces upon us.

Since 1968 capitalism has been forced into more and more desperate measures to stave off economic recession and collapse. In the west the enormous extension of credit mechanisms in the Seventies, lasted until the early 80s. Then came a policy of retrenchment which turned the screws on the 'third world'; now deemed weaknesses rather than strengths, forcing entire continents into desperate pauperisation, starvation and economic misery. Africa in particular was left to rot and, in general finance to support tottering regimes was cut to the bone while the inexorable march of fiscal pressures forced them deeper and deeper into debt.

To a great extent this was successful for the West, given that the economic plight of the east was such that it was unable to move into the gaps. The years of stagnation under Breznev, as they are now called in Moscow, were a time when the ills of stalinist state capitalism, one arm of world capitalism, not some alien aberrant growth on the world economy, deepened to an extent hitherto unknown.

Externally the Russian bourgeoisie was forced to reassess control of its empire. The peripheral zones were the first to be abandoned as net wasters of scarce resources. Only those which had a nuisance value to the US were held onto, Cuba and Nicaragua in the Americas, Ethiopia in East Africa, Vietnam in East Asia. Support for such as Mozambique, Angola etc collapsed and drove these war

shattered economies to seek support from the west, a west which was offering its own possessions only the spectre of bankruptcy unless investment could immediately produce a profit

At the same time the US, under Reagan, dramatically upped the military stakes, intervening in Afghanistan via its proxy Pakistan and surging ahead in the arms race. This merely exacerbated the Russian economic disaster as the latter strove to keep up until by the middle of the Eighties the Soviet economy was on the verge of collapse. Even the most hidebound sectors of the Russian bourgeoisie were forced to admit that new policies were needed to stave off collapse. Most importantly the KBG, the state organ most in touch with reality in the Russian empire through its enormous network of informers, but which had hitherto been the organ most resistant to change, now, perceiving the extent of the crisis, put its enormous weight behind Gorbachov and his policies. (see our text in Bulletin 12. "What is Gorbachov Up To In Russia?")

The reasons thus for the policies of Perestroika and Glasnost are unmistakable. The depth of the economic crisis in the E Bloc is so profound the ruling class is inextricably caught between a rock and a hard place. Carrying on in the old way had become impossible. The military option - either total global war aimed at the destruction of the American bloc, or a limited drive for physical control of the industrial heartlands of W Europe to bring about a profound strengthening of the E Bloc - was, temporarily, at least, ruled out as too risky by them. Perestroika was the only remaining option. Its purposes were:

- a restructuring of the economy.
- a drastic cutback in the pace of the arms race.
- a cheaper "political" method of controlling the satellites.
- the hope of economic aid from the west.
- an influx of superior technology from the west.

In other words we are looking at something which is entirely familiar to us when we observe the bourgeoisie confronting economic crisis. If they cant respond by making their competitors pay for the crisis - either by

economic dominance of the market place, or naked military victory on the battlefield - the only choice left is to confront their "internal" enemies - 1) their own citizens (primarily though not entirely, the working class - 2) their imperialist puppets.

However in assessing the success or failure of their policies it is crucial that we distinguish between what they think they are doing, what they intend, their reasons for doing what they are doing and what **has really happened** as a result. The two need not be the same and any assessment of the trajectory of the Russian Economy and political empire will be sadly at fault if it fails to realise the feebleness of the Russian bourgeoisie's grip on the events it triggered.

By this stage in the process it is clear that Gorbachov's "gamble" is failing on a dramatic scale. Although perestroika was CONSCIOUSLY embarked upon it almost immediately unleashed uncontrollable forces. Gorbachov grabbed a tiger by the tail. The notion that each step was foreseen and planned up to and including the breakup of the Warsaw Pact (as a plan to destabilise NATO) is simply untenable. Despite his skill in extracting what advantage he could at each stage - vis a vis his own position within the soviet ruling Class, and in diplomatic relations with the west - Gorbachov had essentially lost control at a very early stage. The end result has been on every level a massive retreat for the Soviet bloc. Perhaps the most profound defeat possible outside of a defeat in all out war.

Defeat in the Empire

We can see the defeat most clearly precisely in the area where the implementation of perestroika is most advanced in the Empire. The intention was to cut the costs of empire by (i) Thatcherising the economies of the satellites in order to transform them from an economic drain into areas of profit and (ii) change the nature of the Russian hegemony from physical control dependant upon the hugely expensive, gigantic armies of occupation to a more western form depending on economic and political leverage plus the THREAT of the military. Hungary and Poland was the test bed and the successful integration of Solidarnosc - a political institution which could control the forces of civil unrest, both in the working and professional classes - into the Polish ruling structure without apparently threatening Russian control, was the signal for Gorbachov to implement the Polish model throughout the satellites. (see our text in Bulletin 14 "Poland and Hungary: Capitalism's Way Out in the East")

However events did not follow the Polish model. Whenever it became clear that Russia would not militarily support the existing regimes, the entire legitimacy of the ruling structures collapsed and along with them went

Russian hegemony. Instead of the emergence of political elements and institutions which could simultaneously undertake the restructuring of the economies and the control of the working and middle classes whilst remaining broadly under Russian control, within a single year the Warsaw Pact was functionally KAPUT.

This was NOT the intention. This is a profound defeat for the Russian bourgeoisie. Short of their military recapture this process is irreversible. Whatever economic and political leverage remains to Russia will inexorably be overwhelmed by the more advanced and economically stronger West. That after all was the point of the Iron curtain and the standing armies of occupation. Clearly we're still at an early stage in the process, but we can ask how far the process of political, economic and military integration into the western bloc will go. The short answer is - as far as the West wants it to because Russia can only stop it militarily. Even if that were to be attempted and the West acquiesced in it what would be the point for Russia? They've already decided that the old way was untenable, how could they go back to it, especially in circumstances which are now much more unfavourable than they were even a year ago? A military re-occupation of the satellites could only make sense as a drive for all of Western Europe - in other words for WW3.

What other sort of leverage is left for Russia? Economic leverage, although not non-existent given the huge size of the economy, will eventually be steam rolled aside by the West. Political leverage? We should be clear that for the internal politics of the former satellites - the destruction of Russian hegemony is total. The Communist Parties are totally discredited and destroyed. Certainly many of the same personnel, even many of the same institutions filled with the same personnel, still lie at the heart of the ruling structures (eg the secret police etc.). After all the state has not been overthrown in these satellites. But it has been transformed. The political and economic programme which defined it has disappeared. In particular they don't have any credible reasons for fighting for alignment with the E Bloc.

Therefore integration into the west is largely at the behest of the west. How far it goes depends to a large extent on the economic potential and capacities. Does the west have sufficient resources to transform the east? Is there sufficient potential in this process to reverse or at least slow down the global economic crisis? Our best answer seems to be that the potential is severely limited. The third world has proven incapable of transformation, why should the E Bloc be any different? The special circumstances of E Germany might just make something dramatic possible - but for the rest, little enclaves

of development seems to be the only hope - a factory here, investment there, cash crops instead of subsistence farming, raw material exports etc. Will this deepen the global crisis or give it a breathing space. The answer probably is - we don't know, although we're fairly certain that it cannot be the basis for a new cycle of accumulation a la post-war reconstruction. When one looks at the sheer volume of capital which would be required to even make a start at renewing the industrial infrastructure of even one country, East Germany it is difficult to imagine that a Western economy, itself on the brink of recession, will be able to fund such structural changes without any prospect of profit for a decade at least.

Back in the USSR

The other area where we can clearly see the defeat of the Russian Empire is inside the USSR itself. Here despite extended and successful manoeuvring by Gorbachov inside the ruling bloc over the past five years, the process of Perestroika has hardly started. There are two major reasons for this. The first is the state of the Party itself. Despite Gorbachov's bureaucratic successes over the past five years the Party machine, (the state machine) has proven enormously resistant to change. They simply won't give up their power, their petty empires and the whole way of working which it depends upon. The tensions within the Party are so acute that disintegration seems very likely. Whither Party hegemony then? Can the Party survive in Russia? Already the peripheral Republics are busy ousting the imposed governments from Moscow for in addition to the difficulties of implementing the economic reforms, the departure of the satellites has had a direct echo within the USSR itself with nationalist and ethnic tensions reaching such a pitch that the retreat from the Warsaw pact to the borders of the USSR looks likely (possible) to continue to the borders of Russia itself. This process is finding a direct political echo within the Party itself with the Yeltsin wing arguing directly for the acceleration to save Russia the 'cost' of subsidising the Baltic States etc. How far can this process be allowed to go without threatening the rule of the CP?

And that leads to the second major reason for the tardiness of perestroika in the USSR. Absolute fear of the working class. The consequences of confronting a working class already pauperised by Western standards, with an almost unthinkable deepening of that pauperisation, without the various softening mechanisms that are provided in the West by surplus fat and a greater sophistication on the part of the ruling class (TUs etc.) has been almost terminally daunting. Asking the party elites in the satellites to do it is one thing, but tackling it themselves in the motherland was something else altogether. For one thing the ability to cobble together institutions like Solidarnosc, and graft them

onto the State machine is much less in Russia. Apart from anything else the lessons of the past year are stark. Any attempt to dilute or disguise party rule is likely to lead very quickly to the demise of the Party.

Obviously the virtual collapse of the Russian Empire has had an enormous impact upon the balance of force between the blocs, as well as raising both strategic political and theoretical questions for the proletarian milieu. The virtual abandonment of the world stage by the Russian bourgeoisie and in particular from the third world has allowed the US to attempt to exert its hegemony unimpeded by any riposte from Russia or by any threat from those regimes on the margins between the blocs. Though they may not have all been in accordance with the US schedule it is NO ACCIDENT that the three areas where the reassembly of US hegemony is farthest advanced and where it has been most eager to play 'up front' have been Nicaragua and the Caribbean, the Indian sub continent and the Gulf three key areas where in the past the USSR has had a key presence and where states have been able to utilise their position to oscillate between the blocs, vying for favours from both.

In the first the loss of Russian financial and economic backup to the Sandanista regime and US pressure led swiftly to complete economic collapse and an election giving the result Bush wanted. In India and Iraq we see two players who for years, due to their size, location and resources, while unable to play an independent role, have been able to offer themselves like a common whore to whoever of the blocs was able to pay most. With one customer gone the other, like any pimp, has been able to come the hard man and coerce compliance. Thus we see Pakistan's army, having disposed of the nuisance of Bhutto, being used as enforcer on the political swamp that is the Indian political scene, turning up the heat over Kashmir, doing US bidding just as it did in Afghanistan.

In Iraq, at the very limit of the US locus of power in the Middle East we see a bourgeoisie who, because of the volatile, yet vital to the US, situation there has been able to play an oscillating role. Support from Russia, offers to take on the Shah's role against Iran etc. Now after years of war with a crippled economy and huge debts there was no Russia to turn to in order to force the US to help. With no need, as it saw it, to bail out Saddam Hussein, whatever his sacrifices in America's contest with Iran, the American bourgeoisie, itself facing economic problems unprecedented for over a decade left him to rot. For all its sacrifices in the Gulf War Iraq had ended up in a far worse situation than it had been in before the war. However Iraq still had an army. And so it struck out. While this may or may not have been a surprise to the US this was immediately seized upon by Bush as a golden opportunity to openly impose US hegemony in the new, post Cold War, world.

Questions

The events of the past few years have been more significant than any that have occurred in our lifetimes. These events have presented us with a whole range of different questions which we must attempt to answer if we are to make sense of the future for ourselves and our class, questions which must be seriously approached. The events of the past three or so years are unparalleled in our personal experience and we must accept that real questions which we must seriously address collectively as a milieu now stare us in the face. We can neither allow ourselves the luxury of thinking we know all the answers and that the instantaneous production of an elaborate new world vision is already completed or that nothing much has really happened so that many of the questions now being posed do not need to be addressed at all.

At the risk of repeating some of what I have already said in the presentation here are some of the questions we must address.

First there are questions about the Gulf. However we regard the abilities of the US in the "post cold war era" will the US take this opportunity of demonstrating its new perceived global hegemony by whipping Iraq into line, by force if necessary. For me it seems unlikely that all that hardware and manpower has, with infinite patience and expense, been lifted to the Gulf just to come home again a few months later having accomplished nothing - unused. Whatever the political consequences of war for Bush the consequences of such a miserable failure would be even greater. For me therefore the questions is not whether war but when, and with what effects in the Middle east and beyond given the possibility of nuclear and chemical warfare on a grand scale.

There are the questions about Russia's former empire in Eastern Europe. First of all can these economies survive? As we've said above their integration into the west which is what they want will only proceed as and when the west wants it to. But it appears extremely unlikely that this can proceed in any determined fashion. Quite simply the costs would be staggering. Even East Germany is going to be a nightmare for West Germany to swallow. Certainly there will be private investment where a profit can be turned, a pepper potting of industrial and commercial involvements all over the east but to transform an infrastructure quite literally decades out of date and crumbling is going to take the kind of capital investment that not even the West, and a West facing the prospect of recession itself, can afford. The East German telephone network alone is reported as needing £80 BILLION to upgrade it. No private investors, no state, can afford that scale of expenditure without some level of return that doesn't demand waiting a decade or two.

It has been argued that there are existing economic links with Russia which will remain. Well certainly there are existing economic links, but for how much longer? Recently the Czech government asked the EEC to lend £53million to Russia so that Gorbachov could buy the Czech washing machines etc that they couldn't sell to the West since they were out of date etc. This, they argued, would allow the Czechs to get the money they so badly need to upgrade these industries so that they would be able to then sell the same types of machinery in the west. Russia has nothing to buy with and in any case has enough problems at home. The countries of Eastern Europe want only to gear themselves up to join the west. The only way Russia could regain its empire there would be by military might and it was precisely the uselessness of that type of control which began the whole process of perestroika in the first place. To send back the troops now would not merely be a tremendous admission of failure. It would at best reproduce the intolerable situation Gorbachov sought to escape from in the first place. At worst it would unleash a Pandora's box of conflict and war.

There are questions we must ask about Russia.

1. Can perestroika be made to work? If we can see that it hasn't even been attempted thus far it is difficult to see how any planned programme can be attempted in a situation which just gets worse and worse with the potential for even greater social dislocation if it is.

2. It has been argued that rather than waiting for the domestic situation to clear before 'moving to the market' Gorbachov is waiting for western capital and technology, using Eastern Europe as a bargaining chip with the prospect of some form of alliance with his western backers esp. Germany. But given the kind of resources Germany will have to shell out to sustain East Germany it is difficult to see when the scale of finance he needs will ever be available. And the longer it takes the worse his domestic situation gets.

3. This brings us to the real question. Will the collapse of the empire stop at the borders of the USSR. Will Russia survive at all and if so as what? The nationalities are already revolting though the extent to which they can ape Eastern Europe is debatable. More importantly whether perestroika is attempted or not the economic situation in Russia continues to deteriorate at a frightening pace. Even within the bourgeoisie there are large sectors whose power will disappear if changes are made and who as yet fail to realise the same will happen, but more catastrophically, if **nothing** is done. They constitute, within the heart of the ruling class, a mass who would have to be eliminated. In such a situation where the bourgeoisie itself seems divided can the CPSU survive as a state bourgeoisie? Certainly to

some extent the competition and rivalry between sections of the bourgeoisie at a political level are fronts designed to test out political strategies and Gorbachov has a history of allowing opponents to raise their heads above the parapets so as to make it easier to chop them off, but recent events in the heart of Russia itself would appear to be leading to not merely economic disintegration but political disintegration too.

There are Global questions.

Starkly we have to ask whether what we have seen is the US winning World War Three without fighting the Russians? Further, can it, on the strength of this victory (if that is what it is) slow down the world recession it is entering, reorganise the world in hegemonic fashion and 'save' capitalism for a while longer. The Gulf seems to have been one of the first attempts to reshape the world but the difficulties economically and politically, at home and abroad, that Bush is having would seem to suggest that the disappearance from the world stage of the Russian bloc hasn't eliminated all the structural problems the US faces.

There are questions about Class potential both in the East in the wake of the collapse and in the West. Clearly the impending pauperisation and decay of social and political institutions in the east is likely to mobilise the proletariat into some form of activity. On the other hand the barriers hindering the class from moving onto its own terrain are formidable. Ethnic forces, nationalism and domestic mystifications are probably more powerful than ever. Democratic mystifications are rife even to the extent that Thatcherite Britain is seen as some form of perfection. This last may be unlikely to last long since their bankruptcy will be exposed wherever they come to power and implement the policies they are based upon. However the other elements are likely to be much more destructive to class consciousness. Most significantly for assessing potentialities for the class the complete lack of a revolutionary presence, of a revolutionary tradition or awareness must weigh very heavily on the proletariat and make the prospects for the future at best unclear. Certainly mass class upheavals, huge levels of militancy are possible but the lack of any awareness of a revolutionary alternative is likely to be crucial. Revolutionary consciousness and action do not spring from militancy alone no matter how deep and widespread. A growth and development of consciousness and of revolutionary fractions is essential. This cannot happen overnight.

Most fundamentally there are questions about the theoretical analyses which have underpinned the understanding of the revolutionary milieu of capitalism in its decadent period.

What then is left of the two bloc system? Is Russia being reduced to just another player,



and an economically bankrupt one at that. Will one or more rivals emerge from a realignment of alliances either in the Pacific and/or in Europe? What then are the prospects for World War Three? It seems perverse to argue that what we are experiencing is merely a sharpening up process by Russia for WW3. There is no question that the bourgeoisie themselves believe that WW3 is not on the agenda. The diminution of inter imperialist tensions between the blocs is genuine. Arms cuts are taking place. If a future global war between the blocs is to take place its contours are certainly not yet clear. Fundamentally the possibility of new blocs emerging or of the US extending its hegemony over the world depends on its ability to do so. Given the march to recession has it the time and resources to attempt this and to succeed? Have the potential members of any new bloc the same? If the US were to see some part of its empire threaten to break with them and, possibly in conjunction with Russia form an opponent would the US just sit back and let it happen. Surely it would move to prevent this. What better time than before the new bloc forms to nip it in the bud. On the other hand the demise of Russian hegemony has laid the basis for political and economic chaos of such depth that a period of smaller scale conflagrations looks eminently possible with nationalism, ethnic violence, religious forces, both within states and between states, having the potential to spark into military confrontation. In E Europe in particular there is a real possibility of such confrontation spilling over into the West.

War or Revolution? If we have seen one bloc collapse without a war and the threat of war between the blocs postponed at least for a time does this mean that the development of capitalism in decadence and the collapse of a bloc actually prevents war breaking out? How do we now assess the possibilities, the opportunities for capitalist states after such events? What has the fact that one of the two blocs dominating the world has collapsed done to our assessment of the future of capitalism? Socialism or barbarism? Or the collapse of a bloc and the reconstitution of blocs or the world wide hegemony of one bloc? What has the collapse of Russia done to the possibilities of capitalist reconstruction. Can the 'peace dividend' allow the US to stave off collapse

or are we seeing a US bloc on the same tramlines as the Russian but a few years only behind on the journey to collapse? Essentially what is the future now for the capitalist class and the proletariat and to what extent do we have to re-examine our theoretical bases in the light of what has happened. We cannot stick our heads in the sand, as I said earlier, pretending that nothing has fundamentally changed. Nor can we throw everything out the window in exchange for completely new analyses without explaining why what we have abandoned has been abandoned and why what we have now asserted stands up to scrutiny. At one end to say that nothing fundamental has happened, Russia is merely reorganising in order to return to the world stage stronger than ever seems to deny a reality that is staring us in the face. At the other the bizarre notion that, as one writer has put it, "sex and drugs and rock and roll" have finally doomed the world do not seem to be based on any rational analysis based upon marxism, more on the fertile imaginings of senile dementia.

A Preliminary Attempt at Assessing What Has Happened.

We are faced with the paradox that what has occurred has, in a very real sense, been a culmination of two trends/situations that many of us in the milieu have been attempting to grapple with for over a decade. On the one hand, some of us within the milieu have, since the Seventies, been arguing that one of the contradictions which face a capitalist world order faced with crisis, with the collapse of profitability, is that, as its situation gets worse it needs increasingly to gear itself up for its solution to the crisis, global war, the militarisation and pauperisation of labour etc. Of course this doesn't mean it cannot start a war tomorrow but Global World war isn't any old war, it necessitates the complete transformation of society, its militarisation so that the entire state is organised for production to sustain the war. Though it can carry out the preliminary stages of such preparation, the development of technologies necessary etc this reorganisation cannot be accomplished without the pauperisation and militarisation of the proletariat. This can only be achieved by the defeat of the proletariat on a political and ideological level by means of, in effect, a frontal attack on their living standards, organisation etc. It **must** carry out this attack successfully before economic collapse renders it impotent. However the bourgeoisie faces the contradiction that its ability to confront the class in increasingly compromised by the very decline in economic etc., situation which necessitates the attack in the first place. A declining economic, political and military strength tend to fatally weaken the state as it needs greater and greater surpluses to spend on military preparations, greater political control to mobilise its slaves both at home and in its empire, and greater military might with which to fight the opposing bloc with any chance of winning.

The collapse of the Russian Empire is in many ways a stark vindication of this assessment. Economically bankrupt the Russian Empire has seen its military machine starve for lack of capital, its empire disintegrate as it became more and more unable to afford to dominate it either economically or militarily. At home it has seen its grip on the populace weaken substantially in the face of shortages to the extent that its attempts to mobilise for defence, if it were necessary, would be a catastrophic failure and its attempts at economic reform have faltered in the face of the threat of class action.

On the other hand the CEG, amongst others, have written at length in the past decade about the historically unprecedented situation both the working class and its communist fractions find themselves in. Cut off in a historically unprecedented manner from their own history and from each other with little if any tradition of conscious class struggle not encompassed by bourgeois forces and controlled by bourgeois organisations the working class is unable to respond in any other than a defensive manner to attacks by the bourgeoisie. It is, as yet, due to the lack of any tradition in living memory, to pose any positive alternative to a society which is visibly crumbling around it. When we look at the proletariat of Eastern Europe and especially that of Russia we can very plainly see the truth of this.

What we have in effect seen therefore in the collapse of the Russian Bloc has been the verification of both these analyses. What we failed to do was to realise the effect of each on the other and both on the trajectory of decadent capitalism in crisis. Looking at Russia now we see a bourgeoisie unable now to implement its historic solution to the crisis (whatever options were or were not available pre-1989) AND unable in any positive active manner to agree on attacking the working class to save itself, a bourgeoisie terrified of the potentiality of class response to any policy that would lead to further immiseration. But at the same time the option of "doing nothing" does not stop the march to destruction. Doing nothing will not stop the collapse. The very fact of economic collapse, developing under its own steam, is even now pauperising the proletariat and leading irrevocably to a situation where the potentiality for a class response can concretise. Whether the Russian bourgeoisie implements its plans or not matters not one whit anymore. Both will have the same result, an attack on the living standards of the proletariat in Russia, a proletariat which has yet to demonstrate the extent of its combativity. The proletariat in Russia have certainly not been defeated, whatever the situation of their brothers in Eastern Europe and it is this fact which, as I have said, has been the major reason for the Russian bourgeoisie's unwillingness to attack them frontally. Each hesitant approach to

CONTINUED ON PAGE 21

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. There are no "socialist countries!" 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.