Trotskyist International

April/July 1992
No8 £2.00



The break up of the USSR

Cracks in the "new world order"

Indigenism in Latin America

Fighting the rise of the far right in Europe

English language journal of the League for a Revolutionary Communist International

Dave Hughes memorial fund

After the tragic death of our comrade Dave Hughes in August 1991 the LRCI launched a Memorial Fund for work in the USSR/CIS. Since then we have received donations totalling £1,722.

With this cash we have been able to provide much needed resources for our work in the former USSR. The money has been used to finance regular extended visits by LRCI comrades to strengthen the work in the CIS. We have produced two issues of a Russian paper, *Rabochaya Vlast*, and have sold hundreds of copies each issue.

The *Trotskyist Manifesto*, programme of the LRCI, has been translated into Russian and published as a pamphlet. We are selling these as quickly as we have printed them and have plans for further print runs.

The money has enabled us to plan an ambitious programme of translation of our theoretical material into Russian, essential if we are to help overcome the ideological confusion that pervades the Russian working class and radical left. With this material we hope to produce a regular journal as a complement to a series of leaflets and news-sheets with which to intervene in the political ferment within the CIS.

In February the LRCI held its first public meeting in Moscow – a debate with the Federation of Revolutionary Anarchists.

With our small forces we have been able to play a part in initiating united front demonstrations, holding joint meetings and giving out leaflets to raise a voice of protest against Yeltsin which is not tainted with Stalinism, nationalism and chauvinism.

All of this means we continue to need money. We believe it is proof of our seriousness as a revolutionary organisation that, unlike many, we have not simply sat back analysing the collapse of Stalinism in the USSR. We are determined to intervene. We have trained comrades in languages, organised a permanent presence, and demanded self-sacrifice from our militants in order to carry out this work.

In this task we continue to be inspired by the example of Dave Hughes, who devoted much of his time as a revolutionary militant to analysing Stalinism and the political situation in the USSR. He learned to speak and read Russian and used these skills to exploit every chink in the armour of Brezhnevite Stalinism in order to make contact with the Russian left wing opposition, and to disseminate Trotskyist literature.



Despite the current ascendancy of the capitalist restorationists and the growth of nationalism in the CIS, there are great opportunities for genuine Trotskyism. The LRCI is determined to make the most of these opportunities, but that will take considerable material, as well as political, resources. Our intervention is the most fitting tribute possible to Dave Hughes, and we urge you to support us in this work through further donations to the Dave Hughes Memorial Fund.

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Trotskyist International

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Trotskyist International is printed and published by the International Secretariat of the League for a Revolutionary Communist International, BCM 7750, London WC1N 3XX, England ● Cover printed by Red Type, London (Tel: 071 703 4229) ● ISSN 0953 - 7554 ● © LRCI 1992



Subscription rates (three issues): Britain: £8 (individuals) £12 (institutions) Overseas: £11 (individuals) £20 (institutions) ● Make cheques payable to Trotskyist International

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Foreword

Regular readers will notice that with this issue *Trotskyist International* changes its format. With this change we will be shifting the balance of our international coverage. A series of shorter international articles will open the magazine, updating readers with the League's analysis of current events and providing an insight into the work of the League's sections.

Longer feature articles will serve to elaborate our programme on the key struggles of the period and thereby contribute to re-orienting the class vanguard. An essential part of this latter task, carried over from previous issues of *Trotskyist International*, will be polemical encounters with others on the international left.

Trotskyist International will no longer play the role of a journal of record, but rather concentrate on providing a searching analysis and guide to action for the most pressing struggles of the exploited and oppressed.

Readers accustomed to finding all the resolutions and theses of the LRCI in the pages of *Trotskyist International* will now have to refer to a new publication, available in more limited numbers on subscription, called *Trotskyist Bulletin*. The English edition is priced at £1.50 and includes material not published or only published in part elsewhere.

The first issue, available from May, includes the full Action Programme for the Confederation of Independent States, printed in Russia in February this year. ●

Irish abortion provokes new

By Bernadette Mulligan of the Irish

All issues concerning sexuality are political dynamite in Ireland, but none more so than abortion. This February saw the biggest ever demonstration in Ireland on abortion – 15,000 people came onto the streets of Dublin in protest against an injunction preventing a fourteen year old rape victim from travelling to Britain for an abortion.

Opposition had risen as the young woman announced her intention to commit suicide rather than carry the pregnancy to full term. Pickets of hundreds took place outside government buildings every day. "Get your rosaries off our ovaries" demanded placard holders – who rightly projected their anger onto the right wing Catholic bigots who continually resist every attempt to liberalise Irish society.

Official figures suggest that over 4,000 women travel to Britain for abortions each year. Since many of them give false information the real figure is nearer to 7,000. This means twenty or more vulnerable and panic-stricken women are forced to make this journey each day. They have to make the journey in secrecy, often alone and terribly afraid.

But even so, none of the legal restrictions have stopped many women from seeking abortions. They have just increased the harsh conditions, and restricted the access for those women who have neither the money nor the contacts to gain information about abortions in Britain.

In 1983, although abortion was already a crime under an act of 1861, pro-life campaigners succeeded in getting right to life of the unborn foetus enshrined in an eighth amendment to the Irish Constitution. In doing so they were determined to prevent the possible future legalisation of abortion, especially stemming from European integration.

In an extraordinary somersault, the Irish Supreme Court not only removed the injunction preventing the girl who had been raped from travelling to Britain, but effectively legalised abortion facilities in Ireland in narrowly defined circumstances. The Court ruled that termination was lawful where a real and substantial threat to the *life* of the woman existed, as in the case of a threatened suicide. Ironically, this is a result of the amendment itself, which gives an equal right to life of the foetus *and* the mother.

It is now inevitable that the government will introduce legislation on the subject. It has already been forced to concede to the European Court of Human Rights that it must make information on abortion available in certain circumstances – a reversal of the strict interpretation of the Constitution which up to now has made it illegal to distribute any information on abortion.

An immediate problem faces women seeking abortions, however. In an extremely contentious non-binding aside three of the five Supreme Court judges insisted that, in general, the right to travel must be subordinated to the right to life of the unborn.

This result forced the new prime minister Reynolds to walk a tightrope between the power of the Catholic church and the liberal urban constituency where his party has been steadily losing support. In order to maintain the general prohibition on abortion while ensuring that women could travel to Britain, he desperately needed to get around the Supreme Court opposition to travelling for an abortion without having to repeal the anti-abortion constitutional provision.

However, his government had, just three months previously, got all the EC governments to put a specific protection for Ireland's anti-abortion constitution into the Maastricht Treaty for European Union. This ensures that no European law can overrule Ireland's anti-abortion provision nor could a victim appeal to any European court! Reynolds pleaded with EC governments to amend Ireland's anti-abortion Maastricht Protocol to allow Irish citizens to appeal to the European court for the right to travel and get information about abortion in other EC countries. But the EC were determined to allow no re-opening of debate on any aspect of the Maastricht treaty, in the very real fear that the whole scheme could quickly unravel.

To the outrage of the fundamentalists, Reynolds announced on 8 April that he would instead hold a referendum in Ireland to make sure that the right to travel could not be limited by the Eighth Amendment, and to allow access to abortion information – but subject to regulation. If he had not taken this step, the Maastricht Treaty itself, which will be put to popular referendum in Ireland in June, could be jeopardised by a strange coalition of economic nationalists, military neutralists, and both pro-choice and anti-abortion activists! That, more than anything, terrifies the Irish ruling class which depends utterly on EC funds.

Objectively, however, the proposed referendum would strengthen the hypocrisy of banning abortion in Ireland while allowing women to have abortions abroad. Most likely, it will also continue to deny women adequate information and counselling. Both his referendum and the Maastricht Protocol will thus strengthen the anti-abortion Eighth Amendment!

Activists, feminists and the left debated the basis for the new Repeal the Eighth Amendment Campaign at a conference on International Women's Day which attracted 120 participants. The massive demonstrations against the initial injunction followed by the Supreme Court ruling raise the immediate question of how to take forward the struggle for abortion rights in Ire-

law struggle

Workers Group

land. The opportunity for pushing forward and gaining real abortion rights and facilities is clearly present. Even before the ruling a cabinet minister had conceded the inevitability of abortion in Ireland.

Yet the IWG was the only organisation present to put forward a motion committing the campaign to fighting for free and legal abortion on demand. In the vote which followed we were supported only by Militant and the anarchist Workers Solidarity Movement who, however, refuse to publicly fight for this position. As for Militant, it limits itself to the call for "abortion facilities" in its propaganda – without detailing under what conditions they would be available and avoiding the thornier subject of abortion on demand.

The Socialist Workers' Movement (SWM, sister group of Tony Cliff's SWP in Britain) combined with Peoples Democracy (USFI) to defeat our call. The SWM counterposed the vague slogan "for information and choice", stressing repeatedly that this did not mean a woman's right to choose! Peoples' Democracy took an even more conservative approach, trailing, as usual, behind the trade unionist and feminist elements who advocated a minimum line of reform.

The present situation remains one where, for the vast majority of Irish women, abortions are not available without money to travel, and cause unnecessary trauma. Even this is now threatened and depends upon legal rulings on the relative merits of the right to travel and the right to life of the foetus. This situation is intolerable and the campaign for free abortion on demand must be launched now.

So far, the opportunist consensus of the government and opposition parties has stood firm against fundamentalist demands for the new referendum to tighten the anti-abortion article and thus to overthrow the Supreme Court concession. If the government produces legislation to implement the Supreme Court ruling then the Society for the Protection of the Unborn Child (SPUC) is likely to turn to militant actions. A SPUC spokesperson has already argued that any suicidal women seeking abortion could be "protected against themselves" by committal to hospital.

This and other intemperate remarks by the more rabid wing of the movement have evoked widespread contempt, and create the opportunity for re-mobilising the thousands who clearly supported abortion rights when they demonstrated in February this year.

- Repeal the Eighth Amendment and the 1861 Act
- Demand that every EC government drop the Maastricht Protocol
- For state funded abortion counselling and after-care facilities
- For free access to abortion counselling and information
- For a woman's right to choose
- Free, safe and legal abortion on demand

Cuba – break the blockade

by Clare Heath

Last December the Soviet Union stopped all deliveries of oil to Cuba. Even before Yeltsin came to power in August Cuba had only received about 34% of its agreed supplies of all goods for 1991 from the ex-USSR. With this latest blow "the worst of economic situations" – to use Castro's words – had arrived.

On top of the existing collapse in output (5% in 1990 and a further 10% in 1991) Cuba has to contend with an even worse year in prospect. Its economy has been totally dependent on its favoured trade status with the USSR and Eastern Europe, the GDR in particular. The downfall of Stalinism there has led to the end of economic assistance for this isolated state.

As recently as 1989 Cuba received about $4.1 billion a year in various forms of economic support from the USSR. Eighty per cent of its external trade was with the USSR. The essential form of the subsidy was a two-way unequal exchange: Moscow guaranteed to buy sugar from Cuba well above the world price, and sold it oil at well below the market price. Cuba even re-sold some oil at market prices for hard currency.

Without this arrangement Cuba cannot import the food, oil and manufactured goods it needs; nor maintain the welfare and education provisions that for so long have marked

Cuba off from the impoverished semi-colonies of Latin America and the Caribbean.

The USA has never reconciled itself to the existence of this tiny degenerate workers' state ninety miles from Miami. It supported a failed military intervention in 1961 and has blockaded the island of ten million ever since. Cuba is a thorn in the USA's side, one which has inspired oppositional currents elsewhere in Uncle Sam's backyard and for years gave the USSR a diplomatic and military weapon in the region.

Following the imperialist successes chalked up through the invasion of Panama and the election defeat of the Sandinistas in Nicaragua, US State Department official Margaret Tutwaler said "Two down, one to go". Bush is doing everything to ensure the US blockade is even tighter. In early March Bush told Cuban-Americans in Florida that, "the world has run out of patience with Fidel Castro . . . when Castro falls, as inevitably he will, we will be ready to reaffirm our friendship and instantly help in the reconstruction of a free and democratic Cuba."

The restoration of capitalism in Cuba with the return of these parasitic exiles would be a massive blow for the masses of the whole region

The Cuba Democracy Act passed by Congress punishes foreign firms, countries or ships that do business with Cuba; even US subsidiaries abroad are forbidden from trading with Cuba. Three-quarters of the trade that does take place is in food and medicine.

And just to keep the pressure on Castro, in the last months of 1991 marine numbers were strengthened at the USA's Guantanemo military base, where it has maintained a militarised enclave on the island since 1903. There have also been 45 illegal overflights of Cuba and invasion exercises at Fort Chafee base in the USA.

In response Castro has decided to batten down the hatches. Recognising the impact of events in Eastern Europe, the Cuban regime tried, from late 1989, to avert disaster. A major new food programme was launched to make Cuba self sufficient in food by the mid-1990s.

This programme included plans to make the region of Havana self-sufficient in food in order to cut down on the energy required for transportation and to mobilise the urban workforce into food production brigades. "Volunteer" brigades now work on the farms, or are used to cultivate any open land in and around the city itself. The hard currency crisis, however, means that imported fertilisers and animal feeds are in short supply. The lack of fertiliser is also reducing the yield of existing crops, leading to a failure to meet the expansion targets.

The average diet of a Cuban family already consists of little more than rice and eggs with the occasional chicken. Nevertheless, rationing of basic foodstuffs, already stringent in 1991, will have to increase further. The plans for self-sufficiency are also in jeopardy as they are dependent on increasing productivity in agriculture through irrigation and improved technology, but the lack of oil has undermined the production and distribution of such technologies. State energy consumption is being cut to 50% of its 1980s levels; oxen are replacing tractors and Chinese bikes do service in lieu of motorised traffic.

However, as well as Castro's ruthless "siege economy" – centralisation of resources and suppression of market forces – there are attempts to increase hard currency earnings. These include new trade links (especially with Spain and the EC) and foreign investment in the form of joint ventures including in oil exploration.

One of the largest sectors for this development is hard currency earning tourism, which is seen as a potential saviour. Tourism to Cuba has already increased by 10% a year since 1985 and there are plans to extend it still further.

This strategy will not succeed. The food situation may temporarily stabilise through emergency measures but it will prove impossible to underwrite the level of welfare provisions for long. Without external assistance they are bound to deteriorate. Education and health provision will join housing as a crisis sector, undermining morale and support for Castro. The masses remain rightly hostile to US aggression, and therefore have not launched a big resistance to the austerity packages. But as food becomes more scarce and the regime's demands for Stakhanovite working increase, opposition the regime will grow.

The tourist industry has itself fuelled the ubiquitous black market and created a form of "tourist apartheid" in which construction, luxury goods and even food supplies are channelled to meet the needs of the tourists while the local population look on from their position of increasing poverty.

Castro has recognised the dangers of a growing opposition and has clamped down hard on dissidents and black marketeers, whilst at the same time promising some form of parliamentary elections within the year. Like the early Gorbachev, he is refusing to countenance any "multi-party democracy", but if elections are held it will demonstrate the divisions within the party and may provide a lightning rod for the resentment of the masses.

Unlike Gorbachev and the bureaucrats in Eastern Europe, however, Castro continues to have considerable support due to his leadership of the popular revolution of 1959. Additionally, the tempting vision of social democratic prosperity, used to seduce the masses of Eastern Europe into a pro-market stance, is clouded in Cuba. Cubans have the much closer images of Haiti and other Caribbean states, for whom the "choice of the market" is nakedly displayed as US exploitation and the acute pauperisation of the masses.

Bush feels he has time on his side. Having, temporarily at least, rejected a military intervention he hopes that the greater the austerity enforced on the population, the greater the opposition will be. The White House is waiting in the wings with a ready made Cuban-American bourgeoisie all set to march in if Castro's will to resist collapses or he is ousted in a palace coup from within the bureaucracy.

The restoration of capitalism in Cuba with the return of these parasitic exiles would be a massive blow for the masses of the whole region. It is ur-

gent that all anti-imperialists, socialists and revolutionaries come to its aid. Many will rightly be repelled by the crushing political dictatorship that Castro and his Stalinist bureaucracy exercises over the Cuban people. Even Castro supporters abroad understand it is becoming more and more self-defeating as the masses' resentment increases.

A huge network of paid informers exists to spy on the Cuban people and help preserve the ruling caste from attack. Castro bans gay men from holding membership of the Communist Party. He locks up all people found to be HIV positive. Proletarian democracy amounts to little more than the right to choose whether to listen or switch off when Castro makes another three hour indictment of US imperialism. None of these measures are a result of some recent emergency; they are the stock in trade of all Stalinist dictatorships since Stalin took out the patent nearly seventy years ago.

Socialists should not apologise for these facets of Cuban life nor should Cuban workers renounce their struggle to overthrow them and Castro. External assistance is vital to the future prospects of the Cuban people. Only a revolutionary workers' government which seeks to incite and organise the oppressed and exploited in the main centres of imperialist support in South America could produce results that would give Cuba a point of external support.

The politics and economics of isolation is a doomsday scenario, "socialism in one country" reduced to farce. Castro's methods will be unable to resist the imperialist offensive. Continued and increasing hardship for the masses will lead to demoralisation and defeat. The only prospect for defending the gains is for the masses to overthrow Castro's regime and immediately set out to internationalise the revolution.

But today none of this should stand in the way of coming to the defence of Cuba against an enemy that will not give the Cuban people any more democracy than Panama experienced after the removal of Noriega.

The labour movement internationally must come to the aid of the Cuban masses and demand an end to the blockade – trade and aid without strings! We must demand an end to economic and military harassment, US troops out of Guantanemo!

Immediately, resolutions defending Cuba and demanding an end to the siege must be raised in all labour movement and anti-imperialist organisations. Travel restrictions must be lifted. Solidarity Committees must be formed with delegates from workers' and anti-imperialist organisations. They should immediately build demonstrations and pickets of US embassies.

The blockade must be broken through direct action of the workers and peasants both in the west and in Latin America. ●

Poland falters on the road to the market

by Martin Suchanek

One year ago Poland seemed to be moving rapidly towards a capitalist economy. The Bielecki government, put in power in January 1991, was pressing ahead with macro-economic restorationist measures and most of the legislative framework for institutional and property ownership changes had been drafted and was being debated. The central planning ministries had been dismantled and the monopoly of foreign trade broken up.

Compared to the high inflation of 1990, resulting from the price rises unleashed by the Big Bang of January that year, inflation was brought under some control in early 1991, even though it was at the cost of a huge depression which caused a collapse of state industrial output of 35% over the 1989 levels.

Approaching the October elections of last year, Poland had over 1.3 million private enterprises employing around two million workers. The retail and wholesale system and most of the trucking and construction industry were quickly put into private hands.

In June 1991, banking reforms were being legislated which, if implemented, would have broken up the state monopoly of the banking system. By changing the form of ownership of the banks and by putting the extension of credit to the enterprises on an essentially commercial footing:

". . . the last co-ordinating links of the plan [would be] broken and the enterprises converted into state capitalist trusts." [1]

The government's intentions were plain:

"Credit, hitherto made available at negative interest rates, became expensive, and, not only would enterprises raise prices, but they would shed excess labour and become more effective in the process." [2]

Despite breaking up the central instruments of physical resource allocation, the banks had, even after the

Big Bang, extended credits to the state enterprises without proof of credit worthiness; moreover, inter-enterprise credit was given in the same way. All this led to rising state debt but not to the hoped for bankruptcies and commercialisation of the survivors.

If wish were father to the deed then Poland would indeed be capitalist by now. However, the plans met with strong resistance from within the enterprises and, in addition, the objective economic impact of pursuing a firm pro-capitalist policy under the present conditions of economic slump caused a slow down in their implementation.

Given the huge size and weight of some of the loss-making state enterprises – calculated to be at least 40% of the 8,500[3] – then effecting one bankruptcy would have had a drastic chain reaction of further closures, particularly given the state of inter-enterprise credit.

This has made the central bank wary of wiping out swathes of potentially profitable businesses which might, in time, be nursed through an effective re-structuring programme.

In many cases the new legislation has simply not been applied. For example, in July 1991 the Ursus tractor plant in Warsaw admitted to being unable to pay its 23,000 workers any more. But, as the German bosses journal, *Die Zeit*, ruefully complained:

"Ursus had already been bankrupt for months and the state credit bank knew that. Nevertheless, the plant got its credits again to pay the wages and a dividend to the state."[4]

The London *Financial Times* commented:

"In order to free up resources, many of these enterprises need to be closed. Instead they have gone on to accumulate losses which have been financed by collusion with other enterprises in a similar position." [5]

The main reason for the exasperated cries of the pro-bourgeois forces, is the pressure that the self-management works' councils and the trade unions are exerting on the plant management. As one government minister observed:

"Suddenly, we have a triangle in the factory; firstly, the self-management, secondly, the trade unions – two or three of them – and thirdly a director, who is influenced by the ministries – but only a little, he is under pressure from all sides." [6]

The defensive posture of the unions and the councils has also ensured that the June 1991 privatisation and foreign investment plans have run into the sands. They envisaged the commercialisation (i.e. conversion into state capitalist trusts) or privatisation of 4,000 enterprises in the following year, giving 70% of the new capital stock to the population. This was resisted by the workforce since it would have involved the complete loss of their rights inherited from the reforms of the early 1980s.

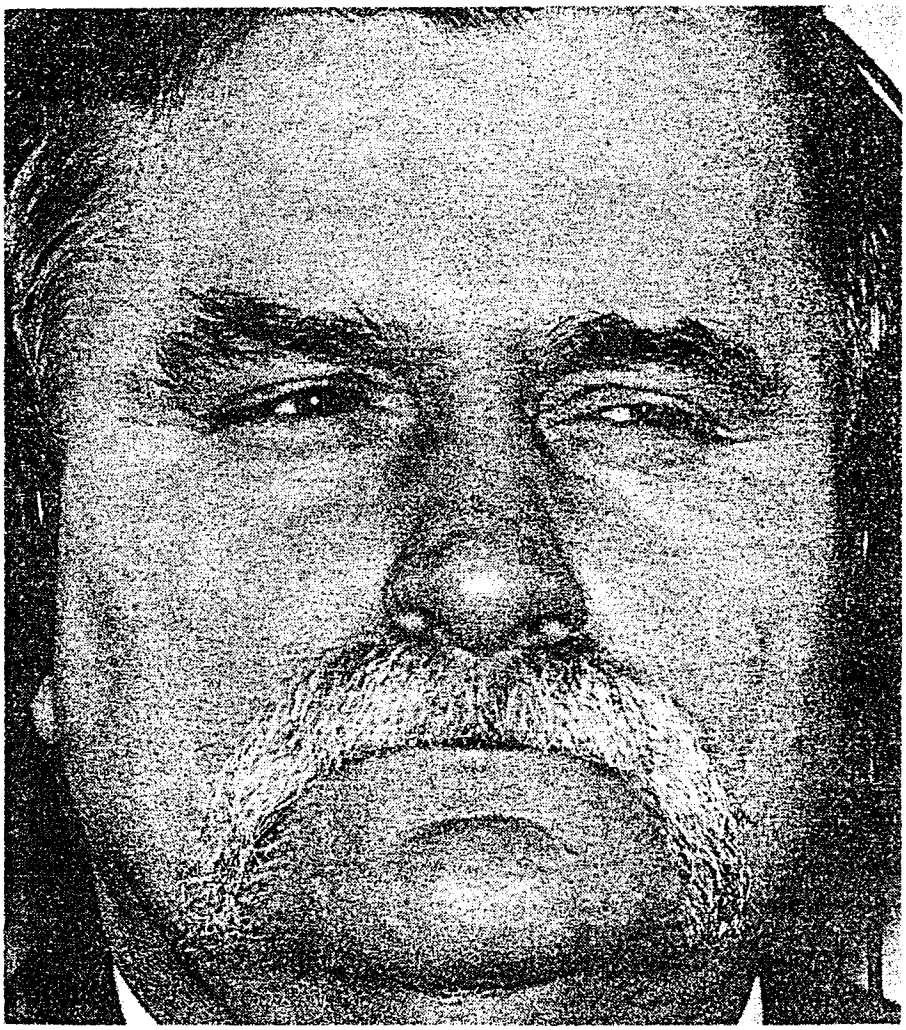
This fact has not escaped the potential imperialist investors and the number of new investors has declined. Jacek Korpola, the head of the Capital Privatisation Department of the Ministry for Ownership Changes, confessed recently:

"In 1991, for instance, I had several foreigners wanting to see me everyday. Recently, I am sorry to say, there have not been any. No new investors are showing up at the ministry."[7]

All the problems for the restorationists were compounded by the results of the October 1991 general election. The pre-election campaign and the results showed that the restorationist forces lack a popular mass base and the new parliament has produced such a kaleidoscope of parties and interest groups that there is no stable majority to support the government's plan.

In the first place, only 42% of the population decided to vote, so disillusioned had they become with the results of a 22 month experiment of which they were the chief victim. No party got more than 12.2% of the vote and virtually all of them made capital by attacking the record of the Bielecki government.

The resulting paralysis of the government, which has seen the Sejm fail to approve most of its measures, has led to calls for more authority to be taken by Walesa and his Bonapartist presidential office. The truth is that even he fears that he lacks the social



LECH WALESA – PONDERING A BONAPARTIST SOLUTION?

base upon which to force through measures against the inertia of a Sejm paralysed by the competing political forces sitting on its benches. Walesa was unable to get his favoured Bielecki to form another government after October.

Months of political manoeuvring followed before Jan Olszewski formed a government based mainly on the Centre Alliance and the far right Christian National Union. The best Walesa has been able to achieve is to get his favoured candidate – Gronkiewicz – appointed to the Head of the National Bank of Poland.

Olszewski has sworn to succeed where others have failed. In mid-March, he was successful in placating the IMF, which had been so dismayed by Poland's slow progress towards capitalism that it withdrew its extended loan facility until the government proved itself to be serious about controlling the state's budget deficit. This has been spiralling out of control again because of a failure to cap credit and to be sufficiently ruthless in savaging welfare. The new budget – itself involving a projected deficit of £2.8 billion – implies massive cuts in health and welfare spending.

But this is only the initial skirmish. First he has to get it through the Sejm in April where it will encounter the usual unholy opposition of those who think it is too soft and those who think it is too hard. Beyond that it will have to break the resistance of the Polish workers.

On the one side, the workers have shown distinct signs of a revival in combativeness since late last year. On the other, the Olszewski government has publicly recognised the need to tackle the root cause of failure of the march to the market. As Minister for Privatisation, Januez Lewandowskii, said last October, "We have overestimated macro-economic measures and underestimated institutional reforms."[8]

The new cabinet has called for the setting up of a Polish Treuhand[9] to push through privatisation and Olszewski has been reported as calling for special powers for his cabinet to rule by decree.[10] If he succeeds where others have failed, and smashes the obstacles to such commercialisation and ownership changes, then capitalism would be restored in Poland.

But the workers are no push over. In the October elections the Democratic Left Alliance – the only bourgeois workers' party in Poland today – secured the second largest bloc of seats (fifty) and performed best in working class districts, for example in Lodz and Sosnowiec where they polled 20%. This itself was complemented by a revival of trade union militancy.

There have been many strikes in Poland against privatisation. Earlier this year the 26,000 workers at Nova Huta successfully forced the government to continue and increase credits to expand steel production. More importantly, there was solidarity action for the Nova Huta workers from other sections and their success sparked off protests elsewhere, for example at the Reszow aircraft factory.

Each one of these strikes is a blow to the government's plans to jack up unemployment further from its present 2.3 million (11%) through privatisation and liquidation.

To build on these successes and reverse the present direction towards capitalism, the Polish workers need in the short term to forge trade union unity between the three big federations. The OPZZ with four to six million, Solidarity with about two and a half million and Solidarity 80 with 250,000 must be brought together. The biggest obstacle is their respective trade union bureaucracies who fear what power this would lead to.

Rank and file strike committees, forged from below across the unions as in the case of the Nova Huta strike, show the way forward. Such actions can develop the political maturity not just to strike at the isolated consequences of this or that price rise – as was the case with the Solidarnosc called general strike on 13 January; but rather to generalise their protests and to put the whole government programme into reverse.

To guarantee this outcome and prevent further fragmentation or, worse, the growth of far right forces like the KPN, the workers need to forge a Trotskyist party that can lead the fight against restoration and towards the establishment of a workers' government based on workers' councils and its own armed power. ●

NOTES

1 "Poland's Transition to Capitalism", in *Permanent Revolution* 9, London 1991, p?
2 S Willisz, "The Lessons of Economic Reform: The Polish Case", in *Journal of International Affairs,* University of Colombia, Summer 1991, p178
3 See *Financial Times*, 18 February 1992
4 *Die Zeit*, 18 October 1991
5 *Financial Times*, 21 January 1992
6 Jerzy Kleer, quoted in *Die Zeit*, 1 November 1991
7 *Warsaw Voice*, 1 March 1992
8 Quoted in *Die Zeit*, 18 October 1991
9 The body set up in the former GDR to supervise the transition to capitalism
10 See *Frankfurter Rundschau*, 8 February 1992

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Peru suffers second Fuji-shock

by Anibal Robles of Poder Obrero (Peru)

On 6 April Peruvians awoke to find that President Albert Fujimori had surrounded Lima with tanks, placed leaders of other parties under house arrest and effectively got rid of the parliament.

By this constitutional coup Fujimori aims to rid himself of all obstacles in the way of his pro-IMF policies. Elected as president in mid-1990, Fujimori's first act was to steal the neo-liberal policies of his defeated right wing opponent, Mario Vargas Llosa.

This represented a break with the earlier preferred model of economic development, that of import substitution in which the development of a prosperous internal market was seen as central, and required state intervention to control key sectors of production. It was rejected in favour of a liberal privatising model which destroyed the internal market in the search for a place in the world market.

According to this neo-liberal model, the state plays no important role in the economy. It is private companies – national or foreign – which decide the direction of a country's economy. Consequently, tariff barriers are lowered, permitting an influx of cheap foreign goods which help destroy national production.

In the first year of office Fujimori treated the workers and poor peasants to his infamous "Fuji-shock" (see *Trotskyist International 6*) with devastating results for incomes and employment. A huge mushrooming of the informal economy occurred. Late last year Lima was officially recognised as having the highest cost of living in the Americas.

While the Peruvian masses are suffering badly, with sections of the ruling class smarting under the impact of neo-liberalism, the World Bank is fulsome in its praise for Fujimori. In February this year they wrote:

"In a period of only eight months the government has strongly reduced tariffs, eliminated most of its non-tariff barriers, suppressed export subsidies and disbanded its agency for the control of foreign trade."

Last December Fujimori administered another few thousand volts through Peruvian society. He announced 126 decrees which amounted to a thorough liberalisation and privatisation of the economy, and the militarisation of society, with massively increased powers for the central state.

In relation to the economy the decrees create conditions for the privatisation of all possible sectors. Agricultural land, the subsoil, the land above and below the mines, the highways, the post and telecommunications, state colleges, the streets, public services – nothing is free from the grasp of the privatisers.

Decree 674 declares domestic or foreign private investment in state companies to be in the "national interest", hence entire economic sectors such as mining will pass out of the hands of the state.

Agriculture has also been liberalised by Decree 653, which will permit a new concentration of land. Many peasants will be obliged to mortgage or sell their land in order to pay off debts, giving a handful of agrarian bourgeois the opportunity to monopolise it. Agro-businesses will then produce for sale abroad rather than for the impoverished masses of Peru.

Not content with selling off industries for the benefit of the exploiters, Fujimori is intent on attacking state services such as health, education and pensions. He aims to rent public schools to the private sector and allow them to charge the students.

The infamous Law for Promoting Employment aims to eliminate fundamental gains of the working class such as the eight hour day. The new system permits the day to be "more" or "less" than eight hours, allowing bosses to employ workers on the basis that they work 15-16 hours without recognition of overtime.

Job security will also be undermined. Now a worker can be expelled under any pretext – such as not being "loyal to one's boss"! Fujimori has also liquidated the system of "co-management" that was established under Velasco, which allowed for workers' participation in the board of directors.

The continuing war between the state and Sendero Luminoso, which claimed a further 3,200 lives in 1991, has been used to introduce a massive programme militarising society. Decree 743, the Law for Defending the National System, places all military forces under the direction of the president.

The armed forces are allowed to enter the universities; already in the central national universities the army patrols the campuses and checks every student on entering. They can take over the education system in any region subject to a state of emergency and they can repress strikes and occupations with a free hand.

The army also has the power to enter into the jails. By this measure new massacres are being prepared such as those carried out against 300 Sendero Luminoso prisoners in El Fronton jail in 1986.

Under a state of emergency Fujimori can conscript anyone and make them serve the state for as long as is deemed necessary. The only exceptions to this will be the sons and daughters of the wealthy who can pay a fee to evade the call-up.

Decree 746, the Law on National Intelligence, has created a new reactionary organisation equivalent to a ministry, which aspires to a Gestapo-like role. Members of this organisation will be given identity cards authorising entry anywhere on demand without requiring any official warrant. People will be obliged to give them access to any information they ask for.

The essential elective Presidential dictatorship that lay behind a thin veil of bourgeois democracy was fully revealed by Fujimori's coup. The bourgeois politicians may suffer house arrest but the left could lose their lives. The armed forces and the special squads are able to assassinate trade unionists with impunity, in the name of the defence of "democracy".

The pathetic charade of bourgeois democracy was exposed by the tussle between the President and the Congress over these decrees. Fujimori's party, Cambio 90, only has a minority in Congress. The other bourgeois parties reflect the different pressures on other sectors of the Peruvian bourgeoisie who disagree with some of the decrees because they affect their interests and give Fujimori too many powers.

Congress approved a budget which the government says it would not implement because it implied too big a budget deficit. Congress also passed a law re-instating protectionism for agriculture – a sector in serious crisis. Then Congress voted to repeal ten of Fujimori's decrees. APRA and other oppositional parties threatened votes of censure against cabinet members. Fujimori has given his answer.

The initiative in responding to these measures was limited to the bourgeois parliamentary parties. But, even if Fujimori resurrects it in some sanitised form, Congress cannot be expected to help the workers. Yet it is both unfortunate and dangerous that neither the working class nor the popular masses responded to the demands of the situation. The miserable response from the reformist and centrist parties and the trade unions has left the movement in a state of paralysis which must be reversed.

To fight Fujimori's clamp-down Poder Obrero calls for a general strike against the coup. The workers must paralyse the present attempt to restrict even further the possible avenues of protest against the latest measures. Poder Obrero calls for the repeal of all these laws. We oppose all privatisations. We call for state enterprises to be placed under the control of the workers and users and for the expropriation of the big private enterprises. Only a planned socialist economy under the control of workers' and peasants' councils can lead us out of misery and backwardness.

Faced with any closures or auctioning off of enterprises, we call for occupations and state nationalisation under workers' control, without one penny compensation to the former owners.

We are against opening the economy up to the free market. We also refuse to march behind sectors of the industrial bourgeoisie, which calls for raising the tariffs – a policy which only pushes up the prices of household goods. We fight instead for a state monopoly of foreign trade.

Against the government's plans for starving the people, destroying past social gains and privatising state enterprises, we demand the repudiation of the foreign debt.

We call for all workers' organisations to combine in a united front committed to mobilising tens of thousands in the streets for a general strike.

To stop the repressive attack on democratic freedoms we call for mass direct action and the formation of workers' and popular *rondas* (patrols) and self-defence pickets.

When Parliament managed to stop some of the new laws a conflict of powers was generated. Fujimori stirred up a campaign in the barracks, and now the weak parliamentary regime has given way to a Bonapartist dictatorship.

In the face of conflicts among the judiciary, parliamentary and presidential powers, we maintain that all three are useless and corrupt. We call for the abolition of the presidency and the two chamber system, and for the election of a sovereign congress. The salaries of congress representatives should not exceed the average wage of a skilled worker. Representatives should serve for a maximum of one year, and be instantly recallable and accountable to the electors, popular assemblies and *cabildos* (local councils) whom they represent.

The essential elective Presidential dictatorship that lay behind a thin veil of bourgeois democracy was fully revealed by Fujimori's coup.

To fight for these alternatives we must build popular assemblies and local defence fronts, fighting committees and other organisations, with delegates elected and accountable to rank and file assemblies. They must fight for mass mobilisations and the building of workers' and popular councils. Our objective is to open the way to a new revolutionary situation and the creation of soviet-type organisations which can struggle for power and establish a workers' and peasants' government. ●



SENDERO LUMINOSO PRISONERS IN EL FRONTON PRISON

It is presidential election year in the USA and foreign policy is not prominent on the hustings. As Helen Watson explains, the gap between the USA's global political reach and its domestic economic and social decline cannot be bridged by campaign rhetoric.

Cracks in the "new

The end of the 1980s and the beginning of the 1990s witnessed a series of historic events unparalleled since the years immediately after the Second World War. In the forty intervening years US imperialism's entire foreign policy and system of military alliances was based on containing Soviet power and influence, and isolating the post-capitalist states created in Eastern Europe, Asia and the Caribbean. The collapse and disintegration first of the East European satellites and then the USSR itself, has sent huge shockwaves through both the surviving degenerate workers' states and the semi-colonial countries that looked to them for support.

Sensing impending victory in the Cold War, George Bush seized a uniquely favourable opportunity, when Iraq invaded Kuwait, to mobilise the support of almost the entire United Nations (UN) for his crushing of the strongest military power in the "Third World".

But with scarcely a moment for celebration the triumphant imperialist nations are now having to face fresh problems that victory has brought. Bush's "New World Order" is proving to be a new world disorder, as the new democratic and economically neo-liberal regimes of the disintegrating workers' states and semi-colonial world turn with expectant eyes and open hands to their imperialist paymasters.

On the other hand, for those who gained inspiration or material support from the bureaucratically ruled workers' states the future looks bleak indeed.

The continuing collapse of the degenerate workers' states has caused a corresponding collapse in the ideology that arose to support them – Stalinism. In itself this is nothing but a cause for rejoicing. But the deadly effects of what Trotsky called this "syphilis" within the labour movements of the world, linger on after its demise. The Stalinists stole the mantle of Marxism and Leninism. Now, with the collusion of the bourgeois propagandists, they claim the collapse of Stalinism to be the collapse of Marxism and of the idea that class struggle is the motor force of history. Communist society is proclaimed to be an exploded utopia, one that could only be realised as a hell on earth. Worse, Stalinism's hold has been broken only to be replaced by other reactionary ideologies and leaderships – petit bourgeois nationalism, religious fundamentalism, bourgeois populism.

And we are not only witnessing a sea change in ideas. Actual struggles around the world are being adversely affected by the renewed political strength of imperialism. The USA has recovered a degree of political influence it has not possessed since before the Vietnam War, or even since the Second World War. Able to use the UN almost as a sub-office of the State Department, the USA has been forcing through political deals that have sabotaged or aborted progressive struggles. The re-assertion of imperialist domination in the Middle East, the settlements in Kampuchea, Southern Africa and El Salvador all suggest that the balance of power

world order"

n the world has shifted massively in favour of the forces of reaction.

Yet strangely Bush's presidential campaign is extremely defensive. Why is he reluctant to trumpet his record as the man who humbled the "Butcher of Baghdad", who finally won the Cold War, who masterminded the ousting of the Sandinistas in Nicaragua and who is now turning the screws on Castro? The short answer is that the slump afflicting US capitalism has eroded the "feel good factor" amongst US voters. Victories for the New World Order have done nothing to stem the tide of urban decay and mounting social misery for those in whose name this order was proclaimed. The gap between global military omnipotence and political hegemony on the one hand, and domestic economic decline on the other cannot be bridged by windy campaign rhetoric.

What is "ordered" about this new world? In this decade of "virtual reality" simulation, as long as you keep the computer headset on you can believe the world has been restored to high summer in the "American Century". But take it off for a moment and Saddam is still butchering the Kurds from Baghdad, the Zionists are still bombing Lebanese villages, the towns and villages of Yugoslavia and the Caucasus are engulfed in the flames of pogrom and civil war while several countries in Africa and South Asia are in a state of collapse.

And what is "new" or inspiring about mass unemployment, falling incomes and faltering bourgeois democracies – the reality of life in Eastern Europe and the ex-USSR today?

A few years ago it seemed to Bush that, under a pliant and obedient Gorbachev, the USSR would be an invaluable ally in imposing the new US order on a reluctant world; Moscow had miraculously become part of the solution. Today, Yeltsin's Moscow is once more part of the problem.

While there is no denying the scale of the recent or impending defeats suffered by the working class, the USA is facing genuine difficulties in establishing total world hegemony. At present these difficulties flow, not so much from any subjective challenge to its rule, but from the disparity between its relative economic decline and its suddenly increased obligations as world arbitrator, world policeman and world banker. It is torn between its imperial obligation to fill the vacuum created by Stalinism's collapse and its doubtful ability to extend its system of semi-colonial regimes and imperialist alliances so as to guarantee both social stability and increased exploitation.

In the spring of 1992 the world economy remains in recession, nearly three years after the peak of the last recovery. That recovery began in 1983 after three years of the deepest post-war recession. During that recession the major imperialist countries were able to improve the relations of exploitation through mass sackings, relocation of invest-

ment and huge destruction of plant and machinery, including widespread closures.

But they simultaneously created a serious problem of profit realisation. This was symbolised by two things; the fact that OECD average real wages were stagnant throughout the 1980s and that Latin American and African markets were laid waste through debt repayment. The global recovery could only be sustained by massive reflation in the USA based on increasing debt. This then stimulated the upturn in the rest of the world. The consequent huge rise in government, corporate and consumer debt eventually choked off the recovery. Profits were squeezed by the rise in real interest rates caused by the debt explosion.

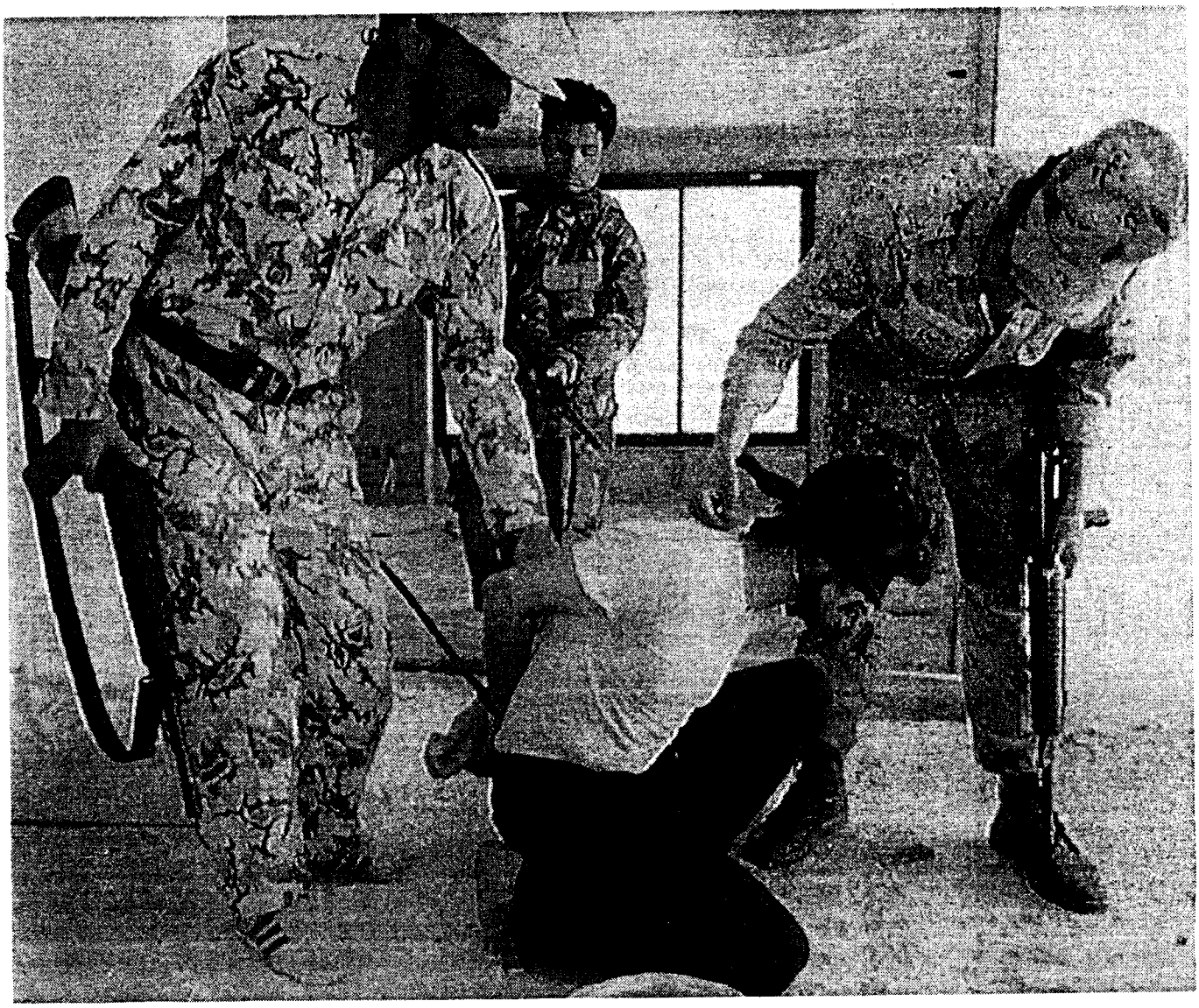
The current cyclical recession began in the USA, spread to Europe via the UK and by the end of 1991 embraced the whole EC. In 1991 Japan registered 4% growth, allowing the global recession to remain unsynchronised, with the OECD registering overall growth of 1%.

However, in the first quarter of 1992 the recession finally became synchronised and will remain so for at least the first half year of 1992. This is so for several reasons. First, there is little prospect of recovery from within either the USA or UK. The post-Gulf War stimulus to output in the USA was not sustained, and recession has taken a firm grip again as an unprecedented level of household and corporate debt continues to prevent a credit driven recovery despite low real interest rates.

Secondly, Germany's recession is likely to deepen in the first half of 1992. Its strict monetary policy, with high interest rates, is dictated by the need to control increasing production costs and a rising budget deficit. But this is squeezing profits and hence investment. Moreover, Germany's exports have been seriously affected by the collapse of demand in the North American and EC markets. In turn the German recession has – in the context of the dictatorship of the Deutschmark over the other EC countries – reacted back upon the other EC economies and strengthened their recessionary tendencies.

Thirdly, Japan's industrial sector is now in recession. By early 1992 attempts to prolong the cycle there through reflationary monetary policy were ineffective, with a slow but steady collapse of stock market assets in Japan back to the same level as five years ago. This has badly affected the ability of companies to borrow for business investment – always the engine of growth for Japanese capitalism.

Judged by the performance of industrial sectors rather



AN IRAQI SOLIDER IS INTRODUCED TO THE NEW ORDER OF THINGS IN KUWAIT CITY

than countries, the recession is in many ways worse and more generalised than in 1980-82. The pharmaceutical industry was the only one to register growth in 1991. Cars, steel and raw materials all continue to show over-production and over-capacity, as in 1980-82. But in addition, traditionally immune sectors such as aerospace/aviation and computers are in the throes of an unprecedented contraction in this recession.

The recession is shallower and longer than the last global downturn. But the shallow character of the recession is itself hampering recovery, especially as the rationalisation of the financial sector and the elimination of bad debt have not gone far enough to stimulate new investment or allowed interest rates low enough to substantially ease profit margins. Only a sustained assault on fixed costs – such as labour – within the OECD countries, or the widespread relocation of fixed capital (to Eastern Europe, the CIS, China and India) could provide a return to the rates of accumulation witnessed in the 1980s.

But this kind of strategic relocation of industry involves overcoming enormous class and state barriers and would take several years to effect. In the shorter term (the next one or two years) the prospects for a strong cyclical upturn and a decisive escape from the present stagnation would require at least a successful conclusion to the present GATT talks. For the last thirty years steady liberalisation of world trade has been vital to the boosting of production. But such a clear breakthrough for the USA against its more protectionist European and Japanese rivals is unlikely.

Nowadays GATT merely delays the rise of protectionism and bi-lateralism. The dominant trend is towards *de facto* protectionism between the regional blocs concomitant with the growing freedom of trade within them. Tearing down the semi-colonies' barriers to trade and investment will only party offset this since these countries do not represent anything but a small fraction of output, trade and investment flows.

The USA insists on maintaining its global political and military dominance and its right to act unilaterally and define the interests of the other imperialist powers. But the contradiction ticking away underneath this is that the USA does not have the economic power to sustain this global reach. Consequently, it relies upon economic support from Europe and Japan to carry out its role as world policeman. But this support can only ever be conditional on the interests of these blocs coinciding. There are important signals that, with the disappearance of the Soviet threat, this coincidence will not survive indefinitely.

The USA sought and willingly received assistance from Japan in the 1980s. Japan has filled the gap vacated by the USA in overseas aid. It has increased its defence budget and thus boosted the US defence industry, without enhancing Japan's regional military independence. In addition, Japan has liberalised its economy, reduced its trade surplus and covered much of the US budget deficits.

An end to the Japanese recession will not lead back to the traditional levels of growth and continued generosity towards the USA cannot be expected from the new Japanese Prime Minister. In the long term that is more likely to be an intensification of episodic trade frictions into trade wars and a recrudescence of protectionism.

In Europe the historic economic and political interests of the old imperialist powers repeatedly lead to clashes and present a major obstacle for the creation of a unified European independent state. While a central bank with sovereign power is a major step in that direction, control over armed forces is essential for a super state. But France and Britain, as nuclear powers with large independent forces, will not surrender these and risk German hegemony over them.

The sharpest contradiction lies in the relations between the USA and Europe, both in trading and also in the USA's military role. The likely course of development is towards a more protectionist Europe led by Germany, at the level of trade (agricultural tariffs etc) and increasingly frequent diplomatic disagreements (over theatres of conflict in the Eastern Europe, the CIS and the Middle East) The differences between Europe and the USA will deepen as the decade wears on.

These economic factors are frustrating the imperialists' plans to cash in on the opportunities presented by the collapse of Stalinism. The potential for imperialist exploitation of these vast new markets, areas rich in natural and human resources, is great. But before that can be achieved they have to successfully complete the process of restoring capitalism. This would be the most decisive defeat the world working class has suffered since the 1930s. Already imperialism has been massively strengthened on a world scale by the victory of restorationist forces within these states. But outside of the GDR the economic transition to capitalism remains incomplete.

The imperialist powers, separately and jointly, have found that they lack the depth and breadth of economic resources, that were needed for the post-Second World War Marshall Plan. That would require a massive investment plan to overthrow the planned economies and ensure their transition to a "mixed" (private and state capitalist) economy without major social conflict. The destruction of decrepit means of production, the dismantling of social gains, the rise in social inequality, the integration into the world market, the creation of viable bourgeois classes – all of these are necessary to the restoration of capitalism. But the fruits of such a catastrophic restoration will be revolutionary crises, internal national conflicts within the ex-Stalinist states and the intensification of imperialist rivalry over the spoils or who pays the bill.

A massive economic crisis will produce national and ethnic divisions in the former USSR as republics resort to the erection of new borders and customs barriers in rancorous disputes. This will hugely multiply the difficulties of imperialism gaining from the restoration process. In Yugoslavia and the Caucasus the process has already begun bringing in its train bitter fruits – reactionary civil war, pogroms and nationalist movements. These could be repeated on an even greater scale in the Ukraine, throughout the Caucasus, within the Russian Federation itself and in Central Asia. The instability caused by these conflicts poses a threat to the project of restoring capitalism with the passive consent of the working class.

The arming of broad sections of the masses through the nationalist militias will not produce confidence for inves-

tors. The imperialists will of course try to exploit the divisions created in this way. Instead of seeking to solve everything with a "Marshall Plan", they could well solve a few things by concentrating economic assistance on Poland, Czechoslovakia, Hungary and parts of the USSR, and play a containing game with the conflicts that will arise in the other countries. In the longer term a number of stable semi-colonies in Eastern Europe would be imperialism's best hope in stabilising the other, weaker, former workers' states.

Whilst the imperialists set their sights on the new markets of the former Stalinist states, they continue to face instability resulting from their exploitation of the existing semi-colonial world. The semi-colonial ruling class is more and more integrated into, and subordinated by, the world imperialist economic agencies – the World Bank and the IMF. In many semi-colonial countries their representatives, like the old imperialist proconsuls, rule on every important economic government proposal.

In general the imperialists have succeeded in imposing their favoured semi-colonial "model" (the Tigers of South East Asia) with open economies and close integration into the imperialist world market, on whole new areas of the semi-colonial world. Attempts at semi-autarkic and economically nationalist development in Latin America and Africa have been abandoned in the 1980s under the pressure of imperialism, and replaced with neo-liberal anti-statist strategies. State capitalist semi-colonies like Iraq or Libya are the exceptions today. In the 1990s India has joined the club of those abandoning long established state capitalist strategies.

Neo-liberal austerity programmes have temporarily halted the hyper-inflation that convulsed many semi-colonial countries in the mid and late-1980s but only by dramatically reducing the already desperate living conditions of the masses. The opening up of these economies to penetration by imperialist multinationals, has led to only limited and grossly uneven increase in investment. Rather than contributing to the general and rounded industrialisation of the semi-colonial nations, this penetration is key to maintaining their economic backwardness and political oppression.

The decisive question, settling the character of the next decade, will be the level of resistance put up by the exploited and oppressed. If imperialism is to come out of its decades long period of stagnation, escape its sharpening internecine contradictions and really impose a stable new world order, it can do so only by inflicting qualitatively more severe defeats on the masses, than it has succeeded in doing in previous years. But these successes are testimony to the absolute and fundamental crisis of leadership of the working class.

Massive class struggles marked the 1970s and the 1980s. But on a world scale the proletariat suffers a chronic crisis of leadership which has resulted in serious defeats for the working class over the last decade. The final destruction of the degenerated workers' states, if carried through to the restoration of capitalism, will be a historic defeat for the working class and victory for imperialism.

The collapse of world Stalinism is being used by bourgeois forces to discredit even the watered down "socialism" of state intervention into the economy. Traditional post-war social democracy was identified with high levels of state spending to subsidise ailing industries and to fund social welfare. The "triumphs" of free enterprise and the market world-wide and the disintegration of Stalinism are already pushing social democracy further and further to the right.

Moreover, both the break up of the USSR and the global capitalist recession have fuelled the growth of nationalism and racism. In Eastern Europe it marches under the banner of national freedom after decades of oppression under Stalinism. In Western Europe racism flourishes with every move towards European integration. Xenophobic fears that a European super-state will lead to loss of national identity have fed a poisonous hatred of all those outside the EC who may seek refuge within it after 1992.

In the USA we are witnessing a return to the "yellow peril" phobias directed against Japan, a mood carefully cultivated within the trade unions by ailing big business in the USA against the Japanese superior economic performance. There is a systematic growth of far right parties. This all breeds apace in the absence of a credible working class politics able to provide answers to the crisis.

In the major imperialist countries (USA, Britain, France, Italy and Japan) a decade of domestic economic or political defeat and retreat for the working class has left the open bourgeois parties strengthened and social democracy uninhibited in its right wing trajectory. The swift and decisive military victory in the Gulf has a profound domestic political significance in the USA. The exorcism of the "Vietnam syndrome" has made it much easier for the ruling class to justify the role of world policeman. War is no longer an unthinkable option. The anti-war and "anti-imperialist" movements in the USA will find opposition to these interventions objectively more difficult.

In Germany, the working class of the former DDR suffered a strategic defeat through capitalist reunification. This defeat had serious reactionary consequences for West German workers as well. Increased taxation and the creation of a larger reserve army of labour have worsened social conditions in the west and the conditions of struggle for all German trade unionists.

The workforce of the former DDR is now reduced to two thirds of its former strength and, despite some signs of resistance, is badly demoralised. However, although it is ideologically on the defensive too, this does not apply to west German workers. They are well organised and willing to defend the gains they have made in past decades. The German bourgeoisie must attack and destroy as many of these gains as possible. The 1990s will be a crucial decade for the German proletariat. If it does not struggle it will undoubtedly lose those economic and social gains.

The crisis of leadership is not only profound but is getting deeper. A common crisis of leadership is hampering workers' struggles in the Stalinist states and those of the workers and urban poor in South Africa, the Middle East and Latin America. Only the remaining strength of the imperialist economies allows their masters the luxury of not immediately launching an all out assault on the foundations of the working

class' post-war gains, instead continuing for the present along the road of sectional attacks. Unlike Latin America or the Stalinist states, the existing leaderships of the labour movement remain conservative and securely in place. Any profound deepening of recession in this cycle or the next will provoke resistance to them that could sweep them away. If this occurs then the crisis of leadership in the imperialist countries will become as acute as it is in the other "two sectors" of the world.

The present and approaching economic and political crises will force the radicalised masses to seek new leaderships. Although the demise of Stalinism is a blow, its collapse also represents the weakening and destruction of what are and were agents of the bourgeoisie within the workers' movement. The replacement of those agents by more demagogic and shallow rooted instruments of mass control holds grave dangers for the ruling class.

In weakening or destroying the reformist parties they are blocking up the safety valves for the anger of the exploited. They are ensuring that in the coming decades social explosions will be less predictable and less controllable. In this situation new combative layers will emerge, some of them from the rank and file of Stalinist, social democratic or petit bourgeois nationalist organisations.

For the next two years it is probable that all the major imperialist powers will be able to profit, politically and militarily, from the collapse of Stalinism. Institutions of global co-operation and conspiracy that bind imperialist countries close can hold together and even be strengthened in the next period, and so organise their work against the struggles of the oppressed.

However, the collapse of Stalinism, the state of the world economy and the wracked nature of the semi-colonies will, in the medium and long term, greatly intensify the contradictions between the major imperialist powers. Without the crisis of profitability at the heart of the system being resolved, any renewed general expansion of the productive forces can only come about at the expense of a huge increase in poverty and misery for the bulk of the world's population. This can only be done by inflicting a historic defeat on the proletariat, not only of countries like the USA and Britain, but by extending and deepening the successes achieved there to countries like Germany, Japan and a host of other imperialist and advanced semi-colonial countries.

A massive restoration of the rate of profit analogous to that achieved following the great depression and the Second World War could lay the basis for the penetration and exploitation of the CIS and China. This might then lead to a new prolonged upswing into the third millennium. But the obstacles to this "optimistic scenario" for world capitalism are enormous. Each of them is a major contradiction which will be the site of key struggles in the coming decade and beyond. The interaction of these contradictions, not the least of which is the class struggles of all the exploited and oppressed classes, can act back upon the stagnant and top heavy word economy to produce a major slump to rival previous ones.

Just such an intensification of conflicts, combined with a renewed imperialist offensive will pose the objective conditions in which the crisis of leadership can be solved. The growth and the explosion of fundamental objective economic and political contradictions will fissure and fragment this apparently all powerful neo-liberal conservative ideology. Already the greatest victories of neo-liberalism are behind it in Europe and North America. It has created huge majorities in Latin America with no stake in the system. It is about to be put to the test of fire in the degenerate workers' states.

In this situation the fundamental task for revolutionaries is to solve the crisis of proletarian leadership in order that the working class can benefit from the inevitable struggles ahead. The task is daunting but not without precedent. In the opening years of the First World War there appeared to be only a handful of internationalists on the planet as the Second International betrayed the working class.

Likewise Trotsky faced the triumph of Hitler and Stalin over a revolutionary proletarian movement millions upon millions strong, with only a tiny number of comrades by his side. It is part of the history and the nature of the revolutionary struggle against capitalism to see organisations, be they never so imposing, smashed and then rebuilt or replaced. Beginning again, but with the rich lessons of experience to guide us, is in the very nature of our already centuries long struggle against capitalism. We have to solve this crisis of leadership and we will do so.

A common crisis of leadership is hampering workers' struggles in the Stalinist states and those of the workers and urban poor in South Africa, the Middle East and Latin America.

But, of course, we will not do it alone, or in ignorance or defiance of the objective and subjective conditions which favour or retard it. We have entered a world historic revolutionary period in which all the relations inherited from the settlement at the end of the Second World War are being disrupted or destroyed. Those who clung to Stalinism, who developed illusions in it, will now either revile not only it but Marxism, Lenin and the October Revolution; or, inconsolable, they will sit and weep in the ashes and the ruins.

Tempered revolutionaries will scorn such an attitude. We recognise that the first few years of this new period have a negating, destructive, reactionary, even counter-revolutionary character. But the present events are sweeping away everything that is decayed, rotten and emptied of vital force within the movements of the oppressed and exploited. All past gains must be defended to the end. But their loss, if it occurs, is not the end of our struggle. We recognise the laws at work undermining today's victors even as they crush our past gains and past efforts underfoot.

For this destruction is clearing the ground for a new and profound period of struggles and for the crystallisation of a renewed revolutionary leadership. Capitalism cannot recover its youthful vigour. Neither its crises nor the class struggle will abate. On the contrary, a world arena for titanic struggles in the new millennium is being created by these very events. The LRCI is dedicated to preparing the leadership and the cadres that can respond to these events and to resolve the epoch long crisis of leadership. ●

At the end of March IMF Director Michel Camdessus commended Yeltsin for his "bold and comprehensive economic reform programme" launched on 2 January. IMF membership is Russia's prize. What reward the Russian peoples can expect from capitalism, Camdessus did not say. Keith Harvey surveys the restoration process and looks at the options for Yeltsin and his imperialist backers.

Russia's to ruin

During the second half of 1991 Russia entered onto the fast track of capitalist restoration. The open pro-imperialists, the republican nationalists, those members of the *nomenklatura* – symbolised by Yeltsin – who had plumped for capitalism in earlier years of *perestroika* now hold political power. To paraphrase Lenin in diametrically opposite circumstances, the task of the new bourgeois government is to accommodate the existing economic system to the future one in a series of progressively linked steps.

The transformation undertaken by Yeltsin has a complex pre-history in the reforms enacted under Gorbachev, and has many parallels with the situation in Eastern Europe. But events in Poland, Hungary and the CSSR since 1989 should provide a cautionary tale for Yeltsin and his advisors. Early "success" of stabilisation programmes in bringing inflation under control and freeing prices has produced the expected catastrophic slump in output, but as yet no sign of the promised economic upturn that holds out the promise of regeneration on a capitalist basis.

None of the Eastern Europe countries have managed to control their budget deficits. In part this is due to the failure of tax reform to bring in state revenues but in the main it is due to government inability or reluctance to cut through the financial chains that secure thousands of loss-making enterprises to the central banking system.

In Hungary it seems to be within grasp at least, but Poland has definitely retrenched. Here the crisis of bourgeois leadership – accentuated after the outcome of the

fast track

October 1991 elections – prevents the final decisive stage in the transition being completed: the ruthless closure or mass sackings in at least a third of the 8,200 state enterprises.[1]

Everywhere the privatisation schemes are far less advanced than envisaged two years ago, while being seen as more central than hitherto to the process of transition to capitalism. The republics of the CIS, or whatever may succeed it, approach their capitalist destination with all these problems ahead of them and no magic solutions available to circumvent them.

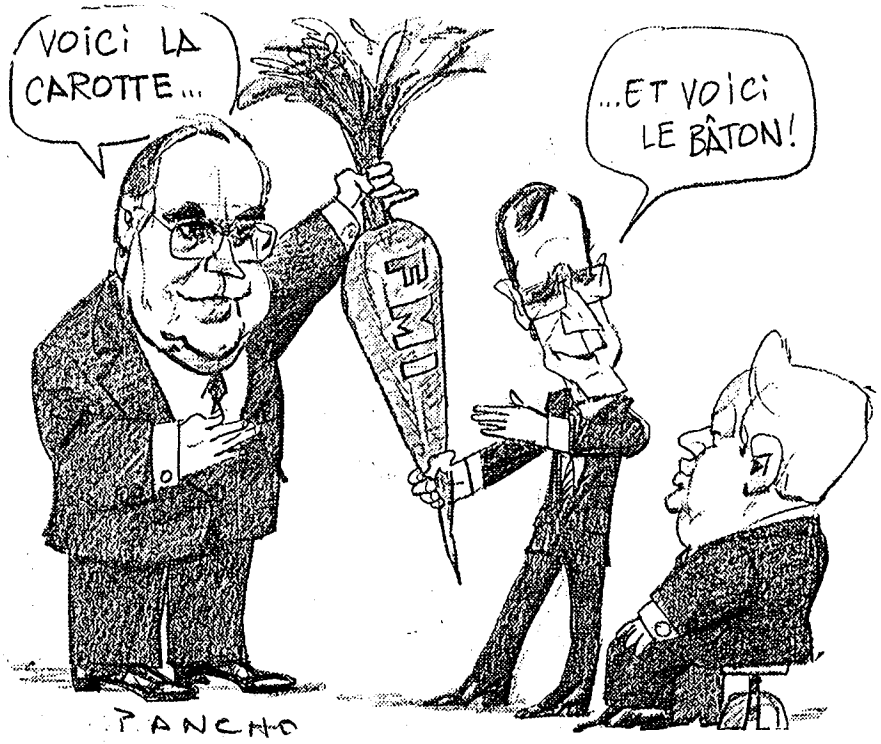
It is difficult here to encompass the sheer unevenness of the republics of the CIS, Georgia and the Baltic states as they head into the maelstrom of capitalism's cruel discipline. For these reasons we concentrate upon the Russian republic, upon whose fate so much else depends in the former USSR. Vast natural reserves are concentrated there, along with 51% of the ex-USSR's population of 288 million, generating 60% of all output.

We have no reason to expect that the range of national bitterness and social collapse will be any less in the ex-USSR than currently being experienced in Eastern Europe, from the relatively stable case of Hungary to the starvation and anarchy of present day Albania. If revolutionary Marxists seem at present to be modern day Cassandras – prophesying with unerring accuracy but destined not to be believed – then it is only for the present, and only because of the vast discredit that Stalinism has brought to the concepts of collectivism, workers' democracy and planning. But the harsh truth of capitalist entrenchment in the next years will revive the appeal that these ideas have for workers.

Were they alive today, it would surely be embarrassing for Stalinist fellow travellers in the western intelligentsia to read their glowing accounts in the 1930s of comrade Stalin's successes in the economic arena. It seems an epoch ago that the achievements of the first five year plans in the USSR were hailed by these "socialists", and by the dumb-struck apologists of the decrepit capitalist system.

Indeed, it seemed true enough that by centralising and co-ordinating all aspects of production and distribution, growth could be sustained in a way that market forces were evidently incapable of after 1929. Planning appeared to have need of no more vindication than its results. But this romantic assessment of planning in the USSR could not withstand either the test of time or the penetrating vision of scientific analysis.

Planning cannot be disembodied from the social agency that controls it, and in the USSR this has been the bureaucracy. This parasitic and usurping caste gathered together the reigns of political power into its hands after 1923, at first marginalising and then terrorising its political opponents and the working class. The planning mechanisms were constructed in this very process of Thermidor. They were not constructed (as genuine soviet democracy was) and later altered unrecognisably through bureaucratic degeneration.



IMF – HERE'S THE CARROT, AND HERE'S THE STICK

The USSR's system of planning, the formulation of goals and implementation and supervision of results, was at its very heart a bureaucratic system from start to finish.

The nature (i.e. lawfulness) of planning in the USSR can only be understood in relation to the production and reproduction of the bureaucratic caste's privileges. Plan targets were formulated, measurements devised and forms of plan supervision implemented in a way designed to maximise the stability, power and wealth of the ruling caste. Everything destructive, dysfunctional and undemocratic in the USSR system of planning flowed from this fact.

A democratic plan would necessarily include as one of its goals a gradual diminution of inequality and reduction in the role of the state. At the economic level this would mean an increase, over time, of the quantity, range and quality of consumer goods. An increase in labour productivity would allow these objectives to be met and for the plan to aim for optimum output – a balance between maximising output and reducing the working week for the benefit of all workers. But bureaucratic planning is counterposed to such objectives, serving as it does narrow caste interests.

Bureaucratic planning cannot utilise incentives based on the achievement of the greater social good, and instead has to set targets at the most crass individual and material short term level. Pursuit of these rewards can run directly against the longer term, rational society-wide interest.

Examples abound, for instance the bonus system for taxi drivers. Each driver has to record a monthly target of passenger miles in order to get their bonus. If at the end of the month it looks unlikely that they will clock this up then they may drive around the city for hours without passengers to attain the mileage; the cost of the extra petrol to them is more than compensated for by the bonus they will get. The unnecessary wear and tear on the car and roads, the fumes and the waste of petrol are obvious draw-backs, but no method of marrying the interests of the individual and the collective exists!

This example is illustrative of a system designed for the needs of the bureaucracy itself. It is estimated that enterprise managers derive around 50% of their financial rewards from bonuses for fulfilling plan targets for output. This leads them to amass large amounts of materials, hoarding labour and keeping as much of it secret from the ministries as possible in order to meet their targets or any sudden extra demands.

Targets for plan fulfilment are set in quantitative terms. These are the easiest targets to measure and attain and hence to achieve the rewards. The quality and life-cycle of the product are not measured in the performance function because if they were it would add to the costs (e.g. a certain percentage of output would be rejected at source, follow up services would have to be built into the costs structure) and in turn this would reduce the bonuses available.

Without doubt the most drastic defect of bureaucratic planning is its inability to systematically raise the productivity of labour, that is, to economise on the use of labour time. It is this failure that led to the growing tendency for the USSR to fall behind western imperialist countries – increased military obligations could not be met without a further falling away of the living standards of the Soviet masses.

Improvements in labour productivity are a yardstick of social progress. In the USSR the only real method of addressing this was to increase the intensity of labour through discipline or bonus systems, whereas the major way should be through successive cycles of technological innovation and their application to the production process. But this was thwarted at every level of the bureaucracy. At the ministry level research was concentrated on military projects with few spin offs for other sectors. The sheer size and political weight exerted by this fraction of the bureaucracy ensured systematic disproportionality between sectors.

This also occurred at enterprise level. The application of technological improvements would invariably imply short-run disruptions to the production process, with drastic implications for meeting plan targets. They were therefore resisted by the enterprise managers who were also reluctant to shed labour, since plan fulfilment required the co-operation of the workforce in many ways, for example flexibility to meet the uneven work load through the month. Any improvements in productivity, and therefore output, that were achieved would lead to a revision upwards of the plan targets, and hence increase the pressure on the enterprise bureaucracy and reduce the scope for flexibility.

The sheer size of the enterprise management layer of the caste ensured that its actions, and its resistance to change, would be crucial. In 1988 Gorbachev himself spoke of the power of this layer to obstruct reform. He estimated that the size of the managerial and technical staff at enterprise level in the USSR was 13.1 million, that is, "a manager for every six or seven people.[2]

The system of bureaucratic planning, once able to deliver the massive increase in production witnessed in the 1930s, nevertheless had its own internal contradictions which made it incapable of innovation and qualitative development

of productive capacity. It was this that produced the decline we have witnessed. The only motor force capable of injecting dynamism into a non-market economy – the conscious direction and carrying out of planning by the producers and consumers themselves – was absent in the USSR. Without this the spiral of decline, with receding growth rates, stagnation and eventual collapse, was inevitable.

By the first half of the 1980s it became clear to the more forward looking of the *nomenklatura* in the USSR that the Soviet economy was in a perilous state. Even according to the inadequate official statistics, the average annual rate of growth of net material product (NMP) fell from 7.8% in 1966-70, to 5.6% in 1971-75, 4.3% in 1976-80 and 3.2% in 1980-85. All subsequent studies suggest that these figures are inflated, but the trend remains clear.[3]

This secular decline in growth rates is a result of the nature of command planning. Ever since the first five year plan (1928-32) growth depended upon the extensive use of vast supplies of labour and raw materials. Extensive growth implies dependence on the increase in the quantity of inputs rather than increased productivity. Labour supplies could be increased by drawing in labour from the countryside and by the mobilisation of women into the workforce. But by the early 1970s the increase in the rate of labour participation – already far higher than Europe or North America – could no longer be sustained.

In Russia the birth rate, and consequently rate of population growth, had declined, and there was a marked resistance on the part of the rapidly growing population of the eastern republics to migrate to areas of labour shortage. By the time Gorbachev became General Secretary the growth in employment was half the rate of the early 1970s.

By the early 1980s this was compounded by declining investment in industry. Earlier increases in proportion of national income available for investment were carried out at the expense of production in consumer goods, with a resulting attack on the living standards of the mass of the working class. By 1985 growth rates in capital stock were only two-thirds the levels of twenty years earlier. The figures for net fixed investment (i.e. gross investment minus scrappings) were much worse. The rates were falling year on year in the five years before 1985. The real situation in non-defence sectors was much worse than the aggregate figures suggest, as it was in this period that Reagan's new Cold War offensive imposed a further shift of declining resources into the military sphere. Finally, costs of extracting raw materials were increasing steadily as easily accessible resources were steadily depleted. The crisis would have hit earlier than it finally did if it was not for the transfer of resources into the USSR from abroad as a result of the increase in oil prices after 1973.

In the face of these developments only a sustained improvement in the productivity of labour, that is, increasing the rate of return on each new input, could have reversed the crisis of command planning. The first instinctive bureaucratic response to this crisis, in the last years of Brezhnev's rule, was to increase the existing system of bonus rewards for meeting output targets. This could only have the effect of further entrenching the short term prejudices against innovation and improved productivity.

When Gorbachev came to power he inherited an economy in strategic decline. The structure of planning had not changed much over the years, despite various minor experiments. Up until 1957 it had been structured on a fairly tight vertical basis. The line of authority went from All-Union ministries down to local enterprises. This tended to result in the duplication of facilities between branches of industry; each sector might have its own separate repair and transport sections, for example.

After 1957 this changed to the horizontal principle, organising the plan on a regional or territorial basis, which instead produced duplication of facilities between the regions and republics. After 1965 a new switch occurred to an essentially vertical system but with some regional devolved powers. Within this system the power of the Council of Ministers (government) over the economic direction of the country was great. It was entrusted with both the short term supervision and the long term management of the economy. At the very centre of the system were the Ministry of Economy and Forecasting (Gosplan), the Ministry of Material Technical Supply (Gosnab) and the Union Central Bank (Gosbank).

Through these agencies the Council of Ministers and the Politburo would set overall targets for output levels, the gross allocation of investment and labour. These figures would then get sent down the system to enterprise level and be broken down on the way into the relevant industrial association, sector and enterprise directives. The latter would determine what implications these would have for their input requirements and they would then send "requisitions" (*zaiavki*) back up the chain of command.

Finally, Gosplan would compute these *zaiavki* and aggregate them into material balances for each sector. In the 1970s there were 40,000 to 50,000 material balances to compute. Gosplan and Gosnab would make adjustments to their original assessments to make them balance ("norm-forcing") or they would shift the burden of any obvious shortages into "buffer sectors", that is, in other words, the consumer goods sector.

This system was highly centralised and gave very little scope to the enterprises. Most of the reforms in the USSR had concerned the formulation of prices, changes in the bonus systems, improving the techniques for assessing inputs and outputs, and redefining the measurement of the profits of the enterprises.[4]

This is system the system Gorbachev took command of in 1985. The USSR possessed about 47,000 industrial enterprises whose operations were coordinated through 100 Union and 800 republic ministries. Gosplan drew up its annual plans on the basis of 1,800 products before giving Gosnab the job of turning them into 13,000 items for the other ministries; they broke them down further into 40,000 balances for the enterprises.

Initially little was done to change this structure. Gorbachev preferred to adjust priorities within the existing set up. Between Gorbachev becoming General Secretary in March 1985 and the Law on State Enterprises in July 1987,

the main emphasis was on shifting the allocation of investment resources towards the civilian machine goods sector, improving quality controls and, through *glasnost*, encouraging criticism of bureaucratic obstructions. There was also an anti-alcohol campaign as part of a general drive to improve labour discipline. This had an initial positive effect but the investment programme soon ran up against capacity constraints and its effect petered out. The attempts at quality control likewise faltered after they ran into serious obstruction from the enterprises.

A new phase of economic reform was signalled at the 27th Party Congress in February 1986. These reforms, codified in the July 1987 Law on State Enterprises, were similar to "market socialist" experiments tried elsewhere in Eastern Europe in previous years.

Before this the enterprises were commanded to obey very detailed directives from above concerning their inputs and outputs. With the new law enterprises were free to set out their own five year and annual plans, based on the central plan guideline. The bulk of long term investments would continue to be allocated by the centre and it would retain control of price setting. Yet enterprise autonomy was to become a reality in certain regards.

The enterprise was given profit norms to attain and mandatory output targets were abolished; short term investment decisions could be taken by the manager who was free to contract directly with suppliers and customers.

After meeting their obligatory state orders (from the ministries) the enterprises were free to sell their surplus wherever they could find a buyer. They could use the revenue to finance new plant and equipment or increase bonuses. Moreover, the conduct of fiscal and monetary policy was intended to become increasingly free of the plan.

Gorbachev hoped that this system of central decisions combined with contractual obligations would get rid of most of the worst features of command planning. But the reality was somewhat different. Production went into free-fall.

By the beginning of 1990 12% of enterprises, accounting for 10% of industrial output, were involved in some self-financing arrangement. The introduction of self-financing allied to partial deregulation of prices had caused an acute supplies crisis throughout the economy. Big increases in the prices of fuel, electricity and freight transport caused many problems for the self-financing sector. Since they were obliged to meet most if not all costs out of revenue, their reaction was to either try and eliminate cheap product lines to maximise revenue or, more commonly, to refuse to negotiate or honour contracts to supply other industries.

In the same period the old command relations had been significantly weakened. In his first two years Gorbachev had reduced the staff of Gosplan by a third to 2,000, and later the number of Central Committee economic departments was cut from twenty to nine. The Ministry of Machine Tools saw its staff reduced by two-thirds to 500, and some of the lower ministries, for example the Union Ministry for Light Industry, were abolished.

But no new nexus of market relations or institutions were in place to co-ordinate the exchange and distribution of goods, hence degeneration occurred making the situation worse than under the old command system. Many firms, suspicious that they would not get paid, insisted on money in advance for supplying goods, or would trade with customers on a barter basis only. Within the factories delayed or absent supplies resulted in escalating lay-offs and loss of wages. Whilst the central apparatus took its hands off the steering wheel of the economy it nevertheless continued to increase the supply of money. This fuelled a big rise in incomes, encouraged speculation and hoarding, and led to an explosion in the numbers of mafia in the supply sector which further curtailed supplies.

By 1990 all this was compounded by the economic disruption caused between the various republics, itself a result of the devolution of economic and ministerial powers from the Union to the republican level. Independence movements grew and long established links between republics and between enterprises were strained or broken.

The USSR was heading for a crisis that could only be resolved in one of two ways: either the working class could impose its solution on the chaos by smashing the bureaucracy, instituting a workers' government and enacting a genuine democratic emergency plan, or the pro-capitalist logic would be recognised by more and more forces insisting that Gorbachev's half-way house solution was insufficient.

1989 was decisive for a number of reasons. On the political front the forces of restoration made considerable gains in the spring elections to the Congress of Peoples' Deputies, restorationist nationalists increased their influence in the republics and events in Eastern Europe saw fervent restorationists kick out the discredited proponents of "market socialism" and half measures. At the same time economic performance visibly deteriorated.

Clearly Gorbachev's reform programme was not enough, but the test was whether, having led the old hulk of the bureaucracy down the path of "market socialism", he could overcome their fear of anything more radical, since they could see that the whole edifice of their power and privilege as a caste would crumble if capitalism was ushered in.

Gorbachev continued to pursue a reform programme which he hoped would draw the mass of the bureaucracy behind him. In July 1989 he established a State Commission of the Council of Ministers on Economic Reform with powers over all other layers of the economic apparatus. It was inclusive of all opinion in the reform camp. It was meant to reconcile differences and bring about a common policy on the next stages. Instead it became the site of conflict and counter-position. Various plans were drawn up and the consensus edged towards a full-blown advocacy of the market over the plan rather than an attempt to reconcile them.

The first major document of this nature was Abalkin's October 1989 programme. Rearguard action by the conservatives ensured that it was never in with a chance of being operational. But Gorbachev's election as President in March 1990, followed by the increased powers granted to him in July at the 28th CPSU Congress, shifted the balance more decisively towards the open capitalists. On election as President, Gorbachev announced the need for "the formation of a

normal, full-blooded market." From this point onwards the debate was to be about the tempo and form of capitalist restoration rather than the choice between restoration or "market socialism".

In August 1990 the Ryzkhov government came up with the Abalkin Plan and in September Yeltsin tried to trump that by sponsoring the Shatalin "500 Days" plan. The surface difference between them lay on the pace of reform and on the relative power of the Union and the republics in the transition. Abalkin's plan was much more gradualist, and he argued for preserving as much as possible of the bureaucratic caste (and CPSU) in the transition to a state capitalist Russia.

By contrast Shatalin spoke for Yeltsin (who had left the CPSU at the 28th CPSU Congress) and those who had either abandoned the *nomenklatura* or were never part of it, who wanted to break up the statified economy as quickly as possible and with it the bureaucratic caste. Since they recognised that its central power lay within the all-Union apparatus it was natural and even essential that they push for the transfer of power over price liberalisation and privatisation into the hands of the republics.

When a compromise failed to emerge between the two packages Gorbachev used his executive powers first of all to stem the disintegration by issuing instructions that the existing supply links be maintained throughout 1991, and secondly to outline his "Basic Guidelines for Stabilisation of the Economy and Transition to a Market System".[5] In essence this document accepted the goal of capitalism, revealing that Gorbachev had moved from an objectively restorationist stance to a subjectively restorationist one.

His programme made many concessions to the Shatalin Plan in relation to the devolved powers to the republics in the transition period, but it was essentially of a piece with the Abalkin gradualist proposals.

In reality politics was to prove as decisive as economics in determining whether Gorbachev was to get the time to oversee his programme. By the spring of 1991 what was left of the hard line Stalinist *nomenklatura* had decided that Gorbachev had effectively gone over to the camp of those like Yeltsin who wanted to break up the Union. This they decided to resist in August of 1991 with tragi-comic results.

They only succeeded in propelling to power their arch enemy Yeltsin who quickly dumped his equivocal rival. It became clear in the aftermath of the coup attempt that Gorbachev, whatever his social programme, was determined to protect as much of the old CPSU *nomenklatura* in that process of transition as possible. This was totally unacceptable to Yeltsin and pro-imperialists as at best it would have seen the CPSU turn itself into the bourgeois class and at worst would have made the implementation of a restorationist programme immensely difficult. With Yeltsin in power in the White House after mid-August the scene was set for a Shatalin-plus fast track push for capitalism.

For two months after the failed coup attempt Yeltsin concentrated on political tasks, putting together a government of loyalists and destroying the CPSU's independent power, wealth and influence.

Various decrees were announced abolishing the role of Gosplan and other ministries, but the formulation of a strategic economic plan had to wait until 28 October 1991 when Yeltsin set them out in a speech. He made it clear that Russia would closely follow the Polish road, and chose 2 January, the second anniversary of the Polish Big Bang, to launch the Russian equivalent. Yeltsin's programme called for immediate price liberalisation of the bulk of goods and the restoration of budgetary equilibrium through cutting subsidies and raising revenues. An ambitious privatisation programme was announced for 1992.

This plan was the outcome of a debate and struggle within the restorationist bureaucracy that echoed the earlier arguments. The goal of capitalism was not in question but the tempo and means chosen to get there still were. On the one side stood the state capitalists who were more reluctant to advance a fast plan for destatification and stressed the need for price liberalisation and budgetary stabilisation.

Naturally, this view corresponded to the interests of those entrenched within the old Stalinist bureaucracy within the state administration. They had much to lose from a rapid de-nationalisation programme and much to gain if they could keep their jobs in the process of transition to a highly statised form of capitalism. In the past figures such as Ryzkhov, and later Pavlov, spoke for this view. They had no compunction about placing the greatest stress on liberalisation of prices so that the working class would suffer the consequences of their ambitions.

Against that faction were ranged those like Yeltsin and Gaydar (and previously the academic economists) who opposed the old nomenklatura and economic bureaucracy being allowed to inherit the spoils of victory. For them macroeconomic stabilisation had to be accompanied by a plan of rapid privatisation strictly supervised to prevent the *nomenklatura* using its illicit wealth and political position to profit from a policy of rapid "spontaneous" privatisation.

Paradoxically, the route to capitalism for Yeltsin did not only lie through the Big Bang (essentially a monetary and fiscal stabilisation plan) but also through a short term reassertion of the old system of material resource allocation in relations between the republics and the state enterprises.

The day after the Big Bang (3 January) the Russian government announced an "Inter-Republic Enterprise Links Protocol for the first quarter of 1992," which began: "In order to prevent the shutdown of production facilities, enterprises, associations and organisations – irrespective of their form of ownership – which are located on the territories of the commonwealth member states are to ensure that economic links operating in 1991 are preserved for the first quarter of 1992, and that contracts for delivering raw and other material components and finished products are honoured and met on a scale of not less than 70% of the volume of deliveries in Q1 1991."[6]

This reluctant defence of the old proportions inherited from command planning was a sober assessment of the difficulties of moving overnight to a regulated capitalist market economy. Far from going against restorationist interests

they were in fact only following the advice of the IMF, World Bank and OECD, whose joint survey of the USSR, in February 1991, argued: "While the existing Soviet system of production and distribution is inadequate and inefficient, it should not be dismantled without giving time for more efficient systems to evolve and replace it."[7]

The ex-USSR had been living for several years in a twilight world of disintegrating plan and ascending market relations. Under Gorbachev there had been a considerable erosion of Union ministries' power, and in the weeks after the August events Yeltsin had abolished most of those that remained, thus destroying the centre of economic regulation.

But capitalism did not thereby spring into existence like Athena from the brow of Zeus. Capitalism – even its most rudimentary of forms – requires laws, institutions and a social division of labour. This remains absent in the USSR and has to be created from above and below at the same time. The bureaucratic bourgeois government of Yeltsin-Gaydar has to create the social foundations of its own stable existence. But in the meantime abolishing the directing and supervisory role of the centre does not resolve the problem of relations between the enterprises. In reality it aggravates them. It was therefore inevitable that one of the first acts of capitalist restoration would involve the promulgation of a lower, attenuated, form of bureaucratic planning.

In its schema the government hoped to reform the fiscal and monetary situation along with ownership changes, and then use these instruments as a weapon to force through the decisive changes in the pattern of investment and behaviour of enterprises. In the same OECD report Yeltsin's imperialist tutors explain: ". . . the principal element of market economy is the allocation of resources on the basis of market signals. More specifically, the allocation system requires: (1) prices as the primary market signal; (2) profits as a guide to identifying the most effective activities and enterprises and thus to aid capital allocation; and (3) enterprise autonomy which allows adjustment to be made in response to market signals."[8]

In the first days of 1992, the year of the 75th anniversary of the Russian Revolution that overthrew capitalism, Boris Yeltsin and his government set out to reverse history.

On 2 January 90% of consumer prices and 80% of industrial goods prices were freed. Those prices that remained regulated by the government were increased by around three to four times. Altogether in January the average price level rose by between 300% and 500%.

The real motivation for sweeping price reform was not – as pro-capitalist propaganda designed to pacify the Russian masses claimed – that it was necessary to encourage producers and suppliers to put more goods in the shops and markets, increasing choice and overcoming the chronic underproduction of consumer goods.

Choice is meaningless if you cannot afford the prices, but the fact is that no such new production is evident, nor was any expected. There was some increase in availability due to the "mafia" releasing previously hoarded stocks. They had bought cheap or stolen over previous years, waiting for just such a price liberalisation. Thus price reform has brought the black market to the surface. Prices have only acted to balance supply and demand of existing goods and services and forced Russian workers to spend their mountains of involuntary savings from years when there was nothing to buy (now in excess of R42 billion) on the open market. Any increase in the volume of consumer goods resulted from the Gorbachev regime's earlier decisions to shift production away from defence and towards consumer goods (so-called conversion programmes).

Given the highly monopolised nature of the Russian production and supply system it was inevitable that these enterprises would not be compelled by competition to increase their efficiency, increase their output and moderate their price increases. Rather, they would exploit their monopoly power to hold or decrease output and push prices as high as possible. This last fact probably ensured an unsustainably high average price increase for January. In February the average increase came down.

As a result of the 2 January measures there has been a slump in output across the board. Provisional government figures suggest a 10-15% fall in Russia. The figures for other CIS states are worse – possibly double, as in Byelorussia. This is due to their greater dependency on external trade and the fracturing of the Union into separate republics.

In reality the government's price liberalisation was motivated by the need to establish a number of preconditions for capitalist transformation. These include the requirement that prices accurately reflect the real costs of production, measure real gains in productivity and thereby act as a signal for those in possession of capital to invest it where they can get the best returns.

Only when prices do this will investment lead to an increase in this or that sector of production according to profitability. So long as an all-pervasive system of government cross-subsidies exists, affecting the bulk of prices, then this is not possible. For example, due to the very low prices charged for most energy in the USSR the price of the final product was often less than the real value of the inputs that went into producing it.

Furthermore, liberalising prices and cutting subsidies helped government attempts to eliminate the budget deficit. This deficit was systematic in the USSR, reaching 20% of GDP in 1990 and 1991. Money and credit creation far outstripped production in the last years of Gorbachev's rule, as wages were increased to ensure compliance with the reform programme and loss-making state enterprises were kept running. But all the time Gorbachev's half-measures ensured a collapse of output and hence declining wealth creation and revenue collection.

Ending this situation (a touchstone for IMF backing) is the key to inducing real changes in enterprise behaviour. In mid-February Deputy Prime Minister Gaydar responded to an enterprise director in St Petersburg who complained that price increases had sharply raised the costs of supplies and made it difficult to sell his final product:

"Those who have purchased goods cannot settle their accounts, and there is nothing left with which to pay their own suppliers. And there is not enough money to increase wages. There is only one way out – to grant free credit. But the whole point is that we are doing everything possible to

bring about a money shortage . . . this means that you have to work even harder to settle your accounts and stop relying on parliament or the government to write debts off. The main point now is not to give in to pressure or loosen the financial constraints and not allow anybody to "bribe" the Central Bank and force it to keep giving out cheap credit."

Already the Central Bank has stopped extending credits to the other banks at 6-9% interest a year, well below the prevailing inflation rate, setting a new rate of over 20%. On this basis the commercial banks, themselves still a dependent arm of the Central Bank, advance credit to the enterprises at 35-40%.

Yet in practice the credit policy has been lax in the first three months of 1992. Some subsidies remain and the government has consciously sought to spend in order to ensure a measure of social stability while price liberalisation takes place. They bought the miners off through a series of pay increases in January, and have recently agreed to double the minimum wage (although this does not adequately compensate for the price rises). In addition they do not want unemployment to rocket at the same time as they let prices rip. In the same period revenues have not come in as expected since the enterprises are not paying the VAT that has replaced sales and turnover tax. This has eased the situation facing the enterprises but has led to a complete failure of the state to balance its budget as planned in the first three months.

But in general there is no doubting the intention of the plans. The government's 27 February "Memorandum on Economic Policy", detailing the transition programme for April onwards, states: "Within a certain period of time interest rates will become the chief indicator regulating investment of financial resources in the economy."[9]

In other words, an independent commercial banking system, advancing credit to make a profit, will supervise and govern the accumulation process of a new Russian capitalism and the allocation of resources. But when is a "certain time" likely to have elapsed? What obstacles stand in the way? The same document makes their hopes clear: "The remaining benefits to the enterprises supplying outputs to the state will be significantly reduced in the course of 1992. All other elements of the centralised distribution of material resources will be removed by the end of 1992."[10]

This is an ambitious timetable, given the results of the first three months, and in the light of the difficulties being encountered by Poland's bourgeois restorationists in exercising discipline over state enterprises two years after their Big Bang. To go from "stabilisation" to "structural transformation", from the last death throes of a degenerate workers' state to struggling state capitalism, is more difficult than their self-comforting propaganda allows for. The obstacles of a class character and the intrinsic difficulties of the economic programme are manifold.

The first objective problem concerns the implementation of the harsh credit policy over the enterprises. With so many monopolist producers still distorting the price structure of inputs, with so many enterprises hampered by low efficiency, and with so many enterprises carrying huge reserves of labour it is extremely difficult for the banks to discern which enterprises to advance credit to. Which ones have no hope of surviving in the harsh climate of world competition, which are profitable now and which could be if kept alive for sometime while structural transformation takes place? The pressure to maintain a lax attitude to credit policy is obvious.

The OECD report, reflecting on the experience of East-



ern Europe over the last two years noted in sober fashion:

"Efforts in other countries to place state enterprises under hard budget constraint and to subject them to market discipline, however, have not always worked out well in practice. It has been found to be very difficult to insulate state enterprise management from political pressures and the non-economic objectives of governments." [11]

Enterprise managers, works councils and state economic administrators not tutored in the western business schools present huge barriers to capitalist production relations taking hold. The state economic functionaries have already been eroded as a force but not destroyed yet. The post-April plans aim to cut another 5% of them from the payroll and a further 10% by the end of 1992. Those who survive will be retrained to act according to commercial criteria.

Obstacles to restoration will be found not only at a state-wide level. As Poland illustrates, changing the pattern of authority within the individual enterprise will be more difficult again. There are long standing ties between works councils and the managers, who are used to collaborating and conspiring against the central authorities in order to "storm the plan" and enhance bonuses. These will prove difficult to destroy on the altar of profit, especially when commercial relations may signal loss of caste status and mass unemployment.

Over the last few years the enterprises have been relatively free to choose how to use their retained surplus finances. Ideally these could have been invested profitably. But money cannot find a suitably "abstract" form at present, and therefore cannot be moved anywhere at will. In principle it can be invested back into the enterprise, but frequently

money earmarked in this way is diverted to boost incomes. Nobody has the rational class interest to defer immediate consumption for longer term profitability.

To crack this nut the government has already radically changed the property laws concerning ownership, outlining detailed programmes on destatification and privatisation. This is what is meant by "structural transformation": the changes necessary within ownership of the means of production to ensure that directives have their designed effect over relations within and between enterprises.

The Shatalin "500 Day" programme distinguished between "destatification" and "privatisation". The former was a type of public ownership with stocks held by a holding company and strategic decisions over investment and employment in the hands of a board of directors who could discipline the manager.

This distinction still appears in the Yeltsin government's privatisation and destatisation programme announced on 29 January. The whole of state industry is placed in the hands of the State Committee of the Russian Federation for the Management of State Property (SCMSP), a sort of Russian Treuhand.

Compared to what has been achieved in the rest of Eastern Europe the plans are ambitious enough. By the end of 1992 the government aims to sell R92 billion worth of assets and use these for social security measures. This would amount to 60-70% of the light and food industries, 70% of motor vehicle transport, 60% of trade and 50-60% of public catering. But even this would not be a majority of state controlled production. The large enterprises, those with over 10,000 employees, would not be privatised until 1993 or beyond.

Once the SCMSP initiates or receives a privatisation proposal it has to value the assets and issue stocks. It can choose the road of de-statification or outright sale to the private sector through competitive tender or by auction. It is also charged with preventing *nomenklatura* "spontaneous privatisation" – the transfer of state assets to their private pocket – which has happened on a wide scale since August 1991, particularly with municipal property. The works collective in the plant is guaranteed 25% of stocks free and a further 10% at discount, but none of this will confer voting rights. Foreign capital is restricted in its rights of purchase at present due to the low value of the rouble against the dollar.

Once substantial segments of both industry and banks are transformed in this way and the credit system functions as planned, then capitalism will truly rule over the Russian workers. Under it they can expect a total dismantling of the remaining gains of October 1917. The 35 million industrial workers can expect unemployment to reach 20%. Their pensions and social welfare funds, presently attached to and controlled by the enterprises, will be syphoned off and privatised. Indeed, special facilities such as creches or food stores attached to the enterprises are already disappearing.

When they are thrown onto the dole workers will face a new benefit system. Instead of the present entitlement of 100% of average wages for three months followed by the minimum wage, after June they will face a dual system. Those who become unemployed due to closure or redundancy will get a "higher" benefit, based on 90% of their previous wage, for a period of six months. After that they will join the rest of the unemployed on the "lower" benefit which will be reduced to 75% of the minimum wage.

There will be a further drastic deterioration in industrial output and workers' living standards in the immediate months ahead. April is bringing price rises of at least another 50-60%. Fuel prices will be liberalised substantially leaving only rents and children's food at regulated rates. This will take place in conditions where the "buffer" of the last three months, based on hoarded supplies and running down savings, will cease to exist. Production will continue to slump well into the second half of next year.

But what could possibly emerge from the other side of the balance sheet of this great social "experiment", taking place at the expense of the Russian workers? There is every reason to be sceptical about the viability of any future capitalist regime, despite Russia's size and natural resources and its consequent advantages compared to the rest of Eastern Europe and the ex-USSR states.

More than half the productive assets of the ex-USSR are obsolete, according to Russian and IMF studies. One report suggests:

". . . it would require about fifteen years to bring as much as a quarter of the industrial base up to competitive levels . . . Soviet economists estimate that less than 30% of serial machine-building production can compete on the world market . . . If such claims are borne out, the liberalisation of foreign trade would set into motion a devastating de-industrialisation which few enterprises will be able to survive. Forty per cent of all Soviet enterprises cannot make a profit today . . . At least half of them would probably go under if exposed to international competition, putting up to a third of the labour force out of work."[12]

Those in any doubt about the magnitude of the problem do not need to speculate. Simply look at the experience of Germany since 1990. The GDR was one of the more industrially advanced of the degenerate workers' states before it collapsed into the arms of the strongest imperialist nation in Europe. But in 1991 and 1992 it will have cost Germany around $200 billion in investment and grants (and more in 1993) to turn this country of 16 million into a relatively backward part of an enlarged imperialist country. The more favoured East European states like Hungary – which has received about 50% of all imperialist investments into the ex-Stalinist states in the last two years – can only point to about $300-500 million a year of inward investment.

Credit is a claim upon future profits. But if it is difficult for potential creditors to see through the mass of inefficient plant and equipment to what may be profitable then credit will not be advanced. Moreover, in the current phase of imperialist contraction the financial system is having to contend with the aftermath of a too rapid and extensive expansion of credit in the 1970s and 1980s and is currently seeking controlled destruction of government and corporate debt and trying to build up bank capital liquid reserves against bad debts taken on in the past. All this impedes a big explosion of entrepreneurial capital in Russia.

Russia therefore faces an enormously bleak future as

a capitalist country. There is no room in the late twentieth century for another imperialist nation to emerge.

Short term profit maximisation for Russia would have to come from intensive exploitation of its mineral wealth and the imperialist multinationals are keen to advance capital in this sector if nowhere else. The most likely scenario for Russia towards the new millennium is, therefore, that it becomes a dependent semi-colonial country, providing cheap raw materials for western industry and offering its relatively skilled, educated and very low-waged workforce for EC and Japanese owned industrial assembly operations.

This is all the more likely if the "single economic space" of the CIS states falls short of its original ambition. Inter-state rivalries make it improbable that in the short term at least the CIS can even attain the degree of economic integration and harmonisation that prevails within the EC. Given the pre-existing inter-dependency on trade between the CIS member states, failure to stop the multiplication of currencies, the erection of tariff walls and custom posts would spell economic disaster, making Russian enterprises easy prey to imperialist predators.

One reason that the major imperialist countries cannot engage in a great effort of co-operation in Russia today is that they pursue different strategic aims. All have agreed, via the various multi lateral agencies, to provide a limited amount of directed finance to prevent widespread starvation, or to underpin the creation of market institutions.

A probable spring agreement by the IMF to admit Russia to its ranks will allow Yeltsin's government to draw upon even more bridging finance to support the rouble in Gaidar's bid to stabilise its level around a rate (R35=$1) that will cheapen the raw material important that are so vital to the short-term viability of many factories.

But in general imperialism is cautious about handing large amounts of money over to the present government for the simple reason that the west is not convinced that with the present balance of forces within the government much of this money would be used to prop up the old system rather than usher in the new. Further structural transformation and commercialisation of the finance system will be essential to soothe the west's fears. Beyond these reasons we have to consider that imperialism is by no means of one mind on the Russian restoration process. Germany, although presently constrained by domestic transition issues, clearly sees the hegemonisation of first the East European buffer states (Hungary, Poland and Czechoslovakia) and then the more stable CIS republics, as a central task to be accomplished in its maturation as a global imperialist rival to the USA.

The USA by contrast has for the moment reluctantly acknowledged its weakness in this process and prefers to bolster its hold in the Pacific and even work through countries like Turkey in promoting US interests in parts of the crumbling ex-USSR, as for example in the Central Asia states.

An altogether different class structure is set to emerge from the wreckage of the current neo-liberal experiment. At the top of the pyramid would be a heterogeneous layer of rouble millionaires – maybe up to 100,000 of them – who were already in place before Gorbachev came to office. In recent years the explosive growth of the co-operative movement has bolstered their numbers still further – fifteen-fold in two years. They now control 250,000 small scale enterprises employing nearly five million workers. They probably generate about 10% of Russian national income and use it liberally in the service of pro-capitalist politicians and agencies.

Those within the nomenklatura who successfully, if illegally, transfer property to themselves, will form another ruling layer both in co-operation and in conflict with the first strata. A huge gulf will separate these two layers from the working class. It is estimated that only 2-5% of workers have enough savings to buy into the privatisation programme even at a minimum level. Fashioning a stable labour aristocracy and middle class will be difficult and it will be at best a thin layer, as it is in all semi-colonies.

The Russian working class has for decades been atomised. Its historical memory is badly clouded. In the last few years its most militant fighters – such as the miners – have been co-opted by a wretched pro-imperialist trade union leadership which has deliberately fostered a narrow, sectional outlook amongst them. In this year's opening phase of the rush for capitalism this preparatory work has allowed Gaidar and company to cynically buy them off in order to keep the workers divided in the face of the Big Bang. But these are only the opening skirmishes of the class war to come.

Poland shows that workers respond to such shock therapy as one would expect: they are stunned and part-paralysed. Years of Stalinist misery combined with ideological priming by pro-capitalists have created a degree of goodwill towards those now in government who are unleashing these savage attacks. But the workers expect to gain from enterprise reform, and they believe the pain must be remedial, not ultimately destructive. When their faith is shown to be misplaced we can expect a different reaction.

Apart from pockets of isolated, desperate anger against shortages and hunger we can expect Russian workers to reserve their most tenacious and generalised fight to the struggle against the full effects of structural transformation, rather than rally themselves against the initial effects of price liberalisation. When the Russian workers do move on this front then the well laid plans of Yeltsin will meet their sternest challenge.

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NOTES

1 See our article on Poland in this issue
2 See *A study of the Soviet economy*, Vol 1b (IMF, WB, OECD, EBRD) p11
3 For an account of the system Gorbachev intended and his early reforms, see N Spulber, *Restructuring the Soviet economy*, Chapter 3 (Ann Arbor 1991)
4 For a detailed account see *A study of the Soviet economy*, op. cit, Vol 1, Chapter II.3
5 Quoted in BBC World Service Monitoring Service(WSMS) USSR Weekly Economic Report, 6.3.92
6 *A study of the Soviet economy*, op cit, Vol 3, p303
7 Ibid, p302
8 Quoted in BBC WSWMSe USSR Weekly Economic Report 6.3.92
9 Ibid
10 *A study of the Soviet economy*, op cit, Vol 2, p23
11 Quoted in BBC WSWMS USSR Weekly Economic Report, op cit
12 P Flaherty, "Privatisation and the Soviet economy", *Monthly Review*, January 1992, p3-4

On the eve of the April session of the Russian Congress of People's Deputies the leaders of both chambers of Parliament warned that Russia faces "disintegration".

Suicide of a

In 1985 Mikhail Gorbachev was the man pushed forward to repair the political legitimacy of the ruling bureaucratic caste. In the event he perished in the ambitious attempt and now the caste he spoke and acted for is being destroyed.

During this seven year long last act of the bureaucracy Gorbachev increasingly had to raise himself above its warring factions and try and steer them towards the market. To do this he was obliged to lean upon now one and then another faction, in order to cajole or coerce the ruling caste in the direction he wanted them to go. At first he did not consciously articulate this as capitalism. However, in time Gorbachev recognised that this was where the logic of his reforms led.

But he was fated to fail since, despite all his manoeuvring Gorbachev remained a Bonaparte of the bureaucracy and especially of the CPSU; and the majority of this caste did not want to be driven by him. In time another Bonaparte within the forces opposed to the bureaucracy emerged – in the shape of Yeltsin. After an unstable period of cohabitation Gorbachev fell victim to his rival.

Though it failed, the attempt after 1985 to rescue the bureaucracy from its own vices was essential for the Kremlin. It could not rule indefinitely by repression alone in conditions where it was losing its ability to buy the acquiescence of the labour aristocracy or the technical and cultural intelligentsia. The graft, corruption and cronyism of the Brezhnevite upper circles became known to wider and wider sections of the population. Below the oligarchy ranged around Brezhnev was a whole constellation of fractions. These in turn were allowed to dispense privileges and to co-opt members of the lower bureaucracy and the intelligentsia into their ranks. Rivalry existed amongst them and it had to be adjudicated and controlled by an inner clique around the General Secretary/ President. Symbolised by the moribund figures of Brezhnev and later Chernenko, the party *nomenklatura* became a rigid stratum impermeable to new rising fractions of the bureaucracy.

The break down of the mechanisms of co-option and the end of the growth of real wages after 1976 promoted the growth of counter-elites within the *nomenklatura* itself and outside it amongst the technical, scientific and cultural intelligentsia. In short the fragmentation of the bureaucracy was not merely a product of Gorbachev's attempts at openness, reconstruction and democratisation. It pre-dated them. Indeed it was the fissuring of the bureaucracy up to the highest levels that allowed a Gorbachev to come to power.

Gorbachev headed a new grouping of *nomenklatura* elites and recent directors of major industrial complexes who recognised the problems of Brezhnevism and thought that they could solve them by "radical reconstruction". The decades of reform movements inside the Stalinist parties of Eastern Europe, especially in Poland, Hungary and Yugoslavia as well as the Khruschevite "thaw" period, were the source of their basic idea – "market socialism".

They saw themselves as energetic technocrats, rightly resentful at the corrupt old guard and eager to radically reform the system, not of course to overthrow it. For these

Mike Evans explains how the Soviet Union's last Stalinist rulers brought about their own destruction and gave Yeltsin the chance to do the same to the Russian economy.

bureaucracy

forces to defeat the old guard within the *nomenklatura* took several years of manoeuvre and struggle.

In 1985 they were finally successful in seizing the general secretaryship. Yet to oust the powerful remnants of Brezhnevite corruption, to break all obstruction and to set about implementing their programme would take five or ten years at least according to the normal methods of elite replacement within the party structures. They knew the system could not survive another decade of paralysis. Thus they were compelled to turn to "civil society", to summon strata outside the bureaucracy into controlled action to break the resistance of the conservative strata of the bureaucracy.

They turned to mobilising and co-opting the managerial strata, the intelligentsia and even the skilled workers. To do this required "openness" – *glasnost* – about the scale of the problems facing the USSR, about the extent of Brezhnevite nepotism and inefficiency and it required a partial demolition of the bureaucracy's dictatorship in favour of a "law governed state".

However, in turning to the intelligentsia and to some of the dissidents Gorbachev found few sincere enthusiasts for a renewal of "socialism". The stagnation and crisis of bureaucratic planning, the intensified repression of the new cold war period and the revelations of the *glasnost* period about the extent of the regime's crimes meant that a deep, indeed a historic discredit fell on "actually existing socialism".

The simultaneous triumph of neo-liberal capitalist ideology in the west and the absence of a powerful revolutionary anti-Stalinism (Trotskyism) meant that neo-liberal, pro-market and "anti-communist" tendencies were predominant in oppositionist circles. Even the more class conscious oppositionist forces, drawn towards the workers by the example of Solidarnosc, were cowed by the almost universal discredit of "communism". They limited themselves to an anaemic syndicalist ideology ("workers' self-management") which accepted the triumph of the market over the bureaucratic plan and left the terrain of politics to bourgeois democratic pluralism.

There was thus a profound crisis of leadership with no significant independent anti-bureaucratic forces committed to socialism and a planned economy.

Power within the bureaucracy resided formally in the huge party congress held every five years since 1971. But in reality, from the post-Stalin period it was vested in the Central Committee (CC) of the Communist Party of the Soviet Union (CPSU). Three hundred or so strong, the CC contained all the top regional and republican party secretaries and elected the Politburo and the General Secretary.

Even the Politburo was not a rubber stamp and might contain powerful rivals to the General Secretary. Of course, he was not simply the chair of a subcommittee of the CC. He could appoint the regional first secretaries, and since these controlled the "election" of delegates to the party congress which in turn could elect a new CC, he clearly had the levers to install his own circle of supporters in all the key positions of power. But this was a gradual process, one of manoeuvre.

The first years of Gorbachev's rule, up to the party conference of summer 1988, saw all the decisive struggles take place within this framework. Throughout this period Gorbachev insisted that "the *perestroika* drive started on the Communist Party's initiative and the party leads it". But despite repeated attempts at reform, the CPSU refused to return to active life as a political party. It remained what it was – an obedient tool of the apparatus. Its 19 million members watched – with the indifference born of sixty years of impotence – the battle fought out within the 750, 000 strong *nomenklatura*.

Gorbachev was repeatedly unable to break the log jam within this bureaucratic caste and thus appealed over the head of the CPSU to "society", to the people. In doing this he was to get more than he bargained for. Informal groupings – *neformalny* – shot up in ever increasing numbers from the spring and summer of 1987 onwards; an extensive "civil society" of 30,000 or so cultural, sporting and most importantly, political and trade union organisations, which were independent of the CPSU and the state authorities.

At the same time nearly all political prisoners were released. This development created a semi-legal situation for the first time since the early 1920s. Gorbachev was obliged to use this process to strengthen his position in what became an increasingly open conflict between the bureaucratic factions. But the logic of the conflict took him even further. He raised the slogan of separating the party and state machinery, of giving more power to the latter and even forcing the party to a very limited degree to compete for power.

Yet his real purpose was to create a stronger plebiscitary Bonapartism towering over them. This was to be a weapon against the party conservatives. He wished to remove any possibility that the CC could suddenly remove him from power as it had done to Khruschev. Thus he devised a system whereby a newly elected body – the Congress of Peoples Deputies – would chose him as its chairman. This new post would be the supreme governmental position, and it would be constitutionally independent of the party.

The elections to this Congress on 26 March 1989 unleashed a process which was to lead to near complete loss of power by the party *nomenklatura* even before the August Coup of 1991. The new constitutional arrangements still left one third of the 2,250 deputies to be directly nominated by the Party, the Komsomol and the trade unions. Moreover, in a further 399 districts chicanery and repression by local party *apparatchiks* ensured uncontested elections for the official candidates. But there were contested multi-candidate elections in 1,101 electoral districts and this in itself proved a revolution. It showed that in an open contest the party *apparatchiks* were completely discredited in the eyes of the masses who would vote for anyone vigorously expressing this view.

In Moscow Boris Yeltsin, despite his demotion by Gorbachev in 1987 as Moscow party boss and Politburo member, was swept back into political life. Indeed the party orchestrated campaign against Yeltsin brought him enormous popularity. At this time Yeltsin had little if any programme distinct from Gorbachev's. What characterised him in this period were populist attacks on the corruption and high living of the party bosses. He appealed directly to working class egalitarianism and resentment at the bureaucracy's economic privileges, and managerial incompetence.

He called repeatedly for priority to be given to improving food supplies and other consumer goods He called for direct elections, including for Gorbachev's post, and respect for the "rule of law". In short he created a mass constituency amongst both the working class and the intelligentsia. He got five million votes.

Whilst the opposition to the CPSU in the congress remained a minority – perhaps 20% or so – it was large enough to be a vocal one and given the decision to televise debates, it opened up enormous cracks and fissures in the party monopoly of the media. The opposition, both in the Congress and in the Supreme Soviet, formed the Inter-Regional Group of Deputies. Yeltsin was not in any formal sense the leader of this opposition; in fact he never for one minute subjected himself to its discipline. He was aloof to a considerable degree from the argumentative intellectuals who made up the bulk of the delegates.

In September 1989 Yeltsin visited the USA and proclaimed:

"All my impressions of capitalism, of the United States, of Americans, that have been pounded into me over the years – all of them have changed one hundred and eighty degrees in the day and a half I have been here. "[1]

From this point on Yeltsin effectively proclaimed himself the rallying point and leader for all sections of the bureaucracy seeking to overthrow the planned property relations and release themselves of obligations to this caste as they transformed themselves into the core of a new capitalist class. Within this layer Yeltsin carved out for himself a Bonapartist role over the opposition.

The conservatives were thrown even more onto the defensive and the marketisers were strengthened by the eruption in the summer of 1989 of the biggest strike wave of the Gorbachev era. It was led by the miners. Miners were a well paid sector of workers, earning twice the average industrial wage. But the conditions of work in the pits and the low standard of housing (one quarter of the Kuzbas miners live in barracks) plus the chronic shortages of consumer goods meant that they were no pampered labour aristocracy.

However, the mining industry, because of its relatively high wages, had attracted many graduates from further and higher education who abandoned the lower paid professions for which they were trained and worked in the mines as "engineering technical workers". This stratum made up 15% of Soviet miners and provided a disproportionate number of the leaders in the strike and thereafter. They constituted a sort of miners' intelligentsia and proved to be the transmission belt for many of the ideas of the liberal marketisers into the movement.

The 1989 strikes originated in the Kuzbas on 10 July. Within a week 177,862 miners in the coalfield were out. Delegations from the Kuzbas carried the message to the other coalfields and by 19 July they were also on strike. Democratically elected strike committees sprang up every-

where and in many cases effectively took over their towns and regions; the miners' militia effectively exercised a dual power with the police. The strike committees linking the pits of whole towns and regions became an alternative to the bureaucratic councils, and a focus for all the grievances of the populace. In fact these bodies, such as the strike committee in Keremovo in the Kuzbas, were rapidly developing proto-soviet (1917-style) characteristics.

The demands of the strikers were many and varied. Immediate demands, such as an increased soap allowance, higher wages etc, were mixed with political demands such as the abolition of the leading role of the party. Pro-market demands, such as the independence of the mines from the ministry of mines and the planning authorities, went alongside anti-market demands like the closing down of the co-operatives.

Uniting all these demands was a tremendous anti-bureaucratic sentiment, reflecting a deep hostility to corrupt party trade union and management officials. Everyone called for their removal. Gorbachev realised the dangers such a strike held for him. After an initial attempt to blame the strike on the ubiquitous "outside troublemakers", he rushed to co-opt the strike as an example of "*perestroika* from below". Sending a high level delegation to the coalfields he made a series of concessions, raising wages and agreeing to greater autonomy for the mines.

Yet despite this promising start, the newly formed labour movement did not develop into a strong independent class movement. The Union of Kuzbas Workers formed in November 1989, claimed 20,000 members but was a voluntary body of activists in the workers' committees that succeeded the strike committees and was closely tied to the "radical marketisers".

There were some elements of collectivist thinking within its founding platform. It ruled out unemployment and criticised those "who want to pull our economy out of its crisis by artificially studying capitalist economy". It referred to planning as "one of the great inventions of the twentieth century". But at the same time it referred to market relations as "an invaluable experience of human civilisation". In short it eclectically sought to combine the two.

The radical marketisers soon gained the upper hand, spreading the view that political totalitarianism was a natural outgrowth of the central command economy and that the latter must be destroyed. In the meanwhile they urged enterprise autonomy in a complete market economy and pushed a project for a "free economic zone" in the Kuzbas as well as attempts to lure in Japanese capital and win Japanese markets. Such an anti-working class programme could be no basis for winning the majority of miners, let alone the majority of workers into the new organisations. By October 1991 the independent union still only numbered 4% of the total number of mineworkers.

The attempt to form a Union-wide trade union federation independent of the official unions met with little success. From 30 April to 2 May 1990 270 representatives of small independent unions plus the miners met in Novokuznetsk to form the Konfederatsiya Truda (Confederation of Labour). But this body never got off the ground as anything independent of the miners' organisations.

The hard-line Stalinist attempt to co-opt workers via the UFT (United Front of Toilers) was an even greater fiasco than the non-miners' "independent" unions. Only in the Baltics did the UFT have any success in organising strikes and here it mobilised ethnic Russian workers in chauvinist actions against the nationalists and was clearly a creature of the party cells the managers and the KGB.

Hence while the search by the "radicals" for a Soviet Solidarnosc was only partly fulfilled by the miners' strikes of 1989, the hopes of the bureaucratic conservatives that they could demagogically manipulate the workers into defending their caste power and privileges also proved vain. But the failure of any sustained independent intervention by the working class, the development of the strike committees into workers' councils (soviets), left the radicals and conservatives a free hand to fight out their battle for power with little fear that the working class might intervene to impose a political revolution on them both.

The results of the March 1989 elections and that summer's strikes were a blow to the bureaucratic conservatives. But it was one which galvanised them into public factionalism for the first time. Using party bodies under their control, especially the Leningrad party and the "conservative" press, they launched a furious assault on the "radical marketisers" of the Inter-Regional Group and the Democratic Platform within the CPSU.

Yeltsin effectively proclaimed himself the rallying point and leader for all sections of the bureaucracy seeking to overthrow the planned property relations.

Increasingly they criticised Gorbachev himself: for weakness, for a failure to clamp down on the nationalists and bourgeois democrats. Gorbachev was obliged to attend to their criticisms. At a meeting between the Politburo and 150 Regional First Secretaries on 8 July 1989 one of the leading conservatives, Yuri Prokofyev observed:

"We say that we are passing power over to the soviets, and that is what is happening. But then we have to think what the role and place of the party is, because two kinds of power can't exist, right!"[2]

Gorbachev found himself embroiled in a deadly struggle with the alarmed conservatives. In September real moves were made within the Politburo, led by Yegor Ligachev, to oust the General Secretary. The well-informed liberal papers *Moscow News* and *Oganek* reported that preparations for a coup were well underway.

But by February 1990 this open, constitutional push by the bureaucratic conservatives had run out of steam. Gorbachev had ousted Scherbitsky, Chebrikov and Nikonov from the Politburo, leaving Ligachev isolated. Moreover, the "radical reformers" came to the fore and began to mobilise larger and larger street demonstrations setting as their goal the abolition of Article Six of the Soviet Constitution which enshrined the leading role of the party. In December 1989 40,000 demonstrated in Leningrad. In early February 1990

200,000 overflowed the vast Manezh Square calling for the end of Article Six.

Gorbachev suddenly contradicted his stance of the previous months and at the February CC Plenum he proposed both the abolition of Article Six and the creation of a strong presidency with powers to by-pass the parliament and the party too. Gorbachev's response to every deepening of the crisis was to seek to play off the "radicals" against the "conservatives", the "left" against the "right", whilst at the same time raising himself up as the supreme arbiter.

But unfortunately for Gorbachev the pre-revolutionary situation and the contending social forces were not exhausted or in decline. Only when this is the case is it possible for a Bonapartist regime to gain a strong and lasting grip on the nation. Rather the situation was the opposite. The concession of democratic freedoms, of the right to form parties and unions, the transfer of power, or rather a part of power, to the Soviets, all contributed to the opening of a dual power situation.

This dual power was not, unfortunately the "classical" dual power of 1917 between workers' councils and the bourgeois state or that of the Hungarian workers' councils of 1956 and the weak reform Stalinist government of Imry Nagy. The Soviet workers had not achieved either the organisational or the political independence sufficient to pose the opening of a *political* revolution, i.e. one that would defend the statified and planned property and institute a regime of workers council democracy. This alone could have blocked the rise of the restorationists and overthrown the Stalinist bureaucracy.

As it was the dual power that developed was between the bourgeois democratic restorationists and the conservative elements of the old bureaucracy that saw no future for themselves in the neo-liberal fast track restoration process. Because the latter was only defending their enormous privileges and dictatorial powers they were unable either to oppose restoration in principle or to put themselves at the head of any working class resistance to it. However, it was a real duality of power once the institutions of the state, not only governments and parliaments but the "special bodies of armed men", began to fissure into two camps.

The March 1990 elections to the local and republican soviets placed the "radicals" in power in Moscow and Leningrad. Across the USSR other important cities like Yeltsin's base, Sverdlovsk, together with Gorky, Volgagrad, Lvov and Donetsk, all fell out of the control of the CPSU. The election placed the nationalists in control in the Baltic states, in Georgia and in Armenia. It strengthened the radicals and nationalists in the Ukraine. These Soviets now disposed of important powers; they had control of sections of the local media and even exercised some degree of control over the militia.

On 14 March the Congress of Peoples Deputies removed Article Six of the Constitution, created a "strong executive presidency" together with a Presidential Council to be chosen by the President himself and a Federative Council made up of representatives of the republics. Gorbachev was elected the next day as President of the USSR. After two months of further manoeuvring Yeltsin was elected presi-



STALINISTS AND ANTI-SEMITES IN A BLOC, DEMONSTRATE TOGETHER

dent of the Supreme Soviet of the Russian Federation, which at the same time proclaimed its "state sovereignty", that is, the superiority of its laws to those of the USSR. This indicated that from now on the Russian Federation could be expected to question and even defy laws and edicts coming from either the Supreme Soviet of the Union or from its "strong president".

After July 1990 the Yeltsin camp's growing power forced Gorbachev to execute a major re-alignment towards the openly restorationist forces. He held several days of discussions with Yeltsin, calling in Yeltsin's economic advisor, Grigory Yavlinsky, the author of a radical privatisation plan that Yeltsin had already endorsed and was threatening to implement in the Russian Federation. He also drew into the discussions two of the most radical of his own advisers, Stanislav Shatalin and Nikolai Petrakov. By 31 July Gorbachev was willing to sign a document agreeing to the drawing up of a crash programme of capitalist restoration.

When Yeltsin urged him to dismiss Ryzhkov and his government and form a coalition with himself and the reformers Gorbachev temporised and eventually refused to take such a step. At the meeting of the USSR Supreme Soviet between 11 and 18 September Gorbachev tacked and trimmed. On the first day he proclaimed his preference for the Shatalin Plan over that of the Ryzhkov/Abalkin plan for a "controlled market economy", that is, one that would leave the party *nomenklatura* its hold on economic and above all on political power.

Gorbachev thus opened himself to the full pressure of all these forces. In one week they turned him round. Moscow was suddenly subjected to mysterious bread shortages and large scale military manoeuvres were begun around the city. This was a forceful reminder to Gorbachev of the fact that he would never be able to implement the Shatalin Plan without immediate economic sabotage and even his own removal.

Faced with this Gorbachev caved in. He drew up his own "Guidelines" which, although they retained the goal of a market economy, were vague on methods and means of getting there. Yeltsin described Gorbachev's proposal as "a deceit of the people to preserve the hated bureaucratic administrative system".[3] Grigory Yavlinsky perceived, however, that this was not merely a question of Gorbachev's own weakness or deceitfulness. It was, rather, the fact that "the system refused to give birth to a plan that would kill it". Having broken with the restorationist radicals Gorbachev desperately tried to strengthen his own Bonapartist role, to rise higher above the factions. But like it or not he was now obliged to turn directly to the bureaucratic conservatives. They made it clear that they would exact a heavy price for their support

On 13 November Gorbachev attended a meeting of 1,200 military officers who were elected deputies in the various republican and All-Union assemblies. They gave him a heavy verbal beating, demanding a crack down on the nationalist forces that were defying the Soviet Armed Forces (SAF).

The conservatives were prepared to give Gorbachev extra powers providing that he surrounded himself with a solidly hard-line cabal. They insisted on having control of all the key institutions of repression. Between 17 November and 4 December the Supreme Soviet debated and passed a series of emergency powers for the president. The Presidential Council, on which radical restorationists and reformers like Shatalin, Yakovlev and Shevardnadze were prominent figures, was abolished and replaced by a Security Council based on the three ministries of repression: defence, interior and the KGB. Gorbachev was given the power to rule by decree. In the first weeks of December Gorbachev broke completely with his longtime supporters, the initiators and defenders of *perestroika*: Yakovlev, Primakov, Medvedev and even premier Ryzhkov.

He turned to the hardest of the hard line faction, to Defence Minister Dmitri Yazov, Interior Minister Boris Pugo and his first deputy General Boris Gromov and the KGB Chairman, Vladimir Kryuchkov. Several army divisions were transferred to the control of the Interior Ministry and the KGB were permitted to patrol the streets of Soviet cities, including Leningrad, ostensibly to "assist" the regular police in the "fight against organised crime". Leonid Kravchenko, another hard-liner, was put in charge of Central Television and imposed a rigid censorship.

This bloc was a marriage of convenience, or rather of necessity, but there was one central issue on which Gorbachev had sincere agreement with the bureaucratic conservatives, and a near total disagreement with Yeltsin. That was on the need to preserve the Union at all costs. Thus he needed the party, the army and the KGB at least as a threat to scare the nationalists and Stalinists of the republics into a new centralist Federation Treaty. Its main provisions were that the republics must recognise the authority of an All-Union government in military, economic and foreign trade matters.

In the December session of the Congress of People's Deputies Gorbachev repeated the theme of the need for "firm power, discipline, control over the implementation of decisions". If not then "an increase in disorder, the rampaging forces of darkness, and the collapse of the state are inevitable".[4] Eduard Shevardnadze, one of Gorbachev's oldest and closest allies, was apparently forced to resign through pressure from the hardliners' who accused him of corruption and of responsibility for "losing" Eastern Europe. He made a final emotional speech to the Congress warning that, "a dictatorship is coming!" Events in the Baltic republics in the next few weeks seemed to confirm his prophecy.

But the bloody and ill-organised attacks on the Baltic states' parliaments and governments roused and rallied the whole liberal democratic and nationalist movement. On 10 January 100,000 marched in protest through Moscow. The liberal press reported events despite threats of a re-imposed censorship. The EC suspended food aid and the USA warned Gorbachev against the use of force. In February Gorbachev faltered and offered discussions with the Baltic governments.

Throughout the spring a wave of mass rallies and marches took place not only in Moscow and Leningrad, but in important provincial cities like Sverdlovsk, Irkutsk and

Kazan. Even more important was a wave of miners' strikes which spread from Siberia to the Donbas involving, at their peak, one third of the country's pits. It was thus brought home to Gorbachev that he could not rule the country against Yeltsin, the democrats, the nationalists of the republics and the miners' unions with the weapons of repression at his disposal. Any turn to yet more savage repression would create civil war conditions and lead to a breach with imperialism as well.

Even the bureaucratic conservatives seemed check mated by these developments and uncertain how to proceed. The "creeping coup" began to crawl backwards. Faced with a Gorbachev once more reneging on his promises to them the hardliners restricted themselves to constitutional manoeuvring. They tried to oust Yeltsin from his presidency at the Russian Congress of Soviets on 28 March. The opposition called a huge demonstration in Moscow. Gorbachev banned it and attempted to intimidate it by mobilising 50,000 troops. But when it nevertheless went ahead, drawing between 100,000 and 200,000 participants he did not dare to use the troops to disperse the demonstrators.

The coup sharpened a year and a half pre-revolutionary crisis into a short-lived revolutionary situation. Once more the working class was presented with an opportunity to open the road to its own political power.

These events – the miners' strikes and the demonstrations held in defiance of the president's decrees and the KGB troops – demonstrated to Gorbachev and to the conservatives alike that two powers existed in the USSR and that in a decisive conflict it was by no means certain that they would win. Neither Gorbachev nor Pugo dared order the troops to open fire in Moscow or in the Kuzbas. From this point the conservatives were in disarray.

The attempt to unseat Yeltsin foundered and the Russian Congress, despite its conservative majority, voted him emergency powers to match Gorbachev's. The latter, faced with a Union descending into chaos and unable to halt the miner's strike, had to turn to Yeltsin and renew his alliance of summer 1990. In return Yeltsin flew to Novokuznetsk and persuaded the miners' leaders to call off the strike.

Gorbachev's new deal with Yeltsin and his allies involved a considerable transfer of economic powers from the centre to the republics, the agreement to return to a new "radical" economic reform programme and the drawing up of a decentralising new Union Treaty. All of these measures, but especially the last of them, spelled the end for the *nomenklatura*, the KGB and the military-industrial complex. In order not to provoke them into a last strike Gorbachev left the Pavlov government and the conservative Security Council in place, thinking this would tie their hands till the Treaty was signed. But the hard-line faction saw through this and determined on a last stand. Their ineptness was a true reflection of the fact that the majority of the bureaucratic caste no longer stood behind them. All their manoeuvres ended in fiasco because they met no response from below. The vast majority of bureaucrats simply sat on their hands and waited to see who would win out.

First there was an attempt to oust Gorbachev as party leader at the CC plenum in April, but Gorbachev faced it down. Then in June Pavlov, supported behind the scenes by Pugo, Kryuchkov, Yazov and Lukyanov (chairman of the Supreme Soviet), took advantage of Gorbachev's absence abroad to propose to the parliament the transfer of all Gorbachev's emergency powers to himself. This "parliamentary coup" also ended in fiasco when Gorbachev returned and confronted them.

At almost the same time the conservatives received a stunning blow. Yeltsin elected President of Russia with 57% of the poll, his strongest support coming from the industrial cities. The conservative candidates received derisory votes. Symbolically, Yeltsin was given an office suite in the Kremlin vacated by Pavlov's governmental staff. There was in addition a break through in negotiations for the new Union Treaty. This would sweep away the power of the bureaucratic conservative cabal. Either they had to act in the few weeks left before its signing or reconcile themselves to total oblivion.

The abortive coup of 18-20 August 1991 marked a turning point similar in its effects to the 1989-90 events in Eastern Europe. Launched by the conservative leadership of the *nomenklatura* to halt the "malicious mockery of all the institutions of the state . . ."[5] the State Committee for the State of Emergency (SCSE) in fact ended up by raising their arch enemies into a commanding position within the fragmented state power of the USSR. The already divided bureaucratic caste openly split asunder. The conservatives whose project was to defend the power of the caste as an integral whole, thus lost control over their armed forces.

The coup itself sharpened a year and a half pre-revolutionary crisis into a short-lived revolutionary situation. Once more the working class was presented with an opportunity to open the road to its own political power. The objective conditions for a political revolution were created by the fragmentation of the state forces, by the necessity for Yeltsin to call for a general strike. But once again, as in Eastern Europe, the absence of the subjective factor, a class conscious revolutionary proletarian movement, ensured that the restorationists were able to seize the main levers of state power.

The Yeltsin fraction had a certain degree of power as a launching pad for their resistance. They already controlled certain elements of the state apparatus, the administration of republics and their parliaments. Yeltsin and other presidents had recently been bolstered by "democratic mandates". They thus had legal claims to the allegiance of sections of the armed forces and militia. Moreover it soon became apparent that the All-Union administrative and military apparatus had already undergone cold splits at a number of levels. The armed forces, instead of carrying out the plotters' instructions, either declared themselves neutral or entered into negotiations with Yeltsin, Sobchak and their supporters.

Nevertheless, there was a very short period when the fate of the coup was decided in the factories, the mines and in the streets. A mass movement against the re-imposition of

a Stalinist dictatorship began to develop

The Yeltsin camp's social base was heterogeneous in its political and class composition. There was a strong layer of proto-exploiters keen to enlarge the scope of their wealth, democratic intellectuals wanting to defend their freedom of expression and nationalists seeking the autonomy or independence of their republics or regions. But there was also an important section of the working class determined to defend the democratic freedoms gained during the preceding years. But the leading social force within this "popular front" for the restoration of capitalism, was the faction of the ruling bureaucracy that had abandoned as a lost cause the defence of caste privileges and their source – a degenerate workers' state – in favour of becoming key members of a new bourgeois ruling class.

The tens or hundreds of thousands who gathered around the Russian Federation Parliament and the Leningrad Soviet were hardly sufficient to halt the plotters, but the forces in society which stood behind them were much more formidable. The threat of a general strike by the miners and other independent unions, actual strikes in the Kuzbas and Vorkuta and threats of strikes in the Donbas, strikes by industrial workers in Leningrad and Sverdlovsk, the certainty of meeting armed resistance in the republics – all these factors paralysed the armed forces and the KGB. Utilising the unconstitutional nature of the SCSE, the great bulk of the armed forces refused to obey its instructions. Even large sections of the KGB refused to do so and defected to Yeltsin.

Yeltsin as the figure to whom over two and a half days the army and the KGB finally rallied, was able to act decisively against the plotters. As the coup crumbled he issued a quick-fire series of decrees asserting his control over the state machinery. What in Eastern and Central Europe took weeks of mass protest and months of manoeuvring with the *nomenklatura* to achieve, was realised within days. The party was suspended, its property seized. Fifteen million "strong", it collapsed without a single blow struck in its own defence. Eighty per cent of the army high command at the level of general or above was displaced and the KGB was effectively purged of its leadership. It was at once deprived of its 230,000 armed forces and subordinated to the regular army. The conservatives were displaced from all leading positions and their followers marginalised as a faction within the shattered and reeling bureaucracy.

Of course some redoubts and pockets of resistance remained. Not all the conservatives had supported the coup. There were large numbers of conservative deputies in the USSR Supreme Soviet and republican parliaments, including that of Russia. In Azerbaijan, Uzbekistan and some Central Asian republics they still held or shared power. In this respect they retained some elements of power, but the overall the balance of forces within the USSR was shifted massively in the radicals' favour.

After the coup and through to December the situation was analogous to the first Solidarnosc government in Poland, headed by Masowiecki but co-habiting with President Jaruselski. In short there was now a strong bourgeois restorationist government in office alongside an enfeebled Gorbachev and the All-Union armed forces. Forced ignominiously to desert the CPSU, its last General Secretary had to proclaim his own total and unconditional loyalty to the fast-track restoration programme. He remained the head of the Union-wide armed forces and the Soviet government, capable for a few months longer of conducting negotiations between the republics and the factions. But his Bonapartist role was fatally undermined.

However, with the powerful support of the armed forces and the imperialist powers he tried to preserve a federal union, some form of centralised state. This obliged him to rely on the rump of the bureaucracy of the central state machine against the confederalists of the republics.

Yeltsin, powerful as his position was, still did not possess undivided control over the state apparatus. He was for two months or so torn between trying to assert his power through the remains of the USSR structures or destroying those structures in alliance with the independence-seeking republics and attempting to create a new framework for the dominance of the Russian federation. But since his objective was to deprive his opponents of all the levers of economic and political power he was driven to support all the decentralising measures, all the attacks on the hated "centre".

However, it was the imperialist powers that continued to support Gorbachev's attempt to keep the USSR together as some sort of federation. They had no desire at all to see its nuclear forces falling into the hands of a dozen or so potentially warring successor states. They wanted a centrally co-ordinated debt repayment agency to ensure that the USSR's $68 billion worth of foreign debt was honoured.

Whilst insisting on the recognition of the independence of the Baltic states, imperialism showed little enthusiasm for turning the USSR into a gigantic version of Yugoslavia. Hence, caught between a revolt of the republics against his attempts to assert Russian "hegemony" and the pressure of his imperialist mentors, Yeltsin was obliged to go along for a few months with Gorbachev's plans for an economic union and even a loose political federation. But in the end he and his supporters realised that any such institutions would mean continuing to share power with Gorbachev and with large and unproductive sectors of the old bureaucracy who would exact a high price for their services.

Moreover the key non-Russian republic, the Ukraine simply could not be persuaded either by imperialism or by Gorbachev and Yeltsin, to endorse the formation of a new federation. Ex-Stalinist *apparatchik*, Leonid Kravchuk, whose position had been highly equivocal during the days of the August coup, was obliged in the interests of self-preservation to steal the Rukh's clothes and campaign for complete Ukrainian independence. The signal for the final collapse of the USSR was the vote for independence on 1 December by over 90% of the Ukrainian electorate. Gorbachev's treaty was clearly doomed. On 5 December Kravchuk renounced the 1922 treaty which founded the USSR.

Yeltsin immediately recognised the Ukraine's independence, thus breaking finally and irrevocably from Gorbachev and his Union project which he had alternately supported and sabotaged. These zig-zags reflected real differences within his entourage and indeed within the broader restorationist camp. Figures like the economist Grigory Yavlinsky, Russian vice-president Alexander Rutskoi and Anatoly Sobchak (the Mayor of Leningrad) strongly supported

the retention of the Union. Thus Yeltsin's manoeuvre alienated this important sector of his own supporters sending them into a sort of semi-opposition.

On 8 December a meeting of the heads of state of the Slav republics – Yeltsin (Russia), Shushkevich (Belorussia) and Kravchuk (Ukraine) – unexpectedly proclaimed the new "Commonwealth of Independent States" (CIS) and announced the "end of the USSR as a subject of International Law". The new CIS was dedicated to the "creation of fully fledged market mechanisms" and for the "transformation of property relations". In short, it was an alliance for the restoration of capitalism between the republican governments.

These events seemed to signal the final resolution of the inter-bureaucratic conflict over the pace of restoration and the state framework for it. The central institutions of the USSR had appeared as the major obstacle to a fast restoration process. With Gorbachev went the Soviet State. But soon it became clear that one critical element of the centralised bureaucracy had survived the destruction – the military high command and the officer caste of the SAF.

These "special bodies of armed men", the bedrock of the state machine had negotiated themselves a very special status in the CIS. They were to remain a "federal" institution in a Commonwealth that had solemnly renounced federalism. However this simply unleashed a running dispute with the Ukraine over the armed forces stationed on its territory and over the Black Sea fleet. If the CIS is not a state why does it need an army? If the Ukraine is an independent state why should it not have its own army, airforce and fleet, rather than a lightly armed national guard? Kravchuk has little room for manoeuvre on this. If mass popular resistance to his restorationist economic measures breaks out it would be difficult if not impossible for him to restore order using a "Soviet" or "Russian" army rather than a Ukrainian one.

Since the declaration of the CIS, Russia and Kazakhstan have remained more or less faithful to this deal with the high command, but Ukraine, Moldova and Azerbaijan have sought to create full-scale armies out of SAF strategic units. The struggle over the Black Sea fleet between Russia and the Ukraine and the ousting of Zviad Gamsakhurdia in Georgia both testify to continuing disputes about how "independent" the new republics in fact are. The CIS itself lives a very shadowy existence, neither a state nor a military alliance. It is hardly a "common economic space" either. Its declarations and treaties are as fictional as those of Gorbachev's USSR.

The central military bureaucracy is doggedly resisting its own dissolution via the disintegration of the SAF into the various CIS republican defence forces. The officer corps is organising politically, setting up regularly convened assemblies and a servicemen's trade union has been formed. Discontent is simmering in the ranks at the economic hardships everywhere and the "humiliations" visited on garrisons in the non-Russian states. Soldiers' demonstrations and riots have taken place. All these factors could create conditions for army intervention in the political life of the new states and even a full scale *coup d'état* if economic collapse leads to mass discontent with the "shock therapists".

However, it is highly unlikely that the high command itself will undertake a unilateral adventure, relying only on unpredictable popular support. They have doubtless learned the lessons of the August coup failure. More likely they would only move in alliance with a figure like Russian Vice-President Alexander Rutskoi who has a whole series of credentials for the role of a Bonapartist figure to replace Yeltsin.

As Yeltsin's running mate, elected by popular vote in the 1991 elections and chosen as a former general and Afghanistan veteran, Rutskoi is a man with strong links to the army. He now heads the Peoples' Party of Free Russia (a successor party to the CPSU stuffed with former and present bureaucrats) and has links to the Christian Democrats, the Constitutional Democrats (Cadets) and other Russian nationalist forces grouped in the "Russian Peoples' Assembly" – formed in February 1992.

Other candidates for a new restorationist Bonaparte exist, such as St Petersburg Mayor Anatoly Sobchak, an aggressive Russian nationalist or Ruslan Khasbulatov, chairman of the Russian Supreme Soviet. Both could well support a military coup aimed at restoring some sort of Russian-dominated Union.

As well as this opposition from within the state machine and the camp of the politicians who opposed the August coup there is an opposition stemming from the old shattered fragments of the CPSU such as Anpilov and Tyulkin's Russian Communist Workers' Party and Andreyeva's All-Russian Communist Party (Bolsheviks). These parties have extended their alliance to organising regular demonstrations with the Russian chauvinist organisation Nashi ("Ours"), jointly forming a bloc called "Labouring Russia".

Nashi's most prominent figures are the television journalist Nevzorov, the chauvinist demagogue Vladimir Zhirinovsky, who came third in the Russian presidential elections of 1991, and the "black colonels" Viktor Alksnis and Nikolai Petrushenko. It is particularly linked to the Russian minorities in the other independent republics, hence the name "ours". It has powerful influence in the middle ranks of the army. Nashi and the old hard-line Stalinist forces represented by Tyulkin, Andreyeva etc, have as their objective an army intervention. This was clear from their demonstrations organised in Moscow in March. They are not in any sense the vanguard of working class resistance to restoration. Their "opposition" is to the disintegration of the USSR and to the independence of the republics. Their only socialism is the "socialism of fools". They claim that Yeltsin is selling Russia to the Jews and the foreigners.

These traditional aspects of Great Russian chauvinism and anti-Semitism are the basis for their united front with the openly fascist Pamyat who can be found on all their protest demonstrations. Long sponsored by the KGB in the early phases of the crisis of *perestroika*, Pamyat represented the development of a fascist pole from within Stalinism, a development which Trotsky observed in the late 1930s. Pamyat has split into warring factions, but the most active is that led by Dmitry Vasilyev. But if "Labouring Russia" does not represent a class opposition to restoration where is it to be found?

The crisis of leadership in the workers' movement is acute. The official trade unions shook off the leadership of the CPSU in October 1990 and formed a Russian Federation of Independent Trade Unions out of the sections in the RSFSR. Their role as dispensers of welfare benefits and their slightly increased defensive role was sufficient to persuade millions of workers that there was no real alternative to them.

If the trade union bureaucracy and the Stalinist "workers' parties " are a dead end for the working class the situation of those offering some sort of "social democratic" or "democratic socialist" alternative is not qualitatively better. Boris Kagarlitsky has been prominent in moves to form a new "Party of Labour". This project received a fresh impetus following the coup, Yeltsin's shock therapy and the resulting disorientation of the non-Stalinist left.

One component of the Marxist Platform of the CPSU (which split soon after the coup), led by former CC member Alexander Buzgalin, has joined them in this process. The bureaucracy of the Moscow Federation of Trade Unions, nominally representing eight million workers, has also declared support for such a party.

But if it were formed under such a leadership and programme the new Party of Labour would be a thoroughly social democratic reformist one, seeking a place within the Second International. Kagarlitsky has openly proclaimed that what the workers of the former USSR need is a programme based on "left Keynesianism". The draft "Appeal for a Party of Labour", issued in Moscow on 28 August, specifically rejects the idea of a revolutionary vanguard party and comes out in favour of a "decentralised social sector", co-existing with the private sector "within a mixed economy".

Revolutionaries are obviously in favour of any moves by the unions, the workers' committees or any other mass workers' organisations towards achieving political independence from the restorationist "radicals" or the chauvinist Stalinists. But Russia and the other republics do not need a version of western European (or for that matter Brazilian) reformism. They need a revolutionary workers' party based on a programme for seizing power and placing in the hands of real soviets of workers', collective farmers' and rank and file soldiers' delegates.

When mass anger against the restorationist programme turns to mass action it is very possible that ex-Stalinist or neo-Stalinist trade union or party bureaucrats could gain some influence. Revolutionaries could not oppose the drawing in of even the neo-Stalinist parties into a united fronts of struggle against restoration measures. But we must prevent them bringing in their fascist allies. If the Stalinists raise their anti-Semitic or Russian chauvinist slogans we should agitate for them to be forcibly called to order or expelled from the actions or demonstrations.

Revolutionaries must make clear their absolute opposition to any new military coup, even if the masses by then see the army as saviours from the hell of shock therapy. It would lead to the restoration of a military-Stalinist dictatorship over the working class. Even if the coup-makers slow down or halt many of the restoration measures, or patch together elements of the bureaucratic command plan they would only do so in order to preserve their privileges. As events in China after Tiananmen Square showed, this would at best prove a temporary measure. The military regime would undoubtedly attack the independent republics, crush all independence within the workers' organisations, ban strikes and demonstrations, muzzle the press and arrest all their political opponents – including their Trotskyist ones.

A coup would prevent the working class learning the lessons of the restoration process so far and abort any mass struggle against it. Working class action is the only strategic way of defending the gains of October. For this reason we must also defend the democratic rights of the workers and the nationalities.

But it does not flow from this that faced with a coup attempt we should defend the government of Yeltsin? Even in August it was impermissible to defend the government. But in August we were prepared make a bloc with Yeltsin to defend bourgeois democratic rights. Unlike the situation in August 1991 when he was the figurehead for the masses' opposition to dictatorship it is now his militia and KGB that are banning and dispersing demonstrations, repressing the anarchists and the left and which tomorrow will repress striking and protesting workers. Yeltsin's regime is now the main enemy of the democratic rights of the workers, the nationalities and the intelligentsia.

Today and in the future the scenario for a coup would undoubtedly involve Yeltsin deploying the KGB, OMON, parts of the militia and sections of the army. It would almost certainly involve immediate measures by Yeltsin to ban strikes, demonstrations and opposition parties – even if these are not introduced piecemeal over the "normal" course of events beforehand. Thus, no bloc, however temporary, would be permissible. Any call to "defend the White House" would be pure demagogy from the man who has robbed the legislature of most of its powers and substituted rule by decree.

The working class faces a threat to its democratic rights just as much from within the Yeltsin camp as from within the Stalinist-nationalist bloc. Moreover, the workers' illusions in Yeltsin as "defender of democracy" are already dying. In such a situation there is no possibility of a bloc with Yeltsin; he is the main enemy.

The immediate task now is to mobilise working class resistance to the mass unemployment that is being prepared with the restoration programme and to utilise all the inevitable splits and rivalries of the restorationist camp to achieve working class independence at a trade union and a political level.

The most concentrated expression of this independence is a revolutionary party. In a revolutionary period, where the forces of revolution and counter-revolution contend and where first one and then the other gain the upper hand, the revolutionary combat party is a burning need of the masses however far they may be from consciously recognising it. ●

NOTES

1 John Morrison, *Boris Yeltsin* (London 1991) p102
2 Hedrick Smith, *The new Russians*, (London 1991) p498
3 Ibid, p592
4 Ibid, p603
5 RFE/RL Daily Report, 21 August 1991

Indigenism in Latin America

Five hundred years age two continents collided. Europe and Latin America clashed in an unequal contest. Subjugation and exploitation followed, its chief victim the indigenous people. Diego Mocar surveys the resurgence of indigenous movements as they mark five centuries of resistance.

A general strike is planned for 12 October this year aimed at drawing into action many thousands of indigenous people throughout 24 countries of Latin America. This protest, intended to intervene in celebrations marking Columbus' "discovery" of their continent 500 years ago, will represent the culmination of much work over recent years by a coalition of indigenous groups across the region struggling for elementary human rights still denied them.

Most indigenous peoples of America, having being "discovered" 500 years ago were then "disappeared" in the following fifty.

Put to the sword, robbed of their land and its riches, set to forced labour in the mines and on the plantations of their conquerors, dying of imported diseases and starvation, the indigenous peoples were subjected to nothing short of genocide. The Arawaks who first greeted Columbus numbered 600,000 had been completely eliminated half a century later. The victims of this holocaust some historians estimate to total more than twenty million of the fifty million inhabitants estimated to have lived in Latin America prior to the invasion.

It is little wonder that their descendants have no wish to celebrate this catastrophe. Today the majority of Latin Americans live in poverty. A large part of them are descendants of the Aztecs, Mayas, Incas and many other peoples conquered and brutally subjugated by the Europeans. For 500 years colonial and native ruling classes have used racist ideologies to justify their merciless exploitation of the peasantry and the proletariat by, and set about destroying Indian cultures and languages.

In Guatemala the Indians have been hunted down, driven from their land and even forbidden to speak their own language, wear their traditional clothes or to practice their customs. In the 1980s a counter-insurgency campaign in the Indian highlands left 40,000 dead and 400 villages burned to the ground. And where the army fails to extirpate Indian languages and culture North American protestant fundamentalists have descended like a swarm of locusts to try other more insidious means.

Many semi-serious bourgeois journals have turned their attention to the history of the destruction by early evangelists and *conquistadors* of the Indian population five centuries ago. They belatedly regret the brutality, sympathise with its victims, bewail its damage to the eco-system, and thus try to strike a pose lying somewhere between celebration and commemoration.

But what they will not admit to is any essential continuity between colonial plunder and present day imperialist domination and super-exploitation. But the present plight of the indigenous communities does not simply result from the crimes of the sixteenth century. Despite the changing forms of state domination – from Spanish feudal/colonial through to independent *creole* or *ladino* bourgeois – the condition of the Indians today is due to their oppression and exploitation at the hands of native capitalism and its imperialist masters.

Indigenous people in Latin America increasingly refer to themselves as "nations". Amazonian groups in Peru insist on this word and in Brazil the main indigenous organisation is called the "Union of Indigenous Nations". The word "nation" is sometimes interchangeable with the more usual "people". A common definition of the term is "a large number of people of mainly common descent, language, history, usually inhabiting a territory bounded by defined limits and forming a society under one government".

Modern nationalisms, when they assert their identity as a nation, normally make the claim for separate statehood. However, most Indian movements today do not seek this. This reflects the fact that despite several centuries' experience of the bourgeois epoch, a stable bourgeoisie has not developed amongst these peoples, one that is driven to take up a nationalist ideology in order to carve out a territory for its own development as a ruling and exploiting class.

Even the two million strong Aymara Indians in Bolivia did not consider themselves a "people" until the end of the eighteenth century. Before the Spanish Conquest the Andean region was a mosaic of diverse ethnicities, languages and societies in which Aymara was only the common language among a enormous number of groups across a huge territory. As one writer put it, in these circumstances:

"To be an Indian meant fundamentally to belong to a residential indigenous community located in a marginal rural zone, to be preferably monolingual in a native language, to have strong communal and ceremonial understanding of life, to show some rejection of the logic of the market economy, to be satisfied with the repetitive and 'traditional' use of antiquated technology."[1]

From the sixteenth century onwards the Spanish feudalists, and later the creole bourgeoisie, subjected these communities to savage attack, dispossessing them of land, forcing the Indians into their armies where tens of thousands died fighting their petty wars. The indigenous elites which survived were co-opted into the developing merchant classes. Most would renounce their past and indigenous identity. However, a minority formed the leadership of the great eighteenth and nineteenth century indigenous revolts.

But without a meaningful indigenous bourgeois class uprisings, such as the famous rising of Tupac Amaru in Peru in 1781, were unable to achieve a solid foundation upon which to build a nation state. By and large the indigenous peoples remained increasingly marginalised peasant communities.

Nevertheless, developments over the past decade or so appear to have created a material basis for nationalist sentiments. This was not always the case. In fact, for most of this century, as capitalism increased class differentiation, the Indian communities nearly always struggled for their rights as peasants and proletarians alongside other ethnic groups.

But the 1980s, the "lost decade" of Latin American economic development, has seen a vast influx of impoverished peasants into the shanty towns of the major cities, the growth of a vast class of small merchants and street traders and even elements of a small bourgeoisie developing. The "informal sector" has grown by leaps and bounds as both traditional agriculture and the state owned or promoted industrial sector has collapsed.

Of course, this has led to a deterioration of social conditions for the vast majority of indigenous people. But as the Indian masses crowded into the cities a stratum of intellectuals developed which has taken up the ideas of indigenism. This coincided with the left's manifest failure to stem the tide of the imperialist and national bourgeois economic offensive. The Stalinist and centrist left let slip or betrayed countless struggles, thus contributing to the fragmentation and retreat of the mass movements. Consequently a strong tendency to look for separatist, national solutions has developed amongst the indigenous peoples.

The experience in Bolivia is instructive here. The Katarista movement in Bolivia, based amongst the Aymara peasants took a leading role in the Peasants Trade Union Confederation (CSUTCB) after 1975. With the defeat of the workers after 1985 the CSUTCB has broken up in recrimination. The indigenist movements have been bitterly critical of the non-Indian left. Indigenism has been rising steadily ever since.

Marxists, for whom the struggle for the self-emancipation of the modern proletariat is at one and the same time the struggle against *all* forms of human oppression and exploitation, cannot ignore the plight of the original peoples of the continent. We must recognise what is specific in the oppression of the Indian peoples of Latin America.

Rebuilding working class and poor peasant organisations, forging unity with the popular organs of struggle in the shanty-towns and the countryside, creating a revolutionary vanguard party; all require taking up the struggle for the rights of the indigenous peoples. This must include support for their *right* to self-determination. Marxists do not advocate forming separate states for every cultural and linguistic group. Such a project is often utopian, as in the case of territorially fragmented or tiny nationalities. It can even prove reactionary where it leads to oppression or persecution of other peoples or minorities within these new nation states.

However, we must support this right unconditionally when it is raised by oppressed peoples themselves. Here all the problems and difficulties of separation are a lesser evil than the continuation of national oppression, which clouds class consciousness and obstructs class unity between the proletariat of the oppressed and the oppressor people. First, we must help the oppressed to separate – if they wish it – and thereby we shall forge bonds of class unity despite the borders or frontiers.

Indigenous groups are seeking some form of autonomy as a protection against the invasion and settlement of what remains of their territory, and some sort of control over local economic resources.

The Latin American proletariat should look to unify, on a socialist basis, peoples and nations, through voluntary union or federation. But we aim to convince the Indian populations of this today by means of our unconditional support for their right to determine their own future even if this means dividing one of today's bourgeois states. We are patriots for no bourgeois fatherland! All Indian peoples which want to have self-government in regions where they form a majority should have that right. If they choose to take that road then they should struggle for workers' and peasants' council republics and for them to be linked in a socialist federation of Latin America.

However, separation and a striving for statehood is by no means the most central issue to day. Rather, indigenous groups are seeking some form of autonomy as a protection against the invasion and settlement of what remains of their territory, and some sort of control over local economic resources. Many groups have – perhaps understandably, given the colonisation and plunder organised by the semi-colonial regimes – unwisely turned to the "protective umbrella" of international agencies such as the IMF and the World Bank.

This attitude goes alongside a pronounced tendency to reject class struggle and integration into class organisations in favour of cultural revival. It involves a romantic – i.e. an ahistoric – celebration of the pre-Hispanic forms of society and production, believing that rediscovering these forms is the road to emancipation.

The Confederation of Indigenous Nationalities of Ecuador (CONAIE) expresses this clearly in its programme when it calls for a "political alternative for the transformation of all Ecuadorean society". This it describes as:

". . . a national economy determined by uniquely indigenous forms of economic development, and a politics of territorial autonomy and self-determination which contemplates neither separation nor the seizure of state power. As such it stands apart from the traditional posture of both Marxists and revolutionary nationalists."[2]

Such ideologies inevitably clash with a proletarian world-view and tactics in the struggle for self-emancipation. While we support the struggles of the indigenous people for self-determination, we must also combat utopian attempts to restore a "golden age" of communal non-antagonistic social relations which are intended, via autonomy, to co-exist peacefully with capitalist society.

The various indigenous organisations operate amongst some 22 million indigenous peoples (5% of the total population of Latin America). These communities are in turn comprised of over 400 ethno-linguistic groups. In Guatemala and Bolivia Indians form an absolute majority of the population, in Peru and Ecuador they form nearly half. They are rightly determined to make their voice heard.

Last year on 7-12 October the Second Continental meeting of the "500 years of resistance campaign" took place in the city of Xelaju, Guatemala. It made plans for the general strike this October. Moreover, there was an extensive discussion on the effects of colonialism and imperialism that exposed the many layers of exploitation suffered by Indian and black people.

Yet the delegates rejected any outright condemnation of the capitalist system or support for anti-capitalist struggles. Typical are the declaration from the Committee for Campesino Unity of Guatemala (11 October 1990) and the Political Thesis of the Second Congress of the National Confederation of Bolivian Peasants (June 1983). These tend to contrast a glorious past of the indigenous peoples with their present misery

"We strive for the blossoming of Mayan culture and the affirmation of our true indigenous identity . . . All Mayan people and poor *ladinos* must learn that we are able to overcome these difficulties and bring about the rebirth and flourishing of our culture and civilisation so that, once again, the heart of the heaven, the heart of the earth can be seen, with renewed clarity and vitality, in the full light of the day."[3]

The Bolivian Peasant Confederation claims even more for these ancient cultures:

"Before the arrival of the Spaniards, we were a communitarian society. In our land we did not know about hunger, robbery, lies. In the Andean region our *ayllus*, *markas* and *suyus*,[4] were the basis of our subsistence and a great civilization, in which the autonomy and diversification of jobs and organisations were respected. In the oriental plains, various independent peoples occupied large territories living in freedom, developing skills and silverwork, music, hunting, gathering and fishing in harmony with nature."[5]

Eduardo Galeano, a writer whose work is well known

world-wide, has spread these ideas:

"Those cultures, scorned and denied, treat the earth as their mother and not as a raw material and source of income. Against the capitalist law of profit, they propose the life of sharing, reciprocity, mutual aid, that earlier inspired Thomas Moore's *Utopia* and today helps us discover the American face of socialism, whose deepest roots lie in the tradition of community."[6]

There is a clear tendency in the Latin American indigenous movement to mythologise these ancient cultures. But not all popular political activists are quite so uncritical. Domitila Chungara's experience in the Bolivian tin miners' struggles against pit closures and government repression leads her to say the following about the societies idealised by the indigenists:

"If we study our own history, though it's often said that it hasn't been written by ourselves, we can see that peoples' longing for their ancient culture and their customs is not a bad thing. But one would also need to look much more at the history of these types of government, at how things really were in those days. No doubt these governments were the most advanced and best organised in their day, but time hasn't gone in vain. We need to keep in mind that the past can't return as the present, that we need to live in the real world . . ."[7]

Marxists have always insisted that the interests of the oppressed and exploited are only served by a realistic and a historic appraisal of past societies. We leave myth-making to the apologists of exploitation and the purveyors of religious consolation. Marx himself attacked the illusions that some held in his day in these ancient pre-feudal communities:

"I share not the opinion of those who believe in a golden age of Hindustan . . . Now, sickening as it must be to human feeling to witness those myriad of industrious patriarchal and inoffensive social organisations disorganised and dissolved into their units, thrown into a sea of woes, and their individual members losing at the same time their ancient form of civilisation and their hereditary means of subsistence, we must not forget that these idyllic village communities, inoffensive though they may appear, had always been the solid foundation of oriental despotism, and they restrained the human mind within the smallest possible compass, making it the unresisting tool of superstitions, enslaving it beneath traditional rules depriving it of all grandeur and historical energies.

"England, it is true, in causing a social revolution in Hindustan, was activated only by the vilest interests, and was stupid in her manner of enforcing them. But that is not the question. The question is, can mankind fulfil its destiny without a fundamental revolution in the social state of Asia? If not, whatever may have been the crimes of England, she was the unconscious tool of history in bringing about that revolution."[8]

Exactly this can be said of the fate of Inca and Aztec societies, together with the myriad of other pre-Hispanic civilisations that did not fall within their domination.

Marx did hypothesise that if the socialist revolution triumphed in certain advanced capitalist states whilst in others such primitive communes still survived, these societies need not have to pass through the "vale of tears" of their dissolution by private property and class exploitation. But this has not happened.

Some indigenist currents have referred to the example of Japan's self-isolation from the sixteenth century to the mid-nineteenth century and its current prosperity. They argue that without the Spanish Conquest then within a century or two Central and South America might have been well placed in the nineteenth century to "take off" as a world economic superpower.

Alas this too is daydreaming! Japan was a vastly more economically advanced society in the sixteenth century than was the Inca Empire. That was precisely why it was militarily capable of excluding the Portuguese, Spanish, Dutch and English. Its nineteenth century capabilities for development did not arise from Japan's two hundred year isolation as such but from its internal social evolution and its relationship to world economic developments both before and immediately after its period of isolation.

It is quite useless to wish that the Spanish conquest had not happened or to daydream of a golden age that might have been. The conquest of the Americas occurred in exactly the bloody and brutal way that is inseparable from every major human advance under class society. The opening up of the continent contributed mightily to the development of capitalism as a world system. In this alone lay the historic progressiveness of the Conquest. Full of contradictions and painful as it was, capitalism was a relatively progressive system. It is quite useless to wish to undo its work. It was and is a system that can only be transcended not reversed.

Today we live in the imperialist epoch. Capitalism has become a completely reactionary system – a fetter on human development. The future for all those who suffer as a result of the process of capitalism is to integrate themselves into the working class struggle to help overthrow it.

We are not cultural imperialists. But indigenists often accuse Marxists of being no better than liberals in seeking to assimilate the Indian communities, merely pass off their culture as a refuge from oppression, rather than viewing it as a form of struggle for economic and political liberation.

Yet if culture can only be preserved by returning to pre-capitalist forms of agrarian production then we cannot have much hope for it. Cultures are ever changing and adaptive, they cannot hope to be preserved like pickles in a jar. Besides the culture of all but the most simple hunter-gatherer communities is riven by class contradictions; that is, it is not a harmonious whole, common to priests, rulers and peasants alike.

Of course, we must protest and fight against forcible assimilation, against all discrimination and privilege. But we cannot reject voluntary assimilation of cultures. Human progress is a history of such assimilation of smaller communities into larger ones just as the rise of the Inca empire proved. Even in bourgeois democratic society such development – as long as it remains *voluntary* – contributes to a common humanity that will only be fully realised in a classless communist future. National or ethnic culture is not a

disembodied expression of some timeless essence but one moment of human development. Worship of the *pachamama* or of mountains and rivers cannot long survive in societies which do not depend upon the vagaries of the weather for crop success.

Romantic utopias may seem attractive to romantic populist authors like Galeano but for those who are expected to live in them the best they could be under capitalism would be a tourist curiosity in which their inhabitants would be patronised and exploited.

There may be isolated areas scarcely interacting with capitalism, such as that in which the Chipaya people live in western Oruro province in Bolivia. Here they survive at a low level of economic self-sufficiency which neither the capitalist state or the multinationals have seen fit to disturb. But this is not the future or the present for the mass of Indians; not for the Amazonian tribes or the Miskitu Indians in Nicaragua, who inhabit potentially lucrative rain forests. Reservations, even if they are described as classless ecological Gardens of Eden, are a petit bourgeois dead end. Engaging in the class struggle is the only road to freedom.

The chief form of class struggle for Indians over the last decades has been for land. Imperialism and the Latin American bourgeoisies have prevented agrarian reform by and large from benefiting the Indian communities.

For centuries most indigenous peoples were exploited under the *latifundia* system, inherited from the Spanish Conquest. Huge farms, originally employing indentured labour, produced goods for consumption of the landowner. Later commercial crops displaced this more and more. But the peasants' lot changed little. They were forced to work hard for the owner and later cater for themselves on small plots.



KAYAPO INDIAN PROTEST AGAINST ALTAMIRA DAM PROJECT, BRAZIL

The landlords rob the peasant and the workers of the countryside. They forbid resident workers to plant permanent crops or make "improvements" on the plots assigned to them to grow subsistence foods. They forbid workers to plant those permanent or annual crops which earn relatively good cash returns. They prevent resident workers, croppers, or tenants from harvesting their crops when this conflicts with the employer's interests.

Moreover, they advance money at usurious rates of interest and sell goods at higher than market prices in landlord-owed stores. And on top of all this the workers have no job or land tenure security. They can be fired or expelled from their job or land for no apparent reason whatever.

All the Andean countries have experienced agrarian reform over the past thirty years. The Bolivian reform of 1952, for example, divided communal land into individual allotments which led to the destruction of thousands of communities. Chilé brought in a similar law in 1979 which reduced the number of Mapuche communities from 2,066 to 655. These so-called agrarian reforms do not take into consideration the real needs of the peasants and Indian communities, and they do not provide proper credits or infrastructures. Rural areas are being emptied of their inhabitants and subsistence farming quickly replaced by mechanised, export-oriented agriculture, with the support and encouragement of governments, banks and international institutions

such as the IMF and the World Bank, without any provision for the landless peasants and Indian communities.

The most pressing problem for the indigenous peasant is land hunger and an absence of cheap credit and adequate technology to develop their agriculture. Only a revolutionary policy of giving land to those that work it and for the occupation of the *haciendas* leading to the democratic redistribution of the land can meet Indian needs. Socialists favour a collectivist policy in agriculture but for them to attract the peasant to this form and scale of agriculture requires persuasion not coercion and requires the existence of abundant and cheap credit for the purchase of the latest techniques to improve productivity. This in turn will run up against the need to nationalise the industries and banks that stand in the way of such a solution.

The much smaller number of lowland Indians (around one million) have to endure the most scandalous destruction of their environment at the hands of imperialism and the national bourgeoisie. The destruction of the Amazon rain forests threaten the very existence of certain indigenous peoples. The possibility of a rational exploitation of the natural environment by the Indians who live there requires that they exert control over the process and put an end to the dictatorship of the imperialist companies and the multilateral agencies.

In the highland areas imperialism intervenes with its own military "advisors" to lay waste the coca growing lands of the Indians in Peru and Bolivia. So long as capitalism exists and creates the narco-traffic industry it is essential that the peasants are allowed to continue with their production. Greater protection for them can only be afforded by expropriating the cocaine landlords that draw off the mass of profit from the peasant labours, by decriminalising the use of cocaine in the imperialist countries and by developing a national coca industry to produce medicinal and food products.

The organisers of last year's conference in Guatemala aim to undertake a "process that can generate the widest pluralist, democratic and multi-ethnic movement". The general objective is to:

". . . consolidate the process of Indian and popular unity and all the other sectors involved in the campaign, on the basis of the recognition and respect of different opinions, as an indispensable element for contributing to the economic, social and political transformation of the society."[9]

One author recently summed up the reformulation of the indigenist strategy to achieve those goals:

". . . rather than challenge the state itself, it is preferable to challenge particular arenas of state power in local communities and civil society – community politics, family relations, control of language, education and thought. Not only is the state less likely to exact brutal repression against those who resist in this way, but is more vulnerable to this form of opposition. Most importantly, fragmented, non-confrontational forms of resistance would not have to acquire the machinery of state domination, which inevitably comes to mirror that which was oppressive in the original state and society."[10]

If the state does not seek to repress then it is either because the movement has put them into retreat or state and ruling class are not faced with a significant threat to their interests. It is clear from the above that the indigenous movements do not seek to be confrontational. But for this reason it is likely that they will not pose a threat to the prevailing system of exploitation and oppression. By renouncing the struggle for the state – even by reformist methods – the movements are doomed to demoralising ineffectiveness.

What is possible is that new indigenous elites – drawn from the petit bourgeois layers of the movements, perhaps from the expanding informal economies in some countries, will seek to carve out some local influence for themselves with the central state. But the rewards they gain for themselves will not change the everyday lives of the masses. Indian parties pursuing such aims should be rejected by the indigenous population both because they will lead to a false unity between different social classes and because they bring one indigenous community into conflict with another. For example, in Bolivia the CSUTCB wants to ban the import of agrarian products from neighbouring countries. This is a blow to the common interests of Aymara peasants who find themselves divided between Peru and Bolivia.

The present neo-liberal policies developed by the majority of the Latin American ruling classes affect in particular the Indian people. The accelerated penetration of foreign capital with its territorial expansion is removing Indian communities from their traditional lands, without giving them any viable alternative. As recently as February this year Chamorro in Nicaragua went over the heads of the previously autonomous authorities of the Miskitu people in Nicaragua and signed a big concession with a Taiwanese firm to clear 375,000 hectares of rain forest for commercial exploitation.

The only solution for the small intact communal or semi-communal peoples is to seek to ally themselves to the class struggle of the rural and the urban proletariat. The solution for the great majority of Indian masses of the South American highlands and the Central American plateaus lies in revolutionary integration into the class struggle and its organisations. In neither case is it a question of forgetting or subordinating the struggle against their specific oppression, but rather making it effective by harnessing to it the strength of all the oppressed and exploited. ●

NOTES

1 Stefano Varese, "Think locally, act globally" in *Report on the Americas* Vol 25 No 3, p16
2 Quoted in "Ecuador's Pan-Indian uprising", *Report on the Americas* V25 No3, p44
3 Quoted in H Koning, *Columbus, His Enterprise* (London 1991) p135
4 These are communal forms of land ownership and working of the land
5 H Koning, op cit
6 E Galeano, "The blue tiger and the promised land", *Report of the Americas* V25 No5, p14
7 Interview with the Mexican journal *America: La Patria Grande*, in Hans Koning, *Columbus – his enterprise* (London 1991) pp126-27
8 "The British Rule in India", *Collected Works*, V12, pp126-32
9 Quoted in *Central America Report*, Winter 1991, p5
10 Carol A Smith, "Maya nationalism", *Report on the Americas*, op cit, p32

Fighting the rise of the far right in Europe

In April the racist Republikaner Party stunned Germany by attracting 11% of the vote in a state election. Here Mark Harrison looks critically at the left's response to the challenge posed by the growth of far right and fascist parties throughout Europe.

In the March 1992 regional elections France saw Le Pen's Front National (FN) gain 3.3 million votes. The Vlaams Blok in Belgium won 10.4% of the vote, and 12 seats in parliament, in the November 1991 elections as compared to 3% in 1987. In Germany the Republikaner continues to grow and is now backed by the owners of the multinational corporation, Muller. In Sweden the "New Democracy" won 6.6% of the vote in September 1991 against a background of increased racist attacks on black people and immigrants from Eastern Europe.

Far right and even fascist parties are growing in Europe. But to date they have not met with an adequate response from the left, the trade unions and immigrant communities. Complacency is widespread. When moved to action the left has veered between pacifist, non-militant campaigns or physical clashes with the fascists and the police that have no perspective for involving the mass workers' organisations. If this situation is not changed the only thing guaranteed to happen is the further growth of state racism and fascist activity.

Capitalism's long post-war boom created a demand for extra, cheap labour. Countless vacancies, in the lowest paid sectors of the economy, had to be filled and each of the major European economies turned to their former colonies or spheres of influence to recruit workers. In Britain immigration from the Indian sub-continent and from the West Indies was encouraged. North Africans were brought to France, Turks and Yugoslavians to Germany, Austria and Scandinavia, South Moluccans and Surinamese to the Netherlands, Africans and Arabs to Belgium.

The immigrants were treated at best as second class citizens, at worst, as "guest workers" deprived even of second class citizenship. Discrimination in the imperialist heartlands was institutionalised. Guest workers were deprived of the right to vote, the right to permanent residency, access to social benefits. Immigration controls ensured that those black people who did gain citizenship status, were identified by all white Europeans as a "problem", as "aliens" whose comings and goings had to be strictly policed. Once here they were condemned to low wages and herded into the decayed housing of the inner cities. Immigrant ghettoes were born which in turn became targets for racist propaganda and police violence.

Police harassment of black communities was, and is, openly encouraged. Stereotypes were drummed into the heads of whites through racist television programmes, scare stories in the press and proclamations about the "race issue" by politicians of all the official parties – conservative, liberal

and social democratic. Racism, to one degree or another, was perpetuated as a means of dividing white workers from black and of subduing black workers and immigrants.

The moves towards "Fortress Europe" accompanies greater economic and political integration within the European Community (EC). The Schengen agreement on tight immigration controls around the borders of France, Germany and the Benelux countries legitimises the racist claim that immigrants and black people are "the problem"; it also encourages white workers to look for racist answers to the problems they are facing.

In France unemployment has risen to three million under the Socialist government. So much has the climate changed in France that a steady 40% of the population consider themselves to be racist. This turning of racism into an everyday occurrence has been accompanied by an appalling level of racist killings, often at the hands of the police. On average, since the beginning of the 1980s there has been a racist murder every two weeks in France.

In Germany unification has meant the dole queue for thousands upon thousands. Everywhere the recession is causing governments to slash public spending programmes. Whites grow resentful of the "aliens" in their midst because they are forced to compete with them for ever diminishing resources – fewer houses, fewer jobs, fewer services.

On the back of all this comes a series of racist measures by the governments of Britain, Germany, France, Belgium and the rest to arrest and reverse the flow of immigrant labour. Since 1989 the tearing down of the "Iron Curtain" has further boosted the numbers wishing to take advantage of the west's much promoted labour markets. The EC countries have set in train a series of measures designed to prevent this.

In Britain the Tories were on the verge of introducing a racist Asylum Bill before the April general election was called. In France the then Socialist Party prime minister, Cresson, called for charter planes to be laid on by the government to deport immigrants. In Germany, Austria and the Scandinavian countries specific immigration laws have been rushed through.

In Spain the 300,000 immigrants drawn from semi-colonial countries are subject to more and more state racism. Alongside them exist half a million Gypsies who have long been a target for discrimination in schools, are expelled from towns and are increasingly subject to racist physical abuse.

State racism has strengthened across Europe and the agencies of the state are in many countries mainly responsible for the misery and physical insecurity of millions of black people. But the ideological respectability that the state has given to racist ideas has been a boon to fascism.

Apart from the spread of racist ideas fascism has also been aided by the collapse of Stalinism. Stalinism discredited Marxism. It had nothing in common with the values and goals of revolutionary Marxism. But it was identified as "communism" in the eyes of the masses. Its death is seen by many as the death of communism. This has several effects, all advantageous to the fascists. In the first place, as has happened in eastern Germany, Poland and Romania, it has alienated thousands of youth to the point were they have turned to the "radical" solutions offered them by the fascists. Also it has weakened the left in Europe's labour movements, putting them on the defensive, demoralising them, throwing their parties into crisis. This too helps the fascists.

Last but not least, the collapse of Stalinism has unleashed a bout of destructive nationalism and regionalism. In a world in which many nationalities feel betrayed, in a world of uncertainty and economic and political chaos, nationalism becomes a powerful weapon in the hands of the fascists. They will seek to capitalise on it as the Republikaner did shortly after the collapse of the Stalinist regime in the GDR, with their call for "a conference of all patriotic forces in Germany". With "communism" discredited radical nationalism appears as an attractive alternative to those suffering the blows either of the restoration of capitalism or those suffering the effects of its economic crisis.

The fascists are gaining ground. They are not "super racists" and are not content with electoral legitimacy. They engage in street battles and other attacks to achieve their objective of destroying the organisations of the trade unions, immigrant and black organisations and the political left. In Denmark on 16 March a Nazi group, De Nationale, blew up the Copenhagen headquarters of the far left International Socialister group, killing one member. In Britain the British National Party targets left meetings for physical attack. Fascists are not about to seize power anywhere but their numbers and activities are increasing.

A conscious part of their strategy for growth since the late 1970s has been the conscious attempt by fascists to capitalise on racism as a populist issue, as a means of building a mass base.

The National Front (NF) in Britain in the 1970s was a clear example of this. After successive power struggles John Tyndall and Martin Webster, both long standing hard-core Nazis, assumed control of the NF. They set out to transform the NF, and themselves, from a fascist sect into a mass, populist party with racism as the key up front policy.

In conditions of economic crisis, a Labour government busy betraying the workers whose votes had brought it to power, and the effects of unemployment, low pay and declining social services bringing the reality of the end of the post-war boom home to millions of workers, the NF used racism to bolster its vote in elections and win to its ranks thousands of supporters who were not hardened fascists.

But systematic anti-fascist activity by far left groups, drawing on sections of the then more combative labour movement exposed the fascist nature of the NF, scared off many of its soft-core supporters and halted its growth. It then fell victim to their leaders' internecine struggles and a turn to a harder racism by Thatcher and the Tories.

In France the FN was founded by hardened veterans of French fascism with the aim of building a mass, far right populist racist party which would hide its fascist project. They have succeeded. The FN's message is simple: there are too many immigrants. Anti-communism and homophobia are secondary ideological props. The FN shot from the obscurity of 1.5% of the vote when the "socialist" Mitterrand came to power in 1981, to 14% in 1988, a position they maintained in

the recent round of regional and local elections, recovering from a significant decline due to Le Pen's anti-Semitic support for Iraq in the Gulf War.

Already over the last period the FN's veneer of "respectable" racism has been wearing increasingly thin. Openly fascist members of the FN have been convicted of bombing immigrant hostels. A series of violent attacks against leftists have taken place in Paris universities, in alliance with openly fascist groups. And in March an anti-FN march of several thousand in Chartres was attacked and dispersed by a well-organised hit-squad of fifty FN supporters. The fascist core of the FN are becoming more and more confident.

At a local level in various countries anti-fascists have scored a number of important victories. Despite the strength of the Vlaams Blok in Antwerp the Antwerp Anti-Fascist Front has conducted some exemplary activities to stop the fascists from getting a platform. At the end of October 1990 the AFF, together with immigrant youth (mainly Moluccans), successfully stopped the Vlaams Blok from marching through their own stronghold, Antwerp. In Norway the fascists have been met with demonstrations that have not shied away from giving battle. In Spain disparate initiatives in different regions have been organised by SOS Racism mainly concentrating on propaganda to nail the racists' lies.

In Sweden, following a frightening escalation of racist murders, a call by over sixty immigrant organisations for a general strike on 21 February this year met with a tremendous response. Though the strike was only for one hour, it won the (half-hearted) support of the Swedish LO (TUC) and brought much of the public sector to a halt. It is estimated that over one million workers and youth took part in some action or another in workplaces and schools.

The renewed wave of anti-racist activity in France was given added impulse by a 100,000 strong Paris demonstration in January, the first for several years. The demo was notable for its massive hostility to the ruling Socialist Party, in particular over a recent decision to set up detention camps for immigrants at airports, which just happened to be on the FN's shopping list of fifty reactionary demands.

All of these successes are important. But if we look at the two principal centres of fascist growth – France and Germany – we encounter major problems in the anti-fascists' responses.

It should be well understood, with the experience of Hitler and Mussolini behind us, that fascists are emboldened by their opponents' weakness. When Le Pen's FN first rose to national prominence in 1984-85 there were a series of mass demonstrations and concerts to protest against racism. These were partly based upon a national network of anti-racist and anti-fascist committees, partly mobilised by SOS Racisme, a Socialist Party sponsored organisation launched in 1984 which responded to a growing wave of racist attacks by organising 500,000-strong rock concerts around the slogan of "Hands off my mate". SOS Racisme, by its refusal to engage in serious action against the fascists, was a real roadblock to doing something about the FN's growth.

The new round of anti-racism bears all the weaknesses of its predecessor, seven years ago. There are now three major anti-racist groups, all of them under the leadership of former or current members of the centrist left. Overall, SOS continues to act as an anti-racist cover for Mitterrand. Its Socialist Party leaders are either ex-members of the Ligue Communiste Révolutionnaire (LCR – French section of the United Secretariat Fourth International) or closet LCR supporters. They have pointedly refused to participate in any direct action against the FN, preferring to cultivate links with the bourgeois media get a good press.

SOS Racisme's vice president, Malik Boutih, told the magazine, Socialist Review, that SOS would not confront this year's FN demonstration on 1 May, something the FN have held since 1988. SOS are planning a demonstration on the other side of Paris after the FN march has finished. SOS Racisme is a roadblock to the workers' united front against fascism in France. It is imperative that the left organises to build a serious fighting alternative to it.



GERMAN NEO-NAZIS ON THE MARCH

At present there are two other initiatives in France. The "Manifeste contre le FN" was founded by Paris PS Deputy and ex-PCI leader Jean-Christophe Cambadelis last autumn. Cambadelis was a leader of the 1986 student movement. This is another PS-based organisation, and was equally responsible for the relative success of the January demonstration.

Cambadelis is prepared to use his PS members to get youth and PS supporters to protest against the FN,

but he too steadfastly refuses to fight to stop the FN from meeting and demonstrating. He has given the FN a "republican" blank cheque saying he will defend their right to meet as long as they pledge to respect the Constitution.

The third national grouping is both the smallest and the most left. Based on a petition signed by 250 anti-fascist intellectuals and journalists, the "Appel des 250" is influenced by the Ligue Communiste Revolutionnaire (LCR) and its fellow-travellers. It is torn between those, like members of Pouvoir Ouvrier active in this campaign, who wish to fight to stop the fascists from meeting and those, like the LCR, who argue that mere protest is sufficient. As with the other two organisations, it has no specific orientation to either the immigrant community or the labour movement.

Recent events illustrate the weakness of anti-racism and anti-fascism in France. On 18 March, when Le Pen held his final meeting of the election campaign in Paris, the Appel organised a demonstration. SOS refused to participate. Met by indifference from the Stalinist Parti Communiste Français (PCF) and a shameful failure to mobilise even their own militants on the part of Lutte Ouvrière (LO) and the Parti Communiste Internationale (PCI), the demonstration was only a few thousand strong.

Several hundred LCR and anarchist youth tried to take on the CRS riot police, drafted in to protect the FN, but they predictably failed. The FN finished the night more confident than they began it. Worse, the LCR paper, *Rouge*, denounced the actions of their own youth in its next issue!

Various criminal excuses are put forward by the centrist left for their appalling line on the fascist menace. With a distinctly right centrist orientation ever since, and having lost all confidence in the working class, the LCR bleat that, "Only the combination of a social and political crisis bringing 'new generations' into the struggle can reverse the course of things". (*International Viewpoint* 20.1.92) This is backed up by right centrist theoretical analyses which argue that "fascism isn't what it used to be": because the FN is not yet using its jackboots to smash up the unions we do not need to try and physically smash it.

The leaderships of LO and the PCI hide their own political cowardice behind different versions of the same lie. For LO, the key question is not that of fighting fascism but of destroying capitalism. Their refusal to participate in the 18 March demonstration is a classic example of their right centrist passivity. It should be noted, however, that this disdain does not extend to all its members and, on occasion, rank and file LO members, notably the youth, can be drawn into physical confrontation with the FN.

The PCI's excuse is even more right wing. For the democrats of the PCI the FN is an integral part of the Fifth Republic and the only way of destroying racism is by building their new front organisation, the Parti des Travailleurs and creating a democratic republic. These people have effectively written themselves out of history.

Last, but not least, there is the obstacle of the French Communist Party (PCF). Not only does the PCF play no role - actively combating Le Pen, its policies frequently aid the fascists. Last year the PCF issued a petition against illegal immigration and calling for strict application of the immigration laws. They are in favour of controlling this problem through immigration controls. Worse, they have perpetrated racist crimes. In Vitry in 1981 the Communist Mayor led a team of CP members to bulldoze an immigrant hostel and the party paper, *Humanité*, issued a free sheet under the headline, "No to immigrant ghettoes". And while this event is a notorious example, there are countless lesser examples of their racist role in local government throughout the 1980s.

In Germany a different range of problems present themselves to the anti-fascist movement. Certainly there are many who, like SOS Racisme, look to the capitalist state's liberal wing to deal with the problem. Annette Kahane, who has special responsibility for "foreigners" in Berlin's local government, has her eyes fixed on the police. She pleaded:

"The problems with the neo-Nazis and skinheads would not be so bad if the police investigated properly and did not ignore these incidents."

The Co-ordination of Refugee Groups in Berlin likewise looks to the state. It is involved in a campaign with various liberal bourgeois elements and the church to win protection for refugees.

Already thousands of black and immigrant workers are paying for the deepening of racism and the growth of fascism.

The SPD, which has responded to the rise of fascism in the same way as the Socialist Party in France, by constructing its own package of immigration control policies, refuses to countenance direct action against the fascists who have launched pogroms against immigrants in places like Hoyerswerda. These people have learnt nothing from the destruction of their own party at Hitler's hands. Nor have the Stalinists, like the DKP and MLPD. They call on the state to ban the fascists. This is the state which, in West Germany, proscribed communists from jobs, which smashed student and worker demonstrations, which is at the forefront of constructing "Fortress Europe".

Faced with this useless bleating, echoed by the Greens, many German anti-fascist youth have turned to the "*autonomes*" (autonomists) for a lead in the fight against the neo-Nazis. The *autonomes* have the merit of being prepared to confront the fascists. On countless occasions they have defended squats that the fascists have attacked. On demonstrations they have braved the riot police to get at the Nazis. But their domination of the anti-fascist movement will prove every bit as disastrous as that of the liberals they despise.

The *autonomes* are not a party or organisation. They are a heterogeneous, largely middle class, movement. Insofar as it is possible to speak about their politics, they are romantic left Stalinists and Maoists, in awe of guerilla groups like Sendero Luminoso of Peru.

The *autonomes'* left Stalinism, reminiscent of the fatal politics of the Stalinist Third Period which in Germany helped Hitler win power, leads many of them to reject any collaboration with other forces in the fight against fascism. Workers are dismissed as being "bourgeoisified" and pro-imperialist



because they choose not to share in the squatting lifestyle beloved of these sons and daughters of the well off. They are fiercely protective of their own divine right to lead the anti-fascist struggle.

This led them to obstruct the taking of decisions at an anti-fascist conference in Dresden last year despite the fact that it was one of the first positive initiatives to build united action against the new Nazis. Worst of all the *autonomes'* attitude to the working class means that they reject, from the very beginning, any attempt to mobilise the workers' organisations.

The rank and file of the SPD are dismissed as "quasi-fascist". IG Metall, the engineering union with 3.5 million members, called for opposition to the rise of racism and fascism. One of the union's executive members, Hans Sturm, called on his members to act against the fascists. Naturally we are disinclined to believe that this bureaucrat has in mind the building of workers' squads to help defend the immigrant hostels or the mobilisation of workers to tear into the neo-Nazi squads. Nevertheless, his call presented an opening for revolutionaries to address their demands to thousands of workers. It was an opening that could win recruits to militant anti-fascism, to a class perspective for dealing with the Nazi threat.

The comrades of the Gruppe Arbeitermacht (German section of the LRCI) seized upon this for precisely these purposes. Not so the *autonomes*. For them the involvement of workers in the anti-fascist struggle is taboo. For them any united actions with workers who may be reformist are "*verboten*". This is the real reason they walked out of the Dresden conference. It is the real reason that they will not venture beyond their own enclaves in the big cities. It is the reason that they refuse to participate in any united anti-fascist committees with other left tendencies. And it is a road to disaster.

Already thousands of black and immigrant workers are paying for the deepening of racism and the growth of fascism. They suffer increased racist attacks, increased harassment by the state, by racist hooligans and by fascist gangs. Many are paying with their lives. Action is urgent.

First, we need to fight every manifestation of state racism, every piece of reactionary legislation, every "out of control" police operation, each new detention centre and all deportations. Throughout Europe we will struggle to commit ever wider forces to actively supporting black and immigrant self-defence, to smashing every immigration control in "Fortress Europe".

In Austria, the Gruppe ArbeiterInnenStandpunkt (ASt – Austrian section of the LRCI) has played a leading role, and been able to mobilise thousands on demonstrations against the special racist laws introduced by the Austrian government to bar entry to refugees. In Vienna and Salzburg the ability of the ASt and other left wingers to mobilise youth and, most importantly, Turkish, Kurdish and Yugoslavian immigrant workers on the streets, stands in stark contrast to the campaigns of the liberals, Stalinists and Greens who have refused to campaign against immigration controls, who have denounced us as "red terrorists" for disrupting the meeting of racists in Salzburg and who counterpose cultural festivals to a militant anti-racist struggle.

The workers' movement must also confront the danger of fascism head on. Fascism is not on the verge of power in France or Germany. It would be foolish and alarmist to suggest it is. But as we have made clear the ingredients for fascist growth are present in the European political and economic situation. And certain additional tactics are necessary against fascism, as well as the general ideological and propaganda war directed at racist and other reactionary ideas.

The LRCI's British section, Workers Power, through its participation in Anti-Fascist Action (AFA), has scored a number of successes against the British National Party (BNP). AFA attracted 10,000 at an anti-racist carnival in September 1991, and mobilised 4,000 on a march through an area in East London that the fascist claim they control in November. It has engaged in a number of highly successful direct actions that have severely damaged the fascists' morale.

This work, always oriented to the working class, stands in stark contrast to the insipid campaign of the relaunched Anti-Nazi League, which is, second time round, a mere Socialist Workers Party front, and the popular frontist, pacifist lobbying campaign of the Anti-Racist Alliance, which has undertaken little action other than publicly attacking the Anti-Nazi League.

The new generation of anti-racist and anti-fascist fighters are at the front of every militant action taking place. They are the Algerian youth who fought the police in the South of France, they are amongst the thousands who have marched against the Nazis in Germany.

What the LRCI will do is direct these youth to the task of building workers' united front campaigns directed against racism and fascism as appropriate. We do so in recognition that fascism and the racism it thrives on, are products of capitalism, and only the working class has the power and the interest in destroying capitalism. ●

Last year's failed coup in the USSR speeded the degeneration of those on the international left who have falsely presented Trotskyism as a defence of the bureaucratic caste. Here we reply to criticism of the League made from this stand point by the Revolutionary Trotskyist Tendency (USA).

How best to fight Yeltsin?

In November 1991 the International Secretariat of the LRCI ended fraternal relations with the Revolutionary Trotskyist Tendency of the USA (RTT). Differences over the tactics to be adopted during the 1991 August Coup in what was the USSR had escalated into a *de facto* breach of the agreements on the basis of which the LRCI conducts fraternal relations (privileged access to the internal life of the respective organisations).

The LRCI has always rejected the centrist distinction between tactics, programme and method. Tactical differences over a crucial event in the class struggle can reveal a difference over programme and methodology. Fraternal relations are, for the LRCI, a framework within which groups which appear to share a common methodology can test the possibility of, and take concrete steps towards, fusion into a democratic-centralist organisation.

The RTT not only developed what it considered to be major principled differences but also began to act like a faction towards the League's leading bodies, something that is only possible within the framework of the duties as well as the rights of democratic centralism, something which was not possible for a group that was outside the League and one which it clearly did not wish to join. Thus in our view it became necessary for the groups to take up a completely independent position towards one another. This will allow both to present their arguments publicly and put them to the test of practice.

The RTT have recently published an article critical of the LRCI in their journal *International Trotskyist 5*, entitled "The LRCI and Stalinism". The RTT have, essentially, two main programmatic differences with the LRCI; they oppose defence of "bourgeois democratic" rights and institutions in the degenerate workers' states and they believe that any bloc with "democratic restorationist" forces, no matter how temporary or limited, is inevitably a popular front. The RTT summarise these differences thus:

"The LRCI perceives bourgeois democracy in Eastern Europe and the USSR as an important gain that goes hand in hand with other democratic gains of the working class! The RTT, on the other hand, perceives bourgeois democracy today as an important political method by which capitalist restoration seizes state power." [1]

This is a perfectly undialectical counterposition; A is A and B is B and all else comes of the Devil. This clearly expresses the RTT's inability to grasp the contradictory character of the restoration process and the tactics this necessitates if we are to develop a mass anti-bureaucratic/anti-restorationist movement in the USSR today.

Bourgeois democratic *rights*, as distinct from institutions, are rights for all citizens regardless of class. In capitalist society, the institutions of democracy provide a façade behind which the concentration of the ownership of the means of production ensures the continuation of the social dictatorship of the bourgeoisie. These democratic rights nevertheless have a contradictory character. They delude the masses into believing that it is possible to achieve fundamental change within the framework of bourgeois democracy through a series of reforms. At the same time they constitute an area of freedom of speech and organisation in which workers can fight for their immediate interests and even mobilise the forces necessary to overthrow capitalism by revolutionary means.

Revolutionaries must stand on revolutionary programmes, fine, but what about the workers who are not yet revolutionaries? How do we relate to them when they explain that what they want is not "alternative democratic proletarian organs" but parliaments, "like you have in your country"?

In a degenerate workers' state, can these same rights play the same role? Obviously not, replies our undialectical thinker. The degenerated workers' state is the dictatorship of the proletariat. This dictatorship must suppress the rights of the bourgeoisie and defend only the democratic rights of the workers and poor peasants.

General democratic rights constitute rights for bourgeois forces to overthrow the economic basis of the workers' state, continues the argument. Therefore, only the toilers can be granted democratic rights and only their organisations can be defended. This mode of reasoning is based on abstract norms, drawing undialectical conclusions from them. It is a method that leaves out the whole living essence of political struggle.

We are in reality faced not with "the proletarian dictatorship" in the abstract, but with a disintegrating seventy year old Stalinist degenerate workers' state. It is a reality in which the working class, the sole historic subject capable of rescuing the gains of October from total shipwreck, has developed enormous passive illusions in the democratic and economic gains to be expected from the restoration process. If our goal is, nevertheless, the preservation of these gains then we must engage the working class with its present consciousness and develop tactics which build a real bridge from the one to the other.

Thus a concrete estimate of contradictions inherent in general (bourgeois) democratic rights and institutions in the USSR since 1989 at least is essential to doing this. Equally important is a realistic, fearless estimate of the working class' existing level of class consciousness and class independence.

Democratic rights in the USSR/CIS do indeed obscure class interests and as such they create and develop dangerous illusions. But this role is not the end of the matter. The rights which Soviet workers won over the last five years, such as the right to strike, the right to form unions, are presently enmeshed in the (bourgeois) democratic rights which all of Soviet society gained in the same period and gained, in part, from the mobilisations of the working class such as the miners strikes of 1989, 1990 and 1991.

The right to strike is itself a part of bourgeois right, i.e. a demand by the workers, as owners of the commodity labour power, for the legal conditions to sell or not to sell it and to bargain collectively with the capitalist purchaser about the conditions for its use. This vital element of bourgeois right for the working class will continue to exist even under a workers' state until bourgeois norms of distribution (wages above all) are transcended and the (bourgeois form of) the state itself has withered away.

Stalinism's effective denial of this element of bourgeois right, coupled with its creation of sham forms of bourgeois democratic institutions in 1936 and thereafter did, in the absence of a revolutionary leadership, "spontaneously" create enormous illusions in those rights. Workers believed that the right to strike, to bargain with management and the state "employer", to break the chains of the command plan, to establish workers' self-management in each enterprise, would solve their problems.

They had illusions in the right to choose between a multiplicity of candidates, the rights to freedom of assembly, speech, press and broadcasting which alone would make such democratic choice meaningful for the electorate. It would be disastrous to argue for the denial of these rights and institutions, even with the caveat that we are in favour of them but for "workers only".

The workers do not (yet) accept our slogans for class democracy based on soviets. They do not, yet, accept the need to crush bourgeois parties or close down bourgeois papers. To demand, as an ultimatum, that they do accept all of this now before we participate in actions taken by workers and other strata to defend or extend "democracy" would be the height of sectarian ineptitude.

The LRCI has never for one minute ceased to agitate for organs of working class democracy or failed to locate the danger that the bourgeois state institutions present to the planned property forms of a workers' state. But they are not the *only* such organs nor are they the most dangerous. These dangerous bourgeois institutions of the degenerate workers' state include, as well as parliaments, the bureaucratic state administration, the standing army and the secret police. In short, their whole dictatorial machine. Our undialectical critics however single out parliamentary bodies and multi-candidate elections as the most dangerous instruments.

Why are *bourgeois* forms of dictatorship, such as the Stalinist caste uses, preferable in a degenerate workers' state to bourgeois democratic forms? What extra leverage do they give us in the class struggle? Why are these *democratic* rights and institutions so much more fearful than the dictatorial institutions? After all, there is as yet no predominant capitalist ownership of the means of production, exchange or communication. There is scarcely a capitalist class in Russia itself.

Where does the particular danger of the restoration coming through *democratic* channels arise from for our sectarians? From the illusions the proletarian masses have in them, they answer. We do not deny that this is indeed an enormous danger but if the consciousness of the masses is so low that they cannot and will not rally to the defence of their own gains then it is quite useless to turn to politica dictatorship over the masses as the solution.

We do not do not despair of the living subject of the

political revolution no matter how confused its consciousness may be. This confusion is, moreover, at root caused by the Stalinist dictatorship and atomisation of the working class, not by any especially irresistible powers of parliamentarism to corrupt and sap class consciousness. The power of the latter is a product of the former. A prolongation of the conditions of Stalinist dictatorship and the consequent atomisation of the proletariat could *never* provide the conditions for the workers to recover their independent class consciousness.

Restored Stalinist dictatorship would not be a "breathing space" for the defence of the planned property relations as the most consistent Stalinophile sectarians of the International Bolshevik Tendency (IBT) claim. Our task is to make the gains of October live again in the consciousness of the only class that can defend of restore them – the proletariat. We do not delegate this task to the surrogate Stalinist hardline bureaucracy. Any "breathing space" we seek must be sought within the contradictions of the very illusions the masses have in democratic rights; in their hopes for better economic conditions and in their growing disillusion with the restorationists' actions.

If the parliaments and the elections hold the attention of the masses – and the events of the last three years prove that up to June 1991 they most certainly did in the ex-USSR – then we must develop tactics to explode the contradictions built into their illusions. These illusions cannot be overcome by the literary "counterposing" of workers' councils to them. One can and should demonstrate in propaganda the superiority in every way of workers' councils to parliaments and strive, where and when one can, to bring them or their embryos into existence.

But is this sufficient when there are as yet no workers' councils? Absolutely not. Worse, by indicating neutrality in any clash between the existing *democratic* rights and institutions of the bourgeois state form and the *dictatorial* institutions of that state form, sectarians do not bring the creation of such bodies one step nearer. Quite the opposite. The victory of the dictatorial institutions would mean the crushing of all rights, including those in the here and now. Since the workers have not yet disentangled their class rights from general liberties, we cannot dictate our tactics on their doing so without deserting them and their struggle.

This kind of ultimatism may satisfy the sectarian pedant. It can never be a course of active intervention for real Bolsheviks. We have to join in defending what the most active and politically conscious workers are defending wherever this has at least a partially progressive content. We have to advocate effective class methods and organisations of struggle and thus we will be able to pose soviets in a practical manner and at the same time expose the restorationists.

The nearest the RTT ever came to developing an operative tactic in regard to bourgeois democratic institutions was presented in *International Trotskyist 1* where they argued, correctly, that:

"... exposing the real nature of the elections does not mean boycotting them ... Trotskyist candidates must participate in the elections and oppose the right of restorationists to use the elections as a means of restoring capitalism ... But this is not enough. Revolutionaries must use the elections to advocate alternative democratic proletarian organs that will lead the working class in the direction of building soviets." [2]

From this it is not difficult to see why the LRCI hoped the comrades of the RTT had broken away from their sectarian origins in the IBT. Rather than a sterile condemnation of all such elections as mere concessions to false consciousness, the comrades saw the necessity to intervene, to relate to the obvious desire of the masses for such elections. Yet, with hindsight, we can also see that there were limits to how far the RTT had travelled. Their position was strictly one for the guidance of revolutionaries, not workers struggling to find a way forward out of the deep freeze of the Stalinist dictatorships. Revolutionaries must stand on revolutionary programmes, fine, but what about the workers who are not yet revolutionaries? How do we relate to them when they explain that what they want is not "alternative democratic proletarian organs" but parliaments, "like you have in your country"?

Having stood candidates in the elections, what would have been the attitude of the RTT if they had won seats? Would they not have defended their own comrades against physical attack? Under those conditions would they have agreed to co-ordinate their actions with supporters of other, non-revolutionary, members of the parliament? Or would they, in a sectarian manner, have refused? That, after all, was the effective situation during the August coup. The Russian Parliament did include members who had stood against the official candidates as representatives of working class organisations – for example, the Siberian miners. Faced with a military advance against the White House, the RTT argued:

"The most important task was to resolve the dual power situation between Yeltsin and the conservative Stalinists as quickly as possible in favour of the democratic bodies of the toiling masses, led by the working class." [3]

We have to ask, "Comrades, what democratic bodies of the toiling masses?" Does this include the Miners' Union? We would hope so, but its leaders were in the White House with Yeltsin. The fact is that, across the face of the USSR, the bodies which had been elected by the working class, the factory committees, the local soviets, the national parliaments etc, were not qualitatively different from the White House. If they were not the bodies in whose favour the RTT wished to see dual power resolved, and clearly they were not, then what is the meaning of this "revolutionary phrase"? It has none meaning, it is simply empty gesturing. It is a classically sectarian posture.

The second main area of disagreement between the RTT and the LRCI is on the use of the united front tactic. Specifically, the RTT accuse the LRCI of proposing a popular front with Yeltsin at the time of the August coup:

"Yeltsin was and still is the main counter-revolutionary force in the former Soviet Union and represents the interests of the emerging capitalist forces, supported by imperialism. Yeltsin quickly destroyed the main mechanisms that constitute the workers' state, immediately after he came to power. Gosplan, the planning mechanism for the workers' state, has been destroyed ... For these reasons, we argued to the

comrades from the LRCI that a united front with Yeltsin could only have been a popular front which would undermine the workers' state and its defence." [4]

From this it is clear that the RTT believe that the popular front character of any alliance with Yeltsin results from his programme and objectives. This is a major departure from the methodology of communists on the united front. It suggests that practical and temporary bloc's for action cannot be made with forces whose programme and campaign objectives are reactionary. This being the case, with whom could one ever form a united front? Presumably, only with left centrists who pretend to share the same strategic objectives.

Certainly not with Kerensky. Certainly not with the party of Noske and Scheidemann. Popular fronts are defined, not solely by the fact of alliance with non-working class forces, but by the fact that the alliance is conditioned by acceptance of their objectives (defence of private property), not those of the working class. Indeed, it involves a renunciation of the proletariat's class goals and a restraint of its class struggle against the capitalists.

For the LRCI the united front remains principled wherever the limited tactical objectives of communists and those of forces in whom the masses have confidence coincide, providing the communists are allowed, and exercise, a right to independent propaganda and criticism of their temporary allies. Was there such a basis for alliance with Yeltsin? In our opinion, yes. When the coup was launched, for a matter of perhaps three days, both the working class and Yeltsin had a shared interest in defeating the coup attempt. Both were threatened by it. In seeking to manoeuvre to his best advantage, Yeltsin called for working class support via a general strike.

But then, as the situation clarified, he leaned increasingly towards those elements of the state machine willing to back him against Pugo and company. At the same time we called on Yeltsin and his military allies to arm the workers and give democratic rights to the soldiers. The working class needed to manoeuvre, utilising the credibility of the call for a general strike from Yeltsin and his allies the miners' leaders to establish soviet-type organisations. These could have become autonomous in the course of struggle, fighting for their own specific interests just as Yeltsin fought for his. Such are the circumstances in which communists seek to use the offer of united action to tomorrow's enemy against the enemy of today.

What the LRCI proposed was united action against the coup-mongers centred on general strike action, working class direct action to stop troop mobilisations, the formation of workers' militia to oppose the coup's forces and the creation of workers' councils. No more and no less! That is not the programme of reaction, it is the programme of revolution.

Would Yeltsin ever have agreed to that, even if he had been deserted by his friends in the army and the KGB? Almost certainly not, although one cannot be certain to what desperate lengths he might have gone if the coup had turned out to be a more serious threat than was in fact the case. Who would have expected Kerensky to sanction the arming of the soviets and the release of the Bolshevik prisoners? Did Trotsky expect the leaders of the KPD and SPD to agree to his proposals for the workers' united front against fascism? Probably not. None of this is determinant. The point of the proposal of the united front to such leaders is to make easier the realisation of a practical alliance with their supporters. Was that on the cards in August? Certainly.

At the time of the coup, the RTT were of the opinion that Pugo, Yanaev and company were the main and immediate enemy of the working class. However, fearing contamination of their principles by contact with the supporters of Yeltsin in the White House, they proposed only the defence of the workers' own organisations. The LRCI believes this to be an inconsistent position. If Pugo was a greater danger than Yeltsin, albeit briefly, then, for that time, the maximisation of the forces opposed to Pugo was obligatory. To limit oneself to defending the localised and disunited workers' organisations, whilst allowing the coup forces to seize and disperse the parliaments and soviets (including their worker delegates) – that is, the centres of resistance – would be to objectively aid the coup.

Now, when they argue that Yeltsin was the greater evil, even during the coup, it would be more consistent for the RTT to adopt retrospectively the IBT's position of support for the coup. The failure to adopt that position points to an analysis which says that the two forces were of equally reactionary character and that the working class should not have stirred itself to fight either. This would accurately express the practical content of the RTT's position: stay at home. ●

NOTES

1 *International Trotskyist 5*, p38
2 *International Trotskyist 1*, p17
3 *International Trotskyist 5*, p37
4 Ibid, p35