

## EASTERN EUROPE

### THE COLLAPSE OF THE KREMLIN'S EMPIRE

#### - a socialist analysis of the events in eastern europe

### Introduction

The events in Eastern Europe in the winter of 1989/90 shattered many of the illusions of workers who had imagined that the political and economic system that existed in those countries had something to do with socialism.

The Socialist Party had no such illusions. Even before the Russian Revolution of 1917 we had consistently held the view that socialism can only be brought about by the democratic and class conscious political action of the majority of the working class.

We have consistently opposed the notions of Lenin, Trotsky, Stalin and all their followers. We have based our analysis of the development of capitalism and the struggle to establish socialism on the works of Karl Marx. The political theory and practice of the Russian Bolsheviks has distorted this Marxist view and far from speeding up the development of the socialist revolution has greatly hindered this movement.

The tragic experience of the working class, in those countries where the Communist Parties have imposed their ruthless dictatorships, has proved the correctness of the Marxist principle of "*The emancipation of the working class must be the work of the working class itself*".

It is in no spirit of "*we told you so*" that the Socialist Party produce this pamphlet. The suffering, death and torture endured by our class in these countries is too horrifying and tragic for that. Nor do we publish this pamphlet merely in the academic exercise of "*setting the record right*".

We take this opportunity to place on record the central tenet of all socialist theory and practice - socialism will only be brought about when a majority of women and men of the working class understand, desire and organise democratically for its achievement.

As we go to print further dramatic events have exploded in the USSR. The attempted coup by the old-time hardliners has failed and the Communist Party are now completely discredited. We believe that a careful reading of this pamphlet, each chapter of which is a reprint from our journal the *Socialist Standard*, will equip any worker with an invaluable weapon in the struggle for socialism, especially against the Leninist distortions of the various left wing groups who still peddle the nonsense of leadership, despite the tragic experience of Eastern Europe.

The Socialist Party

August 1991

## Contents

1. Gorbachev and the end of communism.
2. Where is Russia going?
3. Solidarity's wrong turn.
4. Socialism has not failed.
5. The Lessons of Eastern Europe.
6. From Cold War to Class War
7. From Privilege to Profits.
8. Marxism versus Leninism.
9. Russia and private property.
10. Russia's crisis congress.

*"What justification is there, then, for terming the upheaval in Russia a socialist revolution? None whatever beyond the fact that the leaders of the November movement claim to be Marxian socialists".*

Quoted from an article entitled *"The Revolution in Russia - Where it Fails"* in the ***Socialist Standard***, August 1918.

## 1. Gorbachev and the end of communism. (from *Socialist Standard* October 1988)

The Bolsheviks who seized power in Russia in November 1917 drew a distinction, at the insistence of Lenin but unlike Marx and Engels, between socialism and communism.

By "socialism" they meant a society where everybody would be an employee of the state which in turn would own all the means of production; what should more properly be called state capitalism. By "communism" they meant what up to then had more usually been called socialism - a classless, moneyless, wageless, stateless society based on common ownership and democratic control. Thus, in the *ABC of Communism*, a textbook written to explain the new programme the Bolshevik party had adopted in March 1919, Bukharin and Preobrazhensky stated:

*The communist method of production presupposes in addition that production is not for the market, but for use. Under communism, it is no longer the individual manufacturer or the individual peasant who produces; the work of production is effected by the gigantic co-operative as a whole. In consequence of this change, we no longer have commodities, but only products. These products are not exchanged one for another; they are neither bought nor sold. They are simply stored in the communal warehouses, and are subsequently delivered to those who need them. In such conditions, money will no longer be required.*

*Communist society will know nothing of money. Every worker will produce goods for the general welfare. He will not receive any certificate to the effect that he has delivered the product to society, he will receive no money, that is to say. In like manner, he will pay no money to society when he receives whatever he requires from the common store.*

In Bolshevik theory communism could not be established immediately after the capture of political power but only after "socialism" - defined, as we saw, as 100 per cent state capitalism - had been achieved. A moneyless, wageless society was seen as evolving gradually out of the state capitalist society that was the Bolsheviks' real immediate aim.

This is still the official dogma of the Russian ruling class though their vision of communism, like everything else they inherited from their 1914 Marxist past, has suffered some significant distortions. It is seen as being able to exist on less than a world scale, either in one large country like Russia or the whole Russian bloc but above all the Party (if not the state as such) is seen as surviving into it.

Stalin proclaimed that "socialism" - more or less total state capitalism - had been achieved in 1936. So, ever since, the country has supposedly been heading for communism. Khrushchev, the last previous "liberal" ruler of Russia before Gorbachev, even tried to give this goal a concrete form as a way of enlisting popular support for his anti-Stalinist reform programme. The new *Programme of the Russian Party*, adopted in October 1961, declared in its introduction:

*Today the Communist Party of the Soviet Union (CPSU) is adopting its third Programme, a programme for the building of communist society . . . . The supreme goal of the Party is to build a communist society on whose banner will be inscribed: "From each according to his ability, to each according to his needs".*

and ended with the words:

*The Party solemnly proclaims: the present generation of Soviet people shall live in communism!*

A specific timetable was even laid down:

*The material and technical basis of communism will be built up by the end of the second decade (1971-80) . . . The construction of communist society will be fully completed in the subsequent period.*

The “*communist principle of distribution according to need*” was to be introduced gradually, even before 1980, before being extended generally in the 1980s:

*In the course of the second decade housing will gradually become rent-free for all citizens.*

*Public transport facilities (trolleys, buses, trolley-buses and subways) will become free in the course of the second decade, and at the end of it such public amenities as water, gas and heating will also be free.*

*In addition to the existing free medical services, accommodation of sick persons at sanatoria and the dispensing of medicines will become gratuitous.*

*The transition to free public catering (midday meals) at enterprises and institutions, and for collective farmers at work, will begin in the second decade.*

Free housing, public transport, water, gas, heating, medical services and meals at work - this was the promise for the 1980s that the ruling party made to the Russian workers in 1961. Other promises included falling prices and the abolition of income tax. The fact that not one of these has been realised - Russian workers still have to pay for public transport, water, gas, heating and so on - shows that it is not just Western politicians who make promises that they don't - in fact can't - keep.

One of the first things Gorbachev had to do after he became Party leader in 1985 was to admit failure in this respect. As he told the 27th Party Congress held in February 1986:

*Much has changed in our life in the quarter of a century since the adoption of the Third Party Programme. New historical experience has been accumulated. Not all of the estimates and conclusions turned out to be correct. The idea of translating the tasks of the full-scale building of communism into direct practical action has proved to be premature. Certain miscalculations were made, too, in fixing deadlines for the solution of a number of concrete problems.*

He went on to denounce “*simplistic ideas about the ways and period of time for carrying out the tasks of communist construction*” and to declare that “*as for the chronological limits in which the Party's targets are to be attained, they do not seem to be needed*”; all that could be said on this was that these targets would be achieved after the end of the present century.

Gorbachev was announcing, in other words, that the establishment of "*communism*" in Russia was being postponed indefinitely. More in fact, since his alternative to Khrushchev's "*construction of communist society*" as a mirage to hold before the Russian people - perestroika - amounts to a virtual abandoning of communism as a goal. The essence of perestroika, which is merely the Russian word for restructuring, is the gearing of production of individual state enterprises more to the profitable market demand than hitherto, involving in particular a price reform which, with the ending of state subsidies, is likely to mean a rise - rather than a fall towards zero, as promised by Khrushchev - in the price of many goods and services. Gorbachev said so explicitly at the special Party conference held at the end of June this year:

*The price reform cannot fail to affect retail prices. Today the retail price of many food products, notably that of meat and milk, is considerably lower than the actual cost of producing them, lower than the state's procurement price. The state is compelled to cover this difference in the form of a subsidy. That is not a normal situation. It undermines the incentive for producing these products and gives rise to a wasteful attitude, especially towards bread.*

*We know all this perfectly well, comrades. It is absolutely necessary to resolve this problem, no matter how difficult it may be and no matter what doubts and fears it may create at first glance.*

*Here is our approach: the funds which the state is paying out as subsidies today will be handed over in full to the population as compensation. (Financial Times 29 June 1988)*

In other words, instead of free services and falling prices being subsidised as a supposed transition to "*the communist principle of distribution according to need*", both prices and wages are going to be allowed to rise, so forcing workers to buy what they need at a price corresponding to economic cost as determined by the operation of market forces. Money-commodity relations are to be strengthened rather than gradually abolished, as envisaged in the 1961 Party Programme. Perestroika, in fact, represents a complete repudiation of this perspective.

So where does this leave "*communism*", or rather the free distribution by the Russian ruling class to its workers of goods and services? This goal now seems to have been shelved. The original version of the Party Programme adopted at the 22nd Party Congress in 1961 declared that "*with the transition to the single form of people's property and the communist system of distribution, commodity-money relations will become economically outdated and will wither away*". However the revised version adopted, under Gorbachev, at the 27th Party Congress in 1986 affirmed market relations to be inherent to the Russian social system (as indeed they are).

Propagandists for Gorbachev's reforms go out of their way to emphasise that the goal is now a society in which the market will still exist. Abel Aganbegyan, a top economic adviser to Gorbachev and one of the theorists of perestroika, speaks in his recent book *The Challenge: Economics of Perestroika* of achieving in the 21st century, not the free distribution promised by Khrushchev for the 1980s and 90s, but "*the full supply to the market of all the sought-after goods in order to ensure the full satisfaction of demand*". Another supporter of Gorbachev, Fedor Burlatsky, who in his time was also a propagandist for Khrushchev, now criticises Khrushchev for having wanted to "*leap*" into communism. In an article this April in *Literaturnaya Gazeta* (translated into English and published in the June issue of *Marxism Today*) he contrasted "*state socialism*", of which he sees Khrushchev's "*communism*" as a variant, with what he calls "*public, self-managing socialism*"

which he defines as *"the planned commodity economy based on individual cost-accounting by enterprises"*.

Though they have not done so yet, the Russian Party may end up embracing the same position as their Chinese counterparts who have also made a U-turn on this issue and who now see the "socialist" (in reality, state capitalist) stage, with commodity-production and market relations, lasting for another hundred years.

*In the latest attack on Stalin, the Shanghai journal Shu Lin carried an article attacking him for pressing too rapidly the transition from socialism to communism . . . Nowadays, the article said, China was only at the beginning of a 100-year socialist stage which was laying the foundation for the final realisation of Communism - only hazily defined even by Deng Xiaoping, the senior leader.*

(Independent 27 July 1988)

By that time the workers of the world should long have overthrown both the Russian and Chinese ruling classes and themselves have established a socialist (or communist, for the two words mean exactly the same thing) society based on common ownership and democratic control in which wealth will be produced simply as useful products to satisfy needs and no longer as commodities to be bought and sold on a market.

## **2. Where is Russia going? (from Socialist Standard September 1988)**

Russia has -and at no time since the 1917 revolution ceased to have - a capitalist economy characterised by the existence of commodity-production, wage-labour and capital accumulation. What has changed, and is changing again under Gorbachev, is the way in which economic decision-making within this system is organised.

Capitalism is a class society in which those who do the actual work of production, whether manual or intellectual, are separated from the means of production and have to live by selling their mental and physical energies to those who monopolise the farms, factories, mines, warehouses, offices and other places where wealth is created.

What distinguishes capitalism from other class societies is the fact that the great bulk of wealth is produced by wage-labour, for sale on a market. It is a society where all wealth is produced with a view to being bought and sold, which is what Marx meant when he spoke of capitalism as involving generalised "*commodity production*". A commodity is an item of wealth that has been produced for sale and, as Marx put it in the opening line of *Capital*: "*The wealth of societies in which the capitalist mode of production prevails appears as an immense collection of commodities*".

### **Commodity-production in Russia**

Wage-labour has never been abolished in Russia; on the contrary it expanded massively as more and more peasants were transformed into wage-workers for developing industry. The existence of wage-labour as the predominant form of productive work has been in itself sufficient proof of the capitalist nature of the Russian economy. But what about commodity-production? Can this too be said to have always existed in Russia since 1917?

There has never been any argument about consumer goods in Russia being commodities; they are quite obviously produced with a view to being sold and are just as obviously bought for money. In Stalin's time, however, the official Russian position was that producer goods such as raw materials, machinery and other elements of production were not commodities.

The case for denying that producer goods, called "means of production" in the debate, were commodities rested on the nature of the system of central planning instituted in Russia in the 1930s. Under this system, the factories and other places where wealth was produced received strict instructions from the central state, not only about what to produce but also to whom they should deliver their products and from whom they should get their supplies. Factories were in effect supplied by the central state with the materials and equipment they needed for production.

Stalin argued that, as this amounted to a system of direct supply in kind, the products involved were not commodities but simply useful things being physically transferred from one unit in the productive system to another. As he argued in 1951 against a certain Notkin who, apparently, had dared to argue that producer goods in Russia were commodities:

*A commodity is a product which may be sold to any purchaser, and when its owner sells it, he loses ownership of it and the purchaser becomes the owner of the commodity, which he may resell, pledge or allow to rot. Do means of production come into this category? They obviously do not. In the first place, means of production are not "sold" to any purchaser, they are not "sold" even to collective farms; they are only allocated by the state to its enterprises. In the second place, when transferring means of production to any enterprise, their owners - the state - does not lose the ownership of them; on the contrary, it retains it fully. In the third place, directors of enterprises who receive means of production from the Soviet state, far from becoming their owners, are deemed to be the agents of the state in the utilisation of the means of production in accordance with the plans established by the state.*

(Economic Problems of Socialism in the USSR)

In other words, according to Stalin the central state was simply engaged in transferring wealth it owned from one of its factories to another; just as, for instance, the Ford motor company did when parts produced in one of its factories were transferred to another for incorporation into the final product.

Faced with this argument those in the Marxist tradition responded with a number of possible, and not always compatible answers. One was to accept that Russian producer goods were not commodities and that therefore Russia was not capitalist but some new form of exploiting class society. Another was to accept the analogy with Fords and argue that Russia was a single, giant capitalist firm operating within the context of the world capitalist system. A third argument was that the products Russian enterprises transferred to each other were commodities because they had to be paid for, the receiving enterprise having to transfer a sum of money from its account to that of the supplying enterprise. So what the central planners in Russia were planning was not the simple physical transfer of productive resources between productive units but the exchange of commodities among commodity-producing enterprises.

This last was undoubtedly a correct analysis as the central planners not only had to plan the physical transfer of producer goods from enterprise to enterprise but also to fix prices' generally. Since the death of Stalin the Russian authorities have come to accept that producer goods in Russia are commodities (which leaves a few die-hard orthodox Trotskyists as the only defenders of Stalin's position).

The following, then, is a more accurate description of the system of imperative (that is, compulsory, binding) central state planning in Russia, an understanding of which is essential to a comprehension of the changes proposed by Gorbachev under the name of perestroika:

*In the Soviet Union some three-quarters of total production is made up of means of production. In a Western type commodity-capitalist economy production and exchange takes place through market relations established directly between enterprises, i.e. in a decentralised way. In the Soviet system, on the other hand, production and exchange relations between enterprises are not directly established horizontally but take place via a vertical centralisation. It is the system of material supply that controls and plans the circulation of commodities. Herein lies the fundamental element of the originality of the Soviet economy. The enterprise receives orders not only on what it must produce and in what amounts. It also has precise instructions on the destination of the commodities it produces: their buyers and users are laid down by the planning authorities. And, above all,*

*the origin, amounts and specifications, and delivery date of their own supply of raw materials, semi-finished products and equipment - the input of their production - are similarly planned. Thus the major part of inter-enterprise exchanges are controlled and organised by administrative apparatuses situated outside and above the units concerned. (B. Chavance, *Le système économique soviétique*).*

To which must be added that, as indicated, the prices which enterprises must pay their suppliers and must charge their customers are also fixed centrally.

In other words, what the central state in Russia has been planning from Stalin's time to today has not been the simple physical transfer of wealth between the various productive units it owned but the exchange of commodities between them. Productive units in Russia produce wealth to be sold (commodities), even if they have not been free to decide to whom to sell and at what price. But despite this state control there is still commodity-production by wage labour, and so therefore capitalism.

### **Failure of central planning**

The aim of production in Russia, as in any capitalist country, is to maximise the amount of surplus value extracted from the class of wage and salary earners. To do so requires some measure of the rate of exploitation of wage-labour, of the surplus produced by workers over and above the value of their wages and salaries. This can only be provided by a price structure in which the prices of resources used in production accurately reflect their cost of production plus the average rate of profit (what Marx called their "price of production").

In Western-type capitalism such a price structure is brought about more or less spontaneously through the operations of market forces. In Russia the central planners had to try to work it out themselves. For various reasons they failed, as has been admitted by Academician Abel Aganbegyan, one of Gorbachev's top economic advisers and a leading theorist of perestroika, when he writes in his recent book *The Challenge: Economics of Perestroika* (Hutchinson, £8.95):

*The existing system of prices does not give a true valuation because prices do not reflect social costs and the efficiency of production. Up to now this common denomination has been lacking in the Soviet Union.*

This has meant that the Russian ruling class has been deprived of an accurate measure of the rate of extraction of surplus value at enterprise and industrial branch level as well as at the level of the economy as a whole, and so hasn't been able to calculate properly where to invest new capital so as to make the most profit and achieve the highest possible average rate of profit over the whole economy.

Although central planning has been successful in developing one or two specially selected industrial sectors; in particular the military (for such a comparatively backward country economically, Russia's advances in weaponry and space research, whatever else may be said about them, represent a considerable technological achievement), it has proved a failure for the rest of industry. This is not just the consequence of an inability to develop a coherent price system, but also because it could not provide a substitute for competition as a spur to enterprises increasing labour productivity through

technological innovation and advance.

This failure has been evident to the Russian rulers since the late 1950s and various reforms have been introduced to rectify things, but all to no avail. In Khrushchev's time, the economist Liberman proposed that enterprises should be allowed more freedom to seek and retain profits. Experiments in this direction were made but were never extended to the whole economy, as this would have demanded the complete dismantling of central state planning. As reform after reform failed, and the Russian economy continued to stagnate in terms of productivity and technological advance (it is not for nothing that the Russian rulers refer to the 20 years of Brezhnev rule as "*the period of stagnation*"), this question had finally to be faced. Which is what Gorbachev has done and what *perestroika*, or restructuring, is all about.

### **Perestroika and market forces**

The restructuring that perestroika involves is precisely the abandoning of central state planning of commodity production and exchange in favour of allowing enterprises to buy and sell directly from each other at prices fixed by the market.

As explained by Aganbegyan, the first step towards this has already been taken in the "*Law on Socialist Enterprises*" passed in June 1987 and operative on 1 January this year. Under this law individual enterprises have been granted their independence from the state:

*Enterprises and associations are to become independent, self-accounting, self-financing and self-managing. These four characteristics all involve the responsibility of the enterprise, and imply a completely new economic situation for the basic production units in the Soviet economic system. Only in these conditions can the working collective of an enterprise really be master, owner and director of the resources of production available to it.*

Since such independence is being guaranteed by a law enforceable in the Courts this amounts to a virtual "*privatisation*" of these enterprises. This time it is not just a question, as it was in a previous law passed at the time of the Liberman experiments in 1965, of allowing enterprises to retain some of their profits as an incentive to get them to carry out the central state's orders and instructions efficiently. Enterprises are to become autonomous legal and economic units dependent for their income on the sale of the commodities they produce.

*Enterprises are changing over to full self-accounting, in which all expenditure must be covered by income. What does full economic accounting mean? It may be contrasted with partial economic accounting. Currently enterprise income covers only running costs, while at the same time a significant part of capital investment of the enterprise comes from centralised resources. Full economic accounting, above all, implies that there are no subsidies so that the income of an enterprise from production covers both its running costs and its capital expenditure.*

In a later chapter Aganbegyan expands on what this will mean:

*Enterprises will receive their earnings from the sale of their output. The gross revenue of*

*enterprises will be formed by these earnings after material input expenses have been met (on raw materials, finishing, and even amortisation). From this gross revenue an enterprise makes payments for resources used (natural resources and labour, and the use of capital stock), makes contribution to the budget, local authority rates and to ministry funds, pays off bank credit and any fines to contractors and makes any other payments due. The remainder is self-managed income at the full disposal of the enterprise's working collective, determining its well-being and further development. To receive a large self-accountable net income more goods must be sold, through increasing both the quantity and quality of production, and by trying to get higher prices. For this a competitive edge will need to be maintained against other similar enterprises and higher quality and a better technological level of output will need to be attained. All this is a precondition for a larger self-accountable income. The self-accountable income also depends on production costs. The lower the fuel, energy and raw material consumption, the larger the enterprise's income.*

In other words, the enterprises are going to be expected to behave in the same way as private and state enterprises do in the openly capitalist West: to seek to maximise their retained profits ("self-accountable income") both by minimising costs and increasing sales.

Their relationship to the banks is to be similar too. *"It will be advantageous for an enterprise", writes Aganbegyan, "to draw on credit and this will increase its self-accountable income if the credit is well used so that the profit is increased at a greater rate than the interest paid on the credit".*

The next step in perestroika after this granting of legal and economic independence to enterprises will be to allow them to choose their own suppliers and customers and to agree among themselves the prices of the goods they trade with each other. Aganbegyan does not disguise the fact that this will have to involve the dismantling of the old system of central state planning described above, under which enterprises' suppliers, customers and prices were fixed centrally:

*Up to now the market in the Soviet Union has been both restricted and deformed. Most means of production have been centrally allocated by the state through a material and technical supply system. They are not freely bought and sold . . . During perestroika market relations in the USSR will be deepened and broadened. Above all the market is set to more than double in size thanks to the transition from centralised material and technical supply to wholesale trading in means of production, including direct commercial links between enterprises. In this way a well-developed market in means of production will be created, and the proportion of centrally set prices will be retained only for the most essential products, to control their rate of growth and to stave off inflation. At the same time the scope of contracted and free prices will grow significantly.*

The abolition of "centralised material and technical supply" (as described above by Chavance) and "centralised pricing" which have been features of the Russian economy since the 1930s would represent a really radical change in the organisation of the Russian economy, but the timetable for this has already been laid down. By 1990 60 per cent of all production is to take place through wholesale trading, rising to 80-90 per cent in 1992. Similarly, the number of prices set centrally is to be reduced so as to cover only the more essential products (such as fuel, electricity and certain raw materials and steel products). The rest are to be determined by market forces and even then the prices of those commodities which remain centrally fixed are to be linked to their world market

price. Planning will still remain but be indicative -providing global estimates of market demand - rather than imperative.

### **Return of the bondholder?**

If it is implemented - and it remains to be seen whether or not this reform will suffer the fate of previous ones - perestroika will represent a fundamental change in the form of capitalism that has existed in Russia until now. It will represent a transition from centrally planned commodity production and exchange to a more competitive system in which the competing units would be, as in the West, legally and economically autonomous enterprises. The economic laws of capitalism will come to operate in Russia through competition rather than through the State which, Aganbegyan admits, has proved to be an inadequate substitute.

Other changes can be expected to follow. In his book Aganbegyan dismisses the idea that a stock exchange could develop in Russia. Other advisers to the Russian rulers are not so sure, according to a recent newspaper report:

*A senior Communist Party official yesterday predicted that the Soviet Union could eventually have its own stock exchange under reforms promoted by Gorbachev. Mr Evard Figuranov, of the Party's Central Committee's economic department, said creation of an exchange was the logical extension of new forms of stimulating use of savings introduced over the past year. "It is not under consideration yet, but I think it will be in the future", he said at one of a series of news briefings, organised to coincide with the current Party conference in Moscow . . . Over the past year, small, state-owned enterprises around the country have begun offering shares to employees and bonds for specific development projects as control by ministries in Moscow has been relaxed. Mr Figuranov said a bond market could arise alongside a share market for the construction of social projects like kindergartens and sports complexes.*

*(Daily Telegraph 2 July 1988)*

This would indeed be a logical extension of perestroika, and not just kindergartens and sport complexes. For, if enterprises are to be allowed autonomy to seek to maximise their so-called "self-accountable income", why should they be obliged to go to the banks when they want money to pay for some development project? Why shouldn't they be allowed to offer bonds and shares for sale to the general public? It should not be imagined that there are no rich people in Russia. There are - the children of scientific and artistic prize-winners who have inherited wealth from their parents, for instance, as well as the top members of the nomenklatura and their families, and black marketeers past and present - and many of these would be only too keen to invest their wealth for profit.

### **3. Solidarity's wrong turn (from *Socialist Standard* October 1989)**

So, nine years after it was formed as the first independent trade union in Eastern Europe since the war, Solidarity has now supplied a Prime Minister for Poland. Remarkable as this development is, it is nevertheless a fateful mistake from a working class point of view for an organisation formed as a trade union to get involved in government.

This is because the exercise of government power and trade union action are ultimately incompatible. Governments, whatever they might originally intend, have to give priority to maintaining or restoring the profitability and the international competitiveness of industries, whether private or state-owned, situated in the country they are governing. Trade unions, on the other hand, exist to defend workers against the downward pressures that are constantly exerted on their wages and working conditions, whether these come from employers or governments. Those Solidarity members who have entered the government in Poland have put themselves on a collision course with the membership of Solidarity as a trade union. However sincere they may be, they have betrayed the original aim for which Solidarity was established by ordinary workers in 1980, as will become clear when they find themselves, as they will, obliged to oppose wage demands and strikes.

It is true that Solidarity eventually developed other aims, like trade unions everywhere (after all, most trade unions in Britain made the mistake of associating with the Labour Party). Opponents of the regime realised the potential of a movement supported by millions for bringing about changes, and Solidarity's original working class leaders came to be surrounded by "advisers" and "experts" and "Catholic intellectuals". These people had other aims than the mere defence of wages and working conditions. They wanted an end to Polish dependence on Russian imperialism, freedom for the Catholic Church to do what it wanted and, on the economic field, a more market-oriented economy and more freedom for private enterprise.

#### **The class structure or Polish society**

Solidarity, though far from being a socialist organisation even nominally, realised very quickly that Poland was a class-divided society in which the working class was oppressed and exploited and not a society in which, as the regime's propaganda machine claimed, the working class ruled through its vanguard, the Polish Communist Party. The exploiting and oppressing class was identified as being the nomenklatura - those filling the top posts in the Party, the government, industry and the armed forces, reserved for Party nominees and carrying with them various material privileges - and the Communist Party was identified as the party of this class and not the working class as - it mockingly pretended.

The class situation in Poland has not been better analysed from within the country than by Jacek Kuron (now a Solidarity MP, whose name was even one of the three proposed by Walesa to General Jaruzelski for the post of Prime Minister) and Karol Modzelewski in the Open Letter to the Party they wrote in 1968 (earning themselves a three-year jail sentence):

*In our system, the Party elite is, at one and the same time, also the power elite; all decisions relating to state power are made by it and, in any case, at the top of the Party and state hierarchies there exists, as a rule, a fusion of responsible posts. By exercising state power,*

*the Party elite has at its disposal all the nationalized means of production; it decides on the extent of accumulation and consumption, on the direction of investment, on the share of various social groups in consumption and in the national income; in other words, it decides on the distribution and utilization of the entire social product . . . The worker is thus exploited, because he is deprived of the ownership of the means of production; in order to live, he must sell his labour. From the moment he performs that act, which to him is indispensable, i.e., when he sells his ability to do a given job in a given time, his labour and its product no longer belong to him but to those who have bought his labour, the owners of the means of production, the exploiters. To whom does the worker in our country sell his labour? To those who have at their disposal the means of production, in other words, to the central political bureaucracy.*

The class Kuron and Modzelewski call here the “central political bureaucracy” is the same as what everyone in Poland now calls the nomenklatura. It was a class that was imposed on Poland by the Russian army after the last world war as a mirror-image of the Russian ruling class. Through its party, the Communist Party, it has ruthlessly governed Poland for the past forty years, jailing opponents and brutally suppressing strikes by discontented workers.

### **The Rise or Solidarity**

Then came August 1980 when, in a manifestation of mass working class discontent with their exploitation, millions of workers throughout Poland went on strike. Unable to suppress this by armed force, the government had to agree to negotiate with the representatives of Solidarity, the union the striking workers had formed. But the Polish ruling class had still not given up its desire to rule by dictatorship. Egged on by the Russian ruling class who feared that things might get out of hand and Poland escape from its sphere of influence, the government declared martial law in December 1981 and banned Solidarity. Its leaders, including Walesa and the present Prime Minister Mazowiecki, were rounded up and jailed or sent into internal exile.

Solidarity, however, continued to exist and, still supported by millions of workers, went underground. Meanwhile Poland's economic situation continued to worsen. In the 1970s the Polish government had borrowed heavily from Western banks in order to finance investments and imports of consumer goods, hoping to be able to payoff these debts from the increased exports it expected to follow from its investments in new equipment. Then came the world slump; the exports failed to materialise and Poland found itself reduced to the status of a Latin American debtor country. Living standards continued to fall, and rations became smaller and smaller and spread to more and more goods.

Under these circumstances working class discontent grew, culminating last year in the biggest strike wave since 1980. The Party and government, now completely discredited, realised that they were going to have to negotiate again with Solidarity. So weak was their position that they had to concede not just the re-legalisation of Solidarity but a revision of the Constitution.

The agreement, reached in March, provided for elections to be held this June but elections of a special kind in that the Communist Party (and its satellite parties) was guaranteed a majority in the lower house, with 60 per cent of the seats being reserved for them. Elections to the new Senate, on the other hand, were to be completely free. In the next elections, to be held in four years time, there were to be no reserved seats in the lower house either.

The results of the election confirmed that Solidarity enjoyed overwhelming support and that the Communist Party had no support outside the ranks of the nomenklatura. All the seats in the Senate save one (which went to an independent oppositionist) and the 35 per cent of freely-elected seats in the lower house were won by Solidarity (the other 5 per cent had been reserved for some Catholic representatives). The Communist Party even failed to win on the first round all the seats reserved for it since a number of their candidates, including the outgoing Prime Minister Rakowski, failed to achieve the 50 per cent of votes cast required to be elected.

### **In Office but Not Power**

This result was embarrassing, both to the government and to Solidarity since it undermined the compromise deal whereby the Communist Party would be allowed to rule until further elections in four years time. The way out favoured by the Polish ruling class was a coalition between their party and Solidarity, with Solidarity as the junior partner whose role would be to defuse working class discontent while highly unpopular measures, involving price rises and redundancies, were pushed through. But Solidarity was not prepared to be used to bailout the regime in this way.

This refusal placed the Polish ruling class in a dilemma since the only option now left was to allow Solidarity a larger share of power, but could they be trusted? After all, hadn't Solidarity identified them as the class enemy and hadn't they spoken of dismantling the whole system of patronage and privilege from which they benefited? In the end they decided to let Solidarity form a government while retaining key ministries for their own direct political representatives - the Ministry of Defence and the Ministry of the Interior which together control the coercive forces of the Polish state. In addition, the President, General Jaruzelski, retains considerable powers. But even though the Solidarity government will be in office rather than in power, it will still have to assume responsibility for running Polish capitalism, inevitably against the interests of the working class in Poland. This of course is the plus side for the Polish ruling class. They will still be able to use Solidarity to defuse working class discontent while the unpopular measures, necessary to restructure Polish capitalism and render it internationally competitive again, are implemented.

Already, even before the Solidarity government came into office, Solidarity politicians were urging workers not to rock the boat by going on strike. *The Financial Times* (19 August 1989) reported that in a debate in the Senate the previous day

*Senator Leszek Pietrowski, the Solidarity Senator from Katowice, appealed to striking miners in his constituency to return to work in the name of their feelings for Solidarity. "We can't strike when Solidarity is beginning to rule the country", he said.*

More, much more, such talk will be heard over the coming months.

Indeed, it is probable that Walesa refused office precisely so as to be able to use his influence with the trade union side of Solidarity to get workers to accept the austerity measures that the Solidarity government will be imposing on them.

## Transition to Private Capitalism?

A Solidarity government, despite its trade union origins, will do - can do - nothing to further the interests of workers in Poland. However, committed as it is to an economic programme that amounts to the transformation of Poland from the bureaucratic state capitalist country it has been since 1948 into the sort of mixed private and state economy that exists in the West, the Solidarity government could well take steps that really would undermine the position of the *nomenklatura*, benefiting instead the growing private capitalist class - the zloty millionaires, as they are known - that exists in Poland.

Earlier this year the *Financial Times* (13 January 1989) published a revealing article by Jan Winiecki, who lectures at the Catholic University of Lublin, which amounted to a blueprint for a transition from bureaucratic state capitalism to free enterprise private capitalism. Discussing the "critical mass of changes that must be made at the beginning to get things moving towards the market system". Winiecki argued that:

*an elimination of the nomenklatura Communist apparatchiks' privilege to appoint managers at all levels of economic management is the crucial, though politically most difficult, component of the critical mass. Elimination of the nomenklatura is not an end in itself. It is simply a prerequisite to establishing some sensible property rights in place of the chimera of "social" ownership.*

In other words, the monopoly control over industry currently exercised by the *nomenklatura* - supposedly in the name of society but in reality in their own interests as a class - should give way to monopoly control exercised by private capitalists enjoying legal ownership rights over industry.

Realising that the *nomenklatura* are not likely to accept without a struggle what amounts to their dispossession, Winiecki proposed that:

*If the nomenklatura cannot be beaten it can still be bought out. Party apparatchiks and high level bureaucrats (or most of them) should be offered high compensation for leaving their positions, which would then be abolished.*

Actually, if they see that the bureaucratic state capitalism of which they are the beneficiaries really is going to be abolished, this could be an attractive deal for them. They could use their "high compensation" to convert themselves into private capitalist investors and continue to live the life of parasites on the workers to which they have become accustomed.

Only history will tell whether Poland will take this road or whether some other compromise will be worked out between the two sections of the capitalist exploiting class there - the *nomenklatura* and the zloty millionaires - but one thing is clear. Such a change in the composition of the exploiting class has nothing to offer the workers who sacrificed so much to establish Solidarity as a trade union.

#### **4. Socialism has not failed (from *Socialist Standard* January 1990)**

"Crumbling Communism", "Failure of Socialism", "End of Marxism" these are the terms to which the media have echoed as the events in Eastern Europe have unfolded. Something certainly has crumbled in Eastern Europe but it has not been socialism, communism or Marxism. For this to have happened these would have had to have existed there in the first place, but they did not. What did exist there - and what has crumbled - is Leninism and totalitarian state capitalism.

##### **The Russian Empire**

After the last war Russia extended its frontiers westwards by annexing parts of all its pre-war neighbours. At the same time it established a huge sphere of influence in Eastern Europe stretching from the borders of Sweden in the North to those of Greece in the South and embracing Finland, Poland, the eastern part of Germany, Czechoslovakia, Hungary, Rumania, Yugoslavia, Albania and Bulgaria.

In all these countries except Finland, identical regimes were installed to the one which had evolved in Russia after the Bolshevik coup of November 1917: a bureaucratic state capitalism where a privileged class, consisting of those occupying the top posts in the Party, the government, the armed forces and industry and known as the *nomenklatura*, ruled on the basis of dictatorially controlling the state machine where most industry was state-owned, a situation which gave them an effective class monopoly over the means of production.

Finland was the exception in that, after directly annexing a large chunk of what had previously been Finnish territory, the Russian ruling class refrained from installing bureaucratic state capitalism in what was left. Instead, in return for Finland giving up the possibility of pursuing a foreign policy that conflicted with Russian interests, a parliamentary regime and a private enterprise economy similar to that in Western Europe were allowed to develop.

##### **Finlandisation.**

The satellite regimes installed by the Russian army after 1948 were maintained in power essentially by the threat - and in East Germany in 1953, Hungary in 1956 and Czechoslovakia in 1968 by the reality - of Russian intervention. At no time did the ruling class in these countries enjoy any degree of popular support; in fact what has been happening there could have occurred at any time since 1948 but for this threat. The reason it has happened in 1989 and not before is that, faced with internal economic and political difficulties, the Russian ruling class under Gorbachev has had to dramatically revise its policy towards its empire in Eastern Europe, and decide that it will no longer use its troops to prop up the puppet regimes there. Instead, it has informed the ruling class in these countries that they are now on their own and that they had better make the best deal they can with their subjects.

This is not to say that Russia is prepared to let these countries escape from its sphere of influence, but only that it is now prepared to allow the "*Finnish solution*" to be applied to them too; in other words, considerable internal autonomy going so far as a parliamentary regime and private enterprise capitalism in return for giving up the right to pursue an independent foreign policy by accepting Russian hegemony over the area.

## **Welcome advance.**

This is a startling development whose speed shows just how fast things can change and how the change to socialism could become a prospect sooner than many think. Who would have believed a year ago that by 1990 Poland, Hungary, East Germany and Czechoslovakia would have a limited, but real, degree of political democracy and would abandon state capitalism for private capitalism (or, rather, for the same sort of mixed private and state capitalism that exists in the West)?

We welcome the fall in these countries of the dictatorial regimes which have dragged the names of socialism and Marx through the mud by wrongly associating them with one-party rule, a police state regime, food shortages and regimentation and indoctrination from the cradle to the grave. The coming of a degree of political democracy there is an advance as it extends the area in which socialist ideas can be spread by the open means of meetings, publications and contesting elections and in which the working class can organise independently of the state to pursue its class interests.

## **Collapse of state capitalism**

The fall of the bureaucratic state capitalist regimes in Eastern Europe and the demise of the ruling *nomenklaturas* there has relevance for another aspect of the socialist case. The events in East Germany and Czechoslovakia in particular confirm our long-held view that it is impossible for a tiny minority to hang on to power in the face of a hostile, informed and determined majority. Here hard-line regimes, once it became clear that they could no longer rely on the intervention of the Russian army, collapsed in the face of mass popular pressure - fuelled by a determination, born of years of oppression, to kick out those responsible. In theory the East German and Czechoslovak ruling classes, who had shown themselves to be ruthless enough in the past, could have chosen to use physical force to try to maintain themselves in power - there is some evidence that a section in East Germany did consider sending in the troops to shoot down the protestors - but in practical terms this was never really likely.

These rulers knew, through the reports of their secret police if not the evidence of their own eyes and ears, that up to 90 per cent of the population was against them and that if they had ordered their armed forces to shoot all hell would have broken loose; the situation would have escaped from their control with a good chance of it all ending with them hanging from a lamp-post. So they decided to choose the lesser evil, as we can expect the capitalist class to do when faced with a determined, organised socialist majority, and negotiate a peaceful surrender of their power and privileges.

## **Private capitalism no progress**

The ruling *nomenklaturas* in Eastern Europe are on the way out. In agreeing to give up the "*leading role of the Party*" and submit themselves to elections which they are bound to lose, as well as to the privatisation of large sectors of industry, they are giving up the means through which they exercised their monopoly control over the means of production. They are becoming mere politicians in charge of a capitalist state without the privileged control over production and the privileged access to consumption they previously enjoyed as members of a collectively-owning state-capitalist ruling class. Some of them may survive as politicians - given the tacit deal about doing nothing to harm Russian foreign policy interests there will still be a place for some pro-Russian politicians; others may be able to use the private fortunes they have accumulated to convert themselves into private capitalists, the group who are hoping to take over as the dominant section of the privileged owning class in these countries.

But a change-over to private capitalism would be no advance. There would still be a minority in society enjoying big houses, privileged life-styles and Swiss bank accounts, only these would be private capitalists instead of state bureaucrats. We therefore urge workers in Eastern Europe, if they are to avoid a mere change of exploiters, to go on and oppose the emerging private capitalist class with the same admirable determination with which they have opposed and defeated the old state-capitalist ruling class.

### **Socialism can only be democratic**

As Socialists who have always held, like Marx, that socialism and democracy are inseparable and who denounced Lenin's distortion of Marxism right from 1917, we vehemently deny that it is socialism that has failed in Eastern Europe. What has failed there is totalitarian state capitalism falsely masquerading as socialism.

Socialism, as a worldwide society based on the common ownership and democratic control of productive resources and the abolition of the wages system and the market with goods and services being produced and distributed instead to meet needs, has yet to be tried and more than ever remains the only way forward for humanity.

## **5. The Lessons of Eastern Europe (from *Socialist Standard* February 1990)**

Before the end of 1989 few people had heard of the Rumanian town of Timisoara. Since then it has added its name to Tiananmen Square and the many other places where workers have been gunned down in their struggles for democracy; such blood has stained the streets of cities throughout the world. In Rumania the price was high and we salute the selfless courage and the sacrifice of men and women who put their lives on the line demanding freedoms which are vital to the interests of workers everywhere. There would be many political points on which Socialists would disagree with those who rose against their oppressors in Eastern Europe but we also acknowledge that they risked their lives trying to establish the conditions in which free trade unions and a genuine socialist movement could operate.

Since the second world war, the enforcement of political tyranny in Eastern Europe has cost the lives of incalculable numbers of workers and brought untold misery.

A further crime that has been perpetrated has been against the integrity of ideas in the claim that Socialism exists in Russia and Eastern Europe. A distinction must always be made between the fraudulent claims of ideology and the real facts of productive relations. In Russia and the countries of Eastern Europe there is commodity-production wage-labour and capital, the accumulation of capital through the exploitation of workers, the market, rent, interest and profit; that is to say, all the economic features of capitalist society, organised mainly through the state for the benefit of a privileged class. The wealth robbed from the workers and enjoyed by the Ceausescu family with its millions of pounds deposited in foreign accounts was only one example of the luxury lifestyle enjoyed by the rich in the state capitalist countries.

Despite these facts it has suited the propagandists of both East and West to describe those systems as socialist. The Russian rulers needed to cloak the reality of their vile system with an acceptable ideology and for Western propagandists, this gave them an ideal opportunity to discredit the name of socialism.

It was inevitable that the oppressive forms of state capitalism in Russia and Eastern Europe would degenerate into chronic inefficiency. It is impossible to allocate such vast resources to repression, to engender corruption, cynicism, low morale and outright lack of enthusiasm and at the same time expect to be well ahead in the world league of rates of productivity and industrial growth. However, it would be wrong to say that the pressures for changes have originated at the top. Leaders like Gorbachev have reacted to a situation created by Russian workers through their many forms of passive resistance including their unwillingness to apply themselves conscientiously at work.

In Poland, East Germany, Czechoslovakia, Hungary, Bulgaria and Rumania despite the intimidation, the workers took courage into their hands, came onto the streets and openly defied their oppressors. What has been impressive has been the sophistication of the ways in which these workers have conducted themselves. By their nature these events could not be well planned in advance, the movements had little structure of organisation behind them, yet despite these disadvantages in every case except Rumania (which was not the fault of the workers) they managed to conduct themselves without great bloodshed in a dignified and self-controlled manner.

With greater freedom of movement and expression, for the first time in many years, the genuine voice of socialism can now be carried to those countries. When we see these oppressive structures collapsing, what is being demonstrated is the power and force of popular consciousness. So, when we say that a majority of socialists will be able to take over the state and establish a system of co-operation and direct production for human needs on the basis of common ownership, the worker's ability to carry this through has been demonstrated in Eastern Europe over the past few weeks.

When we say that in recognition of their common interests throughout the world, workers can co-operate and act simultaneously in each country; that a socialist majority will be able to organise this great revolutionary change through a series of fast-moving events in a level-headed and self-controlled manner, the ability to achieve all these things has also been demonstrated by the working class in eastern Europe.

These are the grounds on which Socialists can be greatly encouraged by recent events. Having seen these vile and despotic structures continue intact decade after decade, we might have been excused for thinking that they were so firmly in place that they would last for ever. In fact, they were so fundamentally weak that they collapsed overnight.

Having seen world capitalism stagger on decade after decade, similarly we could get the impression that it is so firmly entrenched that it will remain for ever. In fact, confronted by a socialist majority, the lesson is that it will prove so fundamentally weak that its abolition will be a mere formality causing it to dissolve into history.

## 6. From Cold War to Class War (from *Socialist Standard* February 1990)

The past forty years have been marked by an apparent stability in the modern capitalist world order. The post-war settlement, arrived at by those partners-in-crime of world historical proportions, Roosevelt, Stalin and Churchill, has survived surprisingly well. Its main achievement has been to neutralise conflict amongst the major powers, giving capitalists in these countries the peaceful base of operations needed to conduct the greatest programme of mass-exploitation of class by class ever seen on Earth. In the West, the traditional pressures for conflict between developed capitalist nations have been converted into a binding military alliance, and it has preserved a status quo of "*mutual deterrence*" with its state-capitalist rivals in the Warsaw Pact.

Of course, post-war capitalism has not been without its troubles. Since the global crisis of the early seventies, economic tensions, for example that caused by Japan's massive trade surplus, have become an increasingly significant issue. However thanks to the close political relationship between the leading seven capitalist governments, the post-war era has been one notable for its unprecedented level of international co-operation on economic matters between the state administrators of capitalism. This has minimised the inherent tendency of capitalism to repeated crisis. The co-ordinated response to the October 87 slump on the world's stock markets showed how important economic co-operation has become to the functioning of capitalism.

But behind the facade of stability things have not stood still - indeed they could not have. "All things", Engels pointed out, "come into being and go out of being", and the post-war settlement is far from being an exception, by reason of the competitive nature of capitalism.

*The battle of competition is fought by the cheapening of commodities. The cheapness of the commodities depends . . . on the productivity of labour, and this depends on the scale of production. Therefore the larger capitals beat the smaller.*

(Marx, *Capital*, Vol. 1, chapter 25.2)

And true to Man's prediction, post-war capitalism has indeed been characterised by a growing, unabated concentration of capital. National markets are giving way to international markets. Financial markets are no longer national but global.

The impact of all this for a medium-sized European country like Britain is enormous. What government could once control, it no longer can. Evidence comes from the current trend of privatisation which is, in reality, a programme of multi-nationalisation, as the necessity for capital to expand beyond redundant national borders becomes irresistible. Amersham International, British Aerospace, British Airways, British Gas, British Steel, British Telecom, BP, Cable and Wireless and the others are all now multi-nationals. French interests in British water companies and Jaguar, swallowed whole by Ford, are the latest examples of the inevitable multi-nationalisation process.

### **Collapse of State Capitalist Bloc**

But the major result of all this world capitalist integration is the defeat of the distorted, Stalinist concept of so-called "socialism in one country" or, indeed, one bloc. It has been undermined by its

bureaucratic inflexibility and lack of democratic mandate, but finally, and much more emphatically, by the global market, by the logic of capitalism itself. "Socialism in one country" - state capitalism - is suffering the same economic pressures as openly capitalist Britain, which, out of economic necessity, has no choice but to integrate further with its European partners. In the same sense, we are witnessing the end of the era of separate state-capitalist development in the Russian Empire.

The tradition of the Russian Revolution gave rise to the chimera of so-called socialism and capitalism as separate worlds, as entirely estranged civilisations. The Socialist Party never gave in to the temptations of this "short-cut-to-socialism" tradition, and now that steadfastness of view is being vindicated. From now on, with gathering pace, there will be an unstoppable integration of East and West. Russia will over time acquire markets, multi-national firms will operate there, the rouble will become convertible, Russian tourists will visit London as Western tourists already visit Moscow. We are moving into a new era in which the distinctions between Russian state capitalism, the Swedish mixed economy and American capitalism will surely diminish. What does this mean for socialism?

In the short-term, the end of Stalinism will be held by the Western capitalist class as the end of the only apparent non-capitalist alternative, as the end of Marxism. This will lend a sickening prop of legitimacy to the capitalist free-market and the model of Western liberalism. Capitalists and their hangers-on will publicly gloat at the demise of their one-time ideological competitors - but, in private circles, there must be some disquiet about what is to follow the end of the Cold War.

### **Re-emergence of Germany**

Historians in the pay of the master class have falsely (deliberately or not) interpreted the Cold War conflict as a struggle between alternative social systems. The "iron curtain", a term ingeniously coined by that arch-champion of capitalism, Winston Churchill, has been central to their analysis of post-war international relations. None of this stands up to a thoroughgoing Marxist scrutiny of history. There is no internal tendency towards East-West conflict. What invokes fear and concern in London these days is not Russian military force but the power of the dreaded Deutschmark. And here lies the crux of the matter. The crisis in the Eastern bloc has made the rise of Germany as a new super-power a real possibility.

America, Britain and France are desperately trying to minimise the repercussions of the crisis of Russian state-capitalism, looking for all sorts of new roles for NATO. But the very foundations of the post-war settlement - the arbitrary division of Germany and Europe - cannot be sustained indefinitely. The re-emergence of the German question shatters the illusion (which those in the war-torn third world never had) that the peaceful co-existence of the major capitalist powers can go on for ever. The underlying problems which caused two capitalist world wars this century have not gone away. Indeed, anyone who thinks that peace between Washington and Moscow means total disarmament is only showing the utmost CND-like naivety. At a time when America's, Russia's and Britain's world status rests not on economic power but nuclear capability, the decision to maintain militarisation will not be difficult - especially in the light of the glowing economic successes of Germany, Japan and Italy.

If the collapse of separatist state-capitalism in the Eastern bloc is giving capitalists around the world sleepless nights, then the opposite is true for scientific socialists. For us, there is some cause for optimism in the cataclysmic events of recent months. So long as Leninism, Stalinism, Russian state-capitalism masqueraded as the only non-capitalist model, the project for building a majority support

for socialism could make only limited progress. The apologists for capitalism on the political left and right could always point to Russian society in their ideological argument against a social revolution. Now at last, the end of Stalinism creates the possibility of clarifying the issues at stake in the class struggle.

### **Way Clear for Socialism**

Never has the appeal for workers of the world to unite been more relevant or urgent. Together we can eliminate the waste of human capacities and material resources which exists under capitalism. Together we can achieve an abundance of the means of life to which everyone will enjoy free access. Together we can nullify the risk of another capitalist world war.

This prospect is brought nearer now that the siren-call of "Marxism-Leninism" that attracted many would-be socialists to the rocks of state-capitalism is being stifled. It is surely now clear that Lenin's distorted interpretation of Marxism produced the vanguardism of which Sir Nicolae Ceausescu was the latest perverted symbol. Leninism occurred in a country in which there was peasant unrest, economic backwardness and no possibility, under feudal relations, of building up to the mass working-class movement that Marx had in mind. Though even in feudal Russia earlier this century, Lenin's was not the only view of Marxism. After all, the Mensheviks took a different view. They believed, as Marx and Engels did, in the necessary development of the social contradictions in capitalism which would inevitably and inexorably lead to social revolution and socialism.

Marxism and scientific socialism are not the same as "Marxism-Leninism". Martov and Plekhanov never thought so. The Socialist Party has never thought so at any point in its history and now world events have endorsed this unwavering position. The era of the 1917 revolution is at an end. And for those left disillusioned by the failure of "socialism in one country" it is time to join the party with untarnished principles, to help create a mass democratic movement for world socialism.

It is time to join the Socialist party and the real pre-Lenin tradition of Marxism, for though the Cold War is over, the class war goes on.

## 7. From Privilege to Profits (from *Socialist Standard* March 1990)

On a recent visit to Poland I stayed, first, in Warsaw, then moved to Wroclaw (formerly Breslau) in the south-west. In both cities, my main contacts were with the Polish Socialist Party (Democratic Revolution). This is a minority political party, opposed to the Solidarity government of Mazowiecki. It originated in a breakaway from the PSP, led by Jan Lipski, a revival of the old social-democratic, reformist PSP. At its first congress in December 1989 it adopted a new programme, and from this it is worth quoting their analysis of "*Polish changes*":

*The alliance concluded between the opposition elite and the nomenklatura rests upon an agreement on a pro-market and pro-capitalist course of change in the economy. The immediate result of this has been the rescue of the ruling nomenklatura at the price of the admission of part of the opposition to power. At the same time, Solidarity has been transformed from an organisation struggling for the rights and interests of the workers into an instrument for wielding power. This is expressed in the conception of the union as a partner in government. In reality it has had to become a mechanism for transmitting orders from the government to the workers . . . The nomenklatura has realised that the previously existing system of rule over society has broken down and has executed indispensable manoeuvres to adapt . . . Part of its privileges are being exchanged for the profits arising from ownership, rather than political authority.*

This makes a lot of sense. It helps explain Jaruzelski's sudden craving for "*democracy*" and power-sharing as being due to the ruling *nomenklatura's* need for some sort of survival strategy. Last year Gorbachev declared that Russian troops would not be used to prop up unpopular regimes in Eastern Europe. Without Moscow's support, and facing up to unpopular economic reforms, the *nomenklatura* needed some other prop, and Solidarity's bosses could deliver the votes.

Secondly, the old "*official unions*" which had previously functioned as "*a mechanism for transmitting orders from the government to the workers*" were completely discredited. They served as a part of management, disciplining the workers and urging them to increase productivity. But now that they no longer had sufficient support or credibility to be effective a new organisation was needed to take their place. Solidarity was happy to oblige.

The third point to note is that the *nomenklatura* - the Party officials, government apparatchiks and bosses of all sorts - are determined not to go under. A free market and a private enterprise system is taking the place of the old, corrupt and inefficient "*planned economy*". Successful adaptation will require them to become capitalists and ideology is not going to stand in their way. Some have already set up private companies and are taking over the assets of state enterprises. Opportunism was a characteristic of Lenin. It continues to characterise Lenin's heirs.

The workers' position remains the same as before - working for wages while others reap the profits. Exploitation is always exploitation, and it doesn't matter at all whether the bosses are organised as a private company, a public corporation or a party committee. Whatever the arrangement, what we get are mere wages; what they get is all our unpaid labour.

## **Importance of Democracy**

PSP(DR) actively supports efforts to put pressure on Solidarity to hold democratic elections, long overdue. Although Solidarity was set up in 1980 as a democratic organisation, it long ago ceased being that and, as an organisation, has operated just like the Communist Party, with the leadership deciding policy over the heads of the members.

My impression is that the people I met liked our Party's consistent and thorough-going opposition to vanguardism and to Lenin's elitist view that workers need to be told "*what's what*" by intellectuals and "*experts*". They asked about how our Party is constituted and organised, and seemed to approve our insistence on democratic organisation, with our policy decided by the membership at conference, and our executive committee and party officers being required to comply with conference decisions.

I was asked if we were Trotskyists. There wasn't much time, so I dealt with this bluntly by saying that any who call themselves Trotskyists have to answer for the suppression of the workers at Kronstadt in 1921.

Another point which had to be discussed was our opposition to reformism and refusal to ally ourselves with non-socialist organisations. Here we differ from the PSP(DR). Their programme includes a lot of immediate demands. In particular, they advocate "*self-management*". At enterprise level, this suggests that workers' representatives can work in tandem with management. The PSP (DR) also intend that workers' self-management representatives should play a role in regional government and form a separate chamber in the Sejm (parliament). They do not specify how this would function in relation to the rest of parliament or what its powers and responsibilities would be.

This is to suggest that the state could be transformed to operate in the interests of the whole community. Tinkering about with constitutional changes does not change the reality of the system.

## **Fighting Solidarity**

Another group I met was Fighting Solidarity, a group which operates underground, having little confidence in the success of *perestroika* in Russia. Like the PSP(DR) it campaigns for democratic elections in Solidarity but its ideas have little in common with ours. Essentially they are liberals, with a strong belief in such vague values as freedom, equality, brotherhood, and human rights. Liberal too in their belief in "*natural market regulators*".

As I considered Poland's worn-out pre-war trams, the drab half-empty shops, the archaic telephone system, well, I must admit I thought they might have a point. At least, in England you can get lavatory paper quite easily in the shops. But then I returned to England. And in this happy land I saw beggars in the Tube stations and teenaged jobless and homeless in London's Cardboard City. The "*natural market regulators of supply and demand*" achieved that. Somehow I don't think the grass is greener on *either* side of the fence. It never is for the working class.

What we would say to Fighting Solidarity and those who think like them in Poland and the other parts of the Russian empire is this: Do not deceive yourselves. Your problems as workers will not be solved merely by shaking off Moscow role. Free enterprise capitalism has precious little to do with the ideals you cherish.

In conclusion, the fact that ours is a movement with a clean and honest record where Leninism and dictatorship are concerned - our critical stance maintained over many decades has been shown to be right - will surely open many doors for us in Eastern Europe and Russia at this time of change.

## 8. Marxism versus Leninism (from Socialist Standard March 1990)

Marx's theory of socialist revolution is grounded on the fundamental principle that *"the emancipation of the working class must be the work of the working class itself"*, Marx held to this view throughout his entire forty years of socialist political activity, and it distinguished his theory of social change from that of both those who appealed to the princes, governments and industrialists to change the world for the benefit of the working class (such as Robert Owen and Saint Simon) and of those who relied on the determined action of some enlightened minority of professional revolutionaries to liberate the working class (such as Buonarotti, Blanqui and Weitling).

### Conscious Self-emancipation

Marx saw that the very social position of the working class within capitalist society as a non-owning, exploited, wealth-producing class forced it to struggle against its capitalist conditions of existence. This "movement" of the working class could be said to be implicitly socialist since the struggle was ultimately over who should control the means of production: the minority capitalist class or the working class (society as a whole)? At first the movement of the working class would be, Marx believed, unconscious and unorganised but in time, as the workers gained more experience of the class struggle and the workings of capitalism, it would become more consciously socialist and democratically organised by the workers themselves.

The emergence of socialist understanding out of the experience of the workers could thus be said to be "spontaneous" in the sense that it would require no intervention by people outside the working class to bring it about (not that such people could not take part in this process, but their participation was not essential or crucial). Socialist propaganda and agitation would indeed be necessary but would come to be carried out by workers themselves whose socialist ideas would have been derived from an interpretation of their class experience of capitalism. The end result would be an independent movement of the socialist-minded and democratically organised working class aimed at winning control of political power in order to abolish capitalism. As Marx and Engels put it in *The Communist Manifesto*, *"the proletarian movement is the self-conscious, independent movement of the immense majority, in the interest of the immense majority"*.

This in fact was Marx's conception of *"the workers' party"*. He did not see the party of the working class as a self-appointed elite of professional revolutionaries, as did the Blanquists, but as the mass democratic movement of the working class with a view to establishing socialism, the common ownership and democratic control of the means of production.

### Lenin's Opposing View

This was Marx's view, but it wasn't Lenin's. Lenin in his pamphlet *What Is To Be Done?*, written in 1901-2, declared:

*The history of all countries shows that the working class, exclusively by its own efforts, is able to develop only trade union consciousness, i.e., the conviction that it is necessary to combine in unions, fight the employers and strive to compel the government to pass necessary labour legislation, etc. The theory of socialism, however, grew out of the philosophic, historical and economic theories that were elaborated by the educated*

*representatives of the propertied classes, the intellectuals.*

{Foreign Languages Publishing House edition, Moscow, pp. 50-51)

*Class political consciousness can be brought to the workers **only from without**, that is, only from outside of the economic struggle, from outside of the sphere of relations between workers and employers.*

(Lenin's emphasis, p.133)

*The spontaneous working class movement by itself is able to create (and inevitably creates) only trade unionism, and working class trade unionist politics are precisely working class bourgeois politics.*

(pp. 159-160)

Lenin went on to argue that the people who would have to bring “*socialist consciousness*” to the working class “*from without*” would be “*professional revolutionaries*”, drawn at first mainly from the ranks of the bourgeois intelligentsia. In fact he argued that the Russian Social Democratic party should be such an “*organisation of professional revolutionaries*”, acting as the vanguard of the working class. The task of this vanguard party to be composed of professional revolutionaries under strict central control was to “*lead*” the working class, offering them slogans to follow and struggle for. It is the very antithesis of Marx's theory of working class self-emancipation.

## **The Bolshevik Coup**

The implication of Marx's theory of working class self-emancipation is that the immense majority of the working class must be consciously involved in the socialist revolution against capitalism. “*The proletarian movement is the self-conscious, independent movement of the immense majority in the interest of the immense majority*”.

The Bolshevik coup in November, 1917 carried out under the guise of protecting the rights of the Congress of Soviets, did not enjoy conscious majority support, at least not for socialism, though their slogan “*Peace, Bread and Land*” was widely popular. For instance, elections to the Constituent Assembly, held *after* the Bolshevik coup and so under the Bolshevik government, gave them only about 25 per cent of the votes.

John Reed, a sympathetic American journalist, whose famous account of the Bolshevik coup, *Ten Days That Shook The World*, was commended in a foreword by Lenin, quotes Lenin as replying to this kind of criticism in a speech he made to the Congress of Peasants' Soviets on 27 November, 1917:

*If Socialism can only be realized when the intellectual development of all the people permits it, then we shall not see Socialism for at least five hundred years . . . The Socialist political party - this is the vanguard of the working class; it must not allow itself to be halted by the lack of education of the mass average, but it must lead the masses, using the Soviets as organs of revolutionary initiative . . .*

(Reed's emphasis and omissions, Modern Library edition, 1960. p.15).

Compare this with a passage from the utopian communist, Weitling: "*to want to wait . . . until all are suitably enlightened would be to abandon the thing altogether!*" Not, of course, that it is a question of "*all*" the workers needing to be socialists before there can be socialism. Marx, in rejecting the view that socialism could be established by some enlightened minority, was merely saying that a sufficient majority of workers would have to be socialists.

### **Lenin's Legacy**

Having seized power *before* the working class (and, even less, the 80 per cent peasant majority of the population) had prepared themselves for socialism, all the Bolshevik government could do, as Lenin himself openly admitted, was to establish state capitalism in Russia. Which is what they did, while at the same time imposing their own political dictatorship over the working class.

Contempt for the intellectual abilities of the working class led to the claim that the vanguard party should rule on their behalf, even against their will. Lenin's theory of the vanguard party became enshrined as a principle of government ("*the leading role of the Party*") which has served to justify what has proved to be the world's longest-lasting political dictatorship.

The self-emancipation of the working class, as advocated by Marx, remains on the agenda.

## 9. Russia and private property (from *Socialist Standard* April 1990)

The decision by the Central Committee of the CPSU at its February meeting to abandon its guaranteed, constitutional monopoly on power really could prove to be as momentous as the media claimed at the time. However this will not be for the reasons they gave - that it will open up a new era of freedom, prosperity and progress for Russia - but because it could lead to a change in the way that the means of production are monopolised by the minority owning class there.

Except for some of those that can be operated by individuals or by a family unit, all means of production in Russia are vested in the state which also has a monopoly in the hiring of wage-labour. This has meant that the group that has controlled the state has also controlled the means of production, has in effect owned them. However, the members of this group have not done so as individuals possessing legal property deeds in their own names, but collectively as a group. It is this group - as a group - that has been the collective owner of the means of production and the collective employer of the working class in Russia, in short the collective capitalist there.

So who are they? Who are those who make up this group that monopolises the means of production in Russia in this way? As Russia has been a one-party dictatorship since Lenin introduced this in 1921, they have been the leading members of the ruling party plus those appointed by them to key posts carrying with them a life-style based on privileged access to the best consumer goods, housing, health care, education for their children, holidays and officially known as the *nomenklatura*. Not possessing legal property titles in their own names, they have not been able to bequeath their privileged position to their children. So the group that has constituted the collective capitalist class in Russia has been recruited by other means than inheritance, in fact by rising up the bureaucratic hierarchy of the single party.

It is this party that has been the mechanism by which the collective capitalist class in Russia has monopolised the state and so the means of production and by which they have renewed themselves and recruited new members. This is why the political and ideological representatives of this class have proclaimed the "*leading role of the party*" to be a pillar of the Russian system. It is also why the decision by the Party's Central Committee at its February meeting to abandon it could prove to be of immense importance.

### **Gorbachev wants a mandate**

Of course abandoning a constitutional right to be the only governing party, indeed the only party allowed to exist - the notorious Article Six of the 1977 Russian constitution - is not the same thing as actually abandoning power. The leaders of the "Communist" Party still want, like Mrs Thatcher, to go on ruling for ever but from now on they hope to do so with a democratic mandate from the electorate.

There is a short-term reason for this: they feel they need popular endorsement to be able to push through the tough anti-working class measures *perestroika* involves. For although glasnost (openness) has progressed quite far, *perestroika* has not. Enterprises have been given legal independence from the government ministries that used to control them, but price reform - the key measure of *perestroika* and what it is all about, designed to bring prices into line with what the law

of value demands - has not yet been implemented.

Price reform will involve ending government subsidies on basic consumer goods such as food, housing and transport and allowing their prices, along with those of industrial goods, to be fixed by the free play of market forces. Although the object is to get the stagnant Russian economy moving again, it is bound to mean for at least the short-term falling living standards and rising unemployment. Learning the lesson of the events in Poland, Gorbachev is clearly not prepared to launch into this attack on the working class without a mandate to do so. His conservative opponents in the Party hierarchy might not like his political reforms, but they don't want him to go since they know that they would have even less chance of controlling the potentially explosive situation in Russia.

It is the longer-term implications of the decision to abandon the Leninist principle of one-party dictatorship that could prove to be the most significant though, as this could herald a change in the way the means of production are monopolised in Russia with the ruling class there changing itself from a class of collective owners into a class of individual owners as in the West.

Such a change has always been a possibility but until now only a rather remote one. It is a measure of the historic importance of events in Eastern Europe - which will surely have led to the liquidation of the *nomenklatura* system there by the end of the year - that they have forced what once seemed to be the immovable Russian Party-elite to reconsider its position.

The transformation of the Russian ruling class from a collectively-owning state bureaucracy into a class of private capitalists with private property rights vested in them as individuals certainly won't take the form of the present members of the *nomenklatura* abdicating and handing over their power and privileges to the small group of privately-owning capitalists who have always led a precarious existence on the margins of the Russian state-capitalist economy. Nor would it need to take the crude form of them simply dividing up the presently state-owned industries amongst themselves. It would be more likely to take the form of the Russian government gradually introducing more and more opportunities for private capitalist investment - which only those who have already accumulated wealth would be able to take advantage of. Most of these will inevitably be individual members of the *nomenklatura* as the group which for years has enjoyed bloated salaries, cash prizes and opportunities to speculate on the black market.

Although there have been periodic drives against corruption, the wealth accumulated by the members of the *nomenklatura* has largely survived intact. Up to now, however, they have not been allowed to use their accumulated wealth as capital - as wealth invested in production with a view to profit - but have been obliged to hold it as non-productive assets such as works of art, vintage cars and cash held in low-interest bank accounts. That Gorbachev wants to remove this restriction and channel such funds towards investment in production can be seen from the reference in the new Party Platform to "*the distribution of state loan bonds on advantageous terms*" and to "*the selling of stocks and other securities*".

### **Ligachev's Fears**

High-denomination state bonds were issued for the individually wealthy to purchase right up until the 1940s (when their holders were virtually expropriated when Stalin reformed the currency in 1947), but this time rich Russians are to be allowed to purchase not just government bonds but also to invest directly in particular enterprises by purchasing bonds issued by them too. It is not difficult

to see how this could evolve into a system of shareholding. In addition, private enterprise in the form of "*co-operatives*" is to be encouraged. Such co-operatives are supposed to be collectives of self-employed workers but once again, over time, pressure to allow them to employ wage-labour and for some of their members to become sleeping partners, or non-working investors, can be expected to grow.

This whole issue of "*private property*" is still a subject of controversy within the Russian Party. It ought to be understood, however, that the issue at stake is not whether individuals should be allowed to own non-productive assets, sometimes considerable amounts, as private property which they can bequeath and inherit. This has long existed and all sides agree it should continue. Nor - yet - is the issue about whether individuals should be allowed to employ other individuals. It is about whether "*co-operatives*" of the self-employed should be allowed to own means of production and compete with state enterprises for sales and profits.

On the one side, there are the supporters of Igor Ligachev who was reported as saying at the February Central Committee meeting that "*he opposed the introduction of private property with his whole soul*", adding: "*I am also against turning our party into an amorphous organisation, a political club*" (*Independent* 7 February 1990). On the other side, are those who agree with Boris Yeltsin when he says: "*I am for private property, including the means of production. The limits are that it should not be sold, and not inherited*" (*Vancouver Sun*, 21 December 1989).

The new Party Platform shows that it is the partisans of "*private property*" who are winning. Ligachev is nevertheless probably right when he sees "*co-operative private property*" as the thin end of a wedge that will open the way, despite what Yeltsin says, both to private property rights in means of production being sold and inherited and to the private employment of wage-labour. This latter is still regarded in Russia as a case of "*the exploitation of man by man*" - as indeed it is, though Ligachev is being inconsistent when he denounces the employment of hired labour by private individuals while accepting it by the state. Clearly, what he favours is the *nomenklatura* continuing to monopolise the means of production collectively as a group dictatorially controlling the state where the means of production are state-owned.

Gorbachev, on the other hand, realises that it is now no longer possible for the *nomenklatura* to role in the old way and that some sort of flexibility is called for, if only to be able to push through perestroika without provoking a workers' revolt. He probably isn't consciously working towards ushering in a Russia where the *nomenklatura* has disappeared as such and has succeeding in converting itself into a class of Western-type privately-owning capitalists, but it is in this direction that his reforms can now be seen to be leading.

## 10. Russia's crisis congress (from *Socialist Standard* August 1990)

The party is not quite over yet - but nearly. Everybody knows that the party has been a disaster. There was not enough food. The waiters got drunk on bad vodka. The speeches were foolish, uninspiring and full of lies. The books on the shelves, left there purposely so that guests could delude themselves with stories of the raving success of the party, were written by committees which were briefed to make hell look like a sunshine holiday. It was a useless, horrible, miserable party and now they are leaving in droves, despite threatening looks from fat guys in uniforms who stroke their Lenin badges.

It is the Communist Party of the Soviet Union which is marching steadily into its own shallow grave. Its past has been exposed as tyranny in the name of workers' dictatorship. Its present is surrounded by a ruined state-capitalist economy and a disillusioned workforce. Its future is a fantasy in the minds of fat-cat bureaucrats who cannot conceive of the idea that they are no longer to be an unelected ruling class. In reality, the future of the Communist Party in the Russian Empire is about as optimistic as were the futures of genuine socialists and communists in the days of Stalin.

### Death cries of Leninism

The 28th Congress of the CPSU last month was the most important since 1917. By comparison, the 20th Congress, when Khrushchev denounced Stalin after Stalin was dead and the damage had been done, can be seen as a bit of political posturing by politicians who wanted to distance themselves from the fascistic history of Stalinism. The second most important Congress since 1917 was the 27th in 1986; it was there that the newly-appointed boss of the Communist Party, Mikhail Gorbachev, declared the need to reform the economy. There is a great deal of talk, mainly by naive leftists and media pundits, about the immensity of Gorbachev's role in bringing about change. Capitalist observers of history always need the Great Men: Stalin - Bad; Gorbachev - Good - and that's that. The fact of the matter is that Gorbachev is a Leninist hack, a careerist political climber who worked his way up the party dictatorship without ever denouncing its undemocratic rule or false claim to be a workers' state. Gorbachev is a Leninist, even though he is now having to play down such unpopular imagery. The difference between the 27th and 28th Congresses can be sensed from Gorbachev's closing speech at the former:

*What can be said today is that our Congress was held in an atmosphere of Party-principledness and unity, exactingness and Bolshevik-style truth . . . It is precisely in this way, in Lenin's spirit, that we have acted at our Congress. It is precisely in this way that we are going to act in the future as well. (Tass, 6 March, 1986)*

Since then the party has fallen to pieces. Monolithism, which was forced on the party by Lenin's tyrannical resolution banning internal party opposition at the 10th Congress in 1921, has been abandoned. The article (number Six) of the national constitution banning the existence of other political parties was repealed in February. This did not happen because Gorbachev and his cronies fancied the idea of a little political pluralism. On the contrary, Gorbachev was persistent in declaring that Article Six could not be abandoned in the foreseeable future; in short, one-party dictatorship must prevail. The change came because millions of the party's subjects no longer believe in "*Bolshevik-style truth*". They see it as consisting of an Orwellian vocabulary where a state-capitalist prison is defined as a socialist paradise.

Gorbachev may have been certain that "*we are going to act in the future*" in the spirit of Lenin, just as Hitler thought that he would rule for a thousand years and Thatcher probably does too, but the utter bankruptcy of Leninism as a method of ruling over people has reached a point of crisis. By 1990 it became clear to those who would see that offering the workers a touch of democracy from above (glasnost) or attempting piecemeal reforms of the economy (perestroika) would not keep them obedient. The clamour for change was too loud to be ignored.

There were two options which were available if the 28th Congress was to be avoided. The military could try to stage a coup. There are quite a few Russian generals and KGB chiefs who think with admiration of the way that the Deng gang saved their skins in Tiananmen Square. That talk of a military coup is widespread in the upper ranks of the army is no secret. An attempted coup could still happen - certainly local attempts to use military force to hold on to state power by the party rulers could be envisaged - but it is uncertain whether the conscript soldiers would carry out such orders on a broad enough scale to make it effective. Remember that in Rumania, the only state-capitalist dictatorship where the party men have so far attempted to resist the will of the majority, most of the soldiers, being workers themselves, went to the side of the majority. In the so-called Soviet army the workers in uniform have formed a union called Shield and the first article of its constitution is that its members refuse to fire on workers of their own country.

The other way in which Gorbachev could have tried to hold back the demise of his party would have been to cancel the 28th Congress. It is reported that he was advised to do this, but as soon as reports were circulated it became clear that the congress would take place whether it was cancelled formally or not. Communist Party branches from throughout the Empire (no, not the USSR - what is Socialist or Soviet about a one-party tyranny?) were determined to voice their anger at the condition they found themselves in.

### **Splits and factions**

What was it, then, that delegates came to say at the 28th Congress? There were four main factions. Firstly, there were the so-called radicals. The term "*radical*" has a nice sound about it. It makes these people seem like fresh-thinking progressives. This is far from being the case. The "*radicals*" are those who have seen that state capitalism cannot be reformed and want to see a non-statist market economy set up in the Russian Empire as soon as possible. They are intoxicated by illusory information about the success of Britain and the USA. Just as media simplifiers have pushed the myth that Gorbachev invented the changes in eastern Europe, so they repeat the idea that Boris Yeltsin is the chief "*radical*". To be sure, Yeltsin is the most popular politician amongst Russian workers who want quick change, but his radicalism is based upon populist posturing which appeals to Russian national chauvinism, and wholly ignorant economic promises about the benefits for workers within a free market. Amongst the other "*radicals*" there is much debate about how to run a market economy without the state. Their main concern is to become the beneficiaries of the capital that is now state-owned. The "*radicals*" are a private capitalist class in waiting. Indeed, some of them are already investing their roubles in the non-state co-operatives (private businesses, in fact) which have a major growth area in the economy. The "*radicals*" have formed a faction called Democratic Platform: although it only had less than 10 percent of the delegates at the 28th Congress, its grass roots support within the Communist Party is nearer to 50 percent.

Opposed to Democratic Platform are the conservatives. These are the party men whose whole lives have been spent on rising within the ruling class by means of spewing out its hollow Leninist

clichés to order. Their main symbol is Yegor Ligachev, the last remaining Politburo Brezhnevite, until the Congress, when he was removed. Most of Brezhnev's men have either died or been purged. The conservatives maintain that the seventy-year tragedy of Leninism has been a great success story. They are the ravers at the party, dancing away into the early hours as if it does not really matter that the peanuts have all gone and there is a lynch-mob at the front door. One should not feel sorry for these old swines. They have built careers on the harsh exploitation of workers who were forbidden by law to fight back. They dared to tell the wage slaves of the Russian Empire that a "*Socialist Republic*" had been achieved in 1917. While the mass of the population were miseducated by the propaganda of Leninism, the members of the Leninist vanguard were living in the country dachas, driving the limousines and shopping in special stores which stock luxury goods. Is it any wonder that they are now hated? They are fighting for their survival as a class. They deserve what is coming to them.

A third faction at the Congress were the nationalists. The break-up of the Russian Empire is very likely. The nationalist delegates want to be part of the new ruling class within the new states. Fourthly, there are the Gorbachev crowd. They want to hold on to party control over capitalism, but they know that they must make certain democratic concessions and introduce major economic reforms in order to do so. In order to please the "*radicals*" they are abandoning support for state capitalism and declaring full support for a market economy of the German or British type. This has kept some "*radicals*" within the party, but the more that centralised party planning fails the quicker the rush to leave will be. They do not want to take the blame. At the same time, the Gorbachev leadership must convince the conservatives that their power will not end with the demise of state capitalism. Frankly, unless there is a military coup, the conservatives have little choice but to sit tight and hope that Gorbachev is right. To the nationalists, Gorbachev is offering state funding and the chance to be part of a successful economy. To most nationalists the offer is not of the sort that leads to ecstasy.

### **Change beyond the Change**

At the 28th Congress the Communist Party split. Having split it will now face competition from other parties - notably the party to be formed in the autumn by Lysenko and the "*radicals*" - and it is highly likely that millions of workers will respond, if only negatively, by voting for anything but the Communist Party. In some cases, this "*anything*" is not a very savoury entity. In the non-Russian republics the non-Leninist outfits will be nationalistic and will drift quickly into extreme right-wing economic thinking. In Russia, which is where the battle is really going to be fought out, the prospect of widespread support for chauvinistic, religious, racist and ultra-Thatcherite policies is high on the agenda. There is a degree of free-market utopianism which has affected Russian "*intellectuals*" which is similar to the kind of myopic instant love felt by many Western "*intellectuals*" towards the Stalinist utopia.

There are too many politicians playing with the dreams of the workers of the Russian Empire. One thing is for certain: these workers are going to be hurt terribly. After years of putting up with the illusion of socialism, they will now be forced to endure mass unemployment, price inflation and wage cuts to pay for Western loans. All of this in the name of capitalist freedom. Marxism is a dirty word amongst these workers. They were taught that Lenin and Stalin and Brezhnev were all good Marxists and they are sick of the product. The present writer wrote an article for a Russian newspaper called '*Socialism Without Bolshevism*', but was advised by the editor to cut out the positive reference to socialism as it would stick in the throats of the paper's sixty-million plus readers.

William Morris wrote of "*the change beyond the change*". He was writing about people in late feudal society looking at the dawn of capitalism and how they must look not only to the change which was before them, but to the change after that. We socialists must do the same thing now. As we look at eastern Europe we have mixed feelings: the end of Leninism and the democratic struggle by which this has happened is a source of inspiration, but the changes which are happening . . .

We are Marxists who see change not as a single event with a beginning and an end. The victory of Bolshevism in Russia marked the defeat of autocratic Tsarism, which was a mighty advance, but it also marked the emergence of the myth of a socialist state, which was arguably the greatest obstacle that has since stood in the way of the revolutionary socialist movement. Now that Bolshevism is dying - almost dead, we would be foolish to waste time mourning the victory of the free-market antithesis. Our eyes are upon the struggle of the morrow, not for the victory of this faction of that party, or of this nationality or that reform, but for the realisation on the part of our fellow workers that however you organise this rotten system it will still be rotten. It is rotten under Gorbachev; it is the same under Bush, Kohl or Mitterand. And its rottenness will give rise to men and women who will not be content with less rotten: they will go for the change beyond the change.