

POLAND and HUNGARY

CAPITAL'S WAY OUT

Plans of the bourgeoisie in the East grow ever more frantic as their economies totter on the brink of collapse and their strategies fail to deliver the salvation they so desperately want and need.

From the Elbe to the Urals the crisis of capitalism in the east is now obviously terminal. In *Bulletin 12* we wrote on the nature of the crisis of capitalism in the Russian Empire and what the bourgeoisie were planning as an escape: Perestroika: Glasnost: the turn to the market: increasing exploitation of the working class: unemployment etc. etc. Now is a good moment to see how the situation is developing. Now is a good moment to look at the strategy of the bourgeoisie and their problems, to see how successful they have been and what lies ahead for them. In particular it is a good moment to look at how the policies of the Eastern bourgeoisie are actually being put into effect. At the forefront at the Russian Empire's attempts lie the satellite states of Eastern Europe, the empire where the effects of the crisis of the decay of the system has been most sharply felt - and where Gorbachov's 'solution' is being tested on the working classes of such as Hungary and Poland. For Poland and Hungary are the states which most clearly exemplify the direction that Gorbachov seeks to take. And what comes across most clearly from an examination of what the bourgeoisie are doing in both countries is the unity of the bourgeoisie.

HUNGARY

In Hungary the economic situation is desperate, the economy is in ruins. The rate of inflation is 'officially' 16%, in reality much more, a nation of ten million have a debt of nearly £8 billion and rising; the cost of basic foodstuffs rose earlier this year by 17% with meat and dairy products rising by 44%. Medicines are now 80% dearer than they were last year with some brands showing a 350% increase. For those who can afford them the price of cars has risen by 25% and for those who cannot the cost of public transport rose in March by between 60% and 80%. Postal charges also rose then by 50%. Such price rises are a direct consequence of the state's efforts to cut the budget deficit and increase the level of exploitation of the Hungarian working class. A recent government survey indicated that the Hungarian worker had to work for 70 hours or more per week to maintain his standard of living. In 1988 when inflation rose by 18% according to the state wages only rose by 5%. Taking the recent rises in costs outlined above the prospects for the proletariat look pretty gloomy this year.

It is thus too late for the bourgeoisie in Hungary, as elsewhere to pretend that this isn't the case or to try to use repressive measures alone to control the anticipated upsurge in working class discontent at the measures being taken to try to redress the situation. What they are doing is just what they are doing in Russia, trying to mobilise the working class behind economic changes which move towards the market, attract foreign investment to be paid for by an increasing exploitation of the workers and, most of all, blaming the past for the mess they are in.

In a recent report on the events of 1956 which, as part of the rewriting of history to suit the present, the Hungarian state has been using to show how different they are from the Stalinist hacks which drowned the uprising in 1956 in a sea of workers' blood, appeared the explanation for the terminal situation the Hungarian economy is in. The report stated:

"The crisis which has been unfolding for the past fifteen years is a manifestation of the crisis of the whole East European model of socialism."

In February the Communist party officially admitted that the post-war experiment with one party rule had been a failure and set up a committee to prepare for gradual transition to a multi-party system. As the Party General secretary put it:

"We have reached the conclusion on the basis of two weighty experiences - the economic and social tensions prior to 1956 and those in recent years - that we cannot continue along this road. ... I see in the multi-party system greater possibilities for ensuring that we commit fewer such mistakes"

Only last May the party had committed itself to "pluralism" within the one party system but clearly this had not had the desired effect of rallying Hungarians behind them. And so 'the whole hog' had to be gone. In other words a commitment only to 'glasnost' had not been sufficient to rally other fractions of the bourgeoisie behind the policies of increasing exploitation of the workers, nor had it been enough to divert class action into support for 'democratisation'. The full flavour of the democratic myth was called for and the Hungarian bourgeoisie, confident that, whatever happens, the rule of capital will not be threatened, are now launched into a carnival of deception, laying claim to be heirs of the revolution of 1956, European social democracy and workers control. While warning however that membership of the socialist camp and the Warsaw Pact could not be put into question and keeping tight control of both the army, and more importantly, the secret police, the Hungarian Workers Party (sic) have fought with each other to propose more radical slogans and proposals. Politburo member Janos Berecz agrees that "liberal parliamentary democracy on the western model" is what is being sought, Imre Pozsgay, leader of the 'reformers' within the Politburo says that:

"socialism has come to the end of its days and is an obstacle to progress in all fields ... We took the wrong way, we lost so much time that we could never catch up and now we are not an independent country - we can make only ten-years-out-of-date hair-driers."

One party rule has been named as the culprit for the ills of Hungarian capitalism and must go, and in going the delusion that capitalism run by a multi party bourgeoisie will somehow be any different, and less exploitative, will hopefully succeed in making the proletariat accept austerity in exchange for political 'freedom'.

Already the parliamentary contenders are assembling. The 'Hungarian Democratic Forum' a loose coalition of reforming CP members, Christian socialists and Christian Democrats on the west German model is in existence proposing solution which stress "Hungarian National values" in language that resembles Pamyat in Russia. The Smallholders Party which took 57% of the vote in the last elections in 1945 has been resurrected by some of its surviving members, and the virulently anti-communist Alliance of Free Democrats has set up its stall. Everyone awaits the reformation of the Social Democratic Party to complete the team. For that is what they are. Whatever their political complexion and whatever the extent of the "freedoms" that are allowed by the bourgeoisie all these bourgeois expressions are united, absolutely unanimous on one point, the need to save the capitalist economy, to get credit from the west and to make the proletariat pay for the crisis by working their way out of it. They are all committed to increasing austerity sugared by 'democratic freedoms' for the working class.

In recent months a number of independent "unions" have been formed by groups of workers, predominantly white collar workers throughout Hungary. In February an attempt was made by a group of fifty workers to set up a "Hungarian Solidarity". This latter group accused the government of "squandering their labour" and called for wage reform, workers self-government, shares in state industries and workers councils as in 1956. Clearly the working class are beginning to respond not only to the blandishments of the bourgeoisie but to the growing crisis in their wage packets. The fact that such organisations are forming is itself a demonstration that the working class are beginning to take a hand in the game but the form such action is taking, if it does not break through the bounds of the "union to save capitalism" approach will merely strengthen the exploitation of the capitalists and demoralise the class combativity of the proletariat.

POLAND

If we look at Poland, where the solution of the bourgeoisie is likewise pretty far advanced, at least in terms of presentation we can see the potential pitfalls that face the Hungarian, and other proletariats of Eastern Europe.

Since the Seventies Poland has seen the sharpest expression of class conflict in Eastern Europe, a conflict which has been told of many times in the press of the proletarian movement. Upon the backs of the class action of the working class the Solidarnosc parasite has climbed until today it stands hand in hand with the Communist state at the apex of the capitalist heap. For here too the economic crisis is so desperate that desperate measures have been called for. The unification of the bourgeoisie has been deemed essential if the proletariat are to be successfully pauperised to save the Polish economy. Interest rates earlier this year in zlotys rose to 66% which pushed the dollar exchange rate through the floor, plunging 12% in a single day legally but on the black market pushing the value of the dollar up to 3500 zloty. So what is so important about the dollar. Well, so

desperate is the crisis and the shortage of goods that they sell **only** at the black market dollar rate in zloty or for dollars themselves. A fiat, a car, chickens, cans of beer, or a meal at a restaurant can only be paid for by dollars or zloty at black market rate and there are many items such as baby food, wood for building houses or Polish Vodka that cannot be bought for any amount of zloty; only dollars will do. Only cabbage, it is said in Poland, can still be bought at the official rate for zloty.

In such a situation negotiations have been going on for months regarding the legalisation of Solidarnosc and the introduction of "democracy" into the running of the country to solve the economic problems of the state. Lech Walensa has called for a "reconstruction that will make this one-party state into a state that belongs to the nation and society." And the prospect of impending economic collapse and the "fresh breeze" from Moscow have brought an extraordinary softening of the position of Jaruzelski's government. Thus in Poland too the different elements of the bourgeoisie, from the Party to the Catholic church are united in seeking to save Polish Capitalism from the economic disaster which threatens to engulf it. As Jacek Kuron, an 'intellectual' associated with Solidarnosc put it during a Radio Free Europe broadcast recently:

" It is necessary to force the regime to accept radical political and economic reforms. It is not the same thing if this is done through strikes or through a discussion in society as a whole, with participation, involvement in public groups, social movements and therefore a debate through representatives in various negotiations between social groups and above all between the society and the regime. Everything that has happened recently gives hope that this second way will be possible."

As Stanislaw Handzlik, leader of Solidarnosc at the Nowa Huta steelworks in 1980 and member of the unions national leadership put it last year when asked about the possibility of an anti-crisis pact:

" The idea seems reasonable to me because the main question in Poland today is not who will win, but whether we can get out of the crisis as a nation. And if both sides prove willing such a national understanding is the only way. Solidarnosc is not putting forward too radical a programme. On the other hand the regime - while wanting as much as possible to maintain its possessions - has also to show a readiness for concessions. ... The Hungarian experience, and above all the Yugoslavian one show that self-management is incapable of curing the economy here. It is an outdated remedy. On the other hand the experience of our western neighbours shows that the market system, the capitalist system, is the most stable and efficient. So why seek a special road, why involve ourselves in experiments, when we have a ready-made model that works marvellously and achieves a perfect balance."

(our emphasis)

And there we have it in a nutshell. Solidarnosc and the State, united on the need to move to the market economy, attract western capital and delude the proletariat into believing that this is the only way that works, a way that has brought austerity and pauperisation to increasing numbers of workers and others throughout the western world since capitalism faced its historic crisis once again in the late Sixties. Two months ago the deal was signed. Elections are expected as early as June according to the accord worked out between Walensa and Interior Minister Kiszczak. Yes, the unity of the bourgeoisie against the proletariat, just as in Hungary, is assured. But in Poland we have a working class, for all the delusions of the church and Solidarnosc, which is well versed in the traps of capital, with a vast experience of defensive actions against the imposed austerity of the capitalist state. The combined bourgeoisie still have to convince the proletariat that they must suffer for the nation. And there are ominous signs, ominous for the bourgeoisie at any rate, that they still have a long way to go before they can persuade the proletariat to suffer greater misery to save their decaying system. The Peasant Party MP put it succinctly during the negotiations when he said:

"As yet most Poles are unimpressed by the political changes: the economic debacle is paramount."

POLISH WORKERS FIGHT BACK

Even while the negotiations were going on the Polish working class were defending their living standards and making it clear that they were, as yet, unprepared to let them fall any further, whatever was agreed. In February in the middle of the negotiations 7000 miners staged a sit-in strike near the town of Belchatow. This was only one of a series of disputes that occurred throughout the winter. This particular strike was only called off after the personal intervention of Walensa who said the negotiations were threatened by it. After it was called off one miner said:

"We call off our strike for political reasons and if it weren't for the round table we would have kept going on. ... we support the round table, we want Solidarnosc to be legalised: there will be someone to defend us then, life will be better."

The miners, whose pay at the start of the strike was 74000 zloty per month on average (£12) began the strike calling for a 30000 zloty increase. As the strike went on the demands escalated and widened. After Walensa's intervention they accepted a temporary bonus, a promise to recommence negotiations later and there was an agreement to return to work. The efforts of Solidarnosc and Walensa were clearly therefore to stop class action jeopardising the negotiations reinforcing their belief that the saving of Polish capitalism is far more important than miners living on the breadline. As Edward Olszewski of the Belchatow Strike Committee put it after the strike had been called off:

"There was a moment of psychological breakthrough, when we realised that we had to act responsibly as a group and with an understanding of the national situation."

In other words, an understanding of the situation of capital replaced the workers understanding of the situation they were in themselves. The role of Solidarnosc is thus put into sharp relief. To tell the workers that if they do not strike "life will be better", while negotiating with Jaruzelski about how to screw the working class in order to defend the capitalist economy.



Has He Conned Them Again?

This, of course wasn't the only strike this Spring in Poland. There has been a rash of wildcat strikes, and even some led and organised, under pressure from the working class, by the "legal" unions in opposition to the calm preached by Solidarity. Handzlik reported in an interview that in the Lenin Steel Plant over the winter Solidarnosc had had a very hard time convincing workers not to go on strike time after time as their economic situation deteriorated in line with the collapse of the economy. He clearly pointed out the danger for the state and for himself and his Solidarnosc colleagues, now in part responsible for guiding Polish Capitalism through the storms of economic collapse. He pointed to the fact that the workers have regained their confidence in collective action despite Solidarnosc's appeals for calm:

"The workers ..(will).. demand their due, especially since the country's economic situation is getting worse daily. Inflation is incredible, and people no longer have any savings, because only nuts would save zlotys ... people are living from day to day; families have no hope of saving to buy furniture, washing machines, TVs. We are living as though in the African bush. What we get we eat every day, and the next day the question arises of what to do. This is shaping social consciousness and creating an explosive situation. Neither a new state of war, nor the army, nor the police can keep such a situation under control."

Only Solidarnosc, he thought, had a chance of channelling the discontent of the workers away from

class action into cooperation with the state for the salvation of Polish capitalism. In May 200,000 copper miners staged a strike and sit-in. Walensa appealed personally to them to call off the strike and they quickly sent him packing. The government then caved in and the miners got their demanded 30% pay rise and then and only then did the strike end.

Poland and Hungary therefore are acting as frontrunners for Gorbachov in his race against history. Every lesson he learns there about how to organise the state and control the class actions of the proletariat will be used when his "reforms" cause similar situations to emerge in Russia.

STILL NOT CONVINCED

It would be untrue, however, to claim that there is unanimity among the bourgeoisie in the East regarding the validity of his approach. In Russia there are still important sectors of the state at best uncertain, at worst openly hostile to Gorbachov's solutions. Thus far Gorbachov and his backers, in particular the KGB, have successfully kept these at bay by a mixture of preferment - those who keep quiet are left alone - and threats. Those who grumble too much are forcibly retired like Gromyko or are suddenly find themselves accused of corruption and bribery, as Ligachev found himself recently on national television.

In the empire too there are whole states who, as yet, have not gone down the Polish and Hungarian road. East Germany, cosseted by its neighbour to the West in Bonn still believes its economic situation does not necessitate the move towards the market and "democracy". The East German state still believes that its economic pull and its relationship with the West will be sufficient to pull it through (if not it can always threaten to demolish the wall and let thousands more 'refugees' flood west disrupting the West German economic miracle.)

To the south the Czech bourgeoisie, though its economy is in a far more parlous state, similarly is too frightened to make any move in the "glasnost" direction. This is primarily due to the fact that those in power at present got where they were by being the toadies of Brezhnev after the events of 1968. If you like they are the last dinosaurs of that era and they are holding tightly onto the reins of power come what may. Demonstrations against them are being dealt with by means of maximum force and beatings up and imprisonment multiply daily. The attacks on parades on May 1st were merely the latest examples of the brittleness of the ruling elite. More and more it is clear that even if they were to accept Gorbachov's policies they would be unable to carry them out, unable to make anyone believe that they believed in them. But there isn't really anyone else who can. The Czech equivalent of the Russian and Hungarian 'reform' wing were wiped out after 1968. The bourgeoisie faces real problems here. Similarly in Rumania the economy is past even the stage of saving as Ceausescu razes even more villages in order to clear ground for his enormous concentration camps and yet more palaces he and his wife can live in. Here however there is clearly a wing supporting Gorbachov and it cannot be long before reality impinges and they take over the direction of a state with little hope for the future at all.

DISUNITY

Poland and Hungary remain the models to follow. But there is one quirk. There the working class is, as everywhere, the major problem to be overcome. It is also the only one, there is no real dissension among the bourgeoisie. This is primarily because there are only Poles in Poland and only Hungarians in Hungary. Russia is not so 'lucky'. For the other major problem of letting loose the strings of power is what happens if there is **not** unity among the bourgeoisie. Already Gorbachov has his problems in Latvia, Armenia, Lithuania, and most recently in Georgia. He is acutely aware of the situation of state collapse in Yugoslavia where the bourgeoisie of differing nationalities are trying to mobilise the workers away from the class demands prompted by the collapse of the economy onto nationalistic demands fronted by them **against** similar demands of other competing nationalities within the same state. The working class is not the only problem though it remains the only solution. (we shall return to the problems of bourgeois nationalism for the proletariat in Eastern Europe in another article.)

THE PROLETARIAN ANSWER

If the proletariat in Hungary, Poland and Russia get conned by the ploys of 'democratic freedoms', 'liberal democracy' peddled by their national bourgeoisies, by the 'life will be better' garbage of bourgeois parasites like Walensa and Solidarnosc, then they will be beaten, mobilised for austerity, mobilised for pauperisation, behind these factions of the bourgeoisie, mobilised by the capitalist answer to the economic crisis that threatens the rule of capital **all over the world**, an answer that will lead to increased misery and war.

Another solution, however, beckons, the proletarian solution. Workers must reject the bourgeoisie in all its guises, socialist fatherland, liberal democracy, trade unions, for they all defend capitalism and just as they did in the past will drown the working class in blood as part of that solution. Workers in the East, just as in the West must realise that there is but one world crisis that threatens us all and which only **we** can solve. And we can only solve it by **destroying** the capitalist monster itself and imposing our solution, the rule of the working class instead of the rule of the bourgeoisie, an end to the lunacy of a world which has the capacity to feed itself four times over but where millions starve because our masters cannot make a profit; a world where we have the capacity to produce every item anyone could possibly want but where millions starve in idleness because our masters decree that nothing will be produced unless they can make a profit from it; a world where the weapons of destruction are the only growth industry in an economic system in deepest decay and which must be destroyed before it murders life on the planet.

Ingram
