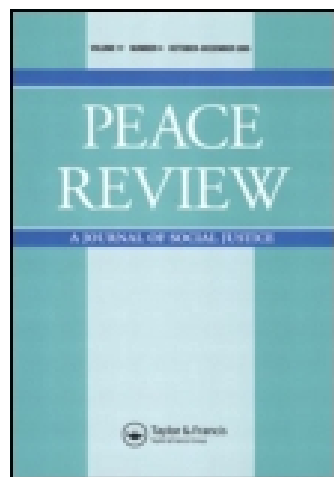


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## Free Market “Reform” and Communism’s Suppression

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Michael Parenti

Those who overthrew communism and took power in Eastern Europe and the Soviet Union in 1989–1991 immediately set about to impose private corporate domination over cultural and politico-economic life, purging communists from government, the media, courts, professions and universities. While presenting themselves as champions of democracy, they soon grew impatient with the way representative democracy hampered their efforts at imposing a harsh free-market capitalism.

The people began using their voices and votes to resist the draconian imposition of private capital. As a top aide to Russia’s president Boris Yeltsin complained: “Most representative bodies have become a hindrance to our [market] reforms.” Moscow’s mayor Gavril Popov even talked of the “dangers of democracy.” Apparently, the free market, said by “reformers” to be political democracy’s very foundation, could not be introduced through democratic means.

In response, leaders in the various ex-communist countries began calling for rule by presidential decree, with repressive measures against “hardliners” and “holdovers” who resisted the “reforms.” Their goal was not power to the people but profits to the privileged. As capital was privatized and accumulated in a few hands, production would be stimulated and prosperity would be at hand, so they said. But first, there would be a “difficult period” to go through.

In the name of reform, the post-communist governments set about suppressing the communist and socialist left. This process of democratization-via-suppression began even before communism’s actual overthrow. In 1991, Soviet president Mikhail Gorbachev, prodded by Russian president Boris Yeltsin, announced that the Communist Party of the USSR no longer had legal status. The party’s membership funds and buildings were confiscated. Workers were prohibited from engaging in any kind of political activities in the workplace. Six leftist newspapers were suppressed, while all other publications, many of them openly reactionary, enjoyed uninterrupted distribution. The U.S. media, and even many on the U.S. left, hailed these acts of suppression as “democratic reforms.”

Gorbachev then demanded that the Soviet Congress abolish itself. It had remained too resistant to change—not the democratizing transformation to political debate and elections that had already taken place—but resistant to the shift to free market capitalism. The Congress, therefore, would have to go. Gorbachev repeatedly cut off the microphones during debate and threatened to

abolish the Congress himself by emergency presidential decree. He forced a vote three times until he got the desired abolition. These strong-arm methods were downplayed or reported uncritically in the U.S. press.

What gave Yeltsin and Gorbachev the excuse to pursue this course was the curious incident of August 1991, when a nervous group of leaders, mouthing vague phrases about the deterioration of life in the Soviet Union, attempted an oddly orchestrated coup against the Gorbachev government that flopped before it ever got off the ground. Weeks later, the *Washington Post* noted happily that the defeat of the "coup" was a triumph for Soviet entrepreneurs and money-making speculators. The coup's most militant opponents consisted of thousands of yuppies, members of the Russian stock exchange and private entrepreneurs, who routinely made ten times the average wage of ordinary Soviets. They headed onto "the streets of Moscow to defend their right to wheel and deal. The coup collapsed, democracy triumphed ... Private businessmen contributed more than 15 million rubles to buy food and equipment for the defenders" of the free market system. One broker was struck by how few workers responded to Mr Yeltsin's call to defend democracy.

The boldness of the yuppies in the face of an armed coup might have another explanation. A socialist theoretician and critic of communism, Boris Kagarlitsky argued, "In fact, there was no coup at all." The soldiers were unarmed and confused, the tanks called out were undirected, "and the leaders of the so-called coup never even seriously tried to take power." The real coup, says Kagarlitsky, came afterwards when Yeltsin exceeded his constitutional powers and dismantled the Soviet Union, confiscating all its powers to his own Russian Republic. While he claimed to be undoing the "old regime," actually he destroyed the very democratic laws and structures that had been introduced during the previous two years.

In late 1993, facing popular resistance to the harsher aspects of his free-market policies, Yeltsin went further. He forcibly disbanded the Russian parliament and every other elected representative body in the country, including many municipal and regional councils. He abolished Russia's Constitutional Court and launched an armed attack upon the parliamentary building, killing hundreds of resisters and demonstrators. Thousands were jailed without trial; hundreds of elected officials were placed under investigation. Yeltsin banned labor unions from all political activities, suppressed dozens of publications, exercised monopoly control over all broadcast media, and permanently outlawed fifteen political parties. He rewrote the Constitution, giving the executive nearly absolute power over policy.

For these crimes he was treated as a defender of democracy by U.S. leaders and media. What they most liked about Yeltsin was that he "never wavered in his support for privatization."

**I**n the various Eastern European countries, the suppression of communists and other Marxists continued. In East Germany, the Party of Democratic Socialism had its property and offices—paid for by party members—seized in an attempt to bankrupt it. Vaclav Havel's Czech government liquidated the properties of the Socialist Union of Youth—which included camp sites, recreation halls, and cultural and scientific facilities for children—putting them under the

management of five joint-stock companies, at the expense of the youth who were left to roam the streets.

In Russia, President Yeltsin twice suspended publication of the Communist Party newspaper *Pravda*. He charged it exorbitant rent for using its own facilities. Then in March 1992, he turned the paper's twelve-story building and its press over to *Russiskaya Gazeta*, a government newspaper that became full owner. Yeltsin's "elite" Omon troops repeatedly attacked leftist demonstrators and pickets in Moscow and other Russian cities. Parliamentary deputy Andrei Aidzherdzis—an independent, and deputy Valentin Martemyanov—a communist, who both vigorously opposed the Yeltsin government, were victims of political assassination. In 1994, journalist Dmitri Kholodov, who was probing corruption in high places, was assassinated.

In "democratic capitalist" Latvia, the communist activist Alfreds Rubics, who protested the inequities of free-market "reform," has spent years in prison without trial. In Lithuania, communist leaders have been tortured and incarcerated for long terms. Georgian president Zviad Gamsakhurdia imprisoned, without trial, opponents from some 70 political groups.

Estonia considered granting citizenship and property-ownership rights only to those who were Estonian citizens before 1940 or their direct descendants. Estonia now holds "free elections" in which 42% of the population cannot vote because of their Russian, Ukrainian, or Byelorussian antecedents. Russians and other minorities are excluded from many jobs and face discrimination in schools and housing. Latvia also disfranchised Russians and other non-Latvian nationals, many of whom had lived in the country for almost a half century. So much for the flowering of democracy.

A new law in Albania denied communists, socialists, and other neocapitalist opponents the right to vote or otherwise participate in political activities. Former communists and all former state employees and judges were stripped of their civil rights. In the 1996 Albanian elections, the Socialists and other opposition parties—who had been predicted to do well—withdraw from the election hours before the polls closed to protest the "blatantly rigged" vote. Election monitors from the European Union and the U.S. witnessed numerous instances of police intimidation, voters casting more than one vote, and the stuffing of ballot boxes. The Socialist party had its final campaign rally banned and its prominent leaders barred from office because of their past communist affiliations. When the Socialists and their allies tried to hold protest rallies, they were attacked by security forces who beat and severely injured dozens of demonstrators.

Openly anti-Semitic organizations, cryptofascist parties, and hate campaigns surfaced in Russia, Poland, Hungary, and Rumania. Museums that commemorated the heroic anti-fascist resistance were closed down, and monuments to the struggle against Nazism dismantled. In countries like Lithuania, former Nazi war criminals were exonerated, some even compensated for the years they spent in jail. Meanwhile Jewish cemeteries have been desecrated and xenophobic attacks against foreigners of darker hue increased. With the communists no longer around to blame, Jews and foreigners were faulted for crime, inflation, low crop prices, and other social ills.

On June 11, 1995, Lech Walesa's personal pastor, Father Henryk Jankowski, declared during a Warsaw mass that the "Star of David is implicated in the

swastika as well as in the hammer and sickle” and that the “diabolic aggressiveness of the Jews was responsible for the emergence of communism” and for World War II. He added that Poles should not tolerate governments made up of people tied to Jewish money. Walesa, who was present during the sermon, claimed Jankowski was his “friend” and not an anti-Semite but was simply “misinterpreted.” Far from pleading innocent, Jankowski reiterated his foul comments in a subsequent TV interview. At about that time, placards that read “Jews to the Gas” and “Down with the Jewish-Communist Conspiracy” were visible at a Polish Solidarity demonstration of 10,000 in Warsaw—yet they earned not a censorious word from church or state authorities.

In Hungary, the economic policies of the fascist regime in Chile were openly admired by the newly installed capitalist government. Leading Soviet political figures and economists attended a seminar on Chilean economics in Santiago and enjoyed a cordial meeting with the mass murderer General Pinochet in 1991. Pinochet also received a friendly interview in *Literaturnaya Gazeta*, a major Russian publication.

Vaclav Havel was the first president of post-communist Czechoslovakia and later president of the Czech Republic. Raised by governesses and chauffeurs in a fervently anticommunist, wealthy family, he denounced democracy’s “cult of objectivity and statistical average,” and talked about preserving the Christian family in the Christian nation. Presenting himself as a man of peace, Havel nevertheless joined in George Bush’s Gulf War that killed 100,000 Iraqi civilians, and also sent arms to the fascist regime in Thailand. In 1991, along with other Eastern European pro-capitalist leaders, Havel voted with the U.S. to condemn human rights violations in Cuba. But he has never condemned human rights abuses in El Salvador, Colombia, Guatemala, Indonesia, Thailand, or any other U.S. client state.

Hailed in the U.S. media as a great democrat, Havel signed a 1992 law that made communist advocacy a felony punishable by up to eight years imprisonment. He claimed the Czech constitution required him to sign it. In fact, the law violated the Charter of Human Rights, incorporated into the Czech constitution, and it would not have become law without his signature. The same was true of a 1995 law he signed barring communists and former communists from employment in public agencies.

If the propagation of communism was a crime, the propagation of anticommunism remained a top priority for Havel. He led “a frantic international campaign” to keep in operation two U.S.-financed, anticommunist Cold-War radio stations, Radio Free Europe and Radio Liberty, staffed mostly by reactionary emigres, so they could continue their anticommunist bombardments of Eastern Europe.

Under Havel’s government, a law was passed making it a crime to propagate national, religious, and class hatred. In effect, criticisms of the abuses and privileges of big moneyed interests were now illegal, being unjustifiably lumped with ethnic and religious bigotry. Havel’s government warned labor unions not to involve themselves in politics. Some militant unions had their property taken and given to compliant company unions.

In 1995, Havel announced that the “revolution” against communism would

not be complete until everything was privatized. Under privatization and "restitution" programs, shops, homes, estates, factories, and much of the public land was bestowed on big foreign and domestic capitalists. In the Czech and Slovak republics, former aristocrats or their heirs were given back all the lands they held before 1918 under the Austro-Hungarian monarchy. Havel himself took personal ownership of public properties that belonged to his family 40 years before.

Instead of being transformed into capitalist states, some communist nations were obliterated altogether as political entities. Besides the obvious example of the Soviet Union, there is the German Democratic Republic—or East Germany—which was absorbed into the Federal Republic of Germany. South Yemen was militarily attacked and crushed by North Yemen. Yugoslavia was practically dismembered by force of arms into a number of small, conservative republics under the suzerainty of the Western powers.

Likewise, Ethiopia is being dismembered from within, being occupied by Tigrean and Eritrean forces that have imprisoned many Ethiopians without trial; expropriated Ethiopian property, cash exports, and foreign-aid funds; suppressed Ethiopian education, business, and news media; and, as happened in Yugoslavia—achieved the deliberate destruction of a nation "through systematic enforcement of tribalism in political organization and education."

In 1990, as the Soviet Union prepared for its fatal plunge into free market capitalism, Bruce Gelb—head of the United States Information Agency—told a reporter that the Soviets would benefit economically from U.S. business education because "the vipers, the bloodsuckers, the middlemen—that's what needs to be rehabilitated in the Soviet Union. That's what makes our kind of country click!"

Today, Russia, China, and Eastern Europe are clicking away in response to the vipers and bloodsuckers. Thousands of luxury cars have appeared in cities like Moscow and Prague. Rents and real estate prices have skyrocketed. Numerous stock exchanges have sprung up in China and Eastern Europe, sixteen in the former USSR alone. A new class of investors, speculators, and racketeers are wallowing in wealth, having salted away billions of ill-gotten dollars in foreign banks. The professed goal in these countries is no longer to provide a better life for all citizens but to improve opportunities for individuals to pursue personal opulence.

More wealth for the few creates more poverty for the many. As one young female journalist in Russia put it: "Every time someone gets richer, I get poorer." A report from Hungary makes the same point: "While the 'new rich' live in villas with a Mercedes parked in a garage, the number of poor people has been growing." As socialist Vietnam opens itself to foreign investment and the free market, "gaps between rich and poor ... have widened rapidly" and "the quality of education and health care for the poor has deteriorated." In Russia, the living standard of the average family has fallen almost by half since the "reforms" took hold.

In the former communist countries, price deregulation produced not "free" prices but prices set by private monopolies, causing a galloping inflation. At the

same time, a dramatic rise has occurred in death rates, unemployment, homelessness, air and water pollution, environmental devastation, organized crime, prostitution, teenage rape, pornography, spousal and child abuse, and just about every other social ill. Beggars, pimps, dope pushers, and other hustlers ply their trade as never before. In countries like Russia and Hungary, the suicide rate has climbed by 50% in a few years.

Free-market “reformers” propagate the view that the transition from socialism to capitalism can only be done through a vast accumulation of private capital. The hardship inflicted by such privatization will supposedly be only temporary. Yet nations can get stuck in that “temporary” stage for centuries. One need only look at Latin America. Like other Third World nations, the former communist countries are likely to remain in poverty indefinitely, so that a privileged few might continue to enjoy greater opulence at the expense of the many. To secure that arrangement, the *nouveau riche* resort to every form of manipulation and repression against democratic resistance, all in the name of “democratic reform.” In these endeavors they will have the expert assistance of foreign capital, the CIA, and other agencies of state capitalist domination.

The peoples of Eastern Europe believed they would be able to keep the social gains they had enjoyed under communism while adding the consumerism of the West. Many of their criticisms of existing socialism were justified but their romanticized image of the capitalist West was not. They had to learn the hard way. Expecting to advance from Second World to First World status, they have been pushed down into the Third World, ending up like capitalist Indonesia, Mexico, Zaire, and Turkey. They wanted it all and have been left with almost nothing.

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Michael Parenti’s two most recent books are *Against Empire* and *Dirty Truths* (both published by City Lights Books). This essay is from his forthcoming work, *Rational Fascism. Correspondence: 1935 Stuart St., Berkeley, CA 94703, USA.*