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Despite all the current hoopla over the America's Cup sailing contest in Perth, which may generate \$150 million in income, the national economy is weak. A sag in world prices for wool, wheat, meat, metals, and bauxite—Australia's main exports—has led to an \$8.3 billion trade deficit. Australia's dollar has slipped as its foreign debt has mounted; at \$52 billion, the debt equals 37 percent of the gross national product.

In recent years, while subsidized farmers in other Western countries (including the United States) and Third World exporters of commodities were expanding their sales abroad, the Australians grew fat and lazy. Nearly 30 percent of the work force (versus 16.7 percent in the United States) is on various government payrolls. The welfare system supports not just the jobless and the poor—who are few, in a country with disposable income per capita of about \$5,700—but also “dole bludgers” (loafers) who sun and surf at taxpayer expense. Strong unions have organized nearly 60 percent of the work force; arbitrators fix labor contracts for all industries. Wildcat strikes abound, although most workers enjoy short hours, long annual vacations (four weeks), and a 17.5 percent annual bonus. Absenteeism, wasteful work rules, and featherbedding are endemic.

Arguing that an “age of realism” must begin, Prime Minister Robert Hawke, 56, has pressed unions for concessions and experimented with “workfare” programs. But Hawke's Labor Party, in power since 1984, has suffered along with the economy. The leader of the opposition Liberals, John Howard, a conservative, calls for lower corporate taxes (now 60 percent) and breaks for management in labor contracts. His party may win the upcoming elections, to be held by February 1988.

Kraar sees hopeful signs, notably Australians' new interest in ties with economically surging East Asia, “though many Aussies still identify more with Britain, 10,000 miles away, than with Indonesia, 300 miles away.” And a new breed of risk-taking entrepreneurs is emerging in the manufacturing and financial fields.

An Australian comeback would surely please U.S. investors—such as General Motors, International Business Machines, and McDonald's—who have an \$8 billion stake there. But first, an Australian economist, John Mcleod, told Kraar, the mates must “wake up to the fact that they have been living in cloud cuckoo land.”

Lenin's Mistake

“Worker Roots of Solidarity” by Roman Laba, in *Problems of Communism* (July/Aug. 1986), 301 4th St. S.W., Washington, D.C. 20547.

A joke is making the rounds in Poland these days: In the West, trade unions protect workers from their exploitative capitalist bosses; in the Soviet Bloc, unions protect Communist leaders from the workers.

So true, says Laba, a Fellow at Harvard's Russian Research Center.

The short life of Solidarity, Poland's 100,000-member independent trade union—formed amid strikes in August 1980, outlawed 16 months later under martial law by the Gierek regime—was played out on a world stage. But Laba worries that Western observers, and even some Polish dissidents, missed the theme: They believe, as the official Soviet and Polish

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A sardonic poster put out by Polish dissidents in 1981. The figure, a Stalinist-era Ideal Worker, is covered with epithets—"Anarchist," "Antisocialist Element," "Provocateur"—hurled by regime officials during labor uprisings in 1956, 1968, 1970, 1976, and 1980. The poster was issued in conjunction with the dedication in Poznan of a monument to workers killed in 1956.

line holds, that the revolt's "brain power" was the Committee for the Defense of Workers (KOR), a group of intellectuals founded in 1976 to defend Polish protestors from state prosecution—or that the Catholic Church's opposition to Communist rule laid the groundwork for Solidarity.

Actually, says Laba, contrary to the standard Leninist doctrine, which says that only an intelligentsia can run a revolution, KOR and the church were "auxiliaries rather than initiators" during Solidarity's brief flowering.

Although Solidarity's leader Lech Walesa did work closely with KOR members, scattered worker groups were demanding reforms from the Gierk regime as early as December 1970. In the wake of protests over food price hikes in the Baltic coast cities of Gdansk, Gdynia, and Szczecin, blue-collar Poles began seeking numerous practical reforms. Studying thousands of demands issued by 403 worker groups between 1970 and 1980—culled from the archives of the Gdansk Solidarity group—Laba found that most sought pay raises and redress of such wrongs as the policy that (as printers in Stupsk protested) housing grants only go to "the state security forces and the militia." But the chief cry was for trade unions free of party, state, or factory control—which also headed the Gdansk 21 Demands of August 1980, the basis of Solidarity's charter.

Moreover, observes Laba, trade union support has mostly come from workers in heavy industry and construction, and, geographically, from the Baltic coast. There, working in places like the 30,000-employee Lenin Shipyard, reside many migrants from eastern Poland, who are keenly aware of Soviet domination and fiercely nationalistic.

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Lenin, Laba notes, felt that unions should merely be “transmission belts” of doctrine from party to people. In Poland, a message went from people to party; Solidarity’s emergence conferred “a prima facie validity on worker grievances against their rulers.”

Sino-Soviet Amity?

“The End of Sino-Soviet Estrangement” by Steven I. Levine, in *Current History* (Sept. 1986), 3740 Creamery Rd., Furlong, Pa. 18925.

Since the founding of the People’s Republic of China (PRC) in 1949, Beijing’s relationship with Moscow has run the gamut: “eternal friendship” during the 1950s, “permanent enmity” during the 1960s and ’70s.

Today, says Levine, an American University political scientist, relations between the two Communist colossi are slowly coming full circle.

Although the PRC opened its doors to the capitalist West during the late 1970s, it did not welcome the Soviet Union and Eastern Europe until 1982. But economic cooperation soon flourished between Beijing and the Kremlin. In December 1984, Soviet vice prime minister Ivan V. Arkhipov visited China to establish a Sino-Soviet Economic, Trade, Scientific and Technical Cooperation Commission—which convened last March—and to agree on doing \$14 billion worth of bilateral business during the 1986–1990 period. In July 1985, Arkhipov’s Chinese counterpart, Yao Yilin, signed the economic agreements in Moscow.

As a result, the value of Sino-Soviet trade rose from roughly \$160 million in 1981 to \$1.9 billion in 1985; by 1990, it should reach \$6 billion, close to the present level of Sino-American trade. The Soviets tend to export heavy industrial products (e.g., electrical and transportation equipment, steel); the PRC ships, in addition to raw minerals, food and finished goods such as handicrafts and textiles—items much desired by Soviet consumers. Meanwhile, barter trade along the Sino-Soviet border has been revived. So has ship traffic between northeast China and eastern Siberia along the Heilongjiang and Songjiang rivers.

However, diplomatic progress between Beijing and Moscow has not been as smooth, Levine observes. To be sure, cultural avenues are now open: Soviet and Chinese artists, musicians, and athletes perform in each other’s arenas, while more than 200 students from each nation attend the other’s universities (up from 10 during 1983–84). But Beijing is hanging tough on its demands for removal of the “Three Obstacles”: The Soviet troops on the Chinese border, the Soviet troops in Afghanistan, and Soviet support of Vietnam’s occupation of Kampuchea. Despite more than a dozen high-level meetings between Chinese and Soviet officials between 1982 and 1986, Moscow has not budged on these demands; Beijing, in turn, has not allowed the Chinese Communist Party to restore formal ties with the Soviet Communist Party.

Because the PRC and the Soviet Union are still ardent competitors—notably for influence in the Third World—Levine does not see them soon reaching a *full* accord. As Chinese vice prime minister Li Peng put it: “We hope that China and the Soviet Union will become good neighbors, but they will not become allies.”