

battle of ideas

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PROBLEMS OF THE EAST EUROPEAN REVOLUTION

Introduction

ONE OF THE MORE COMIC aspects of the activities of the revolutionary Marxist left in Britain today is the way in which a number of the political opponents of the International Marxist Group are attacking it because it refuses to declare irreconcilable political differences with these critics. Apparently the IMG's insistence that unity is objectively possible and necessary with other political forces within the ideological orbit of Trotskyism is seen as a thoroughly disruptive idea. But in addition to this position the IMG also believes that unity need not be confined to those who claim adherence to Trotskyism. In particular a number of tendencies who uphold the claim that the social system of Eastern Europe is state capitalist could be part of a unified Fourth International.

At its Second World Congress of 1948 the Fourth International re-affirmed the position taken by Trotsky that rejection of the view that the USSR is a degenerated workers state is not in itself incompatible with membership of the Fourth International.

There is no doubt that most of those who hold the view that the Soviet Union is a form of state capitalism or a new form of exploiting society known as 'bureaucratic collectivism' have passed over the class line into support for imperialism and capitalism—notably evident in the case of the official state capitalist

theorists of international social democracy. This fate is indicative of the historical direction in which theories of state capitalism and of a new form of exploiting society in the Soviet Union lead.

Despite this trend, however, historical experience shows that certain forces which deny that the Soviet Union is a workers state have maintained an essentially revolutionary position on the decisive questions of the class struggle. The most influential of these forces are undoubtedly in Eastern Europe, where the famous 'Open Letter' of Kuron and Modzelewski to the Polish Communist Party combined a bureaucratic collectivist position with clear advocacy of workers councils, the dictatorship of the proletariat, and international socialist revolution.

In Britain the International Socialists combine advocacy of the theory of state capitalism with at least recent theoretical advocacy of the Leninist Party, the revolutionary role of the working class and the necessity of a democracy of workers councils as the basis for the dictatorship of the proletariat. These particular positions of the International Socialists are undoubtedly revolutionary ones, clearly marking it off from the anti-Leninism and the theoretical syndicalism and anarchism of most state capitalist groups internationally.

But we do have serious political differences with the comrades who hold state capitalist theories. However we are prepared to discuss these differences as differences with revolutionary socialists with whom we could hope to unite on the basis of political clarification.

Up to now the debates on whether the Soviet Union

and the East European countries are, as we believe, bureaucratised workers' states, or whether they are state capitalist states have been conducted with small regard for the political problems of revolutionaries in Eastern Europe. The main political issue to which the debates have been linked has been whether revolutionaries throughout the world should defend the Soviet Union in the event of imperialist attack. This is no longer a burning political issue, and as a result some comrades can be heard to say that the implications for political tasks of the general theoretical debate are minimal.

While this may appear true from the standpoint of the class struggle in Britain it is far from true when looked at from the standpoint of orienting revolutionary Marxists in Eastern Europe. OLIVER MACDONALD's article takes up some of the political problems for the struggle in Eastern Europe flowing from the theory of state capitalism.

We also print extracts from the Second World Congress resolution which outline both why the theories of state capitalism and bureaucratic collectivism cannot be considered Marxist and also under what circumstances organisations advocating these theories can be considered as striving to be revolutionary Marxist.

The original resolution is too long to print in full in Red Weekly. Therefore, as the theory of bureaucratic collectivism is much less influential in Britain than that of state capitalism, the section on this former theory has been considerably cut and placed first. The section on state capitalism is printed with only minor cuts. We will be printing the resolution in full in further publications.

ALAN JONES

When the workers of Poland struck on 26 June they did more than force a postponement of price increases. They also exploded a myth — the claim that the societies of Eastern Europe are somehow immune from the crises of the world economy.

The myth has been widely propagated. It remains an article of faith for the Communist Parties of Western Europe, even when they claim to have broken with Stalinism and discovered 'Eurocommunism'. As the British Communist Party put it at its last congress:

'In contrast to the deep economic crisis in the capitalist world, the Soviet Union and the other socialist countries continue their steady advance, without soaring inflation, mass unemployment, insecurity or cuts in social services'.

The myth has also been given currency by genuine opponents of Stalinism like Ernest Mandel. In for example, his article 'The Generalised Recession of the International Capitalist Economy': 'While the recession is hitting all the capitalist economies, the countries with non-capitalist economies are escaping the overall effects of the recession ...'

This perhaps is more guarded than his claim of 20 years ago that 'the Soviet Union maintains a more or less even rhythm of economic growth, plan after plan, decade after decade, without the progress of the past weighing on the possibilities of the future' (*Quatrième Internationale* 1956, no. 1-3). But it is equally confused.

Introduction to 'POLAND—Crisis of State Capitalism', *International Socialism* 93, December 1976.

'State Capitalism' and the struggle against the bureaucracy

THE IS THEORISTS argue that whatever the formal differences between the economic and political structures in Eastern Europe and the capitalist world, fundamentally both the economics and the politics are the same. Hence, they try to point out in the December issue of *International Socialism* that you had state capitalist societies growing up in Egypt and Syria in the 1960s and that the economic dynamics in Brazil are basically the same as in the USSR!

If we are to take this seriously then we are faced with a vital political question in the conditions of Eastern Europe today: will the rulers of Eastern Europe attempt to stabilise their rule through moving from a political dictatorship to some form of bourgeois democracy? This is the traditional capitalist approach to the problem of power, particularly in the non-colonial parts of the world: in times of acute crisis they may turn to fascism or military dictatorship, but subsequently they turn to some form of bourgeois democratic state. Why not the same in the USSR?

There is a very simple answer to this. The power of the Soviet bureaucracy is very different from the power of the capitalist class in the capitalist world. It is not based on the economic ownership of means of production. It is exclusively based upon its political control over the society.



East European bureaucrats at 'work'.

the bureaucrats who presently dominate the USSR, the functionaries of the Communist Party of the Soviet Union, will have to preserve their full-time posts on the basis of membership dues — another name for extinction. They cannot maintain their position of privilege through their property ownership

the bureaucrats in the USSR are 'better' than capitalists. It just means that while the capitalists can preserve their rule by turning from dictatorship to democracy, the bureaucrats must fight tooth and claw to beat down movements for democratisation.

Now, the need to modernise the economy and expand production must be recognised by any serious

socialist as a necessity. Since the capitalist world possesses the most advanced technology for such production it is only good sense to import from that source.

Where we attack the bureaucracy over the issue of economic growth as a whole is that its continued political dictatorship leads to disastrous disaccumulation in the form of huge amounts of waste. The bureaucracy is not the driving force of economic growth — it is a dead-weight obstacle to effective growth. Bureaucratic planning in Poland had arrived at an impasse in 1970. The subsequent leadership, desperately trying to appease the economic frustrations of the masses, but refusing to dismantle its own political dictatorship, turned to the West in a wildly extravagant way, running up huge debts and then trying to make the working class pay for this new piece of economic mismanagement.

In such a situation, revolutionary Marxists should not support demands either that the Polish leadership stop trading with the capitalist world or that it should expand its trade with the capitalist world still further. The central question instead should be the right to destroy the menace of bureaucratic control over the economy, by creating a genuinely democratic political order that could plan the growth of domestic production a thousand times more rationally, and at the same time give workers a real incentive to produce, by enabling them to decide democratically on how the surplus product from their labour should be distributed.

The IS comrades, on the other hand, are led to denounce trade with the capitalist world, claiming that the Polish regime is helping to produce world inflation by such trade. This amounts to nothing more than an attack on the interests of the Polish workers. For it is the Polish miner or shipyard worker who wants to buy a German or Japanese radio set or an Italian designed car.

But, claim the IS comrades, what we object to is not the influx of plant from the West to produce consumer goods or chemical fertilisers for the peasants. What we object to is the allocation of much of the investment resources to projects which do not benefit the masses. But if that is the objection then the IS are calling



Bureaucratic Power and Bourgeois Democracy

TO PROVE THAT THE BUREAUCRACY in East Europe is capitalist the IS has come out with the view that the bureaucracy is *forced* to compete with the capitalists in the West and this competition forces them to accumulate furiously. As yet the IS has found no objective reason flowing from the social position of the bureaucracy to justify this assertion. Instead they offer purely idealist explanations such as the latest contribution in the December issue of their journal *International Socialism*. The (wisely) anonymous author declares the following:

'The world system continues to dominate their (i.e. the East European states — O.M.) internal running, because the bureaucracy is committed above all to trying to "catch up and overtake" its capitalist neighbours.'

The evident truth that the world economy continues to determine the internal functioning of the East European states — a truth that formed the basis of Trotsky's entire critique of 'socialism in one country' — is given an entirely idealist basis: a subjective commitment by the bureaucracy. So presumably all the bureaucracy has to do is change its views and the world economy will cease to dominate the options facing the East European states.

In fact, the source of competition between these states and the capitalist world is not the whim of the bureaucracy but the basic social nature of these states. A victorious socialist revolution in any country would lead to fierce competition at every level between it and the capitalist world. The only way to end the pressure of the world capitalist system on the workers states will be through the victory of the workers in the capitalist world over the imperialist bourgeoisie.

The task of any genuine socialist government in a workers state would be to give every assistance to the workers movement in the capitalist countries, and this would lead to an enormous intensification of competition at every level. The bureaucracies, on the other hand, continually seek ways of *escaping* from this international competition. The whole aim of detente for the Soviet leadership has been to seek economic deals with the West to get around the crisis of bureaucratic planning and to try to raise living standards in order to divert the masses from a political struggle against the bureaucratic dictatorship.

In Poland, after the regime's failure to crush the workers' offensive in 1970, Gierek tried to borrow heavily from the capitalist West to modernise Polish industry and raise workers' living standards.



Western manufactured goods being unloaded at a Polish port.

The Soviet Stake in Eastern Europe

THE UNDERLYING ISSUE here is one of absolutely vital political importance — the dynamic of the Soviet bureaucracy's activity in Eastern Europe. The IS theorists argue that the key to the situation is economic exploitation of Eastern Europe.

The importance of this issue can easily be appreciated by anyone familiar with the problems of the Czechoslovak workers' movement in 1968; and exactly the same problems confront the growing opposition movement in Poland today. These movements must be armed with an absolutely clear theory of the dynamics of the Soviet bureaucracy's activity in East Europe. In particular what the Soviet bureaucracy's basic interests are and what margin of

manoeuvre internal movements for change in a country like Poland have in the face of the threat of Soviet intervention. Few more burning political questions face the dissident movements in Eastern Europe today.

The IS theory involves trying to show that the interests of the USSR in Eastern Europe are similar to, for example, American interests in Latin America. Thus the US capitalists have a direct stake in the economic resources of the Latin American countries by owning mines, factories etc. The United States will not intervene militarily in these countries over issues concerned with trade relations. But it will intervene against attempts to destroy its ability to siphon vast profits out of those countries' resources owned by American capital. Of course, trade relations do have their role — unequal exchanges, etc are of some importance, but they are not the fundamental thing. Nor is the form of the political regime in a Latin American country the decisive issue: it has importance only in its relation to the criteria of economic exploitation. Is there the same dynamic in the relations between the Soviet bureaucracy and the East European states?

Back in the late 1940s when IS theory was first being established, the comrades pointed to Soviet pillage in Eastern Europe via so-called 'joint companies'. Whole theories of Soviet imperialism were based on these activities. But after the cessation of these enterprises the IS theorists still insisted that imperialism operated via Comecon direction of investment projects and via unequal exchanges.

But this theory in its turn was cast to the wind by the Rumanian decision to reject Comecon plans for Rumanian development and pursue independent economic priorities. Then the IS comrades told us that it was crucial for the Soviet leadership to stop the growth of economic ties between East and West European states: Chris Harman, in particular, insisted that the decision of the Czechoslovak authorities in 1968 to turn to the West Germans for economic aid in the form of credits was a crucial factor in the Soviet invasion. But in the light of subsequent experience, particularly in Poland, this cannot be taken seriously. Polish trade with the advanced capitalist countries was

considerably larger than its trade with the USSR in 1975 — something the Czechoslovaks had never considered — yet there was no crushing Soviet military intervention in Poland.

Such notions of Soviet domination of Eastern Europe being primarily geared to economic exploitation just cannot be taken seriously in the light of these experiences. The theory is not a realistic guide to action.

threatening the Soviet bureaucracy with extinction. It was this threat in Hungary in 1956 and in Czechoslovakia — not small change about credits from the West — that made invasion essential for the interests of the Soviet leadership.

This does not mean that the Soviet leaders do not care at all about economics. They were angry with President Ceausescu of Rumania and they are worried about the huge debts that the Polish leadership has



Hungary 1956 - The execution of Secret Police agents, a symptom of political revolution

Indeed the situation is almost the exact reverse of the IS notion: the Soviet bureaucracy has allowed its Polish clients to make a massive turn to trade with the West precisely to enable Gierek, the Polish CP leader, to preserve what is essential for the Soviet bureaucracy in Poland. Gierek was supported in his trade with the West — he was even provided with a 100 million dollar loan in hard currency by Brezhnev to get it going in 1971 — precisely in order to prevent a new working class threat to the bureaucracy's political control in Poland.

It is this political control which is decisive for the bureaucracy in the USSR. For if there was a genuine democratisation in any East European society its impact on the situation in the USSR would be enormous,

acquired in the West. But the source of these worries is not that these things threaten Soviet super-profits from exploitation in Eastern Europe: it is a fear that a weakening of economic links will threaten the Soviet Union's political control over the East European states.

For the imperialist powers in the West the internal political regimes in neo-colonial countries can be altered flexibly provided arrangements are made to defend the economic exploitation. For the Soviet bureaucracy the position is exactly the reverse: the economic relationships of the countries the Soviet bureaucracy controls can be altered flexibly, provided that whatever economic arrangement that is made defends the political domination from Moscow.



Ceausescu of Rumania - rejected Russian economic plans.

The Popular Front and Eastern Europe



IS RIGHTLY CLAIM that we must maintain a position of intransigence towards all wings of the bureaucracy. This is not, however, a very concrete guide to action. Revolutionary Marxists take an intransigent attitude towards the Social Democratic Parties in the West. But we will also engage in united fronts with them. We will not, however, maintain fronts with bourgeois parties. So we have to decide what this intransigence means in Eastern Europe. This is not at all an academic issue in a situation of political crisis in Eastern Europe.

For example, after the invasion of Czechoslovakia there were currents within the Party leadership taking various degrees of opposition to the invasion. None of these currents could be called revolutionary Marxist but we would combine intransigent political criticism with demands for them to join a united movement of mass action against the regime. But for the IS would this not amount to a popular front with capitalist forces? The Czechoslovak masses had great hopes that Smrkovsky would lead opposition to the invasion and normalisation. When he refused to do so, the mass



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Political Revolution or Social Revolution?

ALL THE VARIOUS ISSUES discussed in this article are summarised in the two different programmatic formulae: political revolution and social revolution. The IS comrades sometimes try to say that the phrase political revolution means that Trotskyists do not see the need for changes in the functioning of the economy and the social institutions of East European societies. Such a charge is utterly groundless. A complete overhaul of the planning institutions in these countries and of just about every social institution that exists from the trade unions to women's magazines is vital.

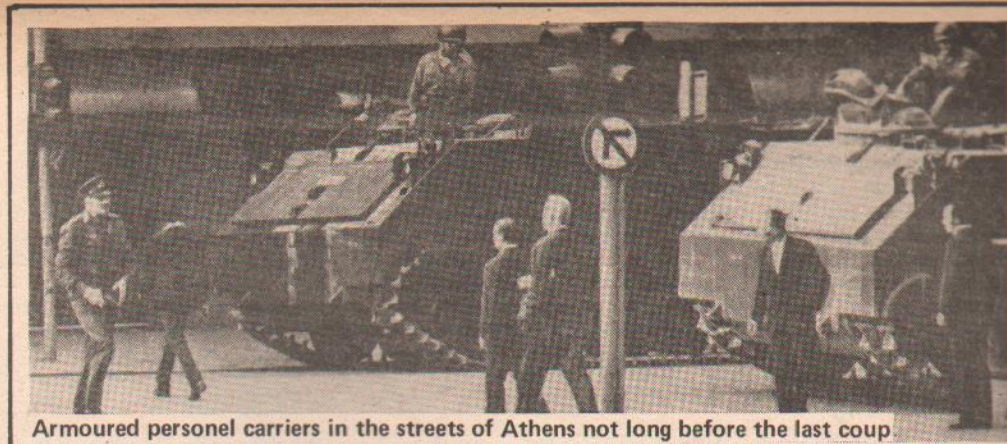
The term political revolution is not concerned with the purely political arrangements in the society, but is a scientific term that indicates the nature of the enemy which has to be overthrown in the USSR, what that enemy's interests are, and what the key objectives must be in order to defeat that enemy. The meaning of this concept can best be grasped by looking at the way Marxists have understood bourgeois political revolutions in the capitalist world and then comparing such political revolutions with the political revolution in the East European states.

Political revolutions are a common enough phenomenon in capitalist Western Europe. They involve the forcible destruction of one political form of the state and its replacement by another form of the state without altering the basic social character of the state. Thus, in 1974 there was in Greece a political revolution: the forcible overthrow of the Papadopoulos dictatorship and a creation of a new form of bourgeois democratic state. But the ruling class has not changed one iota in Greece. The workers are still brutally exploited there.

Organise a political revolution in an East European



Hungary 1956 - high school students read new proclamations.



Armoured personnel carriers in the streets of Athens not long before the last coup.

country and the present social group which oppresses the workers there will disappear. The workers will have their own political leaders in government and because of the nature of the economy it will precisely within such a government that the basic regulation of economic life will have to take place. For there, the basic regulative mechanism of the economy is not the law of value operating on the basis of the competition of private capitals independent of the state machine: it is the planning principle, or, to be more accurate the political principle. The Stalinist bureaucracy has no economic power base in the form of private capitalist property to turn to. It will be finished as a political force.

But some may object that the change over in Greece was a very small affair, a conspiracy within the state machine itself, especially the army and among a handful of powerful capitalists — it all went on behind the backs of the masses. But such a small conspiracy will never bring about the political revolution in Eastern Europe.

In 1974 in Greece the political revolution there was

carried out behind the backs of the masses by conspiracies at the top. But it would be quite wrong to ever conceive of the political revolution to overthrow the bureaucratic dictatorship in East Europe as being of the same type as the change in the political form of the Greek bourgeois state. The working class has different methods of struggle to the bourgeoisie.

The bourgeoisie is a small and relatively compact force with endless leisure for engaging in politics and with multiple links with the personnel of the state bureaucracy and the army, making conspiracies and coups a favourite form of its activities. The working class is a multi-million strong force permanently engaged in exhausting productive labour and with no such compact relationship to the bureaucratic machinery of the state.

This means that while bourgeois political revolutions today are *par excellence* conspiracies within the bowels of the state bureaucracy, the political revolution in workers states must take the form of the collective political mobilisation of the great masses of the working people.



Conclusion

IN THE 1930s AND 1940s when the nature of the East European states was being passionately debated, there was little real experience of mass struggle against the Soviet bureaucracy upon which to tackle many of the burning political problems of the revolutionary forces in the East. At the same time the debate on the class nature of the USSR was bound up with a crucial international political issue — the stand to take up in the event of war between the imperialist powers and the USSR. Hence the necessarily fierce form of the general theoretical debate.

Today the position is entirely different. The international workers movement has a great deal of experience of mass struggle against the bureaucracy in Eastern Europe and a whole series of vital political issues have been raised, and are posed today over how

to conduct this struggle. At the same time the question of defence of the Soviet workers state in the event of imperialist attack has receded.

In these conditions it is the responsibility of all sides in the theoretical debate to approach it from the point of view of the concrete political conclusions which flow from the different theories. The Fourth International has always tried, not without mistakes on occasions, to bind its theoretical conceptions about the bureaucratised workers states to the political conclusions necessary to carry forward the workers movement.

An examination of the relationship between the theories of the IS comrades and the real political problems confronting revolutionary Marxists in Eastern Europe points towards one conclusion: they have been obsessed with making theoretical debating points to try, fruitlessly, to maintain the Marxist respectability and coherence of their general theory. But as a result they have produced a set of notions that could lead to serious political errors if taken seriously by socialist militants in Eastern Europe.

OLIVER MACDONALD

To avoid possible confusion, the title 'International Socialists' has been used throughout the above article. In any future material we will refer to the IS by their newly adopted name, 'Socialist Workers Party'. — ED.

The Fourth International & 'State Capitalism'

'Bureaucratic Collectivism'

THE exceptional importance which the Russian discussion has assumed, first in the Trotskyist movement, and now in the whole world, both in working class and bourgeois public opinion, is due to the absolutely unforeseen development of Russian society since the October Revolution, and to the first-rate position which Russia occupies in world relations today. The importance of the 'Russian Question' in ideological discussions is only a reflection of the historic importance of the October Revolution and the political rights of the Stalinist dictatorship in

by the following conceptions:

a) The degeneration of the workers state is not the product of conditional factors (isolation of the revolution, the backwardness of the country, interaction between the bureaucratization in Russia and the bureaucratization of the Communist International, etc.), but is inherent either in the nature of Bolshevism (the revolutionary party) or in the proletariat itself, or in a combination of both.

b) The bureaucratic dictatorship in Russia does not constitute a historic 'accident' which will merely prove to be a passing stage on humanity's road to socialism. On the contrary, it is a necessary phase in the historic development of mankind (or its fall into barbarism).

c) The retreat of the working class movement in the interval from 1923 to 1939 is not due to the problem of revolutionary leadership, that is, the still inadequate

incapacity to select a revolutionary leadership, or a combination of the two.

The most finished 'anti-Stalinist' expression of this revisionism has been worked out — under the pressure of imperialism in the United States! — by Burnham in his *Managerial Revolution* and by Dwight MacDonal (1). The most finished 'pro-Stalinist' expression of this revisionism — under the pressure of Stalinism in France! — has been supplied by Bettelheim, Martiner and Co in the *Revue Internationale*. (2)

The parallelism of these two revisionist tendencies strikes the eye. There is no room for them in the revolutionary movement. But some of their features appear at the bottom of mistaken conceptions on the Russian question which have found expression in our own ranks. What is important is first of all to lay bare the inner logic of this incipient revisionism and make

the Marxist conception of our epoch, and one which carries with it the danger of branching out more and more into a complete revision of Marxism.

The adherents of the theory of bureaucratic collectivism have an advantage over those who consider the USSR as 'state capitalist' to the extent that they clearly understand the non-capitalist nature of the USSR and are capable of understanding the changes in production and property relations brought about by the capitalist invasion of the USSR and those effected after their withdrawal. But, on the other hand, their revision of Marxism does not stop with the Russian question itself.

Not only are they obliged completely to revise the Marxist conception of the development of capitalist society, but they also question a series of the fundamental concepts of historical materialism. This is, of course, their full right. One must only ask them

[1] After some years in the revolutionary movement, James Burnham advanced the theory of 'Managerial Revolution' linking the Soviet Union and Nazi Germany. He finished as an extreme right-wing supporter of American imperialism. Dwight MacDonal was one of his chief supporters in the literary field.

[2] In the post-war period, Bettelheim advanced the

to be more consistent. As Trotsky has already stated and as only the thoroughgoing revisionists (MacDonald, Burnham and Co.) have clearly expressed, the logical outcome of the theory of bureaucratic collectivism is the conception that the proletariat is incapable of fulfilling its historic mission and the rejection of Marxism as utopian.

The term 'class' is not an accidental notion in Marxist sociology. It is the basic concept in the application or negation of the whole Marxist conception of history. For this reason, it has well-defined and distinct limits. The application of these delimitations to the bureaucracy leads to the absurd conclusion that the bureaucracy is a 'class' which possesses none of the characteristic traits of other classes in history... characteristics to the bureaucracy can result only in a justification of its historic role and in a historic condemnation of the proletariat. If the bureaucracy is really a class, it follows that the bureaucratic stage of society's development is a historic necessity and that the proletariat is not yet capable of ruling the world. This was Burnham's conclusion which the adherents of the theory of 'bureaucratic collectivism' in the revolutionary movement have not dared to draw.

They have tried to escape this fundamental contradiction of their position by emphasizing the 'unique' character of the bureaucracy, born of exceptional Russian conditions. For the same reason they have put forward the anti-Marxist theory that in an epoch of 'collective' ownership — as if such an epoch exists outside the epoch of the proletarian revolution! — class domination no longer alters property relations, but alters only the domination of the state. However, the expansion of the bureaucracy beyond the Soviet

frontiers has impelled these theoreticians toward a new revisionist extension of their theory. The Communist parties throughout the world are now considered as 'nuclei' of a new class. With this definition the whole Marxist definition of class is invalidated.

For it is evident that the Communist parties and their members do not play any independent role in the process of production and would become a 'class' solely on the strength of political privileges. And it is evident that they can obtain these privileges only to the extent that the proletariat proves incapable of overthrowing decaying capitalism. A new stage would open up in the history of mankind, that of bureaucratic collectivism on a continental (or even world) scale, more or less identified with barbarism.

The proponents of this theory have never tried to analyse the laws of the development of this new society and to show through what operation of social contradictions it would ever cease existing. By insisting on the 'decay' of the proletariat and its reduction to 'slave' status, they can only underline the conclusion, flowing from this theory, that the proletariat is incapable of fulfilling its historic mission. Its proponents, if they were consistent, would have to abandon the programme of the socialist revolution — at least in those countries where bureaucratic collectivism has, according to them, been victorious; and replace it with a 'new minimum programme' for the defence of the slaves' interests. By its implications, this theory would liquidate the Fourth International in these countries; and its logical application would completely paralyse the activities in capitalist countries in face of the problem of the Stalinist parties.



East Berlin 1953 - the first uprising against the bureaucracy

'State Capitalism'

The adherents of the theory of the existence of 'state capitalism' try on the whole to maintain their views within the framework of the general Marxist conception of our epoch. They maintain in its entirety the Leninist strategy of the proletarian revolution. They doubt neither the revolutionary capacity of the proletariat nor the possibility of building a revolutionary party by relying, first and foremost, on the class struggle and the experience of the workers' struggles. Their revisionism appears when, by characterising the USSR as a capitalist country, they must logically consider the present Soviet society as a sort of 'future picture' of capitalist society in general, and

This is the most obvious example of the formal character of these analogies. As a matter of fact, in Russia it was a question of expropriating and destroying the bourgeoisie as a class through the revolutionary action of the proletariat and the workers' state. In capitalist countries what we have is the nationalisation — with compensation — of certain unprofitable sectors of the bourgeois economy for the benefit of the big monopolies. The 'fusion between the state and economy' in Russia meant the destruction of the bourgeoisie as a class. The fusion between the state and economy in the capitalist countries — particularly Germany and the USA — meant the destruction of the independence of certain capitalist sectors and their complete subjection to monopoly capital. The fundamental difference between these two processes lies in this, that only the proletarian revolution shows the 'striving to expropriate the monopolists', whereas the

bourgeoisie, do not save these countries from exploitation by foreign capital, but rather increase the latter's profits to the degree that these countries attempt to become 'self-sufficient'. At their highest level of 'autarchy', capitalist Germany and Japan returned the highest profits to American capital. In the case of the USSR, there has been a drastic elimination of the country's exploitation by foreign capital. The pressure of the world market continues, but only indirectly.

c) The analogy between 'planning' tendencies inherent in monopoly capital and the Soviet planning. The national 'planning' of monopoly capital, Trotsky said, consists in 'artificially restricting production in certain sectors and building up, just as artificially, other sectors at colossal expenditures'. It results in 'an unstable regularization, bought at the price of a lowering of national economy taken as a whole, an increase in the world chaos, and a complete shattering of the financial system, absolutely indispensable for socialist planning. Soviet planning, on the contrary, while far from being harmonious, has nevertheless succeeded in realising enormous and real economic progress, developing the productive forces in all sectors, raising — at least until the inception of the Third Five-Year Plan — the living standards and wants of tens of millions of ordinary men and women.

There is a qualitative difference between these two tendencies. The one maintains profits as the regulator of the economy and subordinates 'plans' together with the whole of economic life not to the interests of an abstract 'capitalism' but to the interests, quite tangible, concrete and definite, of the monopolists. Soviet planning, on the contrary, derives its profound impetus from the fact that private appropriation of surplus value has been radically suppressed, and that consciousness is beginning to replace profit — although in a distorted form — as the decisive element in the regulation of economic development.

d) The analogy between 'production for production's sake' in the capitalist system and the development of productive forces in the USSR (in the first place, the growth of the sector of the means of production); the analogy between the operation of the law of value in the capitalist countries and in the USSR, and so on.

What is really involved here is a question of starting from unproved premises. Proceeding from the assumption that Russia is a capitalist country, the proponents of this theory interpret the development of Soviet productive forces in terms of the capitalist form of the law of value. But a stupendous development of the productive forces, especially of heavy industry, characterises not only capitalism but also the transitional society after the conquest of power by the proletariat. The 'law of value' applies not alone to capitalist society but to all pre- and post-capitalist societies where the production of commodities continues to exist. In Russia, the 'law of value' is certainly valid and has not ceased operating since 1917, but it no longer applies in the same way as in capitalist society. Prices are not dependent upon the

average rate of profit. Money does not possess the quality of transforming itself into capital.

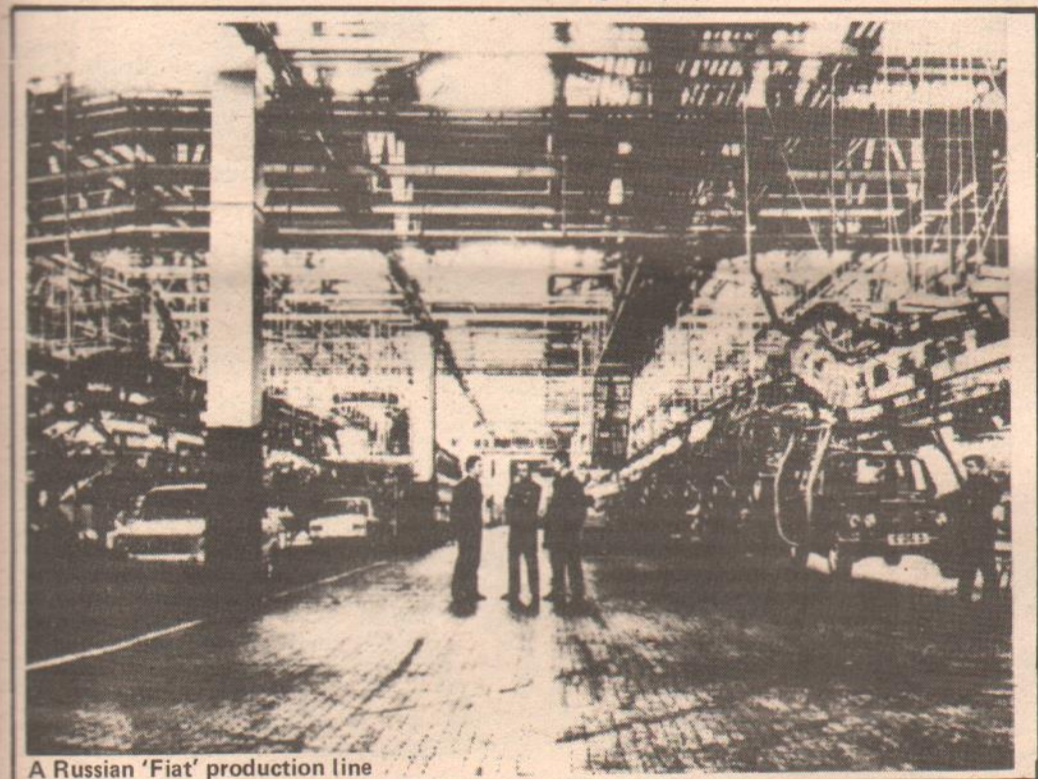
This whole theory is based on a total absence of any attempt to analyse the specific forms of transitional economy such as will exist in every workers' state until the complete disappearance of classes and the final advent of communism.

The reproach levelled against us by the adherents of the 'state capitalism' theory, that we are 'Economists' or that we base our analysis on a 'fetishism of nationalised property' is absurd. In reality, our analysis starts from the fundamental difference between bourgeois nationalisations (England, France, the 'buffer zone' countries) and all of the upheavals that have taken place in Russia as a result of the proletarian revolution, culminating in the expropriation and destruction of the bourgeoisie as a class and the transfer of the means of production into collective ownership.

It is up to the adherents of the theory of 'state capitalism' to explain how the bureaucracy constitutes a 'state capitalist' class, while at the same time preserving property relations that resulted from the destruction of capitalism and while itself destroying the new rural bourgeoisie in the USSR. It is up to them to explain how the annihilation of the conquests of October has been possible without a change in property relations and without a new social overturn. It is up to them to explain how they can reconcile the 'capitalist' nature of the USSR with the total overturn in production and property relations which German imperialism was obliged to institute in the occupied areas of the USSR, as well as those changes which the Soviet bureaucracy found itself obliged to institute in the reoccupied areas and the provinces annexed to the USSR. On all these points, this theory clearly shows its incapacity to interpret the reality of Soviet life in a Marxist manner.

However, the most obvious internal contradiction of this theory appears in its conception of the Stalinist parties. Here it attempts to reconcile the needs of revolutionary strategy — which necessitate the conception of Stalinist parties as degenerated workers parties — with the conclusions of this theory, according to which the Stalinist parties must be considered as agents of a capitalist-fascist power. The absurd results achieved by this reconciliation — which involves a transformation of Stalinist parties from workers' parties into bourgeois parties the moment they conquer power — together with the impossibility of explaining the self-evident phenomenon that the influx of the radicalised masses into the parties which are agents of a 'capitalist' power is a sign of the revolutionary tide — this itself is the most striking refutation of this theory.

Extracts from resolutions passed at the 2nd World Congress of the Fourth International, 1948.



A Russian 'Fiat' production line

must, as much as Burnham, point out the 'statisation' tendencies outside Russia. This is based on superficial and formal analogies, which completely distort the understanding of the profound tendencies of contemporary capitalism and of the fundamental overturn constituted by the October Revolution.

These analogies are, in the main, the following:
a) The analogy between the nationalisation of the means of production in the USSR and the tendency toward the statification of the means of production in the capitalist world.

capitalist countries do not show this 'striving' but on the contrary show a tendency to strengthen and enrich the monopolists who subject the whole social life to their direct control.

b) The analogy between the tendency toward the fragmentation of the world market, inherent in decaying capitalist economy, and the monopoly of foreign trade established by the October Revolution.

In reality, the protectionist and 'autarchic' tendencies, which are elements of war economy and palliative measures against crises resorted to by the decadent



THE STRUGGLE FOR THE FOURTH INTERNATIONAL
THE RISE AND FALL OF THE INTERNATIONAL COMMITTEE

Speaker: Tim Wohlforth

Tim Wohlforth has been an active Trotskyist in the United States for 20 years. Although both at the beginning and today a prominent member of the Socialist Workers Party, for the period 1964 to 1974 he was a leading member of the supporters of Gerry Healy's International Committee in the United States. At this meeting Wohlforth will be explaining, from his own experience, some of the reasons for the decline of the International Committee, and the necessity for building a unified Fourth International today.

Tuesday, January 25th 7.30pm

IMPERIALISM, STALINISM & PERMANENT REVOLUTION

Speaker: John Ross

The Socialist Revolution in the 20th Century has pursued a course more devious

BATTLE OF IDEAS
IMG PUBLIC MEETINGS



at
The London School of Economics,
Houghton St. W.C.2

ZIMBABWE FORUM

The centre of world revolution has shifted from Indochina to Southern Africa. The collapse of Portuguese colonialism and the upsurge of the oppressed masses in Southern Africa makes revolutionary change a reality there. The response of imperialism has been to defend its massive economic interests even if that means majority rule. Such a policy confronts white vested interests, and meanwhile the Nationalists continue armed struggle. The Outcome? Another Neo-Colony or a Socialist Zimbabwe? These points and others will be discussed by speakers from the Fourth International and Zimbabwean Organisations including:

Ignatius Chigwendere [ZANU]
Brian Sloccock [IMG]

Tuesday, February 8th 7.30pm

PARTY & FACTION
THE PRINCIPLES OF REVOLUTIONARY ORGANISATION

Speaker: Brian Grogan

The proliferation of small groups and sects on the Trotskyist left leaves most militants bemused and seriously harms the winning of politically conscious workers and students to revolutionary socialism. Brian Grogan, National Secretary of the International Marxist Group, will be speaking on both why a revolutionary party is necessary, what its organisational principles are, and on what basis the far

Our February issue will contain a detailed examination by Neil Williamson of the national question and Scotland. Readers should make sure they receive **Battle of Ideas** by taking an immediate subscription to **Red Weekly**.

Back issues of **Battle of Ideas** can be obtained for 15p (including postage), 35p for all three, from: Back Issues, 97 Caledonian Road, London N.1.

No. 1 The Rise of Gerry Healy — Alan Jones