

# MILQ

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## DOUBLE ISSUE

**Social Democracy in Britain**  
**The Labour Party, Nationalisation & the State**  
**Revolutionary Communist Party of Chile:**  
**'Manifesto to the Chilean People**  
**Trotskyism:**  
**Review article - 'Workers Against the**  
**Monolith'**  
**Mandel and the Soviet Economy**

# **Marxist Leninist QUARTERLY**

## THE COMMUNIST FEDERATION OF BRITAIN (MARXIST-LENINIST)

The C.F.B.(M-L) is an organisation of Communists whose purpose is to help create the conditions to form a revolutionary party. The rising level of struggle against all oppression in Britain will not effectively challenge the ruling-class until the lessons of these struggles are widely understood by the working-class and its allies. A disciplined party guided by scientific socialism is needed to lead in this process of raising the struggle to a conscious political level.

No such party exists. The historical contradictions leading to the split in the international Communist movement in the early 1960's have not yet been resolved and the lessons applied to the actual conditions existing generally in Western Europe. Without this being done there will be no guiding political line and programme and no unity within the Marxist-Leninist movement.

The C.F.B.(M-L) is comprised of groups of Marxist-Leninists who have been working together since 1967 to aid in this vital task of forming a party. It has consistently worked to achieve this goal by combining two forms of political work.

FIRSTLY: We study the main problems facing the British people and the world revolutionary movement, applying the scientific socialist method developed by Marx, Engels, Lenin, Stalin and Mao Tsetung.

SECONDLY: We engage in immediate struggles on the main issues of exploitation and oppression.

We believe that only in combining the lessons of both these forms of political work can a correct line be developed. Without such a guiding line and programme the struggles on all the vital and immediate issues will continue to demonstrate the treadmill characteristics of the last 150 years.

In developing this line we recognise the need to destroy the influence of social democracy, revisionism and Trotskyism - the main defeatist ideological trends which act to disarm the working-class.

We understand that as all these tasks are increasingly achieved it will become possible to build a mass revolutionary movement capable of withstanding ruling-class attacks and finally of overthrowing and smashing the present system and its State machine. The working class and its party will then implement its own dictatorship over the present employing class to build socialism and prevent the restoration of capitalism.

Our basic policy document is 'The Marxist-Leninist Movement in Britain; Origins and Perspectives' published in 1969. Readers wanting to know more about our policy and political work should contact their local group or the Secretary of the C.F.B.

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Signed articles in M.L.Q. do not necessarily represent the political line of the C.F.B.(M-L)

## CONTENTS

Social Democracy in Britain - Introduction.....	I
Social Democracy - A Reply to DJ.....	3
The Labour Party and the Crisis of British Capitalism.....	13
Manifesto to the Chilean People - Introduction.....	32
The Best Homage to the Martyrs of the Dictatorship and the Repression is carrying on the Revolution.....	36
Review Article: ' <u>Workers Against the Monolith</u> ' I. Birchall.....	51
Mandel and the Soviet Economy.....	62
Letter on Ireland.....	79

(Editors Note: This edition of MLQ is a double issue - consequently it has been necessary to raise the price to 35p.)

## SOCIAL DEMOCRACY IN BRITAIN - INTRODUCTION

In this issue of MLQ we publish two responses to the article "Expose the Reformists of Every Stripe and Hue", which appeared in MLQ no. 7. Two elections this year have demonstrated the importance of social democracy as a deviation within the workers movement, yet despite its importance there is still disunity, and a good deal of confusion on the left. Although all comrades in the CFB are agreed on the strategic aim of smashing social democracy as the debate in this issue shows, there are still central tactical disagreements which divide us.

At a meeting of the CFB held to discuss the election the following majority resolution was passed:-

"The main purpose of our election campaign should be to demonstrate the essentially overt and covert bourgeois nature of the Tory and Labour parties respectively, based on exposing their respective records. At the same time we should point out the tactical advantage of a Labour Government in 1974.

1. In office, especially in the growing world capitalist crisis its working class supporters will most easily be aided to dispel any illusions remaining about Labours ability to carry out Socialist policies. It also provides the opportunity to combat reformist illusions generally.

2. Because it has been forced to accede to certain progressive demands of the Labour movement, relating to Trade Union Legislation, a statutory wages policy, the reopening of the question of the EEC, and developing opposition to private armies of the ultra-right.

For these reasons we will call for the return of a Labour Government in order to expose it."

Essentially, the argument behind this resolution is that, despite the similarities between the Labour and Tory parties, - i.e. the fact that both are committed to the defence of capitalism at the expense of the working class, that towards this end both have attacked workers living standards and rights, attempted to introduce anti-union legislation etc. in short that both are bourgeois parties - the distinctive feature of the Labour Party is that it rests on the votes and support of the organised working class. This fact is illustrated by both the history of the Labour Party, its formation and development and by the fact that important limits are placed on the actions which can be taken by the Labour Party when in office. It is

also of course clear from the most cursory analysis of election returns. The resolution thus recognises both that there are tactical gains to be derived from the existence of a Labour government, and that there is still an urgent need to carry through the process of exposure of the labour party advocated by Lenin. It is only when the experience of 7 Labour governments becomes a recognition of the need for a real socialist alternative that the task will have been carried out.

As the first article in this section of MLQ illustrates, there is still debate over how exposure is best achieved. As opposed to the article by DJ in MLQ, 7, which argued for demands calling for the implementation of the Labour Party Programme of 1973, the article by PJ argues that we should rigourously oppose giving any credence to the promises of social democracy, but rather that we should give conditional support for the Labour Party, at election times, on the basis that a Labour Government, in the current situation, prevents immediate attacks on the living standards of the working class by means of statutory wages policies, and that it also confronts the mass of working people with the realities, and consequences of their support for social democratic policies, provided that Communists are able to effectively aid people to see through the illusions offered by the Labour Party.

The second article in this section puts forward an alternative view, which argues that no purpose is served by support for a Labour Government, that social democracy is already sufficiently exposed, and also that a Labour Government is able by means of its policies of state intervention, to bring about a situation of temporary stabilisation of capitalism. This article concludes that we should rather direct our demands at the state which ever party is in power.

We should stress that a line on an election in a given situation is no substitute for an ongoing analysis of the history and role of social democracy in Britain. The polemic continued in this issue of MLQ is a useful aid towards this analysis and we invite responses from comrades and friends to the articles on social democracy which have appeared in both this issue and in the last.

EDITORIAL COMMITTEE

## SOCIAL DEMOCRACY - A REJOINDER

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Social democracy undoubtedly plays a central role in British politics today. The Labour Party, the main representative of this tradition, has recently demonstrated the degree to which it retains the support of many sections of the working class, and the current policies of the government clearly demonstrate the way in which reformist phraseology is used in the attempt to succeed where the Tories failed with the means of open confrontation. The Wilson government hopes to succeed with a policy of 'voluntary restraint' and the social contract in resolving the present crisis in the only way open to reformism. In other areas of political life things are pretty much as they were under the Tories; the usual concealment of state repression has been seen over the Lennon case, over the death of Kevin Gately etc. Foreign policy, as is normal under Labour Governments, remains a continuation of Tory policy. Whilst this is not new, and certainly no surprise for Communists, it is undoubtedly the case that the reaction to the present government is much more combative; a number of unions have challenged the validity of the social contract, and uneasy tensions are already apparent between the 'left' and 'right' wings of the Labour Party. The recent budget, with its inflationary implications and overt pro-capitalist nature, has only added to this unease.

This situation undoubtedly provides excellent opportunities for Marxist Leninists, but it also reveals a number of dangers. The article by DJ in MLQ no. 7 (I) presented a clear exposition of one tactical line on how to expose social democracy. In the article DJ provided an excellent warning to those revolutionaries who argue that the reactionary nature of the Labour Party is now clear for all to see. As he reminded us, it is essential to bear in mind the contradictory nature of the LP; it is one thing to be self-satisfied in the knowledge of the betrayals of the LP and quite another to ensure that this recognition becomes an overt aspect of the consciousness of the working class, and that out of this experience comes a recognition of the need to construct a genuine Communist Party. In this rejoinder, I want to draw attention to a number of points which I believe are incorrect, and which lead DJ into an erroneous position. In making these points however, it should be clear from the outset that there is no strategic difference over the need to expose social democracy, but that disagreements are tactical i.e. concerning the means by which we are to carry out this exposure.

First - our points of agreement. It is essential to outline, as DJ did, the contradictory nature of the Labour Party. This is shown eg. by the demands raised at the last party conference, which although firmly rooted in SD ideology, reflect the

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I "Expose the Revisionists of every Stripe and Hue". MLQ  
No. 7. pp. 2-10

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struggles and concerns of advanced sections of the working class.

An equally important point is made by DJ when he draws attention to the pervasiveness of social democratic ideology. Reformist illusions are not limited to the leadership of the Labour Party, who then go on to play a Machiavellian role of continuous "betrayal" of the "socialist" rank and file. They are in fact much more deeply rooted in the consciousness of millions of workers, as the content of the demands at the last conference again illustrate. There is not then, a membership of militant socialists attempting to take up socialist policies, yet held back by a social democratic leadership.

This point should be stressed, against those who place every shortcoming in the class struggle in Britain at the feet of the labour leadership, as well as against those who argue that abstentionism at election times demonstrates a progressive trend within the working class. The idea that "both parties are the same" can often provide the basis for a leftist view that social democratic ideology and politics are already sufficiently exposed, and that the agitation of ML's should be on the basis of slogans calling for an ambiguous and undefined form of "socialist struggle". In fact DJ is right to argue that the sectors who are fighting, however misguidedly, for reformist policies are, by and large, trade unionists who are in the vanguard of the economic class struggle and who have yet to be won to ML positions. It is also clear that they still retain, albeit unhappily, close relations with the Labour Party.

What are the terms of their support for the Labour Party, and why is this given, in the face of the experience of seven Labour governments? First and foremost there is the belief in the possibility of a "fundamental and irreversible shift in the balance of power and wealth in favour of working people and their families". (2) Associated beliefs are the strong opposition to poverty, demands towards "workers control", demands for the right to work and democratic rights, for a real and comprehensive programme for housing, education, and social policy generally. (3) In short - a strong belief, and preparedness to struggle for the defence of workers living standards, and democratic rights, at a time when these are increasingly under attack from the Right. This belief is articulated with the view that these rights are best defended in and through parliament. All this is sound proof of the distinctive nature of the Labour Party. It is in advocating tactics for building on this basis, and constructing an alliance with sections of the working class in order to break from these illusions that DJ begins to advocate an erroneous position.

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- (2) Labour Party Manifesto. February 1974. Quoted by DJ  
p. 2
- (3) *ibid.*

### Ambiguous Tactics

According to DJ the contradiction of social democracy on which we should concentrate our attacks is that its intentions, whilst honourable, are incapable of being achieved without a strong extra-parliamentary campaign in their support. I will quote the relevant passage of his article at length, because it reveals the major weakness of his analysis:-

The decisions of the 1973 Labour party conference, and the 1974 Election Manifesto were probably the most "progressive" policies adopted by the Labour Party since 1945, and if they were to be honoured would undoubtedly be met by bitter opposition from the entrenched big business and financial interests in Britain and abroad. However the reality of the situation is that the Labour Party leaders were negotiating with the IMF for a massive loan to overcome "Britain's crisis" almost before they took office in February 1974. The terms for such assistance can only mean an intensification of the attacks on the living standards and organisations of the working class. For the Labour Party to enact even a moderate reformist programme of some benefit to the working class during a period of intense problems for monopoly capitalism - massive balance of payment deficit, raging inflation, lack of investment in basic industries etc. - would require the support and involvement of the working class outside of the apparatus of State Government developed in Britain over the centuries. This of course would be a complete departure from the whole philosophy and actions of the Labour Party since its formation because for all its twists and turns on policy matters central to its whole existence has been a complete adherence to the parliamentary system of government. In other words, the dependence on the approval of the Monopoly Capitalist State Machine for any measures on which it legislates." (my emphasis) (4)

How accurate is it to characterise labour policies as "progressive" (albeit in inverted commas) and as opposed to "the interests of big business and financial interests"? These judgements ignore any consideration of the full effects of the 1945 programme, and also that of 1974. In particular the relationship of these measures, and their centrality for British capitalism is ignored. Examining first the 1945-51 administration railways, the mines, gas, electricity, road transport, sugar, and steel where all taken into "public ownership". Of these the first two were already unprofitable, a consequence of the vast amount of investment in capital needed in these industries, and handsome compensation was paid to the former owners. Gas and electricity were already partly nationalised (by a Tory Government) as a recognition that the type of operation demanded a national and standardised distribution network, in addition to a level of planning and finance beyond the means of individual private capitalism. The last three sectors of

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(4) "Expose the Revisionists of Every Stripe and Hue". MLQ No. 7. pp. 4.



production provided the real source of political division over nationalisation as a principle but even in the case of steel it is now generally recognised that BSC represents a central strategic industry for British production generally, and that further development of the economy demands a guarantee of the output of this particular section of the economy. In the present situation some form of state capital is essential to British capital.

In fact the real issue which has divided Labour and Tory has not been the question of state intervention as such, but the question of the form which this takes. In this debate the latter party have been supported by both big and small capitalists who have defended the setting up of formalised corporate planning and intervention in industry including representatives from government, the employers and the unions (rather along the lines of the NEDC) as opposed to the centralised and highly bureaucratic parliamentary control favoured by Labour. In fact the reservations of the opposition have to a large degree been accepted by Labour to the extent that many sectors of the public sector now run on the lines of the relatively autonomous "public corporation" (eg. the post office). Neither party is in fact in favour of real control and appropriation of the product by the workers themselves. (5)

Furthermore, it is essential to examine the role played by nationalised industries within a predominantly capitalist economy. In this context it is necessary to admit that these industries provide a convenient mechanism for the subsidisation of production through the provision of cheap raw materials, energy etc. But a dangerous side effect of the development of nationalisation in Britain is that, through generations of social democratic propaganda, workers are led into the position of mistakenly identifying nationalisation with socialism. Perhaps DJ should explain what is "progressive" about this in principle.

As far as the development of the welfare state is concerned we have to be clear about both the history and the principle involved. Again both parties have a history of welfare legislation: the striking thing is that the basic platform of the welfare state was sketched out by the Tory dominated post-war reconstruction committee, which planned the system of social insurance and the health service in addition to placing the 1944 Education Act on the statute books. Again, during the enactment of subsequent measures by the Labour Government during the years 1945-51 there was no opposition in principle to the welfare state. Why is this? In addition to providing facilities for health and education which are of obvious benefit to the working class, the measures passed were fully in accord with the requirements of the capitalist for a healthy work-force, and an educated one, and over and above this, were the minimum reforms which any party would have had to have granted during this period, given the radicalism of the post-

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(5) This point is made more explicit in the article on Nationalisation in MLQ No. 1, 1972

war mood(6). It is in later periods, when capitalism has found itself in crisis, that these benefits have come under attack, by both parties.

In fact it was a Labour Government which launched the first erosion of welfare rights in 1951; this has been followed by the stringent cuts in 1966 and the bilateral policy of reduction of government spending throughout the seventies.

At the same time as D.J. realises that the aim of redistribution of wealth is not a revolutionary platform he fails to get to grips with social-democratic ideology as such. This has been the basis of Labour Party programmes from the inception of the party, the fact that parliament is seen as the arena where the interests of all classes should be represented has important results.

Political class struggle is confined to this area, on the basis of the view that class co-operation for the benefit of all can be reached. Thus the economic class struggle is also regarded as occupying its defined place within society, as the mechanism by which workers can achieve their fair share of the social product. It was to allow the working class to achieve political and civil equality with the other classes that the Labour Representation Committee was first formed. There is no doubt that this view still permeates social democratic ideology today; the distinction between 'left' and 'right' versions of this ideology is the disagreement about whether or not equality has been achieved. Both agree however that redistribution can be achieved without attacking the fundamental production relations. In fact this assumption is totally false, and it is our duty to demonstrate that this is so.

Firstly does welfare redistribute wealth? The figures show that in fact the distribution of wealth has hardly changed at all in the last century (7). This is primarily because the system of production remains one of the extraction of surplus value from workers. Also it is quite easy to show that welfare benefits are paid for by workers through taxation, not only through stoppages, but more importantly through indirect taxation e.g. V.A.T. What redistribution does occur is from the higher paid to the lower paid workers, i.e. within the working class itself. There is no significant redistribution from one class to another (8). Again we have to repeat our question-What is progressive about all this?

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(6) For a useful analysis of this period in British politics see Milibands "Parliamentary Socialism". Chapter 9.

(7) See Blackburn, R. "The Unequal Society" in Anderson and Blackburn (eds.) "The Incompatibles".

(8). A thorough analysis of the Welfare State is still needed. It is clear however that it cannot be dismissed either as a capitalist bribery, or as concessions wrung from the ruling class in times of acute class struggle, although it includes both aspects. The central point is that the Welfare State performs important functions for capitalism, at the same time as it maintains the appearance of an equalising mechanism. Recent analyses have shown the way in which the system of taxation, together with the system of flat rate benefits only redistribute income within the working class. (see J. Kinkaid "Poverty and Equality in Britain"). A recent analysis by E. Wilson has also drawn attention to the Welfare State as an extension of state regulations and control of the working-class, relying principally on the use of the family. (Red Rag Pamphlet No. 2.)

## THE LABOUR PARTY IS A BOURGEOIS PARTY

As I outlined above, I am in agreement with the view that our analysis of the Labour party should not detract from a consideration of the distinctive relation between the Labour Party and its support base. The point is, that while taking this into account tactically, the aspect of our propaganda which should be dominant is that which stresses the bourgeois nature of the Labour Party. Thus rather than arguing that extra parliamentary support is needed to force the party to carry out its illusory programmes, we have to argue that the Labour Party is not in contradiction with the bourgeois state apparatus, but that is precisely a central part of it.

For DJ the weakness of the Labour Party is that "...for all its twists and turns on policy matters, central to its whole existence has been a complete adherence to the Parliamentary system of government". But this tends to project a misleading picture of the party's policy as a form of misguided socialism rather than an alternative bourgeois strategy of containment of working class demands. It is also made in such a manner that the "good intentions" of the Labour Party are seen as in conflict with the state, which acts as a blocking mechanism.

Let us examine this in more detail. In Kautsky's words "the capitalist class rules, but does not govern". This means that, under the form of the state that we know as bourgeois democratic it is not necessary for the direct representatives of the bourgeoisie to hold positions of power in the governing apparatus. (Although at times especially under Tory governments finance capitalists, merchant bankers, industrialists etc may actually hold important office, this is not really the point.) The central point is the way in which the state, and parliament etc work. A familiar argument, especially on the Labour Party 'left' has been that bands of civil servants actively conspire to frustrate 'socialist' policies. Actual examples of frustrated labour ministers are hard to come by however.

The basis of the process is rather that Labour party ideology is not socialist at all, but rather represents a bourgeois deformation of socialism, both at the level of the leadership and at the level of the rank and file. This can be related to the wider nature of 'spontaneous' bourgeois politics, analysed by Lenin - the tendency to defend established positions, and therefore to defend the position of the working class as a working class, without recognising the need to transform class relations entirely.

The Labour Party programme then incorporates two aspects - the defence of workers living standards in a period of crisis, and the simultaneous attempt to secure the prerequisites of capitalist production, by channeling funds into capitalist industries through the NED, Investment Banks, the relaxation of taxation on profits in the recent budget etc. It is because capitalist production has such a privileged position within Labour ideology that policies are enacted in this way, and that socialist measures are ruled out - not because of the blocking mechanism of the Monopoly Capitalist State. It is because of its working class support that Labour can provide an alternative government for capitalism in certain situations i.e. where reformism is more appropriate than repression.

## TRANSITIONAL DEMANDS

DJ's mislocation of the real contradiction within the Labour Party leads him on to advocate an erroneous tactical scenario for exposing the bourgeois nature of social democracy. The tactics advocated are for a series of demands for the fulfillment of measures which we know are impossible to achieve (redistribution of wealth) or are counterproductive (nationalisation). As I have shown the measures are implicitly assumed to be progressive and, more seriously, the process of disillusionment, which would accompany the realisation that demands are impossible, is never taken seriously.

On the desirability of the demands - it should be clear from the above that welfare rights, and nationalisation are double-edged weapons. They can both provide certain basic services and act as diversions of class struggle. This is not to say that we should actively oppose such measures (thereby supporting some outdated form of laissez-faire capitalism) but that we should point out that nationalisation etc. makes no difference to the fact of exploitation. Private capital or state capital - what is the real difference? In specific cases this allows us to support nationalisation eg. in the pursuit of defence of employment and the right to work, but this is really the only basis on which the demands can be supported. Without analysing more deeply the mechanics of eg. North Sea Oil and the possibility that state capital may be needed for its development we cannot assume that this particular plank of Labour Policy will be against the interests of capital. (9)

The same reservations should be made in the case of food subsidies etc. Again we should campaign on the basis of a clear working class line, and not one which identifies working class interest with the Labour Government. To campaign for these demands, without an analysis of their effects and their meaning in the present stage of British capital leaves us in the situation where we are attempting to play off one variety of social democracy against the other.

It is not as if, in a vague manner, DJ does not realise this. He says explicitly:-

"These policies are not presented here as vehicles of achieving workers power, because indeed they are far removed from that, nor are they presented as issues around which we should campaign to make Social Democracy and Parliament work in the interest of the working class but as a basis from which we can show the inability of social democratic policies and methods to make any inroads into control of state monopoly capitalism." (10)

(9) An important point is raised here, i.e. the fact that the question of state intervention, especially when necessary for investment purposes, may cause disagreements within the ruling class, which are not necessarily indicative of a clash of class interests. The revisionist and trotskyist analysis of nationalisation often assumes that this disagreement over tactics represents a fullblown capitalism versus socialism debate.

(10) Op.cit. p.4

And yet we are to campaign for these measures!

The tactic of advancing unrealisable demands is a familiar one. Although DJ does not make the mistake of calling these demands socialist in content nevertheless his exposure tactics rest on the basis of calling for their implementation. Is this because the real defence of workers living standards, a real redistribution of wealth presupposes a socialist revolution? If so DJ does not come out clearly and say this. And if he means this then how is this to be distinguished from the Trotskyist tactic of transitional demands which basically consists of gaining support among the masses for demands whose implementation presuppose the taking of state power. It is thereby presupposed that the realisation of this task will come automatically as soon as support for the gains is gathered. Precisely the type of politics advocated by Trotsky in his attempt to find slogans which could translate one level of struggle into another. There is no guarantee however that this "consciousness raising" will automatically accompany the disillusionment with capitalist processes. If, as DJ reminds us it is necessary to guard against the error of leftism, it is also necessary to remind him that this can take several forms, one of which is the type of spontaneism that he himself falls into.

However DJ not only falls into the trap of advancing transitional demands but he argues also that the nationalisation of eg. North Sea Oil will lead to a genuine gain for the working class, when he asks "Are these companies who in the first few months of 1974 made larger profits than ever before and whose budgets exceed those of many states going to stand idly by whilst their 'Midas Touch' investments are taken out of their hands?" (II)

Is he not arguing an identical case to that of the revisionists who still argue that nationalised industries provide the skeleton of socialist society, which is provided with a true content later, but which provides the framework for a socialist society within the confines of capitalism?

As I have argued DJ's case is susceptible to these two interpretations both of which should be rejected. It is not our task to lead the working class into a disillusioning situation, neither is it our task to assist in applying the 'kiss of life' to a moribund capitalism by attempting to encourage mass struggle to secure state capital for ailing industries. In short DJ's tactics have to be rejected for two reasons:-

- the content of the Labour Party programme illustrates a confusing idea of socialism which we should not encourage
- by campaigning for such demands we would be actively contributing to the reproduction of the very ideology we seek to destroy.

THE WAY FORWARD

What then is the way forward? At the beginning of his article, I stressed that we have to recognise, as opposed to the abstentionist attitude, that the Labour Party still commands support amongst leading sections of the working class, some even regard it as a 'working class party', and still see it as a vehicle for socialism. At the same time, many of those who are sceptical about the Labour Party nevertheless base their strategy and tactics on forms of social democratic ideology. Having clarified this point, we have to recognise that important tactical differences do exist between the Labour and Tory parties, differences which can be utilised in the course of the class struggle. These differences can be outlined in numerous ways:-

- the material basis of social democratic ideology is distinctively rooted in working class conditions of struggle, primarily trade unionist, and linked with the ideology of those sections of the working class (labour aristocracy) which formed the basis of the early Labour Representation Committee
- the history of the Labour party, especially the years 1966-1970 when successive measures against working class interests were taken but finally defeated by mass pressure against the Labour Party's version of the Industrial relations Act a pressure far more easily exerted on a Labour Government than on a Tory one
- the experience of the Labour Party in action between February and October of this year. The Industrial Relations Act was repealed, the Housing Finance Act was repealed, and union funds sequestered by the Tories were returned.
- a referendum has been promised, again as a result of mass pressure within conference, on the Common Market. This would provide a hitherto unavailable arena of public debate in which we can involve ourselves - firstly in ensuring that the referendum does take place, and secondly in undertaking active propaganda work on the situation.

All the above listed points represent short term gains, and at the same time represent material reasons why many sections of the working class still retain their support for the Labour Party; there is every reason for the working class to avail themselves of every short-term gain. This is the main reason why we should support voting Labour in the current situation, coupled with the added advantage of a Labour government in power as a prerequisite for thorough exposure. It is essential that, both during general elections, and throughout all areas

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of mass work we have to concentrate on trying to build up an alliance from below with those sections who still support the Labour party in order to enable us to translate our criticisms of social democracy into popular experience. This will not be done on the basis of demands which appear to support central planks of Labour policy, but only on the basis of those demands which place the interests of the working class to the fore and enable us to demonstrate concretely that the Labour party is a bourgeois party.

## THE LABOUR PARTY AND THE CRISIS OF BRITISH CAPITALISM

Past debates on the Labour Party on the revolutionary left, and in the Marxist-Leninist movement in particular, have tended to centre around the validity or otherwise of Lenin's famous dictum 'support the Labour party like a rope supports a hanged man'; and whether or not the advice of 1920, if valid then, is still valid today. The debate has illustrated a consistently negative feature of revolutionary politics in Britain - the tendency to treat the writings and advice of the founders of scientific socialism as holy writ, a refusal to examine past theory in the light of new experience and changed circumstances. That is why the TACTICAL advice of Lenin to British Communists in 1920, which MAY have been correct then, has been elevated to the level of principle and has become an ossified dogma, completely unrelated to vastly changed circumstances.

This article will argue that we need to examine the Labour Party in its relationship to the bourgeoisie and the crisis of British capitalism (a relationship which has been largely ignored), AS WELL AS in its relationship to the reformist illusions of the working people.

### THE BACKGROUND TO THE CRISIS

British capitalism is probably the sickest of all the western economies. It suffers from rampant inflation, obsolete means of production, a chronic lack of investment and a low rate of profit. Inflation is the medicine, rather than the disease, which is lack of investment and low profitability.

#### The falling rate of profit

Since the mid-fifties, although some years have seen increases, the profitability of British industry has steadily declined.

All companies NET UK income as % of net capital stock  
at replacement cost (I)

<u>1955</u>	<u>1960</u>	<u>1965</u>	<u>1970</u>
13.8	15.2	14.6	7.7

This low rate of profitability is largely due to the out-dated and obsolete means of production in British industry, and is not sufficient to attract new finance capital, repay loans on existing finance capital and at the same time to provide new plant and machinery.

The main reason for the falling rate of profit is technological advance, which demands increased investment in fixed capital (machinery etc.). The more advanced means of production enable

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(I) Burgess & Wood, 'The Profits of British Industry'  
(Published in Lloyd's Bank Review)



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more to be produced by the same work-force (or the same by less). Below is a brief illustration of the Marxist theory of the falling rate of profit.

Example 1

Investment in fixed capital (Cf)	£100,000
Investment in variable capital (Wages) (Cv)	£100,000
Surplus (S)	£40,000

$$\text{Rate of surplus value} = \frac{S}{Cv} = 40\%$$

$$\text{Rate of profit} = \frac{S}{Cf + Cv} = 20\%$$

Example 2

Investment in fixed capital	=	£400,000
Investment in variable capital	=	£150,000
Surplus	=	£100,000
Rate of surplus value = $\frac{S}{Cv}$	=	66 %
Rate of profit = $\frac{S}{Cf + Cv}$	=	approx. 18%

In Example 2, compared with Example 1, there has been an increase of capital spent on machinery of £300,000 and an increase of capital spent on wages of £50,000, whilst the surplus has increased by £60,000. But the RATE OF PROFIT has decreased by 2%. This occurs because the ratio of capital spent on machinery to the capital spent on wages has increased and it is only LABOUR-POWER which can create value.

The main effect of the falling rate of profit is that the capitalist needs to attempt to increase the exploitation of labour and that it becomes even more important for the capitalist to successfully market his product (profit is only realised when the commodity is sold). As the capitalist will turn towards further technological advance to increase the level of exploitation, the tendency towards a falling rate of profit will be exacerbated. So that, whilst each specific increase in productivity through technological advance will give a temporary boost to profits and improve the position of the individual capitalist over his competitors, and thus increase the trend to monopolization of the market, the OVER-ALL TREND TOWARDS A FALLING RATE OF PROFIT WILL BE HEIGHTENED.

Investment

At the root of the problems of the British economy lies the obsolete and out-of-date nature of Britain's productive forces, especially in such basic industries as engineering and ship-

building. Although it is true that technological advance means a falling rate of profit, it is also true that without that technological advance the British economy is further weakened by the successes of rival capitalist powers, particularly Japan and West Germany. British finance capital has for many years invested large sums of money abroad, and, whilst the trend has been towards a DECREASE in domestic investment, it has been towards an INCREASE in investment abroad.

#### British Investment at Home & Abroad (2)

	1968	1971	1972
Domestic	£1,425,000,000	£1,514,000,000	£1,359,000,000
Abroad	£350,000,000	£744,000,000	£1,350,000,000

The crisis has considerably worsened since 1972 and it is now almost impossible to raise capital on the stock exchange. In the autumn of this year (1974) the stock exchange index has been at its lowest since 1958. Taking into account inflation since that time, the level is actually lower than at the time of the Wall Street crash of 1929. What has prevented a crash of those proportions is the fact that large sums of capital are now raised through government loans, subsidies and nationalization so that capitalists are not to the same extent dependent on raising capital through stocks as they were in 1929. The crash in share prices is vividly illustrated by the fact that £100 invested in 1964 is now, allowing for inflation, worth less than £56.

#### THE TORIES' REMEDIES

The 'Selston' policies of the early years of the Tory government were an attempt to effect a drastic restructuring of British industry. By allowing economic laws to pursue their inexorable course, it was hoped that there would be a shift of investment from non-profitable to profitable industries - the 'lame ducks' policy; the same laws, would, it was hoped, force industry to release 'surplus' labour and re-channel it into new, highly productive, industries. At the same time it was hoped that wages could be kept down by crippling the bargaining power of the workers through the agency of the Industrial Relations Act. The collapse of businesses like Rolls-Royce, the effects of one million unemployed and the massive resistance of workers to the workings of the Industrial Relations Act, all combined to make the Tories rethink their strategy.

It has been remarked earlier in this article that inflation is the medicine, not the disease. Although inflation has been accelerating for a long time, it is only since 1972 that it has really got up steam. The last Tory government attempted to stimulate investment by creating a consumer boom through a relaxation of consumer credit and bank lending restrictions. If there is no real growth in the economy, but an expansion

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of consumer spending is still desired, then it is necessary to increase the money supply.

Money in circulation (4)

<u>1968</u>	<u>1972</u>
£15,800,000,000	£25,940,000,000

If we compare these figures with those for domestic investment we will see that the money supply has greatly increased, while there has been no corresponding growth in the economy; it is this increase in the supply of money without proportionate growth that is the essence of inflation. The Tories imposed a strict wage freeze at the same time as they promoted inflationary policies, in order to ensure that as far as possible the working people, and not the bourgeoisie, were the worst sufferers from inflation. These policies led directly to the great confrontation of 1973/74, the miners' strike, and the return of the seventh Labour government.

THE LABOUR GOVERNMENT OF 1974

The difference in approach of the Labour government to that of its Tory predecessor was noticeable within hours of its resumption of office. In contrast to the tough, abrasive, confrontation-style politics of the Heath-men were the conciliatory politics of Wilson and Co.

The miners' dispute was settled immediately on generous terms and the repeal of the Housing Finance Act and the Industrial Relations Act was promised; the Industrial Relations Act was repealed and new legislation, helpful to strikers, was introduced on the rights of pickets. Food subsidies were introduced, pensions and welfare benefits generally were increased and a shift in rating subsidies effected. All this is legislation helpful to the working people and therefore to be welcomed. But the government has been prevented by its minority status from implementing its more radical legislation; it is this policy, particularly the white paper on industry and the nationalization proposals, which this article will examine in some detail.

The Labour Party's plans for industry

"Britain's prosperity and welfare depend on the wealth generated by industry and all those who work in it. It matters vitally to us all that British industry should be strong and successful. We need both efficient publicly owned industries and a vigorous, alert, responsible

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(4) Financial Times, 8/6/73

and profitable private sector, working together with the government in a framework which brings together the interests of all concerned: those who own its assets, and those who use its products and depend on its success." (5)

The above quote should rid us of any illusions that the Labour Party's plans for industry are socialist plans; on the contrary they are, as Wedgwood-Benn has admitted, plans to make British Capitalism more efficient. There are three main elements to the proposals:

- a) A series of planning agreements to provide guaranteed investment;
- b) An extension of nationalization; and
- c) A National Enterprise Board (NEB) to set up and correlate all these activities.

The planning agreements will:

"...bring about a closer understanding between companies - workforce as well as management - and the government on the aims to be followed and the plans to be adopted in pursuit of them. They will not only help to ensure that the plans of companies are in harmony with national needs and objectives: they will also provide a securer and more coherent basis than has existed in the past for ensuring that government financial assistance is deployed where it will be most effectively used." (6)

The agreements will function through individual companies submitting their plans for investment for three years ahead. These plans will be reviewed annually, and will enable company and government together to estimate any required investment and government assistance under the provisions of the 1972 Industry Act. It is hoped that an integral part of the planning agreements will be the co-operation of unions in making plans for their own exploitation:

"Employees and their representatives will have a major interest in the issues covered by planning agreements. The government intend that the plans to be covered by an agreement will be drawn up in close consultation with trade union representatives from the firm.

The framing and updating of agreements will thus involve a continuing discussion between management and unions and will constitute an important advance in the part to be played by industrial democracy in the planning of company strategy. The government envisages that union representatives from companies, while not form-

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(5) Command 570I - HMSO

(6) Ibid.

ally parties to planning agreements, would also take part where they so wished in consultations on agreements with the government." (7)

The Labour party plans to bring into the public sector development land, oil, ship-building and aircraft, ports and cargo-handling, road haulage and construction. (8) It is clear that the government intends an extension of nationalization almost on the scale of that of 1945. Once more the industries which are being nationalized are those which can no longer be supported by private investment and which are needed to provide basic services to industry, such as the ports, or those where there is a need for national planning, such as development land. Generally speaking, profitable industry, except where there is an over-riding case for nationalization (as in development land) is to be left intact.

There are clear advantages to the capitalist system in the nationalization of the two profitable industries of oil and development land. Oil is such a basic need and is becoming such a scarce commodity that it will be clearly advantageous for the state to be able to plan its exploration, extraction, supply and use in such a way as to ensure the most rational use of a scarce resource. In recent years much capital which would formerly have financed expansion in industry is now being invested in land and property where vast profits are to be made but no value is created. The nationalization of development land is intended to divert some badly needed capital back into industry.

The National Enterprise Board (NEB) will be a public corporation, rather than a government body, which will have wide-ranging powers to intervene in industry. The most important of its functions will be:

- a) To be a new source of investment capital;
- b) To provide funds for firms in temporary financial difficulties;
- c) To start new ventures and participate in joint ventures with private firms; and
- d) To extend public ownership into profitable industry in certain circumstances.

In addition the NEB will function as a holding company for the shares which the government already has in private industry (Rolls-Royce, International Computers etc.).

To maintain working class support for the bourgeois Labour party it is necessary for the party still to be seen as the 'party of the working man'. We have already examined and welcomed some of the legislation passed by the Labour government since February. The Labour party, though, remains a BOURGEOIS party,

(7) Ibid.

(8) Labour Party Manifesto, October 1974.

and as such it is impelled to attack the rights and living standards of working people. The other side of the coin of the progressive legislation is that the party can win support from the working class for the type of legislation outlined above: a programme to rescue capitalism from crisis, masquerading as socialism. (It is helped in this task by the illusions about the nature of the bourgeois state shared by the 'left' Labour people, the CPGB and the Trotskyists.)

At the same time the party has also launched a disguised form of wage freeze through the agency of the 'social contract'. In return for SOME real benefits, but also in return for the largely illusory benefits of nationalization, the workers are expected to moderate wage demands. Although the working people will eventually reject the class-collaborationist policies of the Trade Union leadership, the ideology behind the 'social contract' is extremely dangerous and Marxist-Leninists must see the fight against this type of ideology as a prime task. It is significant that those workers with no traditional allegiance to the Labour party, such as the nurses and the civil servants, have led the fight against the social contract, and that those who do have such an allegiance have so far acquiesced in it to some extent. The proponents of the 'Vote Labour to Expose Labour' line (such as Dick Jones) must explain how their line, which panders to the backward consciousness of a minority of industrial workers, is relevant to workers such as the nurses and civil servants. The article will return to this theme later.

#### BOURGEOIS NATIONALIZATION

Few on the left will have any truck with the idea of the NEB; many though will welcome the extension of nationalization proposed by the Labour party and will call for an extension of nationalization (for example, the 'Militant' group's oft-repeated demand for the "nationalization of the 250 top companies without compensation and under workers' control"). There are even those in the Marxist-Leninist movement who appear to think that the Labour party's policies on nationalization should be implemented (see Dick Jones's article in MLQ 7). It is therefore necessary to spend some time refuting these illusions about bourgeois nationalization.

It is outside the scope of this article to conduct a general survey of bourgeois nationalization (that has already been done competently by JB in his article in MLQ 1 and readers are advised to use that article for reference material). What is necessary is to point out under what circumstances we would support nationalization, the role of the state, and what our attitude to the Labour party's specific proposals should be.

Firstly, it should be said that we cannot rule out IN PRINCIPLE support for nationalization - our attitude to nationalization is largely a question of tactics, and as such we will have to evaluate each specific act of national-

ization in the light of the prevailing circumstances and of our general theory. It would for instance be ultra-leftist to refuse support for the nationalization of a specific company, such as Rolls-Royce Aero-Space, when the act of nationalization would save the jobs of the workers in that company. We could also support and mobilise around demands for the state to take over private schools and hospitals and for them to be absorbed into the public sector. These are reforms which would improve the lot of the working people. What is necessary though is to point out that this type of nationalization is not socialism, and that it cannot be so as long as the state is a BOURGEOIS STATE.

"But the conversion into either joint-stock companies or into state capital does not deprive the productive forces of their character as capital... and the modern state too, is only the organization with which bourgeois society provides itself in order to maintain the general external conditions of the capitalist mode of production against encroachments either by workers or by individual capitalists. The modern state, whatever its form, IS THE IDEAL COLLECTIVE BODY OF ALL CAPITALISTS. The more it becomes the collective body of all capitalists, the more citizens it exploits. The workers remain wage-earners, proletarians. THE CAPITALIST RELATIONSHIP IS NOT ABOLISHED; IT IS RATHER PUSHED TO AN EXTREME." (Engels - Anti-Duhring; my emphases.)

Engels's great work Anti-Duhring should be mandatory reading for all Marxists today. His observations of the role of the modern state in relation to capitalism are more pertinent today than ever. His theory, considered leftist in his day, has had its correctness amply demonstrated by the experience of the last hundred years; the essence of his line is that the bourgeois state only nationalizes when it is in the INTERESTS OF CAPITALISM.

It is one thing for revisionists, with their concept of 'peaceful transition to socialism' and whose socialism is nothing but bourgeois socialism, to demand that the Labour party nationalise various industries; it is a demand which is quite in keeping with their bourgeois socialism. The Trotskyists also, with their demoralising concept of 'transitional demands', are being consistent to their own strategy when they make similar demands. How though does a Marxist-Leninist like Dick Jones justify his statement that "In such a situation it is imperative that the Marxist-Leninist movement is seen by the forces who have fought for the insertion of such a clause (on nationalization - NR) in the Labour party manifesto to be campaigning for the Labour Government to carry out its

pledge". (9) We know that Dick Jones is not a revisionist, we may assume that he shares the same theoretical background as to the nature of the bourgeois state as the rest of the Marxist-Leninist movement, so why does he think that the Labour party proposals on nationalization should be implemented? Does he think that the proposals are progressive? If he thinks so then he should explain how. Or is he perhaps making transitional demands?

In reality the proposals on nationalization are NOT progressive, quite the contrary; they are proposals designed to attempt to rescue capitalism from crisis. There is nothing in the proposals which either helps the struggle for socialism or improves the position of the working people; there is therefore no reason for us to support the proposals - and in fact we should fight against them.

#### WHAT THE LABOUR PARTY OFFERS CAPITALISM

The Labour party's policies are a reflection of the capitalist crisis. We have already examined their proposals in the light of the crisis brought about by the low profitability and lack of investment in British industry. For years government aid to industry has been steadily increasing in the form of investment grants, regional employment premiums and other fiscal measures. Investment grants alone have totalled over £75.2 million over the past four years. (10)

This massive aid has not significantly altered the very real problems that most companies face in maintaining liquidity, paying dividends and maintaining a sufficient level of investment. The aid has been piece-meal and has often been too late.

Through its proposed planning agreements, and in return for some government intervention, the Labour government hopes to be able to anticipate short-falls in investment and provide the capital needed for new plant through money raised by taxation, in a situation where it is increasingly difficult to raise it through the stock exchange. Through the NEB the government will be able to help and keep solvent companies which still run into difficulties.

The planning agreements and the NEB are primarily concerned with profitable industry. The plans for nationalization are intended to ensure that such basic industries as the ports, which are non-profitable, continue to maintain essential services for profitable industry.

Even if carried out, it is unlikely that the Labour party's policies could save British capitalism, except in the very short term. But it is important that Marxist-Leninists constantly

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(9) MLQ, No. 7, p. 5

(10) Labour Research Fact Service, 21st September, 1974



propagate the view that the policies of the Labour party on industry are intended to do just that, that they are nothing to do with socialism and that there is nothing in them which should command support from the working people or from socialists.

#### WHY MOST CAPITALISTS OPPOSE THE LABOUR PARTY'S PLANS

If one reads the 'Morning Star' or the 'Militant' one gains the impression that the Labour party is on the verge of introducing the socialist millennium, and that it is only being foiled from doing so by the fiendish plots and determined opposition of the Tory party, big business and Aims of Industry.

Dick Jones, although he knows that the Labour party will never introduce socialism, certainly appears to have illusions about Labour party policy, when he says:-

"The decisions of the 1973 Labour party conference and the 1974 election manifesto were probably the most 'progressive' policies adopted by the Labour party since 1945, and if they were to be honoured would undoubtedly be met by bitter opposition from the entrenched big business and financial interests in Britain and abroad." (II)

He appears to think that the policies themselves are progressive in a socialist sense and that the CENTRAL FAULT of the proposals is the RELIANCE ON THE BOURGEOIS STATE TO CARRY THEM OUT. Dick Jones lists what he calls the 'key decisions' of the 1973 Labour party conference in relationship to his phrase about 'bitter opposition'; THERE IS NOTHING IN THESE POLICIES WHICH IN ANY WAY THREATENS THE INTERESTS OF BRITISH CAPITALISM. It is significant that Dick compares the 1974 Labour party policies with those of 1945. Does he think that the measures carried out by the 1945-50 Labour government significantly altered the realities of class power in Britain? Does he think that the massive nationalization programme was progressive? Surely he must realise that in 1945, as in 1974, the Labour party carried out a programme to rescue British capitalism.

Dick Jones, like the revisionists and Trotskyists, assumes, because some of the Labour party's policies are opposed by most capitalists, that the policies should, IPSO FACTO, be supported by the left. The fundamental mistake that they make is their failure to recognize that the capitalist class is not AN HOMOGENOUS WHOLE and that

the interests of individual capitalists can be, and often are, different from those of the capitalist class collectively, i.e. the bourgeois state.

The proletariat, although having within it certain contradictions, is in essence collectivist. The aims of the class as a whole are in harmony with the objective interests of each member of the class. The bourgeoisie, though, is in essence COMPETITIVE. Its members necessarily fight against and devour each other. Though they will form a united front against encroachments of their interests by the working people, it is struggle rather than unity which is the principle aspect of the struggle/unity contradiction within the bourgeoisie. All this might seem most elementary, but it is only when these basic facts are REALLY UNDERSTOOD that the opposition of most bourgeois elements to the Labour party's policies can be seen in its true light.

It is this essentially disparate nature of the bourgeoisie which accounts for the existence of several bourgeois parties, representing different sections of the bourgeoisie, and having different policies for the problems of capitalism. This disparate nature is also the reason that individual capitalists will often complain bitterly about 'state interference' when the state is acting in the interests of capitalism as a whole, and that industrial capitalists will speak disparagingly about the city and vice versa.

The opposition of those bourgeois elements who oppose the Labour party's policies on industry is based on several considerations. Probably the prime reason is their well-founded dislike of ANY government interference, and when industrialists refer to the Labour Party as socialist it is government ownership and control that they are referring to. Traditionally industry and commerce consider that ALL governments should 'keep out of business'. The realities of the post-war economic situation have forced most capitalists to reconsider their situation-nearly all capitalists accept the public sector and there is no significant body of opinion within the bourgeoisie which would de-nationalize, except the most marginal enterprises such as Thomas Cooks and the British Rail Hotels. Business has been forced to turn to the government for financial help on an ever increasing scale, but they are still bitterly opposed to the government having any control over industry in return.

Although the majority of the bourgeoisie accept the nationalized industries and recognise the efficient and valuable job that these industries have done for the private sector, they still have an intense IDEOLOGICAL dislike for the CONCEPT of nationalization-and it is essentially this concept that Aims of Industry are fighting. The Labour party's plans are no threat at all to most of profitable industry, but the bourgeoisie see within bourgeois nationalization the bogey of socialism; they are of course correct in this insofar as state ownership, and even monopoly private enterprise, contain within it the GERM OF SOCIALISM, but only the germ.

This is why most capitalists, and organizations like Aims of Industry, carry out extensive campaigns against the CONCEPT of nationalization, although it is most significant that they DO NOT call for the de-nationalization of existing nationalized industries.

It is a mistake to imagine, as Dick Jones does, that the capitalists who are opposed to the Labour party's plans on industry will fight them to any great extent. Certainly this was not the case in 1945. No doubt the oil and property companies will fight the Labour party's proposals to nationalize their extremely profitable enterprises, but it is certain that their opposition will be expressed in purely constitutional terms, as the experience of all previous nationalization programmes shows. It is only when the actions of a government constitute a threat to the existence of capitalism that the bourgeoisie will resort to extra-constitutional means, and the policies of the Labour party are hardly that. Many businesses will probably obstruct their implementation and refuse to cooperate; though most of the provisions of the proposals on industry are voluntary in any case. But any obstruction and non-co-operation will be against the INTERESTS OF CAPITALISM; the selfish and conflicting interests of individual capitalists will be hindering the development of policies that will be to the long-term advantage of capitalism as a whole. Even if most capitalists do oppose the Labour party's policies on industry it does not mean that we should support them; to do so would be to take sides in an inter-bourgeois struggle.

There is a significant body of opinion within the bourgeoisie which supports the policies of the Labour party. It is important to recognise the role of academics and intellectuals; the bourgeoisie too have theoreticians, and it is out of the study of trends within the capitalist system that proposals like those of the Labour party arise. Leading social-democratic theoreticians like Crosland are thoroughly integrated with the bourgeoisie. The universities are by no means independent, but are closely linked with big business, and an essential part of their role is to discuss and evolve theories as to ways and means of helping British capitalism.

There are also significant numbers of individual capitalists who support the proposals of the Labour party. Apart from owners of unprofitable industries like the ports and ship-building, who will no doubt protest half-heartedly at their nationalization, but will in reality be only too glad to receive handsome compensation (like the mine-owners in 1948), there are many owners of profitable enterprises who WELCOME the Labour party's proposals on industry. A director of a public company in the food sector (hardly unprofitable) wrote to the 'Guardian' in the following terms:

"...the judgments of British industry in general have been very faulty during the

past couple of years. In particular, the cynical attitude of the City of London, swinging from euphoria to panic, has played a major part in creating the present situation. The miscalculations and disasters reported by some individual companies in recent months... indicate that British industry is not going to be able to weather the storm without substantial state intervention. ...The reality is that whatever government is returned, private enterprise will be unable to cope... and will require substantial support from the government if they are to survive... For these reasons the hypocrisy of leaders in British industry... leads me to the conclusion that the Labour party... must be supported." (I2)

For all the reasons outlined above, there is no advantage, either tactically or strategically, in supporting the policies of the Labour party on industry; if we do so we shall be supporting the policies which are in the direct interest of the capitalist system as a whole.

This article up to now has considered only the policies of the Labour party in relationship to the bourgeoisie; the rest of the article will examine the relationship of the party to the working people.

#### VOTE LABOUR TO EXPOSE LABOUR?

"At present, British Communists very often find it hard even to approach the masses, and even to get a hearing from them. If I come out as a Communist and call upon them to vote for Henderson and against Lloyd George, they will certainly give me a hearing. And I shall be able to explain in a popular manner, not only why the Soviets are better than the dictatorship of Churchill (disguised with the signboard of bourgeois 'democracy'), but also that with my vote, I want to support Henderson in the same way as the rope supports a hanged man - that the impending establishment of a government of the Hendersons will prove that I am right, will bring the masses over to my side, and will hasten the political death of the Hendersons and Snowdens just as was the case with their kindred spirits in Russia and Germany." (I3)

(I2) 'Guardian', 4th September, 1974

(I3) Lenin - Selected Works, 1964 Russian Edition, Vol. III, p. 405

At the beginning of this article it was stated that the British left has used the tactical advice contained in the quote above as an 'ossified dogma'. Lenin was writing in a period of proletarian revolutions, when he and the other leaders of the Comintern confidently expected revolution to break out throughout Western Europe.

"If the objection is raised that these tactics are too 'subtle' or too complex for the masses to understand, that these tactics will split and scatter our forces, will prevent us from concentrating them on Soviet revolution etc., I will reply to the 'left' objectors: don't ascribe your doctrinairism to the masses! The masses in Russia are no doubt no better educated than the masses in Britain; if anything, less so. Yet the masses understood the Bolsheviks, and the fact that, in September 1917, ON THE EVE of the Soviet Revolution, the Bolsheviks put up their candidates for a bourgeois parliament (the constituent assembly) and ON THE DAY AFTER the Soviet revolution, in November 1917, took part in the elections to the constituent assembly, which they got rid of on January 5th 1918 - this did not hamper the Bolsheviks, but, on the contrary, helped them." (14)

It is evident that Lenin considered that the Labour government (when it took office) would be a Kerensky government, a transitional government prior to the establishment of a British Soviet government.

Why some Marxist-Leninists should consider that the tactical advice given by Lenin in 1920, in a situation where "...In Great Britain...conditions for a successful proletarian revolution are clearly maturing" (15), is valid today, is a mystery that only they can answer. It is at least problematical whether the specific conditions of 1921 will ever recur - if they do, any transitional government could not be formed by the Labour party. The Labour party is today a party which is integrally linked to the bourgeoisie, a party which has given them sterling service for over 50 years. In 1920 the British people had still to experience a Labour government, today they have had seven. The working people of Britain no longer have but the most residual illusions in the Labour party - for the most part those who do so support the Labour party because they consider it to be the 'lesser of two evils'. In the February 1974 election only 45% of workers and only 39% of the electorate (16) voted

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(14) *ibid.* p. 405

(15) *ibid.* p. 401

(16) *Sunday Times*, 2/6/74

for the Labour party. It is true that large numbers of militant workers and trade unionists DO HAVE illusions about the nature of the Labour party, but we cannot tailor our attitudes to pander to the in some ways backward consciousness of these workers. Nor can we call upon the majority of workers who do not support the Labour party to start supporting it. These workers, who usually have an attitude of 'they're both the same', have seen through their own DIRECT EXPERIENCE what little difference it makes whatever party is in office. It is true that many of them have sunk into attitudes of apathy and cynicism, but it is our task to build on their rejection of party politics and turn it into a conscious rejection of the capitalist system. We shall not do that by asking them to vote Labour - we would be tailing behind their level of consciousness. Neither will we begin to accomplish the vitally important task of winning support for Marxist politics from the large numbers of people from the intermediate strata - nurses, teachers, civil servants - who are just beginning to flex their political muscles, albeit in an economist manner, and who have absolutely no traditional allegiance to the Labour party, by telling them to vote Labour. Dick Jones says:

"For the Marxist-Leninist movement to earn a position of leadership in working class struggle it is necessary for it to be ACTIVE PARTICIPANTS in all the economic/political struggles embarked upon by the working class. An important feature in the coming months will be the campaigns inside and outside of the official movement for the Labour government to honour its manifesto and for it to be answerable to its policy-making conference. It will be an act of criminal infantilism for Marxist-Leninists to stand aside from these campaigns and to say that WE know the inevitable role of Labour governments, and therefore WE will stand aside from the struggles." (17)

Dick appears to think, and it is a theme which runs through out his article, that the only alternative to HIS strategy towards the Labour party is to stand aside from the struggle. Long ago in China Mao Tsetung said:

"Every revolutionary party and every revolutionary comrade will be put to the test, to be accepted or rejected as they decide. There are three alternatives. To march at their head and lead them? To trail behind them gesticulating and criticising? Or to stand in their way and oppose them? Every Chinese is free to choose, but events will force you to make the choice quickly." (18)

(17) MLQ, No. 7, p.5

(18) Mao, Selected Works, Vol. I, p. 24

"To march at their head and lead them" should be our attitude to the masses and their increasing rejection both of the Labour party and of parliamentary democracy, which are not synonymous. A general exposure of parliamentary democracy, in a situation where increasing numbers of people are rejecting the political charades of general elections, is more important than exposing the Labour party, though that too must be an important part of our work. Our method of exposing the Labour party should be by pointing out its essentially bourgeois nature based on its record in seven governments and when out of office. We should compare the reforms that the party has carried out in the interests of the working people with the far greater service it has rendered to the bourgeoisie. We cannot do this by telling people to vote Labour, to do so would be to trail behind the majority who no longer vote Labour.

If a Labour government is elected, although it would, as Dick Jones says, "be an act of criminal infantilism to stand aside from these campaigns", it would also be an act of gross opportunism to support them. To do so would be to lend support to the idea that the Labour party manifesto should be implemented. Dick Jones has said that we should be seen by the forces who have campaigned for the inclusion of the clauses on nationalization to be actively campaigning for the implementation of these clauses. Why? The forces who have fought for that clause are bourgeois elements, left social-democrats and the Trotskyists of the 'Militant' and 'Chartist'! Why should we tailor our policies and attitude to the Labour party to those of these people? We should on the contrary oppose the policy, not by opposing its actual implementation, but by explaining the real nature of bourgeois nationalization and why the Labour party carries it out. Furthermore we should oppose in a similar fashion the transitional demands (nationalise the 250 top companies without compensation and under workers control) that the Trotskyists will pose to a Labour government. Demands of this nature are extremely demoralising to those militants who are conned into campaigns of this type, and only lead to cynicism and apathy.

There ARE certain policies of the Labour party that we should support; for example in their October 1974 election manifesto their promises include:

- "introduce an Employment protection bill"
- "Measures will be taken to tackle the evils created by private employment agencies and to deal with the abuses of labour-only contracting"
- "Attack family poverty by increasing family allowances"
- "End the II plus and stop the present system of direct grant schools"
- "Protect council tenants by giving them security of tenure"
- "...new rights for women through a Sex Discrimination Bill"

These are measures that are worthy of support, but we should support them not by demanding their implementation, a method which lends credence to the reformist strategy as they are all demands which are capable of realization, but by giving them CRITICAL support at the same time pointing out the inevitable shortcomings of reformist legislation. It is important though that our support for reforms of this nature are placed in the context of OUR OWN PROGRAMME OF MINIMUM DEMANDS. A feature of the British Marxist-Leninist movement, arising out of our recent history, has been a tendency to indulge in shrill denunciations of everything and everybody in a very negative fashion without posing any constructive alternatives. We urgently need, as part of the Marxist-Leninist movement's programmatic work, to formulate such a minimum programme of progressive and democratic demands, including such measures as a restriction of shift-working, free provision of creches and nurseries in factories, the abolition of private medicine and education and many others.

Any support for reforms implemented by the Labour party should be placed in the context of such a programme; otherwise we run the risk of reinforcing, not exposing, reformist delusions. Our own demands should be demands which are posed on THE STATE, on whichever bourgeois party is in office, not just on the Labour party. Similarly, if ANY of the bourgeois parties proposed reforms, then we should give it EXACTLY THE SAME KIND OF CRITICAL SUPPORT which we would give to reforms implemented by the Labour party. To make demands on the state only when a Labour government is in office is to assume that there is a qualitative difference between the Labour party and the other bourgeois parties, when the difference is in fact quantitative, arising out of the Labour party's history. Obviously we adopt different tactics to expose bourgeois democracy for different governments, but our strategy is the same whichever party is in power - to expose the partisan nature of the bourgeois state and to prepare the road to revolution; that is why we should make demands on the state, not just on social-democracy. With a minimum programme of the type outlined in this article we can mobilise support around the demands, win acceptance of broader Marxist-Leninist ideas, expose the bankrupt and reactionary nature of ALL the bourgeois parties, not just the Labour party, and ultimately of bourgeois democracy itself.

#### THE LESSER OF TWO EVILS?

Those who argue on this basis usually start by pointing out the working class support for the Labour party, and further argue that this support prevents a Labour government from introducing the type of anti-working class and repressive legislation beloved of the Tories.

"...it prevents the immediate and outright anti-working class attacks which would be



mounted by a Labour government." (I9)

If this is true, then it is true only to the most marginal extent. Both parties are bourgeois parties openly committed to the maintenance of the capitalist system. The policies of the Labour government, irrespective of the subjective wishes and feelings of party members or even of members of the government, inevitably reflect this fact, and they are compelled to mount attacks on the working people. There is nothing that the last Tory government did that its Labour predecessors in office did not also do. For phases 1, 2, and 3, the Prices and Incomes Board. For the Industrial Relations Act, 'In Place of Strife'. For the 'Lame Ducks' policy, the Industrial Re-Organization Corporation.

It is this face of the Labour party that is its true face. It is true that there is another face, the face of social reforms, of increased pensions and family allowances. But these are the policies that the party needs to adopt to win support from the working class for policies which are against their own interest - the social contract and nationalization.

The Labour party has been most conciliatory in the period since the February election. What is certain, though, is that the economic crisis will make it inevitable that within months, if not weeks, of the October election, the Labour government will be compelled to launch a brutal attack on the rights of the working people.

The London group of the CFB make the extraordinary claim that "Labour finds it particularly difficult to run capitalism". (20) This is a statement which is made without one shred of supporting evidence or argument. The evidence presented in this article, and the experience of seven Labour governments, show the patent absurdity of this statement. The Labour party has on the contrary proved itself a better administrator of capitalism than the Tories. Could the Tories have carried out the job of post-war reconstruction remotely as well as the Labour party? Of course not! Are the policies of the current Tory party more in tune with the needs of the capitalist system than those of the Labour party? Did the 1964-70 Labour government administer capitalism less efficiently than the Tory government of 1970-74? No and No!

Any marginal advantage to the working people cannot possibly justify giving tactical support for the return of a Labour government; instead we should adopt the type of strategy outlined in this article.

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(I9) 'Why the Election Matters!' - London CFB

(20) *ibid.*

## CONCLUSIONS

The Labour party was formed out of the need for the economic struggles of the trade unions to be expressed in political terms. The party has always had the same essentially bourgeois nature as that of the unions themselves - a basic acceptance of the existing system coupled with a reformist strategy for limited change. Over the years the party has become more and more allied with the bourgeoisie, until it is today PREDOMINANTLY a party of the ruling class. A contradiction exists in that it also holds the allegiances of large numbers of the working class, but this is the SECONDARY aspect of the contradiction. The party's REAL nature is clearly expressed in its policy and practice. Throughout Dick Jones's article in MLQ there is an assumption that the support of the Labour movement is in fact the PRIMARY aspect of the contradiction - he constantly equates the working class with the Labour party and the bourgeoisie with the Tories. "Since then the Labour party has gained and held the allegiance of the vast majority of the working class who are consciously opposed to Toryism and the establishment." (21)

It is this false concept which accounts for the false strategy that Dick advocates that we should adopt towards the Labour party. This article has argued a contrary case - that the Labour party is predominantly bourgeois, that its policies and programme offer far more to the bourgeoisie than to the working people, and has advocated a policy of forthright and open opposition to the Labour party. The adoption either of Dick Jones's strategy or of the tactical voting of the 'Lesser of Two Evils' approach will put us in the position of those who in Mao's phrase "Stand in the way and oppose" the masses, and, as in China, events will force us to make the choice quickly.

Neil Redfern  
October 1974

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(21) MLQ No. 7, p. 3

# MANIFESTO OF THE REVOLUTIONARY COMMUNIST PARTY OF CHILE

## AN INTRODUCTION

In this issue of MLQ we are publishing a document entitled "A Manifesto to the Chilean People" from the Revolutionary Communist Party of Chile. This is a recent publication of the Party and it outlines the lessons of the 1973 coup and calls for a united patriotic front to defeat the junta and their U.S. imperialist allies. The analysis of the coup, and the events which preceded it is based on a Marxist-Leninist analysis of Chile. On this basis the present struggles in Chile are seen within the framework of attempts to unite the majority of the Chilean people on the basis of a democratic programme for national liberation. In this introduction we wish to present the analysis of the RCP to British comrades as a basis for study of the manifesto and also to point to aspects of the Chilean situation which should serve as useful lessons to revolutionaries in this country. In doing this, we wish to stress that the analysis presented is that of the RCP and not the position of the Communist Federation of Britain.

### THE REVOLUTIONARY COMMUNIST PARTY

The RCP was formed in the early 1960s, during the rule of the reactionary Frei regime, and was, from its inception a clandestine organisation. In the beginning the organisation was small, and concentrated on the countryside. Through accumulation of experience, and struggles within the organisation the Party developed, and extended its work into the major industrial bases.

With the development of popular support for the Popular Unity government headed by Allende, the RCP faced the need to analyse this political organisation. The party stressed that the Popular Unity coalition (including social democrats, the revisionist Communist Party of Chile, and other left organisations such as MAPU) essentially represented a split within the bourgeoisie in Chile. This split divided the 'bureaucratic bourgeoisie', based on a state sector of the economy which had been developing since 1938, from the more reactionary sector, tied closely to US interests, and the large landowners - the latifundista who maintained a semi-feudal hold over the agricultural proletariat and small peasants. The former section of the bourgeoisie, to the extent that they opposed US economic domination of Chilean industry, were patriotic, and progressive and also advocated land reform, a platform which enabled them to gain support among the workers and peasantry.

The RCP called for a boycott of the elections in opposing the overall platform of the Popular Unity as a form of 'peaceful transition' towards socialism, but supported measures taken in the interests of the people. For example nationalisation of the copper industry and land were

supported, but the reservations of the RCP over the form which these measures took was soon confirmed in practice.

The nationalisation of copper mines involving full compensation to US investors, also involved shouldering responsibility for the debt repayment on capital investment in the mines. Consequently the ability of the nationalised mines to accumulate funds for their own use was severely curtailed. The nationalisation of land too illustrated the total absence of any real understanding of land reform on the part of the Allende regime. Land was nationalised, re-parcelled, and distributed to the peasantry, without due provision of machinery, foodstuffs, livestock etc. Thus the peasantry found themselves in possession of useless land, which could only be turned into cash by reselling the land to the old landowners.

The Popular Unity regime was of course hampered by the lack of a majority in Congress, which meant that the Christian Democratic Party could block attempts at reform attempted by Allende. Thus the people were constantly exhorted to demonstrate support for the Allende government whilst being discouraged from taking other than 'purely constitutional' action in support.

The strategy of the RCP was based on their class analysis of the Chilean situation. Based on the history of capitalist development in Chile, there is a large intermediate strata of small producers ('artisanos') or small employers, craft workers with their own workshops, lorry owners etc for whom the Popular Unity had no coherent approach. The RCP however stressed the need to incorporate the needs of this sector into any strategy for real change in Chile. They stress that this sector had no interest in continued US domination, and that they could be won over in support of a democratic programme. Allende's policies however contributed to their increasing alienation from the so-called 'socialist' road of the Popular Unity.

#### THE COUP AND THE PRESENT SITUATION

As the situation developed in 1972-73 sections of the workers and peasantry began to take matters into their own hands. Factories were taken over by the workers, in part in retaliation against constitutional blocking by the right, whilst the mapuches (indian natives) began to take over land from the landowners. These developments were supported by the RCP, who stressed the need to form militias for the defense of the people's gains. It was in this situation, with increasing fascist mobilisation, that the demobilising nature of Popular Unity strategy was revealed. Again, arguing for constitutional actions, many sections of the Popular Unity alliance, including the revisionists, attempted to block these developments, and this continued even at the time when the armed forces were attempting to extract concessions from Allende, and were negotiating places for them-

selves in his cabinet, as a means of 'defending the constitution'. Indeed Corvalan, the revisionist leader, made a speech shortly before the coup in which he argued that 'the enemies of the armed forces are to be found in the camp of reaction' (published in Marxism Today, September 1973).

This then was the background to the coup - as a result of PU strategy the people were disarmed and unprepared for the defence of their gains against the overwhelming forces of the state.

In their manifesto the RCP stress the centrality of drawing lessons from the events in Chile:-

"It is not enough to reply that there was a fascist coup and that this is why the PU government fell. It is necessary to go beyond this and to analyse how the conditions which made possible the accelerated weakness of the PU strategy and the progressive strengthening of the reaction were maturing. As proletarian revolutionaries we have a very great primary responsibility: to EXTRACT THE POLITICAL LESSONS FROM THIS PERIOD, to elucidate this dialectical and complex political process TO EXTRACT THE EXPERIENCES which will help us to construct a solid revolutionary movement in the immediate future. This is the demand made on us by the murder of thousands of patriots at the hands of the dictatorship."

The present task, as outlined by the Manifesto, is to draw these lessons and to unify the majority of the Chilean people against the junta and US interests, again dominant in Chile. Again, the RCP argues that this will best be done on the basis of a democratic programme for national liberation, which is an essential pre-requisite for socialist advance. (In this respect, the RCP comrades argue that the situation in Chile is analogous to that in South Vietnam and to the stage of New Democracy in China in 1948.) This can only be done by comrades working in Chile, although with the aid of concrete solidarity from Europe.

#### THE LESSONS FOR US

Most left groups in Britain have presented analyses of the Chilean situation, with the aim of drawing the lessons. This has often taken the form of more or less simplistic transfer of general principles from one situation to another. For example the IMG, with their slogan 'Armed Road the Only Road' believes that the issue is a simple one of military strategy versus the peaceful road. They tend to forget however that 'war is a continuation of politics by other means', and that a military strategy only works in the context of a correct class analysis of the concrete situation. At the opposite pole, the revisionists in Britain as in Europe as

a whole have embarked on a tear-jerking exercise of so-called solidarity, in which the real politics of the situation are repressed completely. We have to recognise that the situation in Chile is a complex and specific one, a result of the development of capitalism in that area.

There are however a number of general lessons that can be drawn mainly bearing on the nature of reformism, and revisionism. It is clear from the events preceding the coup that a strict adherence to the means of the bourgeois state can only lead to demobilisation of the masses. In Chile, it was precisely at the point when workers began to take their own extra-parliamentary steps to safeguard the gains made under PU that the revisionists found themselves moving against the factory occupations etc on the basis that they were 'unconstitutional'. It was at this point also that they found themselves divorced from the people, since their reliance on electoral politics had cut them off from the struggles of workers at the point of production and from the peasantry on the land. The Chilean situation provides an excellent lesson on the weaknesses of the 'peaceful road'.

Popular Unity however was not a simple reflection of revisionist policies. As a whole, its actions were characterised by the absence of a clear identification of the contradictions within Chilean society, coupled with bourgeois notions of 'nationalisation' and socialism which could not ultimately come to grips with the real problems facing the people. As the RCP manifesto illustrates, no real progress will be made in the absence of a thorough understanding of the way forward, based on policies which can unite progressive classes, including the intermediate strata. A government of the PU type which share many characteristics of European social democracy can only lead to the disarming, and temporary defeat of progressive forces at the hands of the bourgeoisie.

PJ

#### Editors Note

The editorial committee would welcome correspondence from Chilean comrades, including those from other political tendencies, on the Manifesto from the Revolutionary Communist Party comrades.

# THE BEST HOMAGE TO THE MARTYRS OF THE DICTATORSHIP AND THE REPRESSION IS CARRYING ON THE REVOLUTION

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## .....MANIFESTO TO THE CHILEAN PEOPLE.....

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### CHAPTER I - THE LIVES OF CHILEANS ARE IN DANGER

A profound political change has taken place in Chile. There are new and great revolutionary tasks ahead for the democratic sectors in general and, in the first instance, for the proletariat.

In effect, the 'curtain' which covered bourgeois democracy fell away on the 11th September 1973. Its armed protectors, the "chief support of the reactionary state", the Army, the Navy, the Air Force, and the Carabineros (National Police) carried out the fascist coup d'etat, THE MOST BRUTAL EVER KNOWN IN THE HISTORY OF CHILE. They overthrew and murdered Salvador Allende, President of the Republic. They launched the most violent, repressive and bloody offensive and up until today have murdered thousands and thousands of patriots; they have captured, imprisoned or sent to concentration camps more than twenty thousand people including women and children.

Today the whole country is a prison and all Chileans are liable to become victims of the fascist murderers. This is why a State of Internal War has been decreed. Since that date the country has been in a state of siege and curfew has been imposed. In practice it is only the law of the bayonet and the bullets of the anti-patriotic military that rule in the Republic.

Within this short lapse of time, the iniquities and crimes committed by the repressive forces of the fascist dictatorship are truly impossible to count. The industrial proletariat of the large state-controlled companies is the sector which has contributed and goes on contributing the highest quota; next to them are the peasants, the heroic young people and the revolutionary intellectuals. Right up to today each person is living a tragedy. Break-ins, violations of domicile, thefts, bestial tortures, bullets and mass murders ARE THE PRINCIPAL CHARACTERISTIC OF THE FASCIST MILITARY JUNTA.

Murders of prisoners are a daily occurrence and they are covered up by vile slanders and subterfuges. Here are two examples: on Saturday 22nd of September the patriots Fidel Bravo and Raul Baccharini were murdered in the port of San Antonio together with four regional leaders of the stevedores: Hector Rojo Alfaro (a militant of the PDC), Samuel Nunez Nunez, Armando Jimenez Machuca and Guillermo Alvarez Gana, who had all been taken prisoner that very day for carrying out trade union activities. On Monday 24th, the gorillas announced that these patriots "died while attempting to

escape as they were being transferred in a military vehicle" (Daily newspaper La Tercera 24 9 '73)

On Sunday 23rd December the Chief Command of the State of Siege in Santiago announced that "a group of individuals had been caught behaving suspiciously doing something in a position in a high-tension electricity tower"... "on being apprehended by the chief of the patrol for identification and questioning the individuals opened fire on the soldiers, causing a subsequent rapid interchange of shots"... "the result of this exchange was the death of five extremists, apparently the whole of the sabotage group" (El Mercurio, 23.12.73). These five workers were already prisoners; they had been tortured, mutilated and murdered several days before anything was heard about the imaginary 'sabotage'. Amongst them were workers from Sumar and pobladores\* from La Legua. One of them was active in the Catholic workers' youth organisation.

The fascist coup opened up a new stage in our national history, unlike any ever known before in its cruelty, its abuses and the scale on which they were carried out. Never before had any reactionary government in our country so savagely repressed such vast sectors, the absolute majority of the population. Never before had the Chilean people been subjected to so many abuses nor so rapidly despoiled of its most elementary rights, fought for for more than a century with its own blood, sweat and tears.

NEVER BEFORE HAD THE LIFE OF THE IMMENSE MAJORITY OF OUR COMPATRIOTS BEEN SO THREATENED

In Chile, since the coup, there has been killing, repression and the breaking into and destruction of homes; torturing and imprisonment go on without trial or defence; people are banished to grim concentration camps; all this with the single aim of securing and confirming the superexploitation of the people at the hands of the monopolies, and the repression is justified by citing the State of War and the State of Siege.

The right of asylum is violated here with impunity, the bourgeois Parliament is closed down, freedom of expression and freedom of the press are abolished with a stroke of the pen for all the democratic and popular sectors. Freedom to hold meetings is done away with, political parties are banned. The United Workers' Headquarters (CUT) is outlawed and the whole trade union movement is persecuted.

The pobladores are persecuted; there is military intervention in the universities, secondary schools, elementary schools and libraries. Thousands of students, teachers, professional people and intellectuals are expelled; hundreds of thousands of workers, public employees, doctors,

\* pobladores - literally 'slum dwellers'



engineers, and government officials are dismissed from their jobs after many years of work and sacrifice, their only crime being to defend their rights and not accept the sinister gorilla jackboot.

In this bloody and bitter hour for Chilean patriots and the democratic sectors who make up the absolute majority of the country, when the fatherland is sprinkled with the blood of its children, vilely murdered, we say to these gorilla executioners, disciples of Hitler, that they should not forget that that man began his campaign to enslave Europe in the same carefree way. But he was brought down by the forces of democracy and many of his accomplices ended up hanged in Nuremberg for their war crimes. **THE PEOPLE TELL THESE MURDERERS: DEBTS OF BLOOD ARE PAID WITH BLOOD.**

#### THE CLASS NATURE OF THE POLITICS OF THE FASCIST GOVERNMENT JUNTA

It is necessary for us to ask, faced with these events and with the ridiculous 'nationalist' and 'portalian'\* demagoguery proclaimed by the gorillas: what is the class nature of this government? what interests does it represent? who benefits from its politics? These are fundamental questions which we must examine, from Marxist-Leninist positions, in order to work out the proletarian political line accurately.

It is indisputable that the fascist dictatorship of the generals represents the **ULTRAREACTIONARY FORCES OF THE COUNTRY AND THE INTERESTS OF THE U.S. MONOPOLIES.**

Its world outlook, its ideology, although presented through rabid patriotism wrapped in cheap sentimentality and chauvinism, are none other than **REACTIONARY BOURGEOIS NATIONALISM**, the declared enemy of democratic liberties, which is openly opposed to all progress for the people and which seeks to maintain the country in obscurantism and more and more submissive to U.S. imperialism. Thus for example its cultural policy is characterised by the reactionary persecution of the progressive social, economic and political sciences and the related professions; they are supplanted by deceits and outdated bourgeois and American theories like Keynesian liberalism, and the fascism, nazism and corporatism of Mussolini, Hitler and Franco.

In the political sphere they are attempting to reinforce the bourgeois dictatorship with a fascist state and are militarising all the activities of the country. They have liquidated all the democratic liberties in order to introduce the most cruel oppression against 90% of Chileans. However much they try to dress themselves up in 'legal' clothing, with a semblance of 'constitution', with civilian ministers, etc. **THIS DICTATORSHIP IS THE MOST BRUTAL AND FRANK EXPRESSION OF THE OLIGARCHY**, which tries to prolong indefinitely the

\* Diego Portales: Ultra reactionary President of Chile in the 19th Century.

exploitation of the people.

In the economic sphere, the concentrated expression of the dictatorship is its movement towards the accelerated concentration of capital. This is based on the cruellest and most ruthless exploitation of the masses. The basic line which guides the politics of the Junta is making the big exploiters richer and the exploited poorer.

The slogan of exploitative capitalism is **MAXIMUM PROFIT FOR ITSELF AND ABSOLUTE AND RELATIVE IMPOVERISHMENT FOR THE WORKER AND THE LABOURING PEOPLE**, even though this has to be imposed by means of bayonets, bullets, prison and death.

The real guiding forces of the economic policies of the Junta are the typical pawns of big NATIONAL CAPITAL AND U.S. IMPERIALISM. The basic aspects of their policies are:

a) Accelerated penetration of U.S. monopoly capital into huge companies, mainly exporting companies, with guarantees of superprofits (for example: systematic devaluation of the escudo). Transfer of control of the economy in its most fundamental sectors, into the hands of the U.S. monopolies in association with the fascist-bureaucratic-military caste which controls the state, companies, credit, agriculture, technical aid etc. Commitment to paying off the external debt and the most substantial indemnities to the U.S. consortiums nationalised by the previous government.

b) Liquidation of the Chilean trade union movement, imprisonment and death of her revolutionary trade union leaders. Formation of a trade union movement under control.

c) Freeze of wages, salaries, pensions, and accelerated devaluation of their buying power.

d) Unemployment of almost ONE MILLION CHILEANS, who will struggle, with their families, in the most terrifying poverty.

e) Rises and free prices for company managers and speculators.

f) Bankruptcy of considerable sectors of national industry and their ousting by the indigenous oligarchies and U.S. consortiums. Threat of mass ruin for small and medium-sized businesses in town and country (and even some large ones) faced with the violent rise in prices of raw materials, overheads, taxes, the ceasing and restriction of state credits, faced with the fall in buying power of the public and the competition with the monopolies.

It is untrue, completely untrue, that these policies are going to save the country. On the contrary, the economic crisis will get worse and worse. The expenses of the state will not diminish, on the contrary, this military machine costs millions and millions of escudos in promotions, privileges, medals, trips abroad for a bunch of spongers and

journalists who can be bought. The fighting and repressive apparatus of the state will increase enormously: the purchase of arms and tanks from France for about 50 million dollars, the calling-up of reservists from former contingents etc. The increasing debt, the state of dependence and the U.S. plundering will increase. Production will probably increase in a few areas as a consequence of the military oppression. But the crisis is getting deeper. To go forward, the country needs revolutionary transformation and that will never be carried out by the bourgeois state.

## CHAPTER II - THE HISTORICAL EXPERIENCE OF THE CHILEAN PEOPLE

In this new stage the principal goal of the Chilean revolution is the liquidation of the political and economic domination of North American imperialism and the overthrow of the puppet fascist dictatorship which has turned the nation into a prison, bringing terror, fearful poverty and death to people's homes.

It is clear that these bloody enemies are not invincible but they are nonetheless provisionally powerful. This is why, to obtain advances and real victories, the emancipation movement must equip itself with a correct political line, powerful mass organisations, a Broad National Liberation Front in which all patriots participate, a People's Army and a Great Proletarian Party, armed with Marxist-Leninist science. Only in this way will we obtain total and definitive triumph.

It is in consideration of these historical imperatives that we are calling for an examination of the historic experience of the revolutionary movement of our country. And in so doing we start from a principled position with a broad unitary criterion. For us the important thing is to strengthen and not to weaken the authentic Chilean revolutionary forces.

With this in view, we must demonstrate that the experience of the Chilean people in the three years of the Popular Unity government with Salvador Allende as President is the richest, the most profound and most recent experience and logically we must pay it great attention. But this experience is not the only one that we must analyse. Also present in the analysis must be the experience of the Popular Front, the Democratic Alliance and other movements in which the working people, responding to the call of political parties who passed themselves off as workers' parties, elected presidents of the Republic who, once they were installed in O'Higgins' armchair, turned against the people, forgot them and even brutally repressed them, like Gabriel Gonzalez Videla and others.

We are only pointing to this long period of the history of the Chilean revolutionary movement but we do reaffirm that it is necessary to study it very thoroughly. What is more, we believe that in it can be found determinant factors related to the fall of Allende. Fundamentally we believe

that in it can be found clear explanations as to why the revolutionary forces were unable to depend on a correct revolutionary strategy and as to why some sectors of the proletariat accepted to a certain extent the ill-named 'Peaceful Road'; and also as to why the trade union movement suffered such tremendous bourgeois deformations which corroded and weakened it to some extent until it became an easy prey to opportunists, revisionists and exploiters. The fact of not relying on a (correct) strategy and (authentically proletarian) party does not mean - in any way - that a powerful revolutionary proletariat does not exist or is not developing in Chile. Its fundamental problem is that as it did not assimilate Marxism-Leninism to any extent it let itself be used by the bourgeoisie.

In these grievous and bitter days, large sections of the masses are asking themselves why the Allende government was deposed with such ease by the fascist military after three years of existence. They are asking whether the Popular Unity government was powerful or weak, they are reflecting upon why it leaned on the armed forces and not on the people.

It is not enough to reply that there was a fascist coup and that this is why the Popular Unity government fell. It is necessary to go beyond this and to analyse how the conditions which made possible the accelerated weakness of the Popular Unity strategy and the progressive strengthening of the reaction were maturing. As proletarian revolutionaries we have a very great primary responsibility: TO EXTRACT THE POLITICAL LESSONS FROM THIS PERIOD, to elucidate this dialectical and complex political process TO EXTRACT THE EXPERIENCES which will help us to construct a solid revolutionary movement in the immediate future. This is the demand made on us by the murder of thousands of patriots at the hands of the dictatorship.

#### THE ESSENCE OF THE SO-CALLED 'CHILEAN ROAD TO SOCIALISM'

At the beginning of the 1970s, on the international front, the heroic struggle of the peoples of South East Asia for their national liberation, held down the mighty bulk of the U.S. forces of aggression, caught in a swamp. Its overthrow at the hands of the Vietnamese people weakened North American imperialism politically, economically and militarily. The struggles of the peoples and countries of the Third World to win their self-determination and liberation and defend their sovereignty received a great impetus.

Other imperialist (principally Russian social-imperialist) and capitalist powers took advantage of the gradual and relative weakening of the U.S. to contest with greater force their markets and zones of influence in the world.

These were contributory factors in precipitating the imperialist financial crisis which materialised in successive

devaluations of the collar, growing internal inflation, an increase in unemployment etc.

In Latin America, the reformist U.S. tactics contained in the "Alliance for Progress" programme did not succeed in checking or turning aside the revolutionary movement of the peoples. Their consciousness and anti-imperialist struggle grew in strength. Certain sections of the civilian and military bourgeoisie attached to the state apparatus were strengthened; they used the popular movements to a greater or lesser degree to press for their own bourgeois development, furthering programmes of state ownership and nationalisation of raw materials, companies and services in the hands of U.S. consortiums.

This convulsed international panorama determined tactical changes in the form of imperialist domination over the countries and peoples of the Third World. They were not in a position to defend their interests in any place in the world by means of open and direct aggression. Starting in South East Asia, American imperialism tries to base (and camouflage) its domination and the defence of its interests against the Revolution on the strengthening and propping-up of local reactionary forces, principally the armed forces, even at the cost of negotiating with them on some particular problems, such as the question of the sums fixed for indemnifications after nationalisations, the dispute over the 200 nautical miles limit, etc. This new tactic was consistently applied to confirm U.S. political and economic domination in Latin America, its 'backyard'.

In Chile in 1970 the revolutionary movement experienced a great surge forward. Broad sectors of workers, starting from their level of consciousness, saw in the Popular Unity programme a chance of advancing in their anti-imperialist and anti-oligarchy struggle, of advancing towards Revolution. Moreover, in the presidential election, three candidates stood, dividing the reactionary forces between Tomio and Alessandri.

All these international and national considerations, which we are only outlining, made the election of Allende possible.

In its early stages, many workers supported the new political regime without reservations; the masses gave it their endorsement and above all they pressed for Popular Unity to solve several problems of vital importance. In the first year the President and his cabinet set energetically about the realisation of some points of their reform programme, but later on, as the internal and external reaction began to get organised and start being active, the essence of the bourgeois class content of the political and economic policy called the "Chilean road to socialism" began to become evident.

The main issue which begins to become apparent after the initial victories (nationalisation of copper, iron, saltpeter, state take-over of coal, banks, textiles, expropriation of

latifundios) is WHO SHOULD WE RELY ON IN ORDER TO ADVANCE. Should we rely on the bourgeois state apparatus: parliament, legal loopholes, armed forces, managing directors of state enterprises; or should we rely on the revolutionary mobilisation of the masses as our PRINCIPAL FORCE? Should we rely principally on bourgeois legality and use the masses as an auxiliary force to blackmail the reaction when we are cornered?

During the three years of Popular Unity government we remained coherent with our independent proletarian politics. We emphasised, supported and struggled for positive achievements like the Nationalisation of copper, advances in the positive Agrarian Reform Law, the state take-over of some monopolies; all this a consequence of the great mass pressure and struggle which demanded a break with the bourgeois reformist schema and a move to proletarian positions. We maintained that the masses had to go through their own political experience.

Nonetheless we criticised implacably all the negative aspects, above all the damaging bourgeois line called the "Chilean road to socialism", which was no more than the "peaceful road" of the revisionists, approved by Russian social-imperialism at its twentieth congress. Logically we could not accept this bourgeois road which disarms the proletariat ideologically, politically and organically, suggesting the possibility of constructing socialism without making revolution, without destroying the bourgeois state and its principal support: the reactionary armed forces; without constructing a revolutionary mass movement, led by a Marxist-Leninist proletarian party, without arming the masses in every field.

#### REVISIONISTS AND BOURGEOIS OPPORTUNISTS WEAKENED THE ALLENDE GOVERNMENT

The Popular Unity combination was composed of a big popular base but because it had a bourgeois political leadership it was very weak politically and organisationally. This was how the revisionist clique of Corvalan, Volodia and Millas were able to set about capturing key posts in the P.U. leadership and the government (making sure of their own privileges while they were about it). They ousted, infiltrated and torpedoed the left-wing elements in P.U., who were in the immense majority (although they were beset with ideological confusions and difficulties like how to work out an alternative revolutionary programme and a coherent revolutionary strategy).

With P.U. under their hegemonic control, bourgeois revisionists and opportunists checked the impetus of the reform programme, manoeuvred against the revolutionary movement and entirely devoted themselves to transactions and compromises with the forces of reaction, making sure of the development of their own interests as a section of the bureaucratic bourgeoisie.

Not only did the revisionists not have confidence in the masses, they also did everything in their power to disarm them politically and ideologically, to enclose them in bourgeois reformism on every level. Their tactics were chiefly aimed at the proletariat and the peasants.

They manoeuvred to make use of the masses' struggle against monopolies and landowners and to harness the trade union and peasant movements to the bourgeois state apparatus and to the "battle for production"; they trampled on their aspirations towards participation, control, leadership and decision-making in the reform process; they tried to put them in the strait-jacket of bourgeois laws. To sum up, they denied the necessity for the masses to develop their initiative and revolutionary experience and to arm themselves ideologically, politically and militarily. On some occasions they even repressed them (Lo Hermida, students in Concepcion (Mapuches\* supporters), in Cautin, and miners in El Teniente).

There were opportunist delegates of the P.U. government who authorised the repressive forces to evict workers from factories and land they had captured; who gave their approval to the Arms Control Law, all this while the forces of reaction were arming themselves and murdering the people in broad daylight and receiving military aid; it was these delegates who furiously attacked and persecuted the masses and the proletarian leadership who were planning to accelerate the process, as "adventurists", "ultraleftists" and "madmen", to hide their own bourgeois positions.

It was this bourgeois politics of the opportunist leadership of the P.U. which opened up a wide front for the reactionary initiative and counter-offensive.

In this critical analysis of the experience of the P.U. government, we must not overlook the role of the armed forces during this period. Setting out from a pretended position of independent arbitrators, they gradually obtained economic power, an improved status for their controlling caste (houses, cars, fabulous salaries etc); they increased their fighting power (the USA went on training officers, fulfilling its commitments and sending arms shipments); they increased their participation in the bourgeois state: companies, organisation, planning etc.

Thus the gorillas went on carrying out their policies inside and outside the government until they managed in practice to take over control of the state apparatus and the whole country, especially after their inclusion in the cabinet and after they were able to rely on the Emergency Zone Decrees and the Arms Control Law to brutally repress the revolutionary movement. All the time they went on disguising themselves with their "patriotic" demagogy, "constitutionalism", "respect for the legitimate government" etc.

\* Chilean native Indians

In keeping with their tactic of relying on local reactionary forces, North American imperialism, the U.S. consortiums like ITT, Kennecott and the CIA advised, financed, prepared and organised the reactionary putschist plan. They co-ordinated the civilian and military fascists in the conspiracy against the revolutionary struggle of the Chilean people, in order to overthrow the Allende government.

In the final months the initiative passed into the hands of the ultrareactionaries. They began with accusations against ministers and mayors and then went over to open conspiracy, murdering workers, peasants and pobladores.

The U.S. and indigenous speculators and consortiums set about economic boycott, profiteering and black market on a large scale. However the most reactionary and criminal of all their misdeeds was the transportation stoppage, openly supported by the military who gave them every kind of aid, like the placing of bombs in pipelines and high-tension electric connections, on highways, bridges and railway lines, the murder of drivers and traders who went on working, even the murder of Allende's naval aide-de-camp by Naval Intelligence, etc. The forces of reaction disguised all their crimes beneath the "defence of legality", "the constitution", and took advantage of the government's mistakes to drag some deceived sections of the middle classes along with them and use them as cannon fodder in their conspiracy.

In September 1972, during the reactionary October stoppage, in June '73 and on repeated occasions, setting out from our independent politics, we correctly pointed out the two roads open to P.U.: the first was to carry the bourgeois reforms further and hand over the government to the workers, having full confidence in the masses and arming the people in every field. This was the only road that could save the P.U. government.

Although the masses, after standing up to every reactionary assault, raised their mobilisation and their consciousness to an even higher level, the revisionist leadership followed the second road: the road of vacillations and giving away their strength to the forces of reaction. They gave the order NO TO CIVIL WAR when the forces of reaction had already declared it and subsequently carried it out with great bloodshed. This road led them to the collapse and liquidation of the PU government with so little difficulty. Trusting in the armed forces (whom they called the people in uniform) and in the bourgeois state apparatus, they allowed repression and the Arms Control Law to be applied against the people and today we can see the results.

The fascist coup d'état buried for ever the bourgeois reformist road planned by the revisionist leadership. In Latin America over the last few years the "Peaceful Road" and the "Small core of guerillas" have loudly demonstrated their disastrous collapse.



IRON UNITY WITH ALL REVOLUTIONARY PATRIOTS

As we analyse this rich, profound and complex experience we must point out that there were very many men and women of the P.U. who fought and died heroically and there are also thousands who have today drawn the necessary lessons and are in the front ranks of clandestine revolutionary work.

In the P.S., in the PC., in MAPU, in the IC, in MIR, in each one of these parties there is a majority contingent of genuine revolutionaries. We have no doubt that they will progress on to Marxist-Leninist positions and that they will be able to purge their ranks of opportunists, traitors, political dealers and enemy agents. We are sure that they will tighten their links with the masses and contribute to strengthening and broadening the liberation struggle of our people. These are the tasks that they have planned out. The revolution is of the masses and it is the masses that carry it out. There is room in it for all revolutionaries and that is where they should take up their stand.

We call fervently for the UNITY OF REVOLUTIONARY FORCES.  
MAY THE BLOOD OF THE FALLEN SEAL AN IRON UNITY OF ALL  
PATRIOTS AND REVOLUTIONARIES.

CHAPTER III - THE PATRIOTIC FRONT FOR NATIONAL LIBERATION (F.L.N)

In the new stage of the revolutionary process which begins in September 73, the fundamental enemies of the Chilean people have not changed. On the contrary, the social contradictions have only deepened in Chile today.

The politics of the fascist Junta is exploitation, oppression and the most brutal repression of 90% of Chileans. They favour exclusively the U.S. and national monopolies and the bureaucratic-military puppet fascist caste. In essence these are ANTI-NATIONAL, ANTI-DEMOCRATIC, ANTI-PATRIOTIC AND ANTI-POPULAR politics.

This new regime, being at the head of the puppet armed forces, can count on military power, on the apparatus and funds of the bourgeois state, on the economic, political, ideological and military support of the U.S. imperialists and the other South American tyrannies. However, although the dictatorship is provisionally powerful, THE PEOPLE, ARMED IDEOLOGICALLY, POLITICALLY AND MILITARILY, ARE INVINCIBLE.

Today the organisation of the broadest and most powerful PATRIOTIC FRONT FOR NATIONAL LIBERATION is being set up with more strength than ever: it unites all patriotic forces on the basis of a correct political programme, tactics and strategy and, as an indispensable condition for reaching final victory, it must rely on proletarian leadership.

The basic aspects of the programme and strategy of the Front must be:

1) National Liberation; expulsion of the U.S. imperialists from Chile (without compensation) and from every area of national life. Cessation of payment of the external debt to the Americans.

2) Union and revolutionary mobilisation of the whole people with the main objective of liquidating the political and economic domination of the puppet fascist dictatorship and overthrowing it by means of the struggle of the armed people.

3) ORGANISATION of a democratic, and popular government of union of patriotic and revolutionary sectors, headed by the working class and peasants.

4) Construction of an independent, democratic, popular and prosperous Chile. Where the people could take its destiny into its own hands and construct a Chile of progress and well-being, where the people would be master and manage all the fundamental resources and enterprises collectively, substantially improve its living conditions, basing itself on the efforts of all the patriotic sectors.

The National Liberation struggle is the cause of the people, the cause of millions of Chileans. Its mass character is a question of principles. It is the people who make history. The Chilean Patriotic Forces are immensely powerful. The working class, the peasants, the middle classes; office workers, artisans, self-employed workers, professional people, women, children and old people, the Christian movements and churches, all these add up to millions and make up 90% of the Chilean population. This heroic Chilean people has demonstrated over decades that their energy, their revolutionary potential, their capacity for organisation and combat, their great intuition, their initiative, are immense and, guided by revolutionary leadership, are invincible weapons.

We call upon these revolutionary forces to start acting with all their strength in the organisation and building of a PATRIOTIC FRONT FOR NATIONAL LIBERATION AND TO PARTICIPATE IN ITS LEADERSHIP.

#### POLITICAL TASKS OF THE PATRIOTIC FRONT FOR NATIONAL LIBERATION.

The Patriotic Front will be built up out of the daily struggle of all the sectors oppressed and exploited by the fascist dictatorship. In resistance against its brutal measures, in defence of their lives, their incomes, their families, their work, the education of their children, their health and all their most elementary rights.

The principal problem which faces revolutionaries is the co-ordination of thousands and thousands of efforts, struggles, protests and demonstrations of popular solidarity, so that they can be channelled into a powerful revolutionary torrent.

48.

In this sense, the immediate most important task is to HELP THE MASSES TO OBTAIN ADEQUATE TACTICS.

In present conditions, the process of building up our forces is prolonged and difficult. It requires great tactical flexibility and at the same time great firmness so that we never lose sight of our principal goal and strike with all our strength against the U.S. imperialists, the oligarchies and the puppet dictatorship.

In each battle, however small, we must build up very broad sectors and aim very accurately at the principal target. The revolutionary movement for National Liberation must learn how to retreat while continuing the combat and reorganise its forces for the coming battles.

Just as we combat rightist deviations, we must increase our vigilance in repelling and combatting in their turn leftist deviations: like "all or nothing" tactics, taking the masses into blind alleys, underestimating the enemy, pretending to struggle in isolated groups and on the edge of the masses. The leftist deviation offers up martyrs to the dictatorship, weakens and sabotages the strategy of the Front.

We must raise SOLIDARITY with the victims of the dictatorship to a higher level than ever. The majority of Chileans have participated in this task of great political importance. A concrete example is the participation of very wide sectors within the Churches in defence of the life, health and safety of political prisoners, the persecuted and the unemployed. We wish to point to the great international solidarity with the Chilean people, and offer our thanks for it at the same time: we hope it goes on growing from day to day. We must give impetus to a great national and international campaign to create a great FUND OF SOLIDARITY with all the persecuted without exception, promoting a current of opinion which thus sympathises with and adheres to the cause of National Liberation.

The struggle for the release of political prisoners must continue and be redoubled, seeking every means of unmasking the demagogy of the gorillas who claim "not to persecute anyone for their ideas" while the country is a prison.

We must further the organisation and the struggle of the unemployed for their reinclusion in the work force and the creation of new sources of work, seeking adequate methods of work in each case.

#### A NEW TYPE OF MASS MOVEMENT

Hunger, like poverty and the most bestial oppression, lashes the trade union movement and the mass movement in general. Their political, economic and social rights and victories are denied to them and mass unemployment hits all sectors. An example: in the National Health Service (SNS), out of 50 thousand workers, 15 thousand have been dismissed. The official rate of inflation

in November 1973 was 542%. Wages and salaries have been drastically reduced. 75% of the country's work force (2 million 500 thousand workers, peasants, office workers, self-employed workers, artisans and small businessmen) earn an average wage of 12 thousand escudos which in January will go up to 18 thousand. Nutrition experts said in November 73, that a family of five people, just to feed themselves adequately, needed 25 thousand escudos a month. (El Mercurio, 18th November & 11th December 1973.)

Public employees are facing an offensive of repressive measures. The trade union movement, the CUT and the trade unions have been dissolved. At the same time, the Junta has organised an Executive Committee of a so-called "Trade Union Headquarters", headed by an agent of U.S. imperialism, in which they have placed other military agents, informers, etc. They plan to affiliate it to the international imperialist agencies. We must emphasise that in the trade union movement there do exist leaders who plan to stand up to the junta.

The people have not bowed their heads, however. They have healed their wounds, buried their dead, dried their tears, and are starting to reorganise their ranks again. The mass movement is picking out new cadres, new forms of struggle and organisation and is undertaking very well-organised action in the Resistance.

The great task for Revolutionaries is the construction of a new type of mass movement on new bases: (i) led by a revolutionary line; (ii) depository and defender of the best revolutionary traditions of the Chilean people; (iii) it must combat opportunism and revisionism, expelling enemy agents from its ranks; (iv) it must combat and eradicate from its midst all bourgeois and revisionist defects and tendencies: conciliation with the enemy, bourgeois pacifism..., bureaucratism, formalism, divisionism and sectarianism.

Its tactics must be based upon the collective action of the masses, better and better organised, setting out from their most deeply-felt problems, always taking into account their level of consciousness and the need to win over the overwhelming majority. The rebuilding of a Trade Union headquarters which the masses want to equip themselves with must be their own work, starting from the base.

The Trade Union movement as much as the peasant, student and women's movement must organise themselves on this basis always keeping their independent policies on top with regard to the policies and organisations founded by the fascists.

#### CONSTRUCTION AND STRENGTHENING THE PROLETARIAN PARTY

The historical experience of the Chilean people teaches us that the revolutionary movement needs to rely on the Marxist-Leninist vanguard (the Proletarian Party) as a fundamental

50.

requirement to carry forward to victory the great tasks it has planned.

All proletarian revolutionaries must make the greatest efforts with the aim of constructing, developing, strengthening the M-L party of the proletariat and in the first instance, to apply Marxist-Leninism to the Chilean reality without concessions.

Out of this coherent application of Marxist-Leninism and out of the revolutionary practice of the masses the particular laws of the Chilean revolution will emerge. A revolutionary proletarian party, armed with Marxist-Leninist science, formed by the best sons and daughters of the working class and peasants, and the best elements of youth and revolutionary intellectuals: a party with a correct strategy and tactics, fused with the masses, organised for clandestine work and for leading the various forms of struggle; a party which practices proletarian internationalism for the overthrow of the fascist dictatorship and the construction of a popular democratic government.

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For the people in general, the political situation is fairly clear. They know their enemies clearly through their deeds. The fascist gorillas will never succeed in piercing deep into the hearts and minds of Chilean patriots with their deceptions. However much demagogy and however many frauds they can think up (like "The Salvation of Chile", "The Chilean Solution", "The Reconstruction" etc.) however many slanders and lies they put forward (like imaginary gunpowder blasts, fabricated escapes from prison to enable them to stab the prisoners in the back, non-existent attacks against members of the Junta and their families); they will never be able to hide their crimes. Even if this Junta were exchanged for another one or if it were decked out with civilian or pseudo-democratic garb (when that suits the U.S. and national consortiums) the people will not themselves be taken in and every day they will quicken their just hatred for this bloody dictatorship. From day to day there will be more and more people who will go on adding in one way and another to the ranks of the resistance. Even those sectors which are the most backward and the most taken-in, even the present collaborators, will begin to abandon and criticise the enemy and go on to resist them. The ranks of the National Liberation Front for Patriotic Resistance will grow.

THE PATRIOTIC RESISTANCE WILL BE VICTORIOUS!!!

U.S. IMPERIALISM AND THE PUPPET DICTATORSHIP WILL BE OVERTHROWN!!!

LONG LIVE THE PATRIOTIC FRONT FOR NATIONAL LIBERATION ! !

## REVIEW ARTICLE

### "WORKERS AGAINST THE MONOLITH", I. BIRCHALL

Reading a new Trotskyist interpretation of the last 30 years is a reminder of Lenin's criticism of Trotsky in 1920.

"All his theses", said Lenin in an important debate on the role of trade unions, "are based on a 'general principle', an approach which is in itself fundamentally wrong."

(Lenin, "On the Trade Unions", Collected Works, 32.22)

This reliance on "general principles", using these "principles" to deduce solutions to problems, is not only a fault of Trotsky and his followers but more generally of many "Leftists". In fighting Trotskyism we are also fighting a tendency in the Marxist-Leninist Movement.

Early in Birchall's book we are given the approach which is to characterise his method throughout.

"The fundamental question that faced workers in the 1944/45 situation was: is there a revolutionary situation? Can the mass upsurge taking place be transformed into world socialist revolution? The Communist Parties' answer was an unambiguous 'no'. They were, of course, implementing Stalin's policy for the carve up of Europe... If a revolutionary leadership had existed the picture might have been different. In Greece, and probably also in France and Italy, it would have been possible to overthrow the bourgeois State." (p. 37 - Stress miné - S.M.)

First of all it will be noted there is an equation of revolution with world revolution. Yet where attention is drawn to the specific and national pictures only one "possibility" (Greece), and two "probable" "possibilities" (France and Italy) are mentioned. So, Birchall's answer regarding the chances of "world" revolution seems to be what we could call an ambiguous "no". It should be said that at no time during the book does Birchall support his assessments of even these three countries with an analysis of the balance of forces there. He is content to blame the external force that solves all Trotskyist mysteries - Stalin. But the actual situation at the end of the war was that with the defeat of fascist Germany and Italy most countries in Europe were occupied either by the Red Army or by the armies of the Western Allies. A "carve up" of some kind was therefore inevitable, unless the Trotskyists are posing that Stalin should have declared war on the Western Allies.

As to the policies of the Soviet party towards the Communist parties in Western Europe, there is very little reliable.

evidence available, and certainly none is provided by Birchall. It is fairly clear that Stalin was not optimistic about the chances of the Greek revolution at that time, if only because of the strategic importance attached to Greece by the United States and Britain. But that is quite different from placing the responsibility for the defeat of the Greek revolution on the Soviet party.

It is certainly true that the Communist parties of France and Italy in giving up arms and their independent position, joining bourgeois governments, and preaching the need for peaceful transition to socialism, as well as launching productivity drives and opposing strikes, were following revisionist policies. Duclos of the French CP was forced into a self-criticism for these errors at the first conference of the Cominform in September 1947, where he admitted to "opportunism, legalism and parliamentary illusions". The key responsibility for these errors must, however, be placed on the Communist parties concerned, and especially their leaderships. To explain it through the evil influence of the Soviet party as part of its desire to build socialism in one country, etc. etc., does nothing to explain the Soviet support for the Albanian party and the revolution it led, or Soviet support for the armed struggles in India, in Burma, Indonesia, Malaya, Vietnam and, even taking into account certain important errors, for the Chinese revolution.

Birchall, however, is unconcerned about his own ambiguity, and indeed deliberately avoids the responsibility of his assessment of the likelihood of revolutionary success.

"With one bound he was free", as the Boys' Own used to put it. "Every revolutionary act is a gamble: no victory is assured in advance, but every act of working class self-activity, even if it ends in defeat, is part of the process that will eventually lead to workers' power." (p. 38)

With that principle you can "deduce" the advantages of any act of Left opportunism and adventurism.

If Birchall is bad at explaining failure, he is worse at explaining success. How do the Trotskyists explain the victorious progress of the Vietnamese revolution? After all, says Birchall, the leading Trotskyists were purged, the Vietminh "did not attempt to define itself in class let alone socialist terms" (p. 54), and the Vietnamese comrades continue to earn the anger of the Trotskyists by the repeated explanation that theirs is a national democratic revolution carried through by the "four revolutionary forces" including "the national bourgeoisie". (See Truong Chinh, "Forward along the Path Charted by Karl Marx", p. 41.) Only when the anti-imperialist and democratic tasks have been completed and the workers and peasants are ready, can the revolution carry through to the socialist stage. But, of course, for Trotskyists -

"there is no intermediate road between the rule

of capital and the dictatorship of the proletariat." (Quoted in "On Anti-Trotskyism", Albania Today, No. 5, 1972)

Or -

"Any perspective of collaborating with the national bourgeoisie... must be rejected", says one of the Fourth Internationals in 1968. (Quoted in "Left in Form, Right in Essence", p. 13.)

Birchall, however, seems to lose his ideological bearings at this point and simply explains the Vietnamese people's success in terms of -

"the real mass base which developed in the course of the struggle". (p. 54)

So, with the wrong policies the Vietnamese revolutionaries won a "real mass base", defeated the French and later the U.S. imperialists and started building socialism in the North. One wonders what might have been achieved if the policies has been 'correct'.

We should note that for Birchall, as for other Trotskyists, the term "people" has no class significance. For Marxists, however, the "people" is that class alliance fighting against the main enemy. Certainly that has meant, in the era of imperialism, that the working class must take the lead in such an alliance. But, as we shall see later, the Trotskyists do not understand how that alliance, and therefore "the people", must be differently composed as the struggle develops and as the composition of the enemy changes.

For Birchall, the Chinese Revolution cannot even be explained in terms of the "peasant base" of the Chinese Communist Party, for, according to him, it "was no longer a workers' party, no more was it a peasant party..." (p. 55), but "it manoeuvred between different classes in the countryside". The Chinese Communist Party apparently protected the landlords and failed to rouse the workers. The Japanese were defeated by a policy of "class collaboration" with the Kuomintang (more of this later), and the Kuomintang were defeated when -

"Chiang's corrupt regime disintegrated about his ears as runaway inflation crippled the economy".  
 "The Civil War", we are told rather disapprovingly,  
 "was no longer a guerrilla war relying on local bases, but a competition for territory." (p. 56 - Stress mine - S.M.)

He modestly fails to draw attention to Trotsky's record with regard to China. (Lest there should be any misunderstanding about the attachment of the International Socialist group to Trotsky's memory and method their recent pamphlet on Trotsky concludes, "his contribution to revolutionary socialism and



to the working class movement, was unsurpassed" Trotsky, p. 14).

In 1929 Trotsky forecast that the struggle to build guerrilla bases would produce "a perspective of a terrific debacle and of an adventurist degeneration of the remnants of the Communist Party". The Kiangsi Soviet, encompassing about six million people, was "absolutely impossible", according to Trotsky in 1930 and the soviet government "could only make its appearance on the basis of the cities". ("Problems of the Chinese Revolution", p. 247). For Trotsky the policy was to concentrate on the factories, and politically it was, "quite possible that China has to go through a relatively long phase of parliamentarianism" (Problems of the Chinese Revolution, p. 7). He could only see the option of a 'bourgeois regime', or the dictatorship of the proletariat, and progress from one to the other would depend on - "the world revolution".

He opposed the revolutionary war against Japanese imperialism because he said it would help the Anglo-Franco-U.S. imperialists. He was unable to see the Japanese imperialists as the main enemy of the Chinese people. In fact the victory of the Chinese Revolution was a shattering blow to the pretences of Trotskyism to understand revolution.

#### Economic Determinism

One key reason for this failure is the way in which Trotsky repeatedly came down on the side of the simplest economic determinism. Lenin had made this point strongly to Trotsky (and Bukharin) in 1921 where he stated that their "economic approach" threatened to "ruin Soviet power and topple the dictatorship of the proletariat".

"Politics must take precedence over economics. To argue otherwise is to forget the ABC of Marxism". ('Once again On the Trade Unions', Collected Works, 32,83.)

Trotsky himself underlined this error in stating in "In Defence of Marxism",

"In the last analysis a workers state is a trade union which has conquered power". (Quoted in "On Trotskyism", by the Irish Communist Organisation, 1970.)

As this deviation suits perfectly the economism of 'International Socialism' it is not surprising that there should be many echoes of it in Birchall's book. Thus, attacking the French Communist Party of the early 1950s, he writes -

"In general the CP put the emphasis in this period on 'political' rather than 'economic' activities thus accentuating the tendency to cut itself off from the real concerns and problems of the workers". (p. 64.)

The example given is the campaign against the imperialist war in Indo-China. Politics, with or without inverted commas, are not supposed to concern workers!

"Politics", continues Birchall, "was not seen as something that developed within the industrial struggle but as something that could be injected bureaucratically from outside".

Thus for Birchall the politics of the class struggle in the factories is to be posed against the politics that develops in all other spheres of the struggle against capitalism. We must contrast this with the Leninist criticism of economism -

"The conception of the economic struggle as the most widely applicable means of drawing the masses into the political movement which our Economists preach is extremely harmful and reactionary in its practical significance."  
 ("What is to be Done", Collected Works 5.413)

It seems therefore that the French CP was not economist enough for Birchall. Similarly Trotsky's belief in the determinant nature of the 'development of technique' is revealed in Birchall's accusation that Stalin played down the nuclear question. Revolutionaries, such as Mao and Stalin, see people and not weapons as the determining factor in warfare. The revisionists and reformists take the opposite view, and argue that warfare has been "fundamentally" changed by nuclear weapons. Birchall joins their ranks and praises Krushchev for being "more sensitive to the importance of the nuclear balance of terror that had now been established." (p. 82) Stalin should have apparently recognised that nuclear weapons could "transform political strategy". What Birchall suggests however, is that war between the United States and the USSR is either unlikely or impossible because of nuclear weapons. So for him such wars are not ended by ending imperialism but by the creation of a system of "mutually assured destruction". This is a direct departure from Leninism into the revisionist belief of those who, like Kautsky, state that imperialism can be contained and civilised.

The fact that Birchall's suggestion is not consistent with other statements by Trotskyists about imperialism, is one of the many examples of an inconsistency bred by theoretical opportunism.

The same determinism is evident in his reflection of the battle between the two lines about whether to build socialism in China or whether to carry out policies that would lead to capitalism (pp. 144-146). Mao's line of politics commanding economics is dismissed as "moralism", while Birchall in fact sides with the "capitalist road" line of Lin Shao-chih in stating, for example, that agricultural mechanisation is a prerequisite for building socialism. Having attacked piece-work bonuses in the book, Birchall tries to illustrate the alleged anti-working class nature of the Cultural Revolution by pointing

out that these bonuses were ended at that time. He attempts to wield the cumbersome Trotskyist concept of "bureaucracy", into which he bundles both Party and Army, and infers that Mao was to some extent against these institutions. The political battle about the maintenance of working-class power in China, central to the Cultural Revolution, is therefore ignored completely. Thus, a political struggle between two lines is transformed into an unexplained manoeuvre between Mao and 'the bureaucracy'. It is not surprising that Birchall is unable to explain the planned growth of both industry and agriculture ('taking agriculture as the base and industry as the leading factor'), the development of industry in the countryside and, taken together with the educational reforms, the continuing process of overcoming the contradictions between town and country and between mental and manual labour. All this movement is summed up by Birchall as the "continued diversion of resources from industry into agriculture"!

Trotsky's policies in the 1920s supporting the militarisation of labour, squeezing agriculture for industrial investment and advocating the working class "giving its blood and nerves", are presumably regarded as the real socialist alternative. This defence of what has been defined and supported by Trotsky among others as "primitive socialist accumulation" (see Deutscher, The Prophet Unarmed, p. 44), was attacked by Lenin as a "very unfortunate" expression and "a copy of schoolboy terms", exactly because it regarded the building of socialism in the early stages to be directly comparable with Marx's analysis of building capitalism in its early stages. Trotsky himself in The New Course advocated overcoming the contradiction between industry and agriculture through "the market", adding that this would need "an exact knowledge of market conditions". But perhaps "market socialism" is too notorious now for Birchall to want to openly side with his mentor. On the other hand Birchall seems to be denying that the productive forces in China could be significantly developed. He says "There is no solution in sight" to "the debate on economic strategy" (p. 146), in the same way as Trotsky said that the attempt to build socialism in one country would "pull the productive forces backward even as compared with capitalism". (Permanent Revolution, p.22) The fact that both Soviet economic development under Stalin, and Chinese development up to the present day, have been remarkably successful does not disturb those who understand the grandeur of Trotsky's "general principles".

Isaac Deutscher, faced with this problem, wavered in his explanation of the success of the Chinese Revolution between attributing it to Mao's "genius" and claiming that it was the result of "an adventurers desperate gamble"; he tended towards the latter. The idealism of both explanations is instructive as to the Trotskyist method. Pierre Naville, a leading French Trotskyist, is reduced to saying that the success of the strategy of the Chinese Communist Party was the "unconscious application" of the Trotskyist theory of permanent revolution. Birchall remains silent.

### United Front

A central feature of "Leftism" is its failure to understand real united front policies: a consistent opposition to the Marxist approach of "uniting all those who can be united against the main enemy". Birchall quotes from the 1943 statement to the Communist International in an attempt to ridicule it.

"In the countries of the Hitlerite bloc the fundamental task for the working class, the toilers, and all honest people consists in giving all help for the defeat of this bloc by sabotage of the Hitlerite military machine from within and by helping to overthrow the governments who are guilty of the war. In the countries of the anti-Hitlerite coalition the sacred duty of the widest masses of the people and in the first place of the foremost workers consists in aiding by every means the military efforts of the governments of those countries, aimed at the speediest defeat of the Hitlerite bloc and the assurance of the friendship of nations based on their equality."

This clear policy, supporting the interests of the Socialist Soviet Union on the one hand, and of the working class in both Fascist countries and the Western democracies on the other, is supposed merely by Birchall's comment:

"Here even the pretence of an analysis based on class struggle is abandoned; the line of the CP is to be determined on the basis of the foreign policy of its national government." (p. 13)

As so often, the Trotskyist alternative was based not on a concrete analysis of the situation but on a mere comparison, an analogy; in this case with the First World War. So, copying Lenin's slogan, the Trotskyists called for the war to be turned against the capitalist class in each country (whether Fascist or bourgeois-democrat), "turning the imperialist war into a civil war". The general absurdity of this position is well exposed in the US Guardian pamphlet already referred to (Left in Form, Right in Essence, pp. 16-18). In fact, of course, the Comintern's statement is quite correct; recognizing as it did the Fascist powers as the principal enemy which had to be defeated by the Soviet Union in alliance with the bourgeois-democratic powers, backed by the working class in those countries.

Birchall's own application of the Trotskyist approach to this question is perhaps the most breathtaking in the whole book. He quotes approvingly from a French Trotskyist group, who described Gaullism as "the cleverest, most demagogic, and consequently the most dangerous political faction of French capitalism" (p. 19 - Stress mine - S.M.). This in 1943 when De Gaulle was leading the sole section of the bourgeoisie actively fighting Fascism, together with the French Communist Party. Meanwhile, Trotskyism, Birchall admits, was unable -

"to offer any alternative leadership to the French workers, but at least" - he continues - "on the level of propaganda it offered an alternative to the CP Nationalists".

And what was that propaganda?

"A killed German soldier will no longer fight for Hitler... but won't be able to fight against him either. A German soldier won for Communism is not one enemy less, but one ally more." (p. 20)

In short, they conducted public propaganda in opposition to the attacks by the heroic French RESistance against the German Army.

In those specific circumstances this policy, insofar as it was effective, was inevitably a direct help to the Fascist war machine. It is therefore quite understandable that some Trotskyists were treated as German agents by the Communist Movement. As always we must judge people by their practical role, over and above their subjective motivation. At a theoretical level it is a glaring example of the abstract nature of the Trotskyists' policies that they should ask French workers firstly to fight, at one and the same time, both the German Fascist ruling class in its dominance of France and the French bourgeoisie, including those sections opposing Fascist occupation; secondly, that they should simultaneously propagandise for socialism at that stage, and thirdly, that they should do all this without killing the German soldiers who were mercilessly wiping out any attempt at resistance from whatever direction. On top of this they had a fourth enemy, according to Birchall: the French Communist Party with its "nationalist rhetoric".

It is hardly surprising that Birchall should attack the British Communist Party for leading productivity drives during the war in order to increase military production to fight Fascism, and should extol the Trotskyists who supported and organised every strike just as if the main enemy continued to be the British ruling class and not the Fascist aggressors. It is this kind of leftism that obscured the real issue that developed once the Fascists had been defeated, when the alliance between the working class and the British bourgeoisie should have been severed by the Communist Parties in Western Europe. But both the leftists - the Trotskyists - and the right - the revisionists - were unable to make distinctions between the different stages in the revolutionary struggle.

Similarly, the National Liberation Front of south Vietnam is attacked for making "purely nationalist demands" in the 1960s (p. 160). Birchall cannot understand how the NLF could pledge itself to "protect the right of ownership of the means of production and other property rights of citizens". The NLF, he alleges, did not try to win support among the south Vietnamese working class, although he admits that the

frequent strikes impeded the US military effort. Again, the US defeat is left without explanation - only equivocation of the most startling kind. Thus this

"was not in itself a major defeat for United States imperialism; it had no particular vested interest in Vietnam and certainly spent more on the war than any economic advantage it may have hoped to draw from the territory. But in political and psychological terms it was an enormous victory for the liberation forces which sent tremors round the world" (p. 62 - Stress mine, S.M.).

Again, for I.S., a real "in itself" defeat has to be an "economic" defeat. "Political" defeats are less important! And yet, what he admits is an "enormous victory" can be won by a force that fails to grasp the theory of Permanent Revolution: that socialist demands should have been put forward as well as the democratic demands and that the "Stalinist" stages theory should have been smashed because of the way it holds back revolution. In 1972, Birchall wrote about the prospect of an NLF victory over the US-Thieu regime that it would mean,

"merely a change of rulers. Socialists who have been chanting 'Victory to the NLF' for the last eight years will have to look very carefully which way the rifles are pointing". (Socialist Worker, 4th November, 1972).

He does not dare to be so open in his slanders in the book under review.

In short, Birchall has no understanding of correct united front policies because of a leftist error of believing that the only progressive force at any time is the working class, that all enemies can be fought at once, and that any other approach is to compromise "principles".

### Idealism

"Idealism and mechanical materialism, opportunism and adventurism, are all characterised by the breach between the subjective and the objective, by the separation of knowledge from practice. The Marxist-Leninist theory of knowledge, characterised as it is by scientific social practice, cannot but resolutely oppose these wrong ideologies." (Mao Tse-tung, On Practice, 1938.)

A key feature of idealism and mechanical materialism is that the cause for change is primarily sought and found outside the thing to be explained, and exactly because the internal contradiction is not seen as the source of self movement the results are to a large extent predetermined and externally

motivated.

It is precisely this gross error which characterises Birchall's overall line. For example, he gives three reasons for what he calls the "transformation of the CPs since the Second World War" (p. 13). The first is because of "nuclear stalemate", where Russia did not need the CPs either "to lead struggles or even contain them"; the second is the split in the international Communist movement, which resulted in "those who want a foreign power to identify with having only too many to choose from"; the third - "the experience of prolonged full employment and relatively high wages in the post-war West meant a change in working class consciousness."

The shallowness of the reasoning here is self-evident, even in its own terms. The first because it has it both ways - Russian plots both to whip up and dampen down struggles - and is therefore quite untenable, explaining everything and therefore nothing. The second equates internationalism with identification with "a foreign power"! The third argues a change in Western class consciousness resulting from short-term economic conditions, as if the late 20s and 30s had not been times of revolutionary fervour.

But more generally it shows how Trotskyism needs to explain the development of things, not as Marxists do primarily in terms of the internal contradictions, but by external causes - preferably by the position of some mystical "on-off" switch in the Kremlin. The only "cause" of importance which in any way relates to the internal development in Birchall's schema is the last one, which only applies to the West. He ignores completely the development of imperialism in relationship to the colonial and neo-colonial countries, and the actual internal class struggle in these countries. He ignores the concrete developments within many of the parties which became revisionist: their policies and their relationship with the masses. The main question which Birchall cannot face is why in general the revolution in colonial and neo-colonial countries developed much more successfully than those in the West. He cannot face this question because the Trotskyists see the major contradiction in the world today as between the working class and the ruling class in the advanced West: that is when they take the risk of making such a distinction. They dogmatically repeat Marx long after the situation has been changed by the growth of imperialism over 70 years or so.

At another point Birchall scoffs at the Stalin thesis of 1930 that State power has to be strengthened under the dictatorship of the proletariat in order to prepare for its "withering away" (p. 224). He fails to explain his own views on this and certainly does not understand that proletarian power is needed to protect the Socialist system from the bourgeoisie internally and externally. Indeed, had Stalin not built up a powerful State, the Fascist powers, undeterred by Trotskyist "propaganda" would have caused even greater destruction. It is an idealist conception that State power is a "thing-in-itself" and not

to be judged in relationship to the concrete situation of its enemies.

This example occurs in a chapter whose title Birchall takes from the French revisionist, Lefebvre - "Marxism is Dying of Boredom". Later in the chapter we find Birchall is particularly 'bored' by the idea that the dialectical laws of the relationship between internal and external contradictions apply to the physical world as well as to political practice." He quotes from a CP textbook an everyday example of Marxist philosophy in practice - the relationship between internal causes being the basis for change in the hatching of eggs, while external causes are the conditions for change. He comments when the comparison is made with the conditions necessary for socialism that,

"this may be illuminating for a chicken breeder but it is hard to see how it can assist a Socialist".

Unfortunately he appears to believe that this remark is so profound as to require no further explanation. But as it stands it is a rejection of dialectical materialism to deny that the material world develops through contradictions in the same way as does social practice.

The book should be treated as an excellent teacher by negative example. It shows again how a leftist approach is in essence identical with that of the right, reformist and revisionist attacks on Marxism. The timeless dogmatism of Trotskyism has often been compared with that of a stopped clock. Like that clock it can hardly help being right on occasions. The period covered is of key importance to Marxist-Leninists, but in our work to more fully understand it, far from receiving help from the Trotskyists, we will have to continuously combat their errors.

S.M.

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Notes on main references

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## THE SOVIET ECONOMY AND THE RESTORATION OF CAPITALISM

The debate over the nature of the Soviet Union remains one of the most contentious issues within the international workers movement. Since the early critiques of revisionism by the Albanian and Chinese comrades Marxist-Leninists in the West have attempted to get to grips with the problems of the transition to socialism and the subsequent degeneration in the Soviet Union, as well as the associated phenomenon of the degeneration of the Western European 'Communist' Parties. The course of this debate has revealed the dangers of remaining purely on the surface of these critiques whilst failing to appreciate the experience and arguments which lie behind them. One of our tasks in building a Marxist Leninist Party in Britain is the appropriation of the knowledge and experience of the international workers movement, including both its successes and its failures.

An associated problem is the spread of Trotskyite versions of 'Marxism' in the west. In part, this is a consequence of revisionism, since the failure of the 'communist' parties to put forward a credible version of Soviet history since 1924 has helped give an appearance of consistency to the Trotskyite view of the world. In reality however talk of 'socialism' and the use of terms such as 'deformed' or 'degenerated' workers states in eastern Europe adds to the confusion which surrounds this area. The task facing Marxist Leninists is to put forward a clear conception of what we mean by Socialism and to be able to explain developments in the Soviet Union in a comprehensible manner.

An article by Ernest Mandel ('The Soviet Economy Today' in The International Socialist Review, June 1972) is instructive to the extent that it reveals in a particularly clear way the confusions over the question of transition to socialism, and in a wider context, the theoretical confusions within the Trotskyite version of Marxism. It is for this reason and not because it is of value in itself that a review of this article has been prepared.

### MANDEL'S POSITION

Basically, Mandel's main line of attack is to attempt to demonstrate the impossibility of a peaceful restoration of capitalism. Thus by definition the Soviet Union cannot be characterised as capitalist. According to Mandel, the recent polemic between the Soviet Union and China are merely inter-bureaucratic squabbles which simply repeat the debates within the Trotskyite movement in the 1930s. Mandel includes in this dismissal the 'pro-Peking' political economists Sweezy and Bettelheim (I) who, he says, fail to understand

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(I) Mandel here refers to the debate over capitalist restoration, published as 'On the Transition to Socialism'. Monthly Review Press. 1971.

the basic concepts of Marxian economics. Mandel states the basic Marxist formulation that any concrete society, or social formation, is a result of a 'concrete historical process' which combines the results of a number of different modes of production and must be studied in the light of 'combined, uneven development'. As we know, this is the basis of Marx's own method in characterising the successive periods of history, and in characterising types of society as feudal, capitalist, or socialist. We look first at the 'relations of production appropriate to a given stage in the development of...material forces of production.'

It is rarely the case however that any single concrete society will be completely capitalist, say, and this is of central importance when we examine societies which are in transition from one form to the next. Mandel however believes that a 'theory' of transition is only possible if we first begin with a concept of 'pure capitalism' which can then be compared with 'real history' as a guide to concrete analysis. Thus he argues that we should not limit our studies to insufficiently developed societies (such as the USSR, China etc.) as we can then only achieve a distorted theory of transition to socialism. We should consider the hypothetical instances of France or the United States in the transition to socialism when 'centralised accounting (would be) made possible thanks to computers' (2). It is unfortunate for Mandel that the only concrete cases that we have to learn from are however so-called 'underdeveloped' societies.

The construction of socialism according to Mandel is essentially about the 'withering away of commodity production'. Thus although the Soviet Union is regarded by Mandel as being in transition it cannot achieve its aim because it is undeveloped. In other words it is neither capitalist nor socialist, but is apparently both at once. The argument for this strange situation may be summarised as follows.

In the Soviet Union the means of production (machinery, raw materials etc) do not circulate on the open market; one cannot buy plant etc. Thus the labour which produced them is not recognised as socially necessary by means of a market but is planned. The dominant sector of economic activity (production of means of production or 'heavy industry') is not therefore run on capitalist lines, according to the financial success of the enterprise, but is governed by the needs of the society through the plan. The production of consumer goods is subject to different laws however. Goods can be bought and sold in the shops and when purchased are privately owned. Consequently production must be geared much more to the market, which expresses the demand for such goods. It is not therefore susceptible to planning. Thus the principal contradiction in the soviet economy is between a planned economy and a commodity based market economy. Two systems of property

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(2) "The Soviet Economy Today" in International Socialist Review, July 1972. E. Mandel, p.9

co-exist and the law of value operates in the sector of production of consumption goods alongside the 'conscious allocation of material resources' in the 'heavy industry' sector. In short a capitalist mode of production operates alongside a socialist one.

Now from the point of view of historical materialism, it is impossible to conceive of an economy which operated for long in this way without one or other of the conflicting systems of production becoming dominant and eroding the other. For example, it would be the case that the department of consumer goods production received machinery from the department of production of means of production, whilst the wages of the workers in both sectors are spent in the department of consumer good production. In other words the two sectors are in reality interconnected. It was this interconnection which enabled Marx to explain the circulation of capital as a whole within a concrete society, and enabled him to explain the possibility and necessity of crises under capitalism. It is therefore nonsensical for Mandel to define one sector as 'planned' and the other as governed by the 'market' without analysing how this occurs and giving concrete examples from the Soviet economy. I will return to this point below however, after describing the rest of Mandel's argument.

Mandel continues on this erroneous basis to explain that the Soviet economy is governed by a 'dual logic' - planning relations versus market relations. The latter cannot gain the upper hand because this would severely disrupt the economy and spark off vigorous resistance by the proletariat:-

"...planned relations of production, born of the October Revolution cannot be resolved without first crushing the furious resistance of the Soviet proletariat."

In other words the 'peaceful' restoration of capitalism cannot be achieved! According to Mandel the economic reforms of the 1960s which introduced the criterion of profitability into the soviet economy did not signify the introduction of capitalism because no real competition exists. Since Mandel defines the essence of capitalism as being competition then these reforms simply introduce a form of market socialism, which Mandel calls a 'pseudo-market' which will serve to aid 'optimised resource utilisation'. In fact Mandel does not rule out, at least theoretically, the re-establishment of capitalism, but he points out that, if achieved, this would not be 'state capitalism' but simply 'capitalism' since private property would be re-introduced and 'socialist planning relations' would be disintegrated. The basis of this would be our old friend 'underdevelopment', since the level of development of productive forces in the Soviet Union would not allow 'the new relations of production to consolidate themselves spontaneously (!) in a climate of expanding social wealth and creative enthusiasm of the producers!

In fact it is because the attempt to construct socialism in the Soviet Union is 'premature' argues Mandel, echoing the

Mensheviks ( and later on Trotsky himself), that we are faced with the 'bureaucratic deformation'. The bureaucracy does not constitute a new ruling class since it does not play a 'fundamental historic role in production' and it does not have 'an historic mission to assure accelerated growth'. The class structure of the Soviet Union is in fact an 'accident':

"...The bureaucracy is only the product of an accident of the historical process just as there are numerous accidents in the historical process characterising the epoch of transition between feudalism and capitalism." (3)

We need describe Mandel's argument no further in order to illustrate its complete confusion.

### LENIN ON THE TRANSITION TO SOCIALISM

Reading Mandel's article one could be led to believe that no one had discussed the problematic nature of the transition to socialism before Trotsky, and that the Sino-Soviet dispute had been copied word for word from inter-Trotskyite disputes in the 30s, with out due credit being given. As far as we are concerned however the polemic between the Russian and Chinese movement which matured in the early 60s, but which had its material foundation in the concrete problems posed by the context of attempts to build socialism in the USSR and China, and the increasingly divergent manner in which these problems were tackled. The polemic itself cannot be reduced to a mere squabble between bureaucracies but is based on political differences. The basic premises of the debate were however raised before this period - theoretically by Marx and Engels and practically by Lenin.

It was Marx and Engels themselves who first pointed out the necessity for a transitional phase between capitalism and the attainment of a communist society. This was firstly because the law of value, wage labour and the market etc. could not be simply abolished, but must be replaced as the main measuring rod for production. Secondly, it was recognised that even when the means of production had been fully socialised it was likely that capitalist norms of distribution would still survive, that is to say reward would still be based on the individual producers contribution, rather than on his needs. Thus, the wage system, one of the essential features of capitalist production, would still be present until the real basis for its withering away had been attained. (4)

The situation faced by the Bolsheviks however after the seizure of state power in 1917 was a different one. Far from having attained a stable socialised system of production

(3) Mandel, op.cit. p. II

(4) For the principal discussions of these problems by Marx & Engels see Selected Works, Lawrence & Wishart, London. 1970 pp. 318-321 ('Critique of the Gotha Programme') & Engels "Anti-Duhring" Pt. III, 'Socialism', Lawrence & Wishart. London. 1969.

this was a situation in which relatively backward sectors of capitalist industry coexisted with 'features and properties' of socialism. For Lenin, this backwardness was not the dominant factor, although rapid industrialisation was regarded as a priority. On the contrary, the form of the state was stressed as the main factor ensuring the safeguarding of the gains of the October Revolution. The defense of the dictatorship of the proletariat and the politics which were followed were all important. Lenin recognised the ever-present danger of a capitalist restoration, due to the overwhelming presence of 'ideological remnants of the old society'. Thus the key factor in the construction of socialism was that 'politics must be in command'.

"No one I think, in studying the question of the economic system of Russia, has denied its transitional character. Nor, I think has any Communist denied that the term Soviet Socialist Republic implies the determination of the Soviet power to achieve the transition to socialism, and not that the existing economic system is recognised as a socialist order." (5)

Furthermore, for Lenin the correct policy could only follow from an analysis of the concrete situation. This was characterised as one in which five systems of production (patriarchal, small commodity production, private capitalism, state capitalism and socialism) co-existed within the Russian economy as a whole. This being the case, Lenin argued the necessity for developing the capitalist sector, under state control, as stages toward overcoming the more backward sectors, moving toward industrialisation, and simultaneously maintaining the support of the workers and peasantry behind the dictatorship of the proletariat. (6)

It can easily be seen that this policy was distinct from Mandel's fantasies; the construction of socialism, whether in an advanced or in an 'underdeveloped' society is not a question of the primacy of the economic or of the development of a sophisticated computer technology to help with the accounting. It is a question of placing politics in command, a point stressed by the CCP from the outset of the dispute with the CPSU. (7) Mandel however seeks to disregard

(5) V.I. Lenin, The Tax in Kind in Selected Works, Vol. 3. Moscow 197). p. 589. Also on this point the articles 'Economics and Politics in the era of the Dictatorship of the Proletariat & On Cooperation'.

(6) ibid.

(7) Cf. the following statement by Lenin:-

'Mi'yukov is absolutely right when he says "If only there is a power shift away from the Bolsheviks, no matter whether it is a little to the left or to the right, the rest will take care of itself"' (The Tax in Kind, Selected Works, Vol. III, p. 614.)

The point was made very strongly by Lenin against Trotsky

the actual circumstances in which attempts to construct socialism have occurred and wishes to speculate about the transition to socialism in societies in which it has not occurred. These pleasant little daydreams are constantly accompanied by a hazy notion of the soviet economy (nowhere backed up by fact) and a tendency to regard the productive forces as always and everywhere the dominant factor. (8).

#### RELATIONS OF PRODUCTION, PLANNING AND THE MARKET.

Mandel's basic confusion paves the way for a curious conception of the soviet economy, a conception in which the state is always secondary, in which the economy is separated into two sectors, which apparently function independently of each other. More central however is that the 'socialist' sector (production and distribution of means of production) is defined as such simply by virtue of the fact that this sector is state owned and subject to planning. Mandel nowhere asks what type of planning this is (as if all planning were automatically socialist) or to what extent this 'planning' is effective (as if all planning were 100% successful). Consequently we are not able to gauge what role the market actually plays in the Soviet Union, whether it is taking on greater or lesser importance, how it relates to the state owned sector and so on. We are simply told that the market mechanism cannot become dominant and the argument is left at that!

For Marxist-Leninists, the mere existence of a market cannot be the prime factor governing our assessment of a particular society. This is because the market mechanism only exists because it plays a necessary role in the distribution of goods and in the transformation of those goods into money, which is necessary if production is to continue. Consequently, we can say that the market exists because capitalist social relations exist (either as the dominant form of production as under capitalism, or in enclaves not yet socialised as during the period of transition towards socialism).

The market plays an essential role under capitalism because, of the fact that the products of labour are commodities at the same time as they are useful objects which fulfil a particular need. This means that they embody a measurable

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(7) in the 1920s particularly in 'Once more on the Trade Unions' (S.W. Vol III, p. 523). Compare the following statement by Erich Farl in International (Journal of the International Marxist Group) Vol II, No. I. 1973.

'The Chinese theory is therefore a thesis of peaceful coup d'etat a 'palace revolution'. It suffices to take power in the Party and imprint on it a counter revolutionary line and the class nature of the State will automatically change. This thesis has two main characteristics; firstly it allows for a peaceful transition (gradual or reformist) from one type of state to another; secondly it gives primary emphasis to the political factor (the POLITICS OF THE PARTY) in making an analysis of the class nature of the state". (p. 21, my emphasis)

(8) Mandel, op. cit. p. 9.

value and can thus be exchanged for a certain number of other commodities, or, more commonly, can be exchanged for a definite amount of money. Furthermore, the market is the only means of realising the value embodied in the product, and is thus the only guarantee that the labour used during the production of this item was in fact necessary. (Thus, if there is no 'demand' for the product in the market, the item will remain unsold, the capitalist will receive no return for it, and it will be unused.) The centrality of the market is only necessary because the producers of goods do not control production themselves and plan it according to need, but work for a wage, whilst the capitalist produces for profit, and not for use. In other words the predominance of capitalist social relations, in which the producers are deprived of control over the system of production necessitates the role of the market; it is this mechanism that provides the only standard of calculation and distribution of resources of the capitalist.

Viewed in this way, it is clear that the market can not operate as a 'pseudo-market' in the way described by Mandel. (9) To the extent that capitalist relations exist then the market will be necessary, to the extent that they disappear, then the market will not be necessary. This is not to argue however that the market will play no role at all in a society which is attempting to construct socialism. The central point for a working class which holds state power is to assess the degree to which market forces are necessary and to take steps to increasingly limit its sphere of operation. To identify the 'socialist sector' by state ownership, and the 'capitalist sector' by the play of market forces as Mandel does is to miss the point completely.

But what role does the market play during the transitional period? It is clear from the experience of the Soviet Union and China that the installation of a proletarian dictatorship will not of itself solve the problems of socialising the economy, whether the revolution takes place in a developed or in an underdeveloped society. (Even the computers have to be programmed, unless Mandel has produced some inherently socialist computers.) What is involved in socialisation cannot be reduced to 'nationalisation' or legal state ownership, as the examples of nationalisation in the West should now have clearly demonstrated. The socialisation process involves arriving at a position where available labour (and other resources) can be distributed according to an order of priorities decided by the workers themselves. This position will not be attained spontaneously however, this is why the plan, and socialist planning mechanisms and criteria are necessary. (10)

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(9) *ibid.* p.13

(10) 'From the moment when society enters into possession of the means of production and uses them in direct association for production, the labour of each individual, however varied its specifically useful character may be,

This gradual replacement of the market by the plan involves an analysis of the real wealth which is at the disposal of society if the plan is to serve as an effective measure of the utility of resources. In the absence of this the plan will simply be asserted over the market, in very much the same way as this happens with capitalist planning. (II)

Thus to the extent that the market mechanism exists in the transition phase we must recognise that it plays a necessary and real role (not a 'pseudo' role), but that its existence implies the continuation of exchange relationships characteristic of a capitalist economy. Consequently, explanations given by Preobrajensky and Stalin (which are substantially repeated by Trotsky and Mandel) (I2) for the continued

(10) becomes at the start and directly social labour. The quantity of social labour contained in product need not then be established in a roundabout way; daily experience shows in a direct way how much of it is required on the average... It is true that even then it will be necessary for society to know how much labour each article of consumption requires for its production. It will have to arrange its plan of production in accordance with its means of production, which include, in particular its labour power. The useful effects of the various articles of consumption, compared with one another and with the quantities of labour required for their production will in the end determine the plan. People will be able to manage everything very simply, without the intervention of a much-vaunted value.' (Engels, 'Anti-Duhring', pp. 366-67.)

Engels here is speaking of a fully socialised production process. In the transition period mentioned by Marx in the Gotha Programme the remaining 'bourgeois' aspect of distribution rests on the maxim 'From each according to his ability to each according to his work'. The movement from one phase to the next cannot be accomplished simply or automatically; it depends on the development of the relations of production (e.g. degree of mass participation in planning and control). Bettelheim has made the point that a concern with 'financial strictness' in relation to stable prices, and raising the standard of living in a measured manner etc. is not 'fetishism' concerning the money form but 'stems from respect for the labour furnished by the masses, and for their rights'. (C. Bettelheim & P.M. Sweezy, op.cit., p.23)

(II) See the above quotation from Engels. For a fuller exposition of this point and the question of economic calculation in the transition phase see Bettelheim, 'Calcul Economique et Formes de Propriete', Maspero. Paris 1971. (Translation forthcoming.) This section of the review uses arguments put forward in this book, which is a useful preliminary theoretical study of the nature of transitional forms of economy.

(I2) Preobrajensky. 'New Economics' and 'N.E.P. to Socialism' Trotsky. 'Whither Russia?' in International, Vol. II, no. ii, 1973. Stalin, 'Economic Problems of Socialism in the USSR'. Peking, 1972. pp. I3-I5.



existence of the value form under socialism are not, in themselves sufficient. At best the argument will be limited to the level of the laws on the statute book, and refer only to the existence of different forms of property (e.g. state owned industry, collectively owned agriculture, private agricultural plots etc.). This may account for the fact that market relationships exist between the different categories of 'owners' i.e. that farm produce is sold to state agencies, but does not deal with the existence of purchase, sale and prices within the state sector itself.

A major part of Mandel's argument rests on the fact that legal private ownership does not exist within the state sector, yet it is clear that when e.g. machinery produced in one plant is sent to another a price is paid in money, which has the role of an equivalent value for the product - in other words products are bought and sold within the state sector itself. This cannot be explained away by the existence of 'other forms of property'. Neither can it be explained away by the fact that 'investment is determined by the plan' or that prices used within the state sector are merely 'formal' indicators for the purposes of accounting since the necessity for calculation in terms of exchange value is totally ignored by this argument. To assert that this is a formal matter is to ignore the question of why this 'form' is necessary.

Marx, in his analysis of the capitalist mode of production, pointed out such an exchange mechanism was a necessary form of relationship between products and between the labourers in different units of production (or firms). This holds whether the individual enterprise produces means of production or articles for private consumption. The relationship can only be transformed to the extent that the state acts effectively in treating the means of production as social means of production, and this entails a different organisation of production at the level of the enterprise. To give a concrete example from the Chinese experience this entails not only a system of workers control of the enterprise, but a system of planning in which the needs of the national economy are considered, in which the plan is in the first instance consultative and in which workers go out into the shops to consult with retailers and consumers on the demand, quality etc, as is the practice at the textile factory in Peking. (13) This means that the means of production are not only legally owned by the workers (through nationalisation) but are effectively controlled by them to the extent that it is the workers who decide on their use.

This does not initially modify the independence between the units of production but this becomes possible to the extent

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(13) Bettelheim, C. 'Revolution culturelle et organisation Industrielle en Chine'. Maspero. Paris. 1973.  
Translation forthcoming.

that planning links these units, not only at the level of ministries at the national scale but at the level of workers in different units themselves. What is also involved however is that exchanges of products between different units are not governed by market prices, but that prices are planned without reference to market criteria. In China for example prices in the state sector are based on cost price. Goods pass to the state commerce offices at sale price plus a margin of 15% which forms the proportion to be devoted to the accumulation fund. Thus profit whether private or belonging to the firm itself, is non-existent. Thus exchanges within this sector rest on social criteria and not on monetary calculation. (We shall examine below the degree to which this is the case in the Soviet Union.) It is clear then that real coordination does not depend on planning techniques, on administrative competence, on good intentions, or on computers (though the latter would certainly help once the political basis of planning was established). Socialist planning is part of the growth of the political conditions, the real participation of the masses in the construction and implementation of the plan, alongside the development of institutions which are able to analyse economic and social activity, to fix and control prices - in short on the development of socialist relations of production. To the extent that market relations continue to exist in the transition period this fact must be explained by the existence of a specific system of relations of production and productive forces, and not simply with reference to scarcity or backwardness of the economy.

#### PROPERTY AND CLASS

The system of production and distribution also determines the relations between the different agents of production and those between groups i.e. which groups control capital and accumulation, and which groups produce wealth. Thus it is only by examining the specific organisation of production that we can assess whether or not the Soviet leadership, managerial cadres etc. are a class, or as Mandel would have it a 'stratum of the proletariat'. (I4) In either case, it cannot be an 'accident'.

In any system in which capitalist social relations operate i.e. in which the labourer is effectively separated from the control of the means of production and does not have the power to dispose of the product, then the associated problems of control and domination will come into play. It is a key component of capitalist ideology that the capitalist appears as the necessary director and organiser of production (he somehow possesses managerial 'expertise'). There is nothing to prevent a similar process under a state owned system as long as one group retains

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(I4) Mandel, 'On Bureaucracy' in Red Pamphlet, No. 5. IMG Publications.

the power to appropriate and direct the labour of another. In fact there is a strong possibility of this under a state centralised system of production, but when the decision making process and effective control of the state and of production passes into the hands of a bureaucratic grouping, the danger of a progressive restoration of capitalism becomes very real. This is why the form of the state - that it remains a workers state - is central in the transition period. This is also why the arguments about the possibility or otherwise of a 'peaceful restoration of capitalism' are totally beside the point. Why is it necessary for the new bourgeoisie to seize power by means of an insurrection against the state, when they already control it, including a centralised repressive machinery?

In the USSR it is clear that the Soviet Union underwent a 'bureaucratic deformation' which was never corrected. Successive reforms of the economy and planning processes have led to the situation where capitalist social relations are now reproduced on an ever increasing scale. For example, in the USSR it is the enterprise which now retains the possession of means of production and the capacity to accumulate or consume these in production, using market criteria in making these decisions. Enterprises are increasingly separated from one another, and within this situation it is the manager who retains control and decision making power. Mandel would in fact accept this last point, yet he refuses to accept that products within the state sector circulate as commodities or that there is a class contradiction; for him the economy is controlled by a 'bureaucracy' (I5) which operates a 'socialist' plan although its content and effectiveness is never analysed.

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- (I5) The characterisation of the Soviet Union as a 'bureaucratically deformed workers state' was closely related to the phase of state capitalism described by Lenin, but was accompanied by the demand for a concrete solution to this problem, by means of the training of thousands of workers in administration, the point being to gradually correct this deformation through correct action. The immediate aim was thus not to abolish bureaucracy but to transform the bureaucracy, into one closely tied to the service of the people. In Mandel's schema the bureaucracy remains a stratum, a layer, yet it has succeeded in achieving 'usurpation by the bureaucracy of the economic and political power of the proletariat' (Mandel. 'On Bureaucracy'. p.31). This usurpation rests on 'privileges' which 'can develop only within the framework of a non-capitalist (!) mode of production' (ibid.). This bureaucracy, in addition manages the amazing feat of 'defending the non-capitalist nature of the workers states and at the same time it fears and fights world revolution and thereby undermines the socio-economic basis of the workers state' (ibid.). Without examining the characteristics of the modern Soviet state Mandel continues

Mandel's argument here is formal and illusory. As we argued above, the actual relations which exist between enterprises in the Soviet Union is shown by the fact that the value form operates in the distribution and circulation of products. In the absence of the development of real relations of production and effective planning this condition can only remain and grow. Soviet 'planning' can only displace the contradiction and enable the type of 'intervention' in the economy similar to that achieved by western capitalist states. The mere existence of the plan cannot abolish market relations by declaration, nor can it substitute itself for them; they can only be overcome by a type of political action of a type which the Soviet leadership could not now initiate. Mandel's concept of 'planning relations' is nonsensical both from the point of view of historical materialism and the concrete experience of both the Soviet Union and China. What has been proved by both the failure of soviet planning, and by changes in China since the Cultural Revolution, is that the action and scope of the plan is determined by the course of the class struggle.

#### THE SOVIET ECONOMY

The presentation of data showing the existence of market relations, wage differentials, private agricultural property etc will not in itself prove whether or not capitalism has or has not been restored in the Soviet Union. It is the overall trend which is the key factor, and this can only be assessed by examining the structure of the soviet economy as a whole, along with the character of the ruling groups, their political line etc. What is urgently needed is a historical analysis of the degeneration of the Soviet Union which laid the basis for the restoration of capitalism but this is beyond the scope of this review. What can be shown however is the basically capitalist nature of the production process and relations of production in the USSR.

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- (15) to assert that it is a workers state (presumably a workers state which oppresses the workers?) and argues that although the bureaucracy has expropriated the working class that it is not a class because it 'has no political, social or economic means at its disposal to make the defence of its own special material interests coincide with the development of the mode of production from which it draws its privileges'. (The Soviet Economy Today, p. 17) Aside from the astounding terminology and tortuous arguments, the fact remains that classes are defined by the relations of exploitation which stem from relations to the means of production and only an analysis of the structure of the Soviet economy can provide a definition of the relations which hold between Party, managers and direct producers.

The basic questions of the principles of socialist planning were never thoroughly investigated in the Soviet Union, due partly to the urgency of practical tasks of construction and development in the thirties, and in a situation in which these problems had never been faced before. Thus debates over the law of value under socialism tended to reiterate the arguments of Preobrajensky as this fairly typical example shows:-

"...the law of value is not abrogated in the socialist system of national economy; on the contrary it functions under socialism but it functions in a transformed manner" (I6)

"...in a socialist economy the law of value means the necessity of conducting a monetary, not merely a physical registration and planning of the costs of production... The state plan in socialist economy makes use of the law of value to achieve the requisite proportions in producing the social product and in distributing social labour." (I7)

What was not clear in these discussions was whether or not the operation of the law of value maintained the use of the value form (i.e. exchange value of the commodity) predominant under capitalism. This however was 'resolved' during debates which took place in 1956:-

"The economists' debate which started in 1956, was quick to interpret the question in terms of price policy, that an end should be made to 'arbitrary' price-fixing as an instrument of planning policy (this being denounced as 'subjectivism' in planning). Instead, prices should be more closely related to value, in the sense that they should reflect the 'normal' expenditure of social labour in the course of production; in particular this should be done with regard to the relationship between the prices of capital goods (products of Group A industries) and the prices of consumers goods (products of Group B industries)." (I8)

What is being said here is that political criteria ('arbitrary') should be replaced by market concerns. (It is of course true that the manner of price planning in the Soviet Union prior to this date was 'subjective' to the extent that it was increasingly divorced from the overall planning of production,

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(I6) Vosnesensky (Chairman of Gosplan in late forties) 'Voennaia Ekonomika S.S.S.R. (Moscow 1948), pp. 145-6. (Quoted in M. Dobb 'Soviet Economic Development since 1917. Routledge 1972. p. 333

(I7) *ibid.*

(I8) Dodd, *op.cit.* p. 334

and more centrally from the participation of the masses; to this extent soviet planning demonstrates a wild oscillation from 'leftist' to 'rightest' deviations.) This trend was in marked contrast to Stalin's view that existing commodity relations were beginning to hamper the development of productive forces (19) and was confirmed in the 1961 Economic Programme which referred to the need to combine the planning of 'key targets', 'coordinating and dovetailing plans drawn up locally' and the 'extension of operative independence and initiative of enterprises'. In themselves, there was nothing wrong with these objectives, since they represented a move away from the pre-1961 bureaucratic centralist planning methods, but in the context of later reforms such as the granting of the right of enterprises to contract directly for its products and its supplies with other agencies (20) a greater degree of activity was gradually allowed outside the plan, at the same time as enterprises established their independence.

It is within this context that the Liberman reforms of 1965 must be examined. As described by Dobb they took the following form:-

"Enterprises were to be given merely a general production target expressed in terms of marketed output (with limits on their total wage funds and stipulated payments from and to the state budget). Given this they were to have full responsibility for working out their detailed output-plan and other indices. Profitability was to be established as the main index or criterion of efficient performance; and an incentive fund, financed by proportionate deductions from profit, was to be made the primary source for bonus-payments to workers in each enterprise." (21)

This step clearly represented a weakening of the plan, with the added attraction of a sound basis for further erosion of what remained of the former system. The actual effect of these reforms has thus been to stimulate a form of 'competition' between firms, to the extent that some have been able to increase their profits by changing the proportion in which they produced different lines of goods, since some commodities yield more profit than others. (22) Thus, in opposition to the defenders of the soviet system, it can be argued that a form of the attraction of funds to more profitable branches of production is possible under the reformed soviet economy. In this situation, production for use appears to be a secondary

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- (19) Stalin, op.cit. p.  
 (20) Dobb, op.cit. p. 334  
 (21) ibid. p. 381  
 (22) ibid. p. 392

consideration, as does Mandel's dogmatic assertion of 'planned investment'.

The basic logic of the soviet economy thus leads to an erosion of planning and the concentration of greater economic power in the firm, and within the individual unit, onto the manager. Mandel is quite wrong when he describes the fundamental dynamic of the soviet economy as the contradiction between socialist and capitalist elements. It is in fact a downward spiral leading away from any but the most 'indicative' form of monopoly capitalist planning.

In agriculture we can detect a similar process. This sector has been marked by failure to discover a formula for relating incentives to a system of individual and collective work with the long term perspective of winning over the masses for support for an eventual state system (23). The end result has been a series of compromises in the 1960s, leading to the following:-

- In 1963 family plots on collective and state farms in Kazakhstan produced almost four times the number of potatoes produced in the public sector.
- The number of days spent on collective work has systematically declined (180 per year in the Ukraine, 135 in Georgia) and the consequent extension of the private market in produce has brought about the existence of capitalist middlemen who arrange transport etc. entirely outside the state distribution sector.

The importance of these phenomena is that they once more illustrate the logic of the degeneration which lays the basis for capitalist restoration. It would be important in this respect to investigate the mode of exchange between the agricultural and industrial sectors of the economy, but suffice it to point out here that the majority of food prices cannot be planned in any sense, unless some sort of subsidisation of food prices is undertaken which is closer to western capitalist agricultural policy than to socialised system of agricultural production.

## CONCLUSION

For Mandel the restoration of capitalism could only be demonstrated by the introduction of layoffs in industry, the appearance of massive unemployment, and a change in the direction of the economy, such that it responds to changes in liquid demand etc. (24). I have shown above that the

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(23) For an account of this process see Alec Nove, 'An Economic History of the USSR'. Pelican. 1972. pp.363-68  
 Data on agricultural production taken from M. Mavrakis. 'Du Trotskyisme'. Maspero, Paris. 1973 ed. p. 146  
 (Translation forthcoming.)

(24) Mandel, op.cit.

last condition is possible, at least at the level of the individual firm, but the central point here is that Mandel's conception of capitalism is restricted to the abstract model of laissez faire capitalism in which free competition is paramount and the ruling class has a great historical task to accomplish. What I have tried to show in this article is that when we consider the economy from the point of view of the circulation of total social capital alongside the social relations in which production takes place it becomes clear that contradictions exist within the soviet economy which are strictly analogous to those existing in most monopoly capitalist economies. These contradictions can of course become more fully developed as recent evidence suggests. There are also counter tendencies however. For example, a ruling class which relies on self-declared 'Marxist-Leninist' principles in order to maintain its rule over the masses will at certain points be forced to make concessions e.g. in the area of state provided amenities in defence of its power. It is also probably the case that there are serious divisions within the ruling bloc over the question of the way forward for the Soviet Union. Thus class struggle in the Soviet Union will take a specific form according to the concrete situation; we should not expect it to be identical with that in the West.

Mandel's article reveals clearly the very shaky foundations on which the Trotskyite critique of the Soviet Union rests. Fundamentally it is based on a form of economic determinism, where the productive forces are given primacy and politics is discounted as purely secondary (in this sense the so-called Fourth International has not travelled far when compared to the Second) (25). The distorted view of the state which accompanies this assessment prevents a concrete analysis of the Soviet Union which bears any relations to reality, and ends in the characterisation of the Soviet Union

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(25) More examples can be given from Mandel's article. In fact his whole approach to the Soviet Union is characterised by his definition of the condition of scarcity; this apparently explains the 'accidental nature' of its development. This is an approach typical of Trotsky himself. His sole solution to problems presented by the situation of the Soviet Union in the twenties was the faster development of the productive forces. The following quote is of particular interest:-

'If world capitalism...should find a new dynamic equilibrium (not for its unstable government combinations) but for its productive forces; if capitalist production in the next few years or decades should experience a new great renaissance; this would put us, the Socialist State, in the peculiar position of being obliged - though already engaged in changing from our slow freight train to the faster passenger train - to catch up with a first-class express. ...this would mean that we were mistaken in our fundamental historical judgments. It would mean that capitalism has not yet



as a 'non-capitalist' society.

For Marxist Leninists on the other hand the key question in the transition to socialism is the maintenance of the dictatorship of the proletariat under the guidance of a Communist Party which retains close links with the masses. Only in this way can control over the means of production and over the state apparatuses be extended and socialist relations of production be established on firm foundations. If these conditions are absent, then the restoration of capitalism will always remain a probability.

P.J.

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- (25) exhausted its historic mission', and that the imperialist phase now unfolding before us does not constitute a phase of capitalist disintegration, of its death struggle, but rather the necessary condition to a new period of efflorescence. Trotsky, op.cit. p. 46.

To the Editor of MLQ,

Dear comrade,

I read with some amusement, in the last issue of MLQ, a letter from cde. EK in reply to my article, 'On the Usefulness of Economics of Partition'.

Cde. EK states that '...GM does not say that there were no objective internal bases for historical developments in Ireland', and yet at the same time writes 'Throughout Irish history there have been two main factors in operation - the internal contradictions (class forces, development of productive forces) and the external influence of direct British intervention - GM). Neither of these factors can be analysed in isolation from the other'. The main thrust of my article (apart from showing the one-sidedness of the B&ICO) was to point out that British imperialism has played the main determining role in Irish history for, at least the last 350 years, that British imperialism destroyed productive forces in Ireland and enforced a feudal land system in the South. That is what I intended to show.

Cde. EK says that he is 'generally in agreement with the analysis presented by GM...', but he does not specifically point out where he is in disagreement. Cde. EK should say where he disagrees.

Moreover, it seems strange that cde. EK can accept my analysis but not the conclusions derived from that analysis. It seems quite a job to reconcile British imperialism's obstructionist and exploitative policy with 'Ulster's democratic integration with the British imperialist state'!

Lastly how does cde. EK justify the position where he supports 'Self-determination for the Irish people as a whole' with his previous arguments in MLQ which have attempted to demonstrate that Ulster is part of the British nation and has national rights.

I'm curious to find out.

GM

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