

STATE CAPITALISM

A TRAVESTY OF MARXISM

THE THEORY OF state capitalism lies at the centre of the political tradition represented today by Tony Cliff's Socialist Workers Party (SWP). Duncan Hallas once noted in a polemic on the subject: "we are not debating 'theology' as some well-meaning but misguided folk believe. We are discussing matters which take us to the very heart of revolutionary socialist politics today" (ISJ 91). That was in 1976. Eight years on, and deep within the trough of a new Cold War, the debate is even more relevant.

Tony Cliff first submitted his version of state capitalist theory to the Internal Bulletin of the RCP—the then British section of the Trotskyist Fourth International—in 1948. He can make no claim to have pioneered state capitalist theory. Numerous Menshevik and other Second International theorists before Cliff denounced the Bolshevik revolution as illegitimate, premature and only capable of building state capitalism. Cliff's model, however, was specifically designed as an attack on Trotskyism and logically led to a break with it in 1950. Over the years it has proved its appeal as a simple-to-grasp piece of anti-Stalinism, used most often to prove the point that 'Russia isn't socialist'. As a body of concepts it has remained much as it was in 1948 when it was first formulated. It has undergone so little development that A. Callinicos was moved to say in 1981 that the "specific forms in which the laws of motion of the capitalist mode of production became operative in the case of state capitalism" is an analysis which "remains largely to be carried out" (ISJ 2:12 p116). As it will be seen this lack of refinement over the last 35 years is no accident. Any attempt at rigorosity or further development would have cruelly exposed the weaknesses in the theory.

What exactly was the Trotskyist theory that Cliff's work attempted to displace? Trotsky began from an historical fact, which the SWP also recognise, that the October 1917 Russian Revolution ushered in the dictatorship of the proletariat and subsequently abolished capitalism throughout the old Tsarist Empire. No-one was more acutely aware than Trotsky of the problems the new Soviet Republic would face in making the transition to socialism given the enormous material backwardness of Russia and the isolation of the revolution. It is precisely the inability of the SWP to fully grasp the significance of the transition period under the dictatorship of the proletariat which is the single most important methodological error that lies at the heart of the theory of bureaucratic state capitalism. For revolutionary marxists the dictatorship of the proletariat necessarily ushers in a transition period. The central task facing the working class in that period is to gradually transform property relations, social life and political power so as to make possible the creation of a communist society. In the transition the productive forces must be massively expanded in order that a society arises which can "inscribe on its banner: from each according to his ability, to each according to his needs." (Marx). Gradually, to the degree social antagonism disappears the working class itself disappears, for the proletariat "is victorious only by abolishing itself and its opposite. . . private property." (Marx and Engels: Collected Works Vol 4 p.36).

In the field of politics the dictatorship of the proletariat under the leadership of Lenin and Trotsky faced three tasks. First, the suppression of counter-revolution which was carried out ruthlessly during the civil war period 1918-21. Secondly, this workers state, based on soviet power, encouraged the widest democracy of the toilers, recognising that for socialism to be built progressive measures had to be taken to ensure the withering away of the state as a separate power. Thirdly, in order to create the material conditions of a communist society and in order to ensure its very existence the Soviet Republic had to be an instrument for internationalising the revolution. Ultimately the working class can only be victorious on a world scale.

In the economic arena, Lenin and Trotsky recognised the impossibility of an immediate leap out of backwardness. The Soviet dictatorship destroyed the bourgeoisie's rule and ushered in a period of economic transition in which the working class would have to fight to eradicate the norms of capitalist production, exchange and distribution. As Marx had said: "What we have to deal with here is a communist society, not as it developed on its own foundations, but, on the contrary, just as it emerges from capitalist society, which is thus in every respect, economically, morally, and intellectually, still stamped with the birth marks of the old society

from whose womb it emerged." (Marx' Critique of the Gotha Programme).

Marx presumed that, for example, remuneration for labour would still take the form of wages which in the early transition would represent exactly what each individual worker had given to society. Hence, bourgeois right or capitalist forms of distribution would still inevitably operate in the workers state so long as the economy remained impoverished and scarcity was generalised. Only the conscious effort of the workers to progressively raise labour productivity and increase productive wealth could undermine the continued operation of such forms inherited from capitalism. Economically, the key task facing the Soviet workers after 1917 was the subordination of all elements of capitalism—commodity production, profit, law of value, wage inequalities, money—to the principle of conscious planning. The creation of statified property was a necessary means to that end. However even in the hands of a healthy workers state, statified property does not have, in the immediate aftermath of the proletarian revolution, an automatically socialist character. This is determined by whether or not the direction of the property relations is towards the triumph of conscious planning and creation of socialism. As Trotsky said, "The latter has as its premise the dying away of the state as the guardian of property, the mitigation of inequality and gradual dissolution of the property concept even in the morals and customs of society." (Writings 1935-36, p.354).

In turn, though, this triumph can only occur at all if the workers are democratically organised to exercise their own power. Only the self-emancipation of the working class can guarantee the transition to socialism. Because of the rise of the Stalinist bureaucracy—itsself a product of Russia's material backwardness and the isolation of the first workers state—the transition to socialism was blocked in the USSR. Trotsky himself was the most intransigent opponent and analyst of the degeneration of the Russian revolution. He recognised the material forces that shaped that degeneration. As he pointed out: "The upsurge of the nationalised productive forces, which began in 1923 and which came unexpectedly to the Soviet bureaucracy itself, created the necessary economic prerequisites for the stabilisation of the latter. The upbuilding of the economic life provided an outlet for the energies of active and capable organisers, administrators and technicians. Their material and moral position improved rapidly. A broad, privileged stratum was created, closely linked to the ruling upper crust. The toiling masses lived on hopes or fell into apathy." (Writings 1934-35 p175).

The developing Stalinist bureaucracy lashed out first against the communist left opposition crushing it by 1928. Over the next five years it both crushed the restorationist right wing around Bukharin, establishing its model of a planned economy, and destroyed each and every remnant of

proletarian democracy. By 1935 the political defeat of the working class at the hands of the Stalinist clique was complete. Yet in the process of creating this Stalinist Bonapartism the economic foundations created in the aftermath of destroying capitalism were not only preserved but actually extended on a massive scale with the liquidation of the Kulaks and the extension of the planned economy. Stalinism's contradictory character reveals itself in its political expropriation of the Russian proletariat and its extension of bureaucratic planning to all the major elements of the post-capitalist economy. Against the proletariat Stalinism is counter-revolutionary in that it strangles the only force that can effect the transition to socialism. But it does it on the basis of property relations that have a post-capitalist character. It is this dialectical understanding of Stalinism's contradictory nature that completely eludes each and every state capitalist theorist.

IF IT'S NOT SOCIALIST, IS IT CAPITALIST?

Cliff's method of fathoming the class nature of Stalinist Russia had nothing to do with Marxist dialectics. His method was altogether different. He compared the reality of Stalin's Russia with the norms of a healthy workers state in transition towards socialism. In fact he sums up his own method well when after discussing Marx and Lenin's programme of proletarian democracy he continues "To this conception, let us now counterpose the reality of the Russian Stalinist state." (T. Cliff: State Capitalism in Russia 1974: p96).

Not surprisingly Russia fails Cliff's normative tests. Of course the USSR is not a healthy workers state and neither is it socialist. But it is impossible to deduce the class character of a state by contrasting it with programmatic norms. Trotsky himself often warned his critics of this fact: "In the question of the social character of the USSR, mistakes commonly flow, as we have previously stated, from replacing the historical fact with the programmatic norm." (In Defence of Marxism Pathfinder p3)

A revolutionary method of analysis does not counterpose 'norm' to 'fact' but seeks to analyse their contradictory unity: "The programme of the approaching revolution in the USSR is determined on the one hand by our appraisal of the USSR as an objective historical fact and on the other hand, by a norm of the workers state. We do not say: 'Everything is lost, we must begin all over again! We clearly indicate those elements of the workers state which at the given stage can be salvaged, preserved and further developed.'" (ibid p3)

Using his own method Cliff is only able to prove that Russia is not socialist and not in transition to socialism. So what? Trotsky said that first and with far greater clarity. But Cliff and hundreds of SWP educational meetings leap from the evidence that Russia is not socialist to the claim that it is, therefore, capitalist.

In order to prove Russia is capitalist the Cliff school has had to mangle the very meaning of capitalism and its laws for the Marxist tradition. Cliff applies his own formalistic, non-dialectical method to the sphere of political economy too. The case for calling Russia state capitalist essentially rests on the nature of the accumulation process in the USSR. For the SWP this argument is used to explain how, why and when capitalism was restored in the USSR. Cliff interprets the creation of the bureaucratically planned economy of the



Magnitogorsk - A new metal plant for the First Five Year Plan

USSR as a social counter-revolution that inaugurated bureaucratic state capitalism in the USSR. For Cliff, the bureaucracy is transformed into a collective capitalist because it undertook the 'bourgeois' task of accumulation. As he says, "Under capitalism the consumption of the masses is subordinated to accumulation" (p34) "What is specific to capitalism is accumulation for accumulation's sake, with the object of standing up to competition." (p168). . . The fact that the bureaucracy fulfills the task of the capitalist class, and by doing so transforms itself into a class, makes it the purest personification of this class." (p169-70).

Cliff has no problem in showing figures for the First Five Year Plan (1929-33) which show a marked shift in priority away from individual consumption towards accumulation of the means of production. Within the use to which Cliff puts these figures (which are not themselves in dispute) lies that key element of Cliff's method, the use of the syllogism; under the First Five Year Plan consumption was subordinated to accumulation; under capitalism, consumption is subordinated to accumulation; ergo, the First Five Year Plan was capitalism.

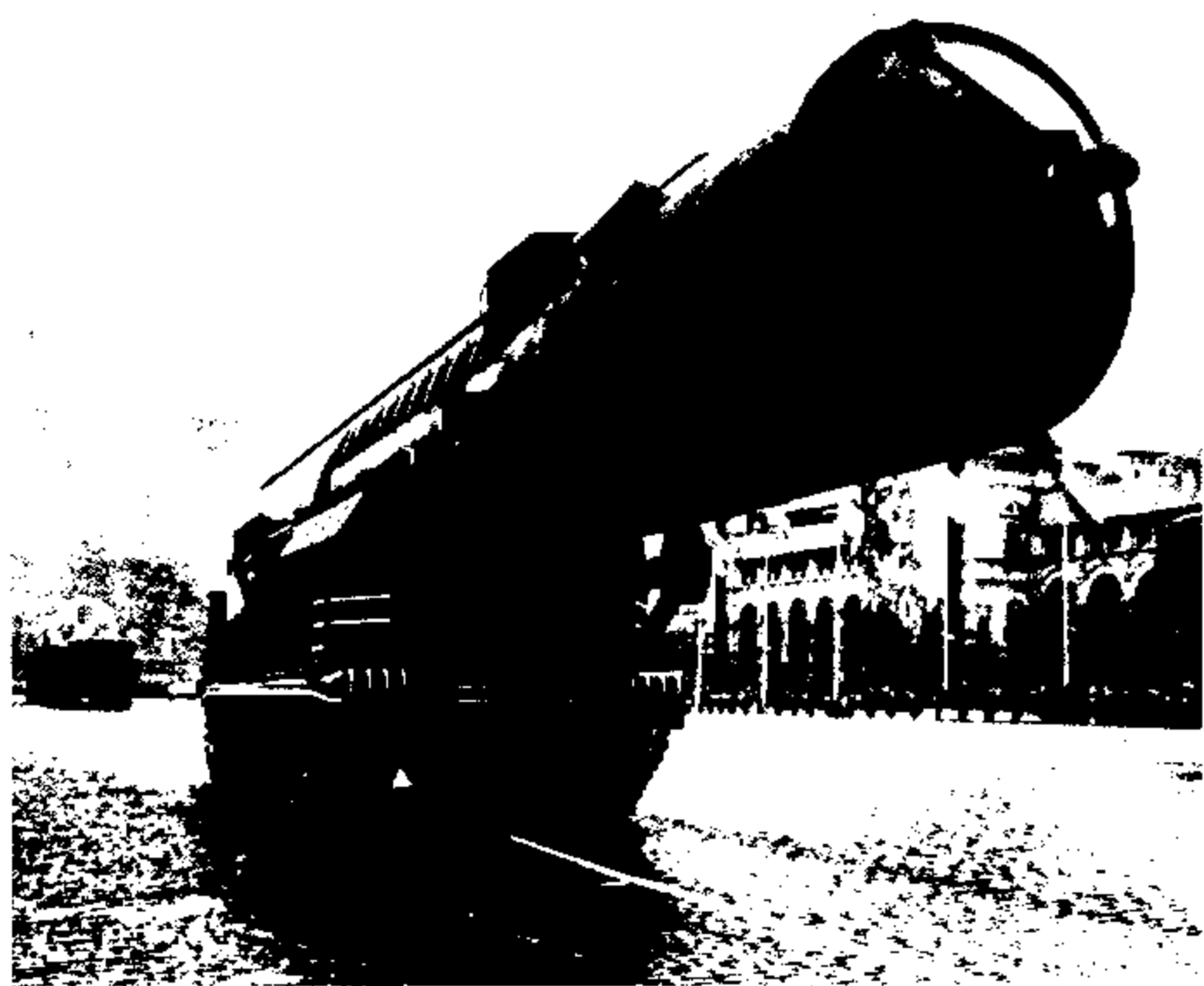
The accumulation of the bourgeoisie is the accumulation of capital which, of course, takes on the concrete appearance of machines, tools etc. However, whether such use values are capital in any given situation is not determined by the mere fact that they are accumulated. As early as 'Wage Labour and Capital' Marx argued, "Capital consists not only of means of subsistence, instruments of labour and raw materials, not only of material products; it consists just as much of exchange-values. All the products of which it consists are commodities. . . Capital does not consist in accumulated labour serving living labour as a means for new production. It consists in living labour serving accumulated labour as a means of maintaining and multiplying the exchange-value of the latter." (Wage Labour and Capital. Marx and Engels Collected Works p.212-213.)

The means of production in the USSR in 1929 or 1984 do not have the character of commodities; they are not produced for eventual sale on the market. They are transferred from one state enterprise to another, according to a pre-determined plan which has decided the proportions in which different sets of commodities will be produced. It is not left to the market, post festum, to decide which is needed and which, by dint of its inability to find a purchaser, is useless.

The healthiest of workers states would of necessity, accumulate use-values in particular, means of production. If it is to progress towards socialism it will have to expand production on a huge scale. Consumption will have to be subordinated to accumulation in any workers state or socialism is impossible. Under Lenin's leadership the early Soviet Republic did not somehow become capitalist because all consumption was cut back in an effort to produce munitions and supplies for the Red Army to resist the wars of intervention!

In order to buttress his case Cliff claims that what makes Russia's accumulation 'capitalist' is the fact that it is carried out in order to survive in competition—to repeat a quote from Cliff "What is specific to capitalism is accumulation for accumulation's sake, with the object of standing up to competition" (p 168). Not only does he fail to prove that the social relations of production are primarily concerned with the accumulation of exchange values. He even decides he does not need to. In order to do so he would have to establish that the wage labour/capital relationship dominates the production process and that, as a result, labour power is a commodity in the USSR. But in the various versions of his book (1948, 1955, 1964, 1974) Cliff has consistently denied this, ". . . if one examines the relations within the Russian economy, one is bound to conclude that the source of the law of value, as the motor and regulator of production, is not to be found within it. In essence, the laws prevailing in the relations between the labourers and the employer-state would be no different if Russia were one big factory managed directly from one centre, and if all the labourers received the goods they consumed in kind." (T. Cliff op cit. p.208-209).

Assuming that the USSR is just like one large company operating on the world market, Cliff believes he only has to prove the existence of and determining nature of the competitive relations between the 'state capitalist' blocks to demonstrate their capitalist character. Thus, "But as it is, Stalinist decisions are based on factors outside of control, namely, the world economy, world competition." (p.209).



Evidence of capitalist production?

Cliff argues that although the USSR has replaced commodity exchange within the USSR by a mere technical division of labour, the law of value dominates it through the exigencies of world capitalism. Cliff is aware that the USSR's exchanges with the imperialist countries are relatively small. He does not stop to consider the implications for a 'state capitalism' that deliberately abstains from and avoids capitalistic exchanges! Instead he tries to prove that the capitalist nature of the USSR is determined by the character and scale of US military competition with the west. Because this competition does not take place through exchange, Cliff is driven to argue that the use-values (ie tanks, guns, nuclear war heads) act as through they were exchange values. "Because international competition takes mainly a military form the law of value expresses itself in its opposite, viz a striving after use-values." (ibid). Once again Cliff equates the accumulation of use values with the accumulation of capital. "Striving after use values" is only another way of saying "striving to accumulate material wealth" something which has been a common feature of all societies save the most primitive.

There is no doubt that the pressure of military competition does exercise a distorting effect on the Soviet economy, as it will on the economy of any workers state, healthy or unhealthy. But none of this means that military competition can take the place, or have the same results as capitalist competition.

IS COMPETITION CAPITALIST?

One cannot explain the capitalist character of an economy from an analysis of competition. As Marx explained: "Competition executes the inner laws of capital, makes them into compulsory laws toward the individual capital. But it does not invent them. It realises them. To try and explain them simply as results of competition therefore means to concede that one does not understand them." (K. Marx 'Grundrisse' pp 751-52). If it is impossible to prove the existence of the law of value from an analysis of competition it is also equally impossible to derive the capitalist character of competition by focussing on the military form of competition. There is nothing specifically capitalist per se about military competition. Again to prove it was such Cliff would have to show that the state engaging in the competition was producing capitalist commodities, which is exactly what he admits he can't do. Instead he tries by sleight of hand to invest use values with the character of exchange values.

Cliff's attempts to prove that either 'accumulation' or 'competition' made Russia capitalist evidently do not stand up. Evident unease at Cliff's categories has encouraged a debate within the SWP over the question of whether labour power is a commodity in the USSR. Binns and Haynes stand on one side in the argument. In ISJ 2.7 they argued that "labour power cannot be a commodity in the USSR because with only one company (USSR Ltd) purchasing it, there cannot be a genuine labour market there." (p29). This is, in effect, Cliff's argument of 30 years ago, and one we presume he still holds. It does however threaten to bring the entire theoretical edifice of 'state capitalism' crashing to the ground. Duncan Hallas obviously sensed this and replied quite sharply: "If labour power is not a commodity in the USSR, then there is no proletariat. Moreover, if labour power is not a commodity then there can be no wage labour/capital relationship and therefore no capitalism either. Therefore, there can be no capitalism in any shape or form." (ISJ 2:9). Apart from anything else this is a refutation of Cliff's work. More recently, Alex Callinicos (ISJ 2:12) has gone to great length to back Hallas up and even openly attacks Cliff on this point.

A false argument has ensued which revolves around whether or not labour power in the USSR is 'free' in the sense Marx described it; ie free from means of production, so that each labourer must sell his/her power for a limited period and to change their master. On the one side, Binns and Haynes can marshal evidence to show what restrictions exist on the free movement of labour in the USSR. On the other hand, Callinicos argues that: "when we look at the reality of Soviet society, there is no doubt that labour power is a commodity there. Enterprises compete for workers, offering all sorts of illegal bonuses to persuade people to work for them. Workers have a considerable degree of choice—they are not compelled to work in a particular factory." (ISJ 2:12 p115)

Both approaches are equally one sided. Each just emphasises (to the exclusion of the other) certain aspects of the situation in order to 'prove' or 'disprove' the commodity nature of labour power. In fact, all Callinicos proves is that the Soviet working class is not a slave class. Following the logic of Cliff's variant of state capitalism Haynes and Binns suggest it is. The fact that wage incentives, bonus payments, etc exist in the USSR do not in themselves enable Callinicos to shore up Cliff's state capitalist theory. As we have seen they would exist in a healthy dictatorship of the proletariat as a result of the fact that it would arise out of capitalism and could not immediately leap to the land of socialism where inequalities no longer exist.

For Marx, free labour in the sense of the purchase and sale of labour power was a juridical question, an essential part in the whole question of the production and exchange of commodities. It is in this area that massive restrictions exist in the USSR, which do not exist under capitalism. The correct starting point is not to focus on the abstracted question "is labour power a commodity?", but "to what extent is there generalised commodity production in the USSR?" It is clear that commodity production and exchange only

exists in pure form in the black market, but even here it is predominantly simple commodity production, not capitalist commodity production. As far as the state sector is concerned the matter is different again. The bulk of material production in the USSR concerns the production of the means of production. These goods are not produced for the market as explained earlier. By and large they are not the subject of sale and purchase transactions so the labour and valorisation process in this sector cannot be a process of commodity production. The labour expended in them is directly social labour. In the consumer goods sector, the nature and volume of these, as with capital goods, is determined by the bureaucracy's 'blind' planning mechanisms. However, there is something of a commodity character imparted to consumer goods because unlike capital goods, a considerable portion of consumer goods are distributed in a different manner, not according to a plan. They are produced for an unknown market and are exchanged against money wages. The labour carried out in this production is not directly social labour, as it is only recognised as such after the sale (if at all).

The same, dialectical, view should be taken of 'labour power as a commodity'. The fact that the worker sells, and the bureaucracy purchases, the worker's labour capacity via the medium of money indicates the continuing commodity character of labour power. However, on the other hand, the market price of labour power is not determined by supply and demand under the pressure of an army of unemployed. The wage fund is set in advance by the bureaucracy which determines general wage levels in different sectors. It is possible to make similar observations about other economic categories such as prices of production, money, etc which achieve their fullest and most developed expression under capitalism but which continue to exist in the USSR in an underdeveloped form as they would in any post capitalist society.

THE BUREAUCRACY AS RULING CLASS

Behind all the garbled economic categories lies one argument that is always at the centre of the state capitalist case. In arguing against the Trotskyist view of the USSR as a degenerate workers state, state capitalist theory constantly repeats the refrain that it cannot be any form of workers state if the workers are oppressed and have no political power and that the bureaucratic agent of this oppression must therefore be a ruling class. To quote Alan Gibbons: "1929 saw the abolition of independent trade unions, the abolition of the right to strike, the forcing down of wages. That these are the policies of Tory governments today show that Russia has become but one capitalist power among others—the only difference being that in Russia the state itself was the ruling class, that it was state capitalism." (How the Revolution Was Lost p.28).

The central problem is whether the working class can be said to be the ruling class where its political power is not expressed through mass organs of proletarian power or the rule of its vanguard party? Can the class rule of the workers exist where a bureaucratic dictatorship over the working class has been established? At the heart of this dispute is the question of how Marxists define the class nature of any state. Trotsky argued on this "Friedrich Engels once wrote that the state, including the democratic republic, consists of detachments of armed men in defence of property, everything else serves only to embellish or camouflage this fact." (Whither France). It followed that the class nature of any state was determined by the property relations that it defends. Despite the monstrous tyranny of the Stalinist bureaucracy the property relations of the USSR—state planning—remain those that the proletariat must take hold of it it is to carry through the transition to socialism. To that extent the property relations remain proletarian despite the rule of the bureaucracy and the need for the revolutionary overthrow of the bureaucracy as a prerequisite for using those property relations to effect a socialist transition.

Hallas and Binns have attacked this method of evaluating the character of the soviet state, "This is a fundamental break with Marx and Lenin and with Trotsky's own earlier position". (ISJ 91 September 1976). It can hardly be called a fundamental break with Marx. This is how Marx posed the question of evaluating the character of a given state: "It is always the direct relationship of the owners of the conditions of production to the direct producers. . . which reveals the innermost secret, the hidden basis of the entire social structure, and with it the political forms of the relation of sovereignty and dependence, in short, the corresponding specific form of the state." (Capital V.3 p.772)

For the Trotskyist the USSR remains a proletarian state because it defends, and even in certain circumstances, extends the expropriation of capitalism and the subordination of its laws. SWP attempts to prove that the USSR is capitalist do not stand the test of serious examination. But what of their negative case against the 'degenerate workers state' theory that the non existence of workers power proves that the USSR cannot be a workers state? The history of capitalist development provides instances where the capitalist class did not exercise political power directly but the state was still capitalist. For example, in France in the Napoleonic era, the Restoration period, and the Second Empire of Louis Napoleon all excluded the bourgeoisie from direct access to political power. Trotsky was the first Marxist to develop an analogy between this experience of bourgeois development and the degeneration of the Russian revolution.

The proletariat lost political power in Russia without the immediate reintroduction of capitalism. However there are important differences between a capitalist state where the bourgeoisie have lost political power and a proletarian state where the working class is politically expropriated. The

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bourgeoisie did not need to directly rule for capitalism to grow and develop because it is based on the blind spontaneous mechanism of the market. However, the working class cannot move forward to socialism without ruling politically. That is why the transition in the USSR is not only blocked but is in many regards reversed. The bureaucracy undermines the continued existence of even the blind planning that exists. It prepares the ground for the restoration of capitalism. The result of this contradictory state of affairs is that the 'state' in the USSR continues in precisely the 'form', but not the social content, that Marxists seek to abolish—set above and against the toilers. Far from a tendency to ever greater equality, inequalities continue and are even exaggerated. The capitalist norms of distribution and exchange that Marxists seek to destroy and replace will remain and even strengthen. All this demands a political revolution by the working class to once again clear the road for the transition to socialism and communism. The SWP, on the other hand, reduce the question of workers' state to a political and superstructural question, to the political forms through which the dictatorship was organised. This is at one with the unmarxist normative method employed in every dimension of the state capitalist argument.

The designation of Russian bureaucracy as a capitalist ruling class because it performs tasks 'normally' historically undertaken by a bourgeois class is another example of crass schematic thinking. Cliff expressed it in the following way: "The fact that the bureaucracy fulfills the tasks of the capitalist class, and by so doing transforms itself into a class makes it the purest personification of this class. Although it is different from the capitalist class, it is at one and the same time the nearest to its historical essence." (Cliff: Russia: A Marxist Analysis London 1970 p118)

Trotsky showed how the 'normal' progress of capitalism in Russia could not occur as it had done in western Europe when he developed his theory of Permanent Revolution. What is 'normal' in one historical period becomes 'impossible' in the next. In just this fashion it will fall to the international working class in the greater part of the world to undertake extensive industrialisation. Will the proletariat therefore become a bourgeoisie?

If the bureaucracy does not constitute a capitalist class is it possible that it does still, nonetheless, constitute a ruling class? Cliff and co. have always attempted to steer clear of the implication that the USSR was some kind of 'new class' society as Shachtman, Djilas and others since have claimed. Cliff simply asserts that the bureaucracy is a class because their role can be squared with an extracted quote from Lenin "We call classes large groups of people that are distinctive by the place they occupy in a definite historically established system of social production." (ibid p.166).

In fact Cliff fails to grasp what is meant by 'definite historically established system of social production'. The USSR is a transitional society comprised of elements of post-capitalist society and elements of capitalism; this is reflected in the fact the bureaucracy has no 'definite historically established' role to play in the USSR. While the bourgeoisie under capitalism is a necessary component of the relations of production of the capitalist system of production, the Soviet bureaucracy is not such a necessary element in the planned property relations of the USSR. On the contrary its monopoly of political power, its control over distribution is, and always has been (even during the most dynamic phases of Soviet economic development) an obstacle to the full realisation of the potential of the property relations of the USSR. In all hitherto existing societies the property relations, and the class structures that necessarily flowed from them, became a brake on the development of

the productive forces of mankind. In the USSR it is not the property relations but a layer of administrators and distributors who block the development of the productive forces.

When we strip away the jumble of pseudo-Marxist categories we can begin to see state capitalist theory for what it is. It proceeds from authority relations in the USSR and outrage at the evidently repressive, coercive regime to reject Trotsky's dialectical understanding of the USSR's class nature. This is the same method all other 'new class' theorists have used and is why it is no surprise that when its use of Marxist terms is debunked state capitalism looks remarkably like a 'new class' theory.

STATE CAPITALISM AND THE OVERTHROW

OF STALINISM

Even where SWP members might admit to the lack of coherence of state capitalist theory and its inability to really explain the dynamics of the Soviet Union they will nevertheless defend their position as the one that is least tainted with reformist perspectives in the Stalinist states. They commonly accuse those who hold that Russia is a form of 'workers' state' of being automatically soft on the bureaucracy that rules these states. In fact this is far from the truth. The Trotskyist programme for "political revolution" is a programme for the revolutionary overthrow of the bureaucracy at the hands of the organs of a healthy workers' state - workers councils and a workers militia. It has nothing in common with programmes for 'democratising' the existing Stalinist regimes hand in hand with sections of the bureaucracy peddled by degenerate "Trotskyism".

For us the task of the political revolution is to unlock the transition to socialism by taking power directly into the hands of the toilers. The alternative is for the bureaucracy and its technical advisors to increasingly try to by-pass the effects of its own inability to plan dynamically by strengthening the operation of the norms of a capitalist economy in the workers states themselves. We are opposed to any such strengthening of market mechanisms, incentive schemes, in that they pull the societies further away from the transition to socialism and towards the reintroduction of capitalist property relations. Our programme is for a democratically centralised economy in the hands of workers organised in workers councils and a workers militia. We are for workers council power not parliamentary power.

The upheavals in East Europe - most recently in Poland - enable us to put the respective programmes of state capitalism and Trotskyism to the test. They show that because the Cliffite tradition cannot comprehend that any form of overthrow of capitalism has been effected in the USSR, East Europe etc - and because as a metropolitan economist set it looks at the class struggle from the vantage point of metropolitan trade unionism - the organisation cannot face up to, let alone answer, any of the key questions of struggling for power against the Stalinist bureaucracy.

"Russia: a Marxist Analysis", in keeping with Cliff's Luxemburgism at this time, advanced a programme of awaiting a spontaneous emulation of the Hungarian workers' councils of 1956. Until that spontaneous revolution nothing can be done except wait for the day: "The class struggle in Stalinist Russia must inevitably express itself in gigantic spontaneous outbursts of millions. Till then the omnipotent sway of the secret police will make it impossible for a revolutionary party to penetrate the masses or organise any systematic action whatsoever." (p349) It will have as its task, however, the opening of, "the field for the free activity of all the parties tendencies and groups in the working class." That is all the author of this particular variant of state capitalism can offer in the entire book as a perspective and programme for militant workers wanting to destroy the Stalinist bureaucracy.

If we look at the position of the SWP on the recent Polish revolution we can see just how politically crippling is the view that Poland, and other states like it, are a form of capitalism. It led both to a series of fatally false characterisations of rival tendencies in the Polish workers' movement and merely a militant trade unionist programme that could not advance a road for the Polish workers to take power.

The longer Stalinism strangles the workers' states the stronger becomes the appeal of anti-communist programmes to the intelligentsia and sections of the working class. It is Stalinism that discredits the socialist programme in the eyes of millions of workers. This means that it remains a vital task of communists to found revolutionary parties that can wage a war against Stalinism and against forces seeking to use the struggles of the working class in order to advance their own particular counter-revolutionary objectives. In Poland this included the democratic intelligentsia around Kuron and Michnik who were advancing a programme of social-democratising Poland along the lines of a mixed economy and parliamentary institutions modelled on the West. It obviously included the Catholic church and the openly restorationist Confederation for an Independent Poland (KPN). Unless a party existed to fight against these elements the spontaneous mobilisations of the Polish workers were not capable of destroying Stalinism and could even serve, in the short term, to strengthen the hands of elements who had no interest in securing workers' power.

In the latest edition of "Class Struggles in Eastern Europe" (1983), Chris Harman fails to come to grips with the real nature of the major pretenders to leadership in Solidarnosc. Just because Kuron and Michnik did not want to seize power (itself an element of their utopian scheme for a gradual social-democratisation of Poland - 'Finlandisation') - Harman decides they must be syndicalists,

"It was, indeed, a version of classic syndicalism - the belief that workers' problems can be solved by building strong union organisation, without paying any heed to the question of state power" (p245). State capitalism prevents its protagonists from understanding the real nature of Kuron and Michnik's political programme, one which aimed to use the workers' genuine grievances against bureaucratic planning to strengthen the mechanism of the market by establishing the "autonomy of the enterprise".

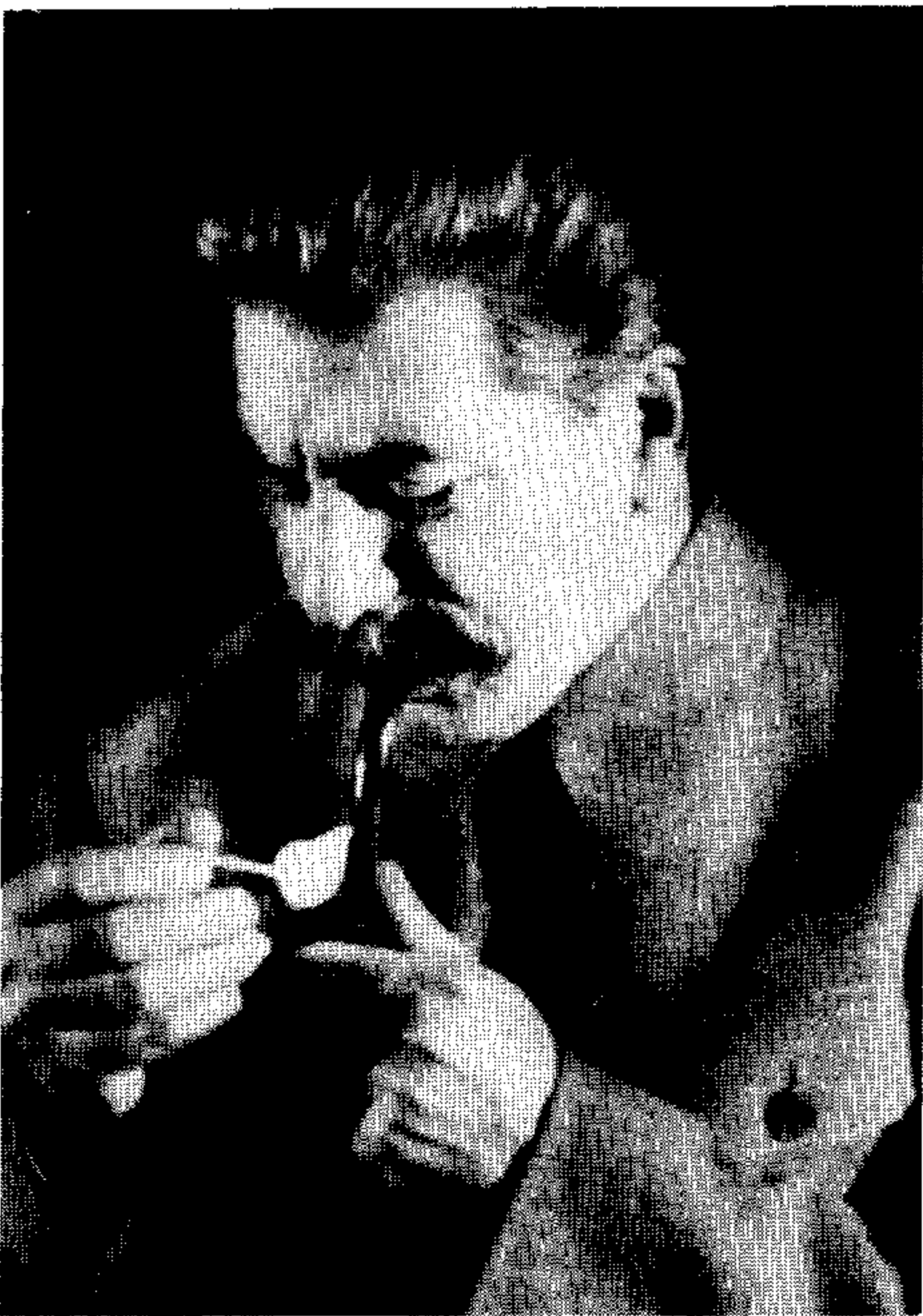
Harman is even more glaringly wrong about the programme of the church and the consequences of that for Solidarnosc. He quotes as good coin a statement from John Paul II that "The Church is willing to reach mutual agreement with any economic system as long as it is permitted to preach to the people about Christ". (p256) Chris Harman may not know the difference between capitalist and post-capitalist property forms but the Catholic hierarchy most certainly does. To the very marrow of its bone it is wedded to private property, to defending it when it's under attack and extending and re-developing it where it has been abolished or subordinated. While the Catholic Church fears a show down with the Stalinists within which the working class is mobilised in its own organisations and for its own interests it is committed to extending private property in Poland as part of its global counter-revolutionary aims. To that end it used its authority in the workers' movement - and in particular over the Catholic intelligentsia - to advance a programme that would abort a workers' revolution and strengthen capitalist elements and laws at the same time. Not understanding the nature of the property relations in Poland Chris Harman could not grasp the guise that reaction and counter-revolution appeared in during the Polish revolutionary crisis.

Harman's method is to concoct a cocktail of trade unionism and spontaneism to fit the needs of a workers' movement on the advance. He finds the key to Solidarnosc's eventual defeat in the failure of the leadership to support economic struggles after March 1981, "They did not understand the sources of strength of a workers movement. It grows as the mass of people begin to see it as a means of lifting from their shoulders the burdens that bear down on them in their everyday lives." (p263) Harman laments the failure of the Solidarnosc leadership to wage the struggle as a form of militant generalised economic struggle, "A mass movement only gathers strength as workers gain confidence for political battle from economic victories, and in turn see political victories as feeding back into economic gains. Such confidence cannot be turned on mechanically by the leaders pressing a button." (p270) What state capitalist theory blinds him to is that the very nature of the planned economy, and the central allocation of resources, renders a programme of militant economic struggle even more inadequate than in the West. In each struggle the workers immediately come face to face with the central state power and its agents. What was missing in Poland was a programme for taking political power, not a leadership able to maintain mass confidence by securing regular economic gains for the workers.

In classic economist terms the argument for building a party is posed strictly in terms of organising existing spontaneous militancy, "a method of organisation at the base of the union to co-ordinate the spontaneously developing struggles, regardless of what the 'moderate' day-to-day national union leadership wanted." (p280) The truth is that while spontaneous militancy posed the possibility of organising to seize power - periodically embryonic Soviets and workers' militia were formed - it remained under a political leadership that wished to avoid that at all costs. Solidarnosc remained a contradiction-racked mass movement doomed to defeat unless a new political leadership was forged on a programme that could organise the workers for power. No such programme was advanced by the SWP. They had no programme for Poland beyond calling for Solidarnosc to take power with its then existing leadership. As Chris Harman says of the new party that he advocates: "The basic slogan such a party would have put forward - that Solidarity should smash the existing state and itself take power -" (p281) How and with what programme Harman does not say. The reality is that the then existing Solidarnosc in power would have strengthened the market economy and Parliamentary forms - not built a workers' state. But Harman's belief that capitalism already exists in Poland disarms him to these dangers. State capitalism in fact produces an anti-Stalinist programme that is prepared to struggle for reforms that would strengthen private capitalism's economic mechanisms against those of the "state capitalists" and strengthen bourgeois parliamentary forms against both bureaucratic tyranny and workers power. This puts state capitalists in a different camp to Trotskyism. Our implacable hostility to the bureaucracy does not extend to giving restorationists a helping hand - Cliff and co are left trailing a liberal bourgeois democratic programme now in the hope of a 'normal' generalised trade union struggle against the bosses in the future.

The state capitalist theory of the SWP tradition has its roots as a codified expression of its syndicalist world view. The bitter fruit of its twinned syndicalism and state capitalism is amply revealed in Poland. State capitalism can add nothing new to the Trotskyist programme for Stalinism's revolutionary overthrow. It can only confuse and mislead workers who challenge bureaucratic rule. ■

by Keith Hassell



J.V. Stalin

'NEITHER WASHINGTON NOR MOSCOW' The bankruptcy of Third Campism

THE THEORY OF state capitalism is more than just the series of theoretical errors we have catalogued in our first article. The theory has given rise to a political programme, and it is on this that the theory must ultimately be judged. Both theory and programme, when applied to the post-war world, have led to fundamental errors. These have marked each of the organisations created in the mould of Tony Cliff's politics—the Socialist Review Group (SRG), the International Socialists (IS) and today's Socialist Workers Party (SWP).

Cliff's first organisation was built around the journal Socialist Review, which began publication in November 1950, inside the Labour Party. To this day the leaders of the SWP take much pleasure in ridiculing the inability of the Fourth International to come to terms with the nature of the world at the end of the Second World War. Certainly it was true that the majority of the FI proved incapable of recognising that Stalinism emerged from the war strengthened and that imperialism, reordered internationally under US hegemony, was set for a sustained period of economic recovery. It was also the case that increasingly after 1948 the FI revised the Trotskyist critique of Stalinism and abandoned the view that the Stalinist bureaucracy was counter-revolutionary. We have analysed this period elsewhere. However Cliff's view that Russia was state capitalist and that the world had been divided into two giant capitalist camps provided no better a view of the post war world. It shared with the FI the belief in an imminent 'Third World War'. Also it failed to develop a revolutionary strategy independent of both Stalinism and imperialism. While the FI's programmatic degeneration led to capitulation, primarily to Stalinist and petit-bourgeois nationalist currents, the state capitalist's "alternative" ended up capitulating to imperialism under the guise of "Third Campism".

According to the early Socialist Review both Truman's America and Stalin's Russia were being propelled by the same motive force in their drive for world domination. Conflict between the two imperialisms threatened mankind with the more or less immediate prospect of a new—albeit atomic—world war. As Socialist Review No 1 declared, 'The 'Peace' Campaign of Stalin's Russia is no less hypocritical than Truman's 'Defence of Democracy'. . . in their mad rush for profit, for wealth, the two gigantic imperialist powers are threatening the existence of world civilisation, are threatening humanity with the terrible suffering of atomic war.' (SR Vol 1 No 1, November 1950)

The Cliffites thus accepted the view that the Stalinist bureaucracy was an expansionist class set on global domination at the expense of Truman's America. This echoing of cold war propaganda was the constant refrain of the Socialist Review Group throughout the early 1950s. In 1954 it was declaring that the two powers were driven towards war with each other by their respective economic problems. Overproduction was increasingly presenting US capitalism with a stark choice:

'Slump or war are the two alternatives facing western monopoly capitalism, and faced with this choice, there is no doubt what the ruling classes of the west will choose.' (SR Vol 3 No 7)

Notwithstanding the 'fact' that the Soviet Union was supposedly capitalist as well and propelled by the same laws of motion as the USA, the USSR was depicted as heading to war for different reasons. Underproduction and economic shortages were driving the soviet bureaucracy towards war by making a grab for Western Europe ever more attractive to the Kremlin:

'The crisis of underproduction pushes Moscow to imperialist expansion. How magnificent the dream of establishing SAGs or mixed companies in western Europe!' (ibid)

When Soviet withdrawal from Austria, in exchange for guarantees of neutrality on the part of the Austrian bourgeoisie—seemed to confound Socialist Review's perspective, and demonstrated the class collaborationism of the Soviet bureaucracy, the journal argued that this was only a temporary turn occasioned by the industrialisation of China and its demands for more steel: China's need for steel may still push the Kremlin to invade West Europe later, so Socialist Review claimed

In fact the SRG's characterisation of the Soviet Union as a State Capitalist and expansionist imperialist power gave rise to a totally false understanding of the nature of Stalinism. All the evidence from Stalin's foreign policy and

from the Soviet Union's attitude to revolutionary situations which threatened capitalist dominance, demonstrated a totally different role for Stalinism than that ascribed to it by the Cliffites. Far from being an expansionist force looking for every opportunity to extend its rule at the expense of western imperialism, the Soviet bureaucracy demonstrated in the post war years, that it was a social formation bent on international class collaboration and compromise with the imperialist bourgeoisie. Not only did Soviet withdrawal from Austria contradict Cliff's schemas, but in both Greece and Indo-China Stalin demonstrated his intention of maintaining his pact with the bourgeoisie on 'Spheres of Influence' by sabotaging the struggle against imperialism. In Eastern Europe the bourgeoisie was kept in power after the war and no steps were taken to ensure a Stalinist takeover until after the offensive launched by Truman in 1947. The 'Truman Doctrine' promising military intervention anywhere in the world 'threatened by communism' combined with the economic offensive of Marshall Aid, aimed at East as well as West Europe, faced the Soviet Union with a choice. It could either retreat from Eastern Europe, thus massively weakening its own position in the face of an imperialist offensive, or complete a Stalinist overthrow of capitalism. It chose the latter. Yet even during the US-led Cold War offensive Stalin continued to demonstrate his reluctance to overthrow capitalist property relations. Until the eleventh hour he repeatedly advised Mao against toppling Chiang Kai Shek's disintegrating regime. The USSR handed back 'its' part of Austria in return for the country's neutrality and proposed the same for Germany - i.e. a reunified, capitalist, but disarmed and neutral country.

THE THIRD CAMP

This did not fit in with the SRG's analysis of soviet expansionism; but this analysis did fit in very well with a group which wanted to swim with the stream in cold war Britain. The political consequences of this view for the SRG was that a conflict between the USA and the USSR was a conflict between two imperialisms and as such it was necessary to adopt a position of neutrality in the conflicts between them. (In fact Socialist Review's pages were heavily weighted towards anti-Soviet propaganda during this period, with a regular series of articles from Tony Cliff on the miseries of life in the USSR). This neutrality took the

form of a commitment to building a 'Third Camp' under the slogan raised in the first issue of Socialist Review, 'Neither Washington nor Moscow, but International Socialism'. Socialist Review was not the first to raise the idea of a 'Third Camp'—it was the stock in trade of the Tribune group. Figures such as Foot, Mikardo and Crossman denounced Soviet and western imperialism with gusto. But with the cold war, these social democrats loyally trooped behind NATO and the Anglo-American alliance. It was the Cliffites who picked up the rhetoric and bolstered it with state capitalist theory. Not surprisingly the call for a Third Camp was raised first in Socialist Review by one Stan Newens (later a leading Tribune MP) in the following fashion: "The present power of the two world camps is largely based on the dragooning by force and trickery of the many by the few. Let us set up our standard against all such methods and lead the way to working for a genuine international socialism—not for Washington, nor for Moscow". (SR Vol 3 No 4)

For the SRG the slogan "Neither Washington nor Moscow" suited the prejudices of the left reformist current in the Labour Party, in which they were immersed, very well. It led the Socialist Review Group into alliance with a motley variety of political tendencies. Socialist Review of October 1955 carries a favourable report of a "Third Way is the Only Way" international conference attended by 110 delegates. While it is silent as to which organisations were represented the nature of Socialist Review's allies is made clear in its pages over the next months. The October 1955 issue contains an article by Max Shachtman extolling the 'Third Way'. By May 1956 Socialist Review was advertising the literature of "American Third Camp Socialism"—Shachtman's The New International and Labor Action. In December 1956 Socialist Review carried—as a supplement—Tony Cliff's "The Future of the Russian Empire" published by Labor Action in collaboration with Socialist Review.

The Shachtmanites did not hang around in the 'Third Camp' for very long. They were very soon declaring Soviet totalitarianism a greater threat to socialism than US democracy and putting themselves firmly in the camp of US imperialism. But it was not only the Shachtman group that rallied to the banner of the 'Third Way'. It also attracted the anti-Leninist libertarian "Socialism ou Barbarie" of P. Cardan whose material also appeared in Socialist Review and early issues of International Socialism. The Third Camp conference proved a rallying point for libertarians and social democrats who, ultimately, had nothing in common except their hostility both to the Kremlin bureaucracy and revolutionary Leninism.

Even if the Cliffites pulled back from the logic of Shachtman and Newens' Third Camp position they nevertheless ended up by refusing to support genuine struggles against imperialism. Their slogan for "International Socialism" was never given a revolutionary communist meaning in the actual struggles against imperialism. This would have meant developing slogans and tactics which both supported unconditionally the struggle against imperialism and aimed to mobilise the working masses against Stalinist counter-revolution. It remained a political fig leaf to cover their refusal to give support in the struggle against imperialism. Nowhere was this more clearly demonstrated than in the Korean war.

NEUTRAL IN THE KOREAN WAR

The formation of the Socialist Review Group coincided with the onset of the Korean war. The programmatic conclusions that logically flow from state capitalist theory meant that the SRG inevitably adopted a position in that conflict that failed to distinguish between Stalinist-led struggles for national liberation against imperialism and the forces of imperialism itself. The Communist parties were seen as agents of Kremlin imperialism—as Socialist Review No 2 (January 1951) called them 'Moscow's Foreign Legion.'

At the end of the Second World War Soviet and US forces occupied Korea. At the same time "Committees of Preparation for National Independence" mushroomed throughout Korea predominantly under Stalinist leadership. An all-Korean People's Republic government was declared on September 6th 1945. The US refused to recognise this government and created its own under the much despised emigre rightist Syngman Rhee. The ensuing conflict between the Northern, Soviet backed and Southern, US backed governments was therefore a form of civil war in Korea within which the Northern Stalinist regime had the leadership of those forces fighting imperialism and its agents. When direct military hostilities broke out between the two regimes and the Northern armies overran the South in June, it should not have been difficult for revolutionaries to see which side they were on. They would have been for a victory of the North against the Rhee puppet regime and its IS backers. And when—under the cloak of a UN peace-keeping force—the US poured troops into Korea and provoked a direct military conflict with China, it should have been even easier for any socialist not blinded by cold war anti-communist hysteria to know what side to take.

Revolutionary socialists should have unconditionally defended the North Koreans and their Kremlin allies in the recognition that a defeat inflicted upon the really expansionist USA would have been a massive blow to its plans. Unlike the SRG it was necessary to draw a distinction between the Stalinist leadership (which eventually sold the struggle short) and the popular mass forces involved striving

YOUNG GUARD No. 13, NOVEMBER 1962 4d. The people of the world... CUBA: NO WAR !!

STATE CAPITALISM

to overthrow a hated regime. Defending North Korea and seeking to win the leadership of the Korean masses were complementary not contradictory tasks.

The Socialist Review Group, however, proceeded to demonstrate quite how reactionary the programmatic conclusions of the theory of state capitalism really are. *Socialist Review* took a predictable and logical view of the conflict. In an article 'The Struggle of the Powers' R. Tennant declared that "The war in Korea serves the great powers as a rehearsal for their intended struggle for the redivision of the globe." (SR Vol 1 No 1 November 1950). and in an attack on *Socialist Outlook's* support for North Korea Bill Ainsworth talked of "our opinion... that Russia, no less than the USA, is imperialist and bent on world domination." (ibid). It followed that:

"We can, therefore, give no support to either camp since the war will not achieve the declared aims of either side. Further, so long as the two governments are what they are, viz, puppets of the two big powers, the Korean socialists can give no support to their respective puppet governments" (SR Vol 1 No 2 January 1951).

The Korean position was not a blunder inadvertently committed by an innocent fledgling organisation. It flowed logically from the theory of state capitalism. The Socialist Review Group drew exactly the same conclusion from a similar conflict in Vietnam between Stalinist led anti-imperialist forces under Ho Chi Minh and imperialism's puppet Bao-Dai. In February 1952 they printed and entirely endorsed a statement of the French *La Lutte* that declared: "In Korea, the war continues in spite of the parties for an armistice in which, of course, the Korean people have no say. In Vietnam likewise, the war continues and the people vomit with disgust at both Bao-Dai, the tool of the colonialists, and at Ho Chi Minh, the agent of Stalin." (SR Vol 1 No 7).

CUBA'S REVOLUTION

The Cuban revolution demonstrated once again the reactionary logic of state capitalism as once again the Cliffites turned their face against those struggling to defeat imperialism. In the face of a US economic and military blockade the Castro regime proceeded to expropriate US holdings and reorganise the Cuban economy on the basis of bureaucratically planned property relations modelled on those of the USSR. At the same time Castro adopted the Stalinist model of state and party. The Soviet bureaucracy moved to support the Castroite regime with the threat to place Soviet missiles in Cuba which would have served both to extend the international bargaining position of the Soviet bureaucracy and defend the Cuban revolution against imperialist counter-revolution. Cold war warriors and pacifists alike raised a hue and cry against Castro's 'undemocratic regime' and against the shipment of soviet arms to Cuba. So too did Cliff's renamed International Socialism group.

The Cliffites took Soviet economic aid to the blockaded Castro regime as evidence that dynamic Soviet capitalism was now ready to do battle for the markets of US imperialism. Doubtless hoping that the USSR was about to indulge in some real capitalist competition. An *International Socialism* editorial, entitled "From Cold War to Price War" took increased Soviet trade with India and the shipping of Russian oil to Havana to indicate that: "Russian oil exports look to be the harbinger of mighty economic conflicts between the giants of capital on either side of the Iron Curtain." (IS No 3, Autumn 1960). Mirroring Khrushchev's pompous fantasies about the USSR being poised to outstrip the West economically, the editors continued: "There seems to be a growing realisation that Russia is beginning to present an economic challenge to Western capitalism potentially far more persuasive and threatening than the politico-military challenge of recent years." (ibid.)

As long as the Castroites steered clear of Russian aid the editorial offices of *International Socialism* were prepared



Fidel Castro and Nikita Khrushchev April 1960



US marines and captured Vietcong

to support them. *International Socialism* No 6 (nb. there were two number 6's) argued that: "The pressures on Cuba towards integration into the Soviet bloc will exert pressure towards bureaucratisation of the revolution. But this, so all the evidence seems to show has not yet happened.... The Cubans only turn to Russian power because there is no power of the international working class for them to turn to. Our defence of the Cuban revolution could itself be a step, even if a small one, towards creating such a power."

Cliff's "Third Campism" could not deliver oil or guns. Neither could it break an American blockade. As soon as the Castroites looked to Soviet aid in order to defend themselves the Cliffites deserted the Cuban revolution.

To cover their retreat a series of articles were printed by Sergio Junco pushing the view that Cuba had none of the features of a workers' state and thus deserved no support against the USA. Following in Shachtman's footsteps Junco very soon decided that because Castro's internal regime was internally repressive it represented a form of society lower than that achieved in the bourgeois democracies. He spelt his position out in the pages of *Young Guard* (IS Youth Paper in LPYS): "Given the fact that there has never been any popular control of revolutionary institutions in Cuba, it makes no sense to say that this is a socialist or even a progressive society. Nationalism is conducive to socialism only when there exists a state which is owned and controlled by the majority of the people. Otherwise, we get a type of state and society which is less progressive than say, liberal democracy, since in the latter the popular forces are able to organise and actively work for the earliest possible substitution of the system." (Cuba and Socialism *Young Guard* No. 4 December 1961, *Young Guard's* emphasis.)

It was *International Socialism* members- most notably Paul Foot - who sprang to Junco's support in the face of criticism in the pages of the paper.

If the political forms adopted by the Castroites had already turned the Cliffites off the Cuban revolution, the dispatch of Soviet atomic weapons completed the retreat of the IS into their neutralist corner. While being perfectly aware that the Soviet bureaucracy assists anti-imperialist struggles only to the extent that it can safeguard its own privileges and security, we would defend the right of anti-imperialist struggles to defend themselves by any means - including Soviet weapons. In the face of US imperialism's military might the Castroites really had little choice but to seek Soviet aid. In this situation the IS fulminated with liberal-pacifist rage. Once again the conflict was seen as simply a conflict between two imperialist superpowers: "The terrible fact was that the Cuban people and the rest of us were held to ransom from both sides of the Iron Curtain. If that has not laid the myth that rocketry on one side of the curtain is somehow more human and defensible than that on the other, nothing short of war will." (Cuban Lessons, IS 10 Winter 62-63). Once again therefore the Third Campists declared themselves against both the USA and the USSR. *Young Guard* raised the slogan: "All hands off Cuba, no war over Cuba." (*Young Guard* No. 13, November 1962) The pacifist Paul Foot denied any legitimacy to Soviet nuclear backing for Cuba. Instead he begged his readers: "Socialists must ask the question 'Why did Russia establish nuclear bases on Cuba and more important what political justification was there for doing it?'" (*Young Guard* no. 15) In one sense he was right, his problem was that he could not answer his own set questions. In order to defend itself the Soviet bureaucracy will - in certain circumstances - be prepared to extend that portion of the globe that is not directly open to imperialist exploitation. It does not do so because it is a revolutionary force but because the very property relations upon which it rests are in permanent antagonism with the interests and nature of world imperialism. Soviet military

backing for Cuba was not a nuclear umbrella for a capitalist price war. It was a means of increasing the strength of the soviet bureaucracy through military advantage by underwriting the defence of another (degenerate) workers' state.

The theory of state capitalism logically led the *Socialist Review* Group and the International Socialists to argue against support for anti-imperialist struggles that were led by Stalinists. On the surface therefore, the IS group's support for the Vietnamese NLF's struggle against US imperialism may seem either inconsistent or even a healthy break with the positions adopted on Korea and Cuba. This seeming inconsistency is easily explained by other consistent elements in the tradition and method of the Cliffites. As a political tendency they have accommodated to every prevailing wind on the British left. Their position on Korea reflected, and adapted to, the fierce climate of cold-war anti-communism of the early 1950s. The Cuban Missile Crisis coincided with the growth of CND first time round. The IS group's denunciation of the nuclear arms race, their rejection of any legitimate role for nuclear weapons as a defence against imperialism reflects its accommodation to the CND milieu in the late 50s and early 60s.

Things had changed quite drastically by the late 1960s however. The Vietnam war had become an inspiration to thousands of youth. To have called for opposition to both North and South and for a plague on the Stalinist-led Vietcong would have been programmatically consistent for the IS. But with theoretical consistency threatening to isolate the International Socialists the Cliffites threw themselves in behind "support for the NLF and a North Vietnamese victory." (IS 32) Neither Washington nor Moscow - but Vietnam? They declared the Vietnam war to be unlike previous Cold War conflicts: "the Vietnam war does not fit neatly into the pattern of belligerent incidents between East and West since the war. Such incidents were often the result of direct confrontations between the major powers, each jostling for military or strategic advantage along the undemarcated border between their respective empires - the raw wound that ran through Central Europe, the Balkans, the Middle East and South East Asia." (IS 32).

The small scale of Soviet and Chinese backing at this time was sufficient for the IS group to salve their consciences and decide that China and the USSR were not involved. As a result of this view of Indo-China it was not difficult for the IS to immerse itself in the Vietnam Solidarity Campaign as supporters of the Vietnamese Stalinists they had refused to support in the early 1950s.

In defending their decision to back the North Vietnamese and the Vietcong against the US the International Socialists had to plumb the depths of State Capitalist logic. The IS journal declared that it was giving support: "In the same way, socialists were required in the nineteenth century to support bourgeois liberal movements against feudal or absolutist regimes." (ISJ 32).

Only bourgeois tasks were on the agenda of the Vietnamese revolution: "Of course, when the issue of American power is settled, we know what kind of regime and policies the NLF will then choose - and be forced to choose by the logic of their situation. But that is, for the moment, another fight, the real fight for socialism." (ibid., IS's emphasis.) For the state capitalist theorists then, the fight against capitalism was relegated as a later stage of the Vietnamese revolution.

The Vietnam episode brings to light another essential programmatic ingredient of state capitalist theory - its Menshevik position on the possibilities for socialist advance in the under-developed and "backward" countries. For the Mensheviks every underdeveloped country had to experience a stage of bourgeois capitalist development.



Embryo of a new capitalist class?

The 1950s and 1960s saw important nationalist movements against imperialism in Egypt and Algeria as well as in Indo-China. Large sections of the centrist and reformist left presumed that this signified a decisive shift in the terrain of the class struggle to a struggle between the "first" and "third" world. Against this impressionistic and defeatist "Third Worldism" the IS constructed their own no less one-sided, metropolitan centered view of the world. The positions developed by the Cliff grouping in the 1950s and 60s effectively deny the possibility of the struggle for socialism, for workers' revolution, in the semi-colonial world.

In his initial work on Russia Cliff had declared that state capitalism in Russia was inevitable given the revolution's isolation and the need to industrialise in order to survive in a hostile environment. In his analysis of Russia Cliff explicitly states that the only two realistic economic programmes open for Russia in the 1920s were private capitalism or state capitalism. This is how he explains it: "One solution to the conflict between state industry and individualist agriculture would have been to make the development of industry depend on the rate at which agricultural surpluses developed. It would have inevitably have led to a victory of private capitalism throughout the economy. Alternatively the conflict between industry and agriculture might have been resolved by rapid industrialisation based on 'primitive accumulation' by expropriating the peasants and forcing them into large mechanised farms thus releasing labour power for industry and making agricultural surpluses available for the urban population." (T. Cliff, *Russia, A Marxist Analysis*, London, 1970, p.97)

PROSPECTS FOR THE SEMI-COLONIES

Cliff wrongly argued that the subordination of consumption to the accumulation of the means of production was ipso facto a capitalist task. The implication of this is that in societies where pre-capitalist modes of production dominate, or where capitalism is weak, a stage of private or state capitalism is inevitable, unless a revolution in such a country is accompanied by other revolutions in the advanced capitalist world. This explains the apparent indifference that the IS showed at the prospects of a Stalinist victory in Vietnam- after all what else could be hoped for? Certainly not a genuine workers' revolution.

The IS theorised this view systematically in the 1960s. It accompanied, necessarily, a thoroughgoing and explicit junking of Lenin's theory of imperialism and Trotsky's theory of Permanent Revolution. By 1962 Michael Kidron was declaring that imperialism was now the "Highest stage but one", having been replaced as a world system by the Permanent Arms Economy (i.e. military competition) as the fundamental motor maintaining stability and expansion in the major capitalist economies: "It (Lenin's imperialism) must be rejected on at least four counts: finance capital is not nearly as important for and within the system as it was; the export of capital is no longer of great importance to the system; political control, in the direct sense meant by Lenin, is rapidly becoming dated; and finally, resulting from these, we don't have imperialism but we still have capitalism...If anything it is the permanent war and arms economies that are 'the highest stage of capitalism...'" (IS No.20, Spring 1965).

Kidron argued that imperialism had suffered the loss of its colonies "without disaster, without indeed much dislocation or discomfort". He even refers to the "spontaneous withdrawal of classic imperialism" from the colonies. Imperialist relationships we are told, were being replaced by new relationships: "Now, after independence, despite many

points of friction and competition that remain, the overriding element is one of mutual independence and convenience." (IS 20).

Leaving aside this bizarre view of the relationship between the imperialist and imperialised world which would do more credit to a White House briefing than an article written by a socialist, the programmatic implications for the underdeveloped world were stark. Whereas both Lenin and Trotsky had seen a vital role for the working class in leading the struggle against imperialism, because of the weakness of the national bourgeoisie and its enmeshing in world imperialism, now, according to Kidron, "the national bourgeoisie - or failing it, the national bureaucracy - has been rescued from oblivion by imperialism's withdrawal." (IS 20)

Kidron goes on to muse that it might well be that the only form through which capitalism can triumph: "in large sections of the world is through state initiative and bureaucratic state capitalism - and the destruction of its bourgeois democratic cousin and rival." (IS 20)

One result of these developments he argues is "the growing irrelevance of national struggles". If Kidron poses this development of state capitalism as a possibility, Tony Cliff has no such doubts. Drawing on the "experience" of the Chinese and Cuban revolutions Cliff states forthrightly that Trotsky's perspective of Permanent Revolution, whereby the working class can lead the struggle of the oppressed masses both against imperialism and for socialism, is no longer tenable. Trotsky he argues was clearly wrong in assuming "the revolutionary character of the young working class" in these countries: "in many cases the existence of a floating, amorphous majority of new workers with one foot in the countryside creates difficulties for autonomous proletarian organisations: lack of experience and illiteracy add to their weakness. This leads to yet another weakness: dependence on non-workers for leadership. Trade Unions in the backward countries are almost always led by outsiders....Once the constantly revolutionary nature of the working class, the central pillar of Trotsky's theory becomes suspect, the whole structure falls to pieces...the peasantry cannot follow a non-revolutionary working class." (Permanent Revolution in ISJ No.12, Spring 1963).

DEFLECTED PERMANENT REVOLUTION

In this situation, according to Cliff, the intelligentsia of the underdeveloped world is ready and able to constitute itself as an embryonic new state capitalist class and deflect the permanent revolution into a stage of totalitarian state capitalist development. In Vietnam what was at stake was the construction of "a state-class, not a private or bourgeois class, that is spearheaded by the NLF and has already been instituted in the North." (IS 32)

Throughout the underdeveloped world the intelligentsia "care a lot for measures to drag their nation out of stagnation, but very little for democracy. They embody the drive for industrialisation, for capital accumulation, for national resurgence. Their power is in direct relation to the feebleness of other classes, and their political nullity.

All this makes totalitarian state capitalism a very attractive goal for intellectuals." (ISJ No. 12)

So having distorted Marx's analysis of capitalism, junked Lenin's theory of Imperialism and abandoned Trotsky's theory of Permanent Revolution, the Cliff grouping rounds off its complete rejection of Marx, Lenin and Trotsky by abandoning the revolutionary potential of the working class in the vast majority of the globe! There only remains for these metropolitan chauvinists the "pure" working class of the advanced industrial world.

The leading theoreticians of the IS grouping here demonstrate once again the inability of their theory to provide a way forward for the international proletariat. The special nature and difficulties of the proletariat in the semi-colonial world are nothing new for revolutionaries, indeed despite Russia's position as an "old" imperialist power, the countries very backwardness meant that its working class showed many of the characteristics which Cliff believes should make us write off the revolutionary potential of the working class in the imperialised world. The ability of the Bolsheviks to lead a socialist revolution in such a "backward" country was not, as Cliff believes, because of Lenin's organisational genius, but because the Bolshevik party developed a political programme, tactics and strategy which was able to unite the working class behind a revolutionary perspective and draw the peasantry behind it. By rejecting the theory of imperialism and consequently seeing only the "growing irrelevance of national struggles", the SWP abandons the major weapon in the fight for socialist revolution in the semi-colonies - it abandons the fight for working class leadership in the national struggles against imperialism. But of course it is only to be expected from this grouping, steeped as it is in syndicalism and economism, that once they had decided the working class in the semi-colonies was not spontaneously revolutionary they would write off the possibilities of socialist revolution in these countries.

For Cliff however, the non-revolutionary nature of the working class in these countries does not mean that there will be no revolution: "A concatenation of national and international circumstances makes it imperative for the productive forces to break the fetters of feudalism and imperialism." (ibid., ISJ No.12)

But these revolutions will not be led by the working class but by the much more cohesive "revolutionary intelligentsia" who are attracted to "totalitarian state capitalism": "These forces which should lead to a socialist, workers' revolution according to Trotsky's theory can lead, in the absence of the revolutionary subject, the proletariat, to its opposite, state capitalism...Mao and Castro's rise to power are classic, the purest and most extreme demonstrations of deflected Permanent Revolution. Other colonial revolutions- Ghana, India, Egypt, Indonesia, Algeria etc. are deviations from the norm...but they can best be understood when approached from the standpoint of, and compared with the norm." (ISJ 12).

'TROPICAL TROTSKYISM'

So the best that the semi-colonial world can hope for in their struggles against the oppressions of feudalism and imperialism is their replacement by some form, pure or otherwise, of "totalitarian state capitalism". The only hope that the Cliffites offer for the masses of these countries is that in the "long run", under these regimes they might well increase in "numbers, cohesion and social weight". And presumably once they reach the level of the industrialised West they too can have a socialist revolution! Thus in the mighty struggles against imperialism, in Algeria, in Cuba, in Vietnam and Indo-China, in Nicaragua and Central America today, the SWP's programme offers no goal worth fighting for. They are left only with a chronic fatalism, with the belief that all these struggles can only end in tears, in a new exploiting, totalitarian system. This fatalism was most clearly summed up in a notorious article by Kidron on the LSSP of Ceylon (the LSSP was an ex-USFI section, then part of a "Socialist" coalition government). Kidron argued in his article entitled "Tropical Trotskyism" that the difficulties facing Ceylon in escaping from semi-colonial servitude were insurmountable. This is all he had to offer the workers and peasants by way of perspective: "If the transition (to a modern competitive economy) is to be made at all- and it is undeniably necessary- productivity will have to be jacked up and wages held down. There is no alternative. All the LSSP can hope for is that the workers will make the sacrifice willingly." (Socialist Worker July 3rd 1969)

It is a measure of the bankruptcy of state capitalist theory that what started life as a theorisation of moral outrage at the horrors of Stalin's Russia became a rationalisation of the inevitability of state capitalism except in that portion of the globe where productive forces were ripe enough for the immediate transition to socialism.

The present world situation emphasises all the more sharply the inadequacies of state capitalist theory as a guide to revolutionary action. Reagan's renewed offensive against the USSR and against regimes trying to throw off the yoke of US imperialism as well as potentially explosive struggles in the USSR and East Europe show that the argument about state capitalism remains of burning and immediate relevance. State capitalist theory has proven itself to have no real understanding of the dynamics of the USSR; hence its impressionistic theory that saw the USSR as an expansionist power in the 1950s, a dynamic competitor in the early 1960s, and a stagnant hulk in the 1970s. On each occasion the state capitalists have done little more than retail the options and moods of Western radicalism. It has led the Cliffites to adopt reactionary positions on major struggles in the post-war world. SWP members can either follow their leadership and prepare to repeat the old mistakes again, or they can take stock of the compromised history of state capitalism and look once again to the tradition embodied in Trotsky's Fourth International. ■

by Dave Hughes

1. See Workers Power Publications, *The Degenerated Revolution*, Sept. 1982, and *The Death Agony of the Fourth International*, 1983.