Trotskyist INTERNATIONAL

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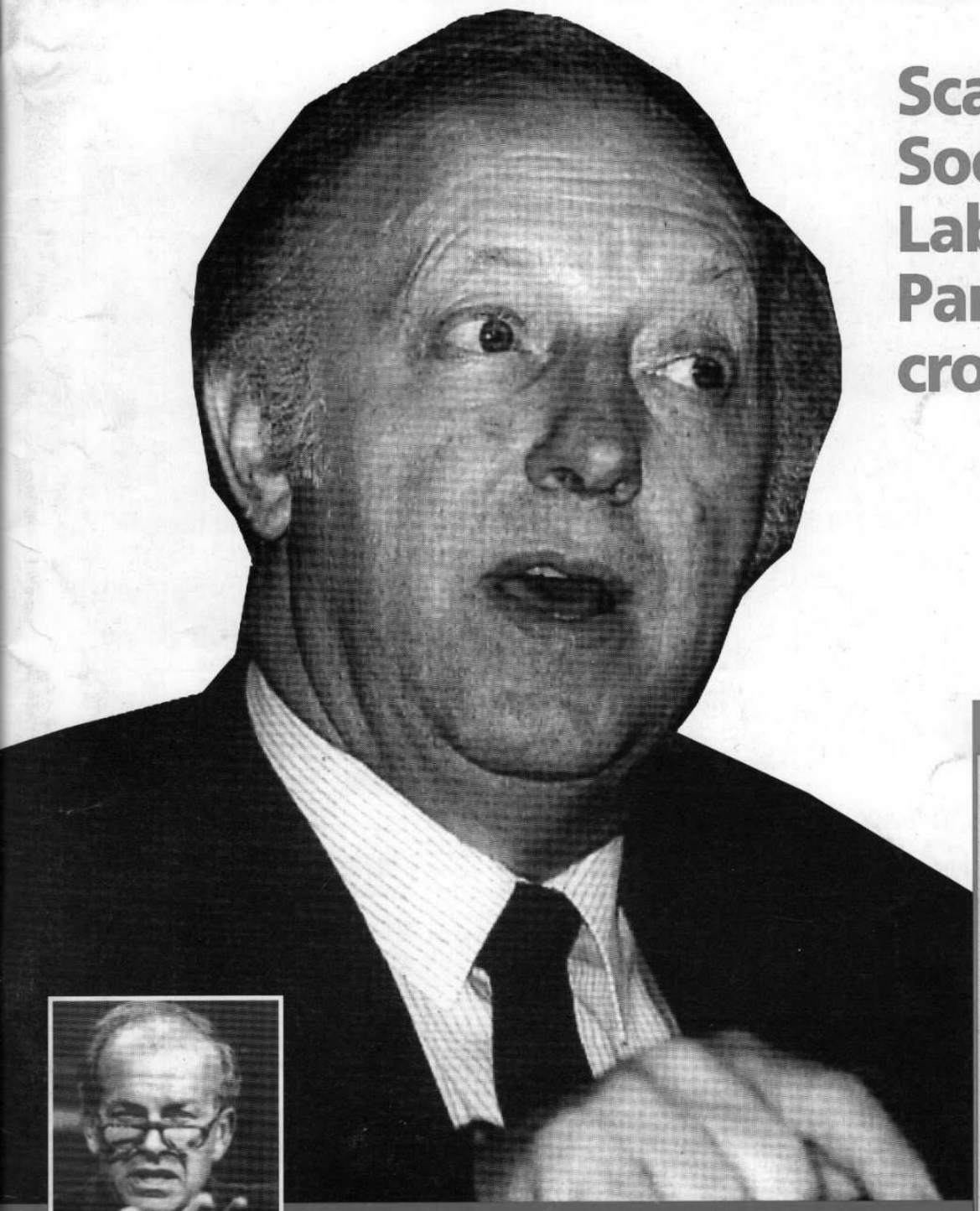
Where next?

Scargill's Socialist Labour Party at a crossroads



ITALY

Bertinotti's "Communist Refoundation": a model for the European left?

IN THIS ISSUE

- Marxism vs market socialism
- Class struggles in Argentina
- Breaking away from Tony Cliff
- Chechnya: Russian Troops Out!
- Trotsky's fight for the Fourth International
- REVIEWS: Crisis Theory, Analytical Marxism, Palestine, Mexican Unions

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INCORPORATING PERMANENT REVOLUTION

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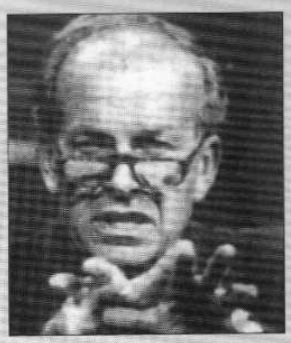
The new reformism in Europe





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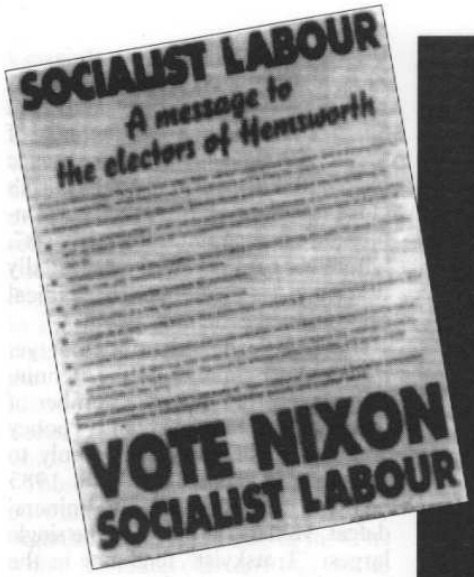




Arthur Scargill's Socialist Labour Party (SLP) has been proclaimed by some as the answer to the problems of the left in Britain. **G.R.McColl**, who attended the founding conference of the SLP, spells out the opportunities and the pitfalls posed for the left by the most significant organised break from Labour for decades

The shape of things to come?

ON MAY 4, 1996, more than 600 delegates, observers and journalists gathered in an antiquated central London town hall for the founding conference of the Socialist Labour Party (SLP). Cynics might have scoffed that, like the building, many of those attending had seen better days, but for a few hours at least, time stood still.

Arthur Scargill, the President of the National Union of Minerworkers, addressed the conference with the rhetorical skill that made him such a powerful agitator and leader during the miners' Great Strike of 1984-85.

How significant is this new party? What does it reveal about the state of the British labour movement? Is it part of an international regroupment within the scattered forces of left reformism and Stalinism? Above all, does it provide workers in Britain with the one alternative to Blair's New Labour that they so urgently need—a revolutionary alternative?

Origins of the SLP

The first public mention of a possible split from the Labour Party was made by Scargill during Labour's annual conference in early October 1995. The left had suffered a string of defeats on policy questions after "New Labour" had confirmed the vote of the May special conference to scrap Clause 4, the party's 1918 constitutional commitment to public ownership.

The crushing defeat at the special conference was also a personal humiliation for Scargill, who faced jeers and catcalls from Blair's sharp-suited acolytes after putting himself at the head of the campaign for "Labour's soul".

Within a month of the October conference, Scargill circulated a document entitled Future Strategy for the Left to the National Union of Mineworkers' Executive, in which he argued for the formation of a new party. By the end of November 1995 Scargill's discussion document had set the ball rolling and a series of invitation-only meetings had begun, involving no more than 50 people. Among them were a number of individuals prominent in the Unshackle the Unions Campaign, which had



THE ANTICS OF LABOUR'S SHADOW CABINET HAVE REVOLTED MANY MILITANTS

emerged from the Socialist Movement Trade Union Committee, and Tommy Sheridan, the leading spokesperson of Scottish Militant Labour.

The meetings culminated in a press conference on 13 January 1996 where Scargill announced the intention to establish the Socialist Labour Party in May, complete with a constitution drafted in advance with the assistance of left-wing barristers John Hendy and Michael Mansfield. The constitution, which is supposed to govern the SLP until at least May 1997 but has never been subjected to a membership vote, appears to offer the current leadership a free hand to block any form of overt "Trotskyist entry". It explicitly forbids affiliation to the party by any organisations other than trade unions. Scargill's message to all existing groups was, "I've left my party to found the SLP, you can leave yours if you want to join it."

This constitution was a block on Militant Labour, as well as every other group that might have affiliated, and Tommy Sheridan duly bid his farewell to the project. More to the point, it stood in sharp contradiction to Scargill's record of defending the right of tendencies to exist in the Labour Party. As early as 1975 he went on record as being opposed to bans and proscriptions in the Labour Party and espoused the right of tendencies to exist:

"But you can change the Labour Party in the sense of pulling down the bans and proscriptions. Once you start to have influence, the co-operation and link between the left Marxist groups—all of them—and the Labour Party, you start to determine policies of a different kind."[1]

It seems that what was considered right and democratic in the Labour Party is considered a potential nuisance in the SLP.

Within days of Scargill's announcement came the embryonic organisation's entry into electoral politics as Brenda Nixon, a leading activist in the Women Against Pit Closures (WAPC) movement in 1992-93, became the SLP's candidate in the Hemsworth parliamentary by-election. Nixon just saved the SLP's deposit with 5.4% of the vote in a former mining constituency with high levels of long-term unemployment. The result was hardly disastrous, but was nonetheless disappointing, given the character of the constituency.

By the time of the founding conference, the SLP had accumulated an individual membership approaching 1,300, with affiliated trade union branches accounting for another 4,300[2]. Launch rallies, particularly those addressed by Scargill, have packed halls in a number of cities and towns, suggesting that the SLP could still tap a rich seam of discontent at Blair's "New Labour" among trade unionists and disaffected Labour members.

Seven members of the national executive of the main railworkers' union, the RMT, led by Bob Crow, a deputy general secretary and long-standing activist in London Underground, joined the SLP. None of them, however, has given the slightest indication to date that they will be fighting to transfer the union's political levy from Labour to the SLP.

The 17-strong National Executive of the party, elected at the founding conference, includes Crow, who renounced his membership of the Communist Party of Britain (CPB) to join the SLP, and at least five individuals historically associated with British outposts of the United Secretariat of the Fourth International (USFI). The party's first General Secretary and Treasurer is one of those USFI-trained elements, Pat Sikorski. Like Crow, he is an RMT member and London Underground militant.

Three members of the executive, including Brenda Nixon and Ann Scargill, have come from the ranks of WAPC. Conspicuous by their absence from both the platform and the party's current membership are the "environmental and community activists", whom Scargill has repeatedly described as symbolic of "radical opposition in Britain today"[3].

The SLP leadership does not yet reflect the remnants of the Bennite Labour left that gained a number of democratic reforms and policy changes in the early 1980s only to fragment in the wake of the 1983 General Election and the miners' defeat. Militant, at that time the single largest "Trotskyist" tendency in the party, has now withdrawn from the Labour Party to become Militant Labour, but has found its way into the SLP blocked by the "draft" constitution. Most of the other left papers with supporters inside the Labour Party have explicitly opposed the setting up of the SLP.

Only a handful of Labour councillors have crossed over to the SLP. The leading lights of the Campaign Group of Labour MPs have all distanced themselves from the SLP, including the old guard of Tony Benn and Dennis Skinner and the most radical MP of a younger generation, Jeremy Corbyn. Though the left in the Parliamentary Labour Party has rarely been so marginalised in the post-World War II period, Ken Livingstone has been vitriolic in his denunciation of the SLP, dismissing the possibility of ever building a left alternative to Labour[4].

The SLP leadership has instead come primarily from the trade unions and, in particular, the "hard left" of the union bureaucracy, embodied by Crow, NUM vice-president Frank Cave and Scargill himself.

The SLP and Labour

The abolition of Clause 4 prompted Scargill to conclude that a qualitative change had occurred in the Labour Party itself.

In this document he explained:

"Labour is now almost indistinguishable from the Democratic Party in the United States, Germany's Social Democrat Party or, nearer home, the Liberal Democrats."[5]

Scargill is wrong on two counts. First, his idea that Clause 4 was a proof of Labour's socialist soul is wrong. Clause 4, which was never acted on by a single Labour government, was not a statement of socialist intent. At best, it was a vague state capitalist prescription for ameliorating the effects of free competition capitalism on the working class.

Secondly, he is wrong to believe that the ditching of Clause 4 marked a qualitative turning point for Labour.

1. Interview with Scargill in *New Left Review*, July/August 1975
2. A list of affiliated union bodies is not yet available from the SLP. A central London branch of ACTSS, white collar section of the TGWU, with a membership concentrated in the voluntary sector, has definitely affiliated to the SLP. Some branches of the NUM and the building workers' union, UCATT, have moved towards transferring their political fund from New Labour to the SLP.
3. Socialist Labour Party (SLP) *Founding Conference Policy Statements*, p4
4. *The Guardian*, 15 January 1996
5. *Future Strategy for the Left*, p3
6. "Starting again, but not at the beginning", Pat Sikorski and Brenda Nixon, in *Red Pepper*, March 1996.

Certainly, its abolition by Blair symbolised the full extent of the right's rampage against the progressive aspects of Labour's policies. Nothing was sacred. But, since Clause 4 had never defined either the Labour Party or Labourism, its abolition cannot be seen as the point of qualitative change. Labour hasn't ceased to be socialist, as Scargill believed. It never was socialist in the first place.But that does not make Labour indistinguishable from the US Democrats or the British Liberal Democrats (the German Social Democracy is a different question).

Those parties are bourgeois parties, pure and simple. That is they are the organised manifestations of factions within the ruling class and their social basis is in the bourgeoisie and middle class, not the working class. True, workers vote for them, but this electoral relationship is not a defining characteristic. If workers vote for them or not, the parties remain undisguised ruling class parties.

Labour, before Blair and, so far at least under Blair, is not a purely bourgeois party. Millions of workers vote for it because they recognise that in some sense it belongs to them.

This sense is located in Labour's origins within, and organic links to, the organised working class in Britain, primarily the trade unions. These are part of Labour's base. Workers vote for Labour because they can see this link for what it is—a real one that gives them some degree of political independence from the open parties of the ruling class.

Of course, like the Liberal Democrats and the US Democrats, Labour protects capitalism. In office its leaders attack the working class. Blair will do so with gusto. He is an extremist, even within the traditions of right wing Labourism. He will represent, and act for, the bourgeoisie. But unlike the leaders of open bourgeois parties, he will be doing this within the labour movement.

Blair's project is undoubtedly to get rid of the link with the working class, specifically with the unions. But he hasn't achieved this yet. The unions remain the bedrock of the Labour Party's organisation, finance and apparatus, notwithstanding the influx of middle class aspirants. And because Blair hasn't achieved the break with the unions yet, Labour remains different from the open bourgeois parties. It remains a bourgeois workers' party.

Indeed Scargill's own use of the term "almost" is a partial recognition that Blair hasn't yet fulfilled his long term goal. Two other leading SLP members, Pat Sikorski and Brenda Nixon, made the same admission. They wrote of the Blair leadership:

"They're organising to break Labour's remaining links with the unions and planning to develop an alliance with the Liberals."[6]

If the SLP is to be a new party with Labour's old soul, then it is to be a reformist party, not a revolutionary one

If they're organising to do it, then they haven't yet done it. Yet, Sikorski and Nixon draw the same wrong conclusion as Scargill, saying that Blair "has already crossed the 'Ramsay MacDonald line'."[7]

This point is not academic. It will play a key role in shaping the SLP itself. If the SLP seriously thinks that Labour is now simply an open bourgeois party, then they will be abandoning the millions of workers who remain either in Labour or tied to it through the unions or who look to it because of that real link with the organised labour movement.

They will not be able to provide such workers with a means of fighting Blair, through putting him to the test of office and through mobilising to demand of him actions in the interests of the working class. Nor can they be anything but neutral in the battles that could take place when Blair does decide to try and finally sever the link with the organised working class.

At a fundamental level, the SLP leadership's wrong understanding of Labour points to a major problem with their conception of the SLP itself. If it is to be a new party with Labour's old soul, then it is to be a reformist party, not a revolutionary one.

Lessons of Chile?

At the founding conference, discussion centred on a number of policy papers that had been worked on by groups emerging from a pre-conference members' meeting on 2 March. The discussion revealed a wide spread of opinions within the SLP. But it also revealed that the leadership were convinced that what they needed to present as the public face of the SLP was a left reformist programme.

Aspects of the proposed programme are very left wing, but taken as a whole, it does not transcend reformism. It refuses to pose, in plain English, the need for the revolutionary overthrow of capitalism as the only means of paving the way for socialism.

The evidence of the conference suggests that Scargill is prepared to make some concessions on controversial policy questions. On the Irish national struggle, for instance, the platform accepted, and effectively argued for, an amendment calling for the immediate withdrawal of British troops from the six counties and the release of all Irish political prisoners.

It was the only time during debates on six policy papers that the platform gave its blessing to an amendment of any substance. Pat Sikorski declared that the SLP would not be in the business of condemning the actions of those fighting imperialism, however they saw fit to do it.

By a sizeable majority, the conference as a whole thus adopted a position well to the left of Britain's two main centrist organisations, the SWP and Militant.

The next question for the SLP, having agreed a principled position of solidarity, was its attitude to the "peace process" in Ireland. And here its unconditional support for the IRA revealed itself as being little more than an uncritical attitude towards Sinn Fein. The conference rejected amendments warning of the fraudulence of Major's peace process and the strong possibility of Sinn Fein accommodating to imperialism as the PLO have done. Again Pat Sikorski explained that he supported the right of Irish revolutionaries to make peace on any terms they choose. Here the influence of Arthur Scargill's USec lieutenants was at its most visible.

On questions where an existing leadership position is not already in place the SLP leadership were considerably more equivocal. The radicalism on Ireland was in stark contrast to the SLP's policy document on racism, which marked a capitulation to a series of spurious liberal arguments and commonly-held racist ideas within the working class. Among the speakers was another USec veteran, Brian Heron, who depicted a fantastic scenario of white South African reactionaries fleeing an ANC government for a Scargillite Britain.

After the most impassioned debate and the closest vote of the conference, the delegates refused to call for the scrapping of all immigration controls, an amendment put in three separate forms to the platform's woolly document.

There were very few black comrades at the SLP's founding conference. Even if the SLP's youth charter includes a call for the abolition of immigration controls, an organisation that adopts a position paper with no mention of support for black self-defence, the briefest of references to police brutality and that rejected an amendment calling for "no platform for fascists" is unlikely to prove a lightning rod for the anger of politically radicalised black youth.

On the issue of military spending, the SLP will be advancing a proposal



BRENDA NIXON

that does not go beyond what is readily acceptable to existing Campaign Group Labour MPs, calling for one-third of the armed forces budget to remain. Do the SLP leaders not realise that this budget, however much they tinker with it, is the budget for the very armed forces occupying Ireland, the Malvinas, Bosnia etc? That these armed forces are used exclusively for

The policy papers reveal the depth of reformist confusion within the SLP's ranks about the nature of the British state

the defence of British imperialism? That their contact with the organised working class is normally in the shape of strike breakers?

The SLP leadership is clearly not prepared to state that it will not be defending the realm, never mind forging workers' militias. Indeed, the question of the purpose of "defence" expenditure is not even posed.

The policy papers go on to reveal still more about the depth of reformist confusion within the SLP's ranks about the nature of the British state. One document on "the law" is liberal piffle that stops far short of even basic democratic demands for the election of the judiciary and the abolition of the monarchy. Instead, the policy paper calls for "a written constitution" and "the establishment of a Constitutional Court". Its notion of a fundamental "overhaul [of] the administration of justice" consists of such measures as a review of "the basis upon which future appointments are to be made to the judiciary/Constitutional Court".[8]

The police warrant only one mention in a parenthetical phrase that refers to "disparate policing practices in the black communities, and more recently in targeting the young." The section does not even issue a simple and clear pledge to the repeal of the Criminal Justice Act of 1994.

A separate section on anti-union legislation is far better, including an unequivocal call for the complete scrapping of the lengthy series of Tory measures, though it frames its call "for a programme of positive union rights" in the context of the United Nations Charter and the conventions of the International Labour Organisation, based in that renowned bastion of trade union power, Geneva.

Predictably, for an organisation with its hopes pinned on proving attractive to union officials early in the life of a Blair government, the party leadership has spurned attempts to make the leading trade union figures in the SLP accountable to the party's members. A proposal from members of the Socialist Caucus in the largest civil service union, the CPSA, to make party policy binding on all SLP members in the unions did not form part of the conference agenda.

The SLP does not yet have agreed positions on a series of questions around which papers exist as a result of a policy conference on 2 March and subsequent meetings of various working groups. At the 2 March event Scargill declared himself a "revolutionary" and claimed that the SLP had a foundation in "Marxist philosophy". Yet when the 4 May platform found itself explicitly confronted with the fundamental question of what to do about the capitalist state: reform versus revolution, it hid behind a combination of Scargill's bluster and vague formulations about the need for "extra-parliamentary action".

It relied on the force of Scargill's ritual denunciations to dismiss an amendment that advanced an explicit call for the working class "to smash the bureaucratic and military apparatus".

At best, the SLP's document is ambiguous as to how it would enact its series of radical reforms. At worst, it peddles the illusion that a socialist transformation can come through parliamentary channels. In responding to a speaker from the floor who recalled the tragedy of Allende's Popular Unity government in Chile succumbing to a military coup in 1973, Scargill intoned that "we had learned the lessons of Chile" without ever spelling out what his understanding of those lessons was.

In 1975 his understanding did not go beyond concluding that parliamentary action would have to be combined with extra-parliamentary action. By 1995, when he had decided the time was ripe for the SLP, he argued:

"If a Socialist Labour Party is established it should commit itself to fight every Parliamentary seat—on the principle that Parliament is but one element of democracy, a body in which expression must be given to the political philosophy and issues advanced by our class."[9]

This latter formulation is simply the most confused expression of his long held belief, shared by left reformists like Tony Benn, that parliamentary and extra-parliamentary action need to be combined in the struggle for socialism. This is the lesson of Chile that he has consistently drawn now for over twenty years. It is the wrong lesson.

The real lesson of Chile was the impossibility of combining two roads to socialism—parliamentary and extra-parliamentary. After all, in Chile between 1970 and 1973, there was hardly a shortage of extra-parliamentary action. The biggest demos and strikes the country had ever seen took place, workers' committees were formed, battles with the military began well in advance of the bloody Pinochet coup. But still the reformist combined roads did not avert disaster.



1984: THE MINERS' STRIKE THREW SCARGILL AND THE NUM AGAINST THE FULL MIGHT OF THE STATE

7. *ibid*
8. SLP *Founding Conference Policy Satements*, p29
9. *Future Strategy for the Left*,p8
10. *Scargill, the unauthorised biography*, London, 1994, p271

The real lesson of Chile is that there is no parliamentary road to socialism, and that when we stand for parliament we do it as a tactic, as a means of making widespread propaganda for revolution, which includes the overthrow of the elitist democracy of parliament and its replacement with the democracy of the working class, expressed through workers' councils.

The lesson of Chile is that you don't cut the budget to the armed forces or reduce its size. You abolish it and replace it with an armed working class. If you don't, then the armed forces, along with the police, the unelected judges and civil servants and every other cog in the machine of the capitalist state will be used to crush an unarmed working class duped by reformists into believing that socialism can come about peacefully.

Scargill hasn't learnt these lessons. The question is, can the SLP be taught them before it is transformed from a party dominated by left reformism but still in the process of formation, into an entrenched reformist party?

Stalinism and the SLP

To prevent the SLP from becoming transformed into a fully fledged reformist sect, the influence of Stalinism and left Labourism—in many respects twins, rather than antipodes—will have to be defeated inside the party.

The 4 May edition of the Morning Star, which coincided with the SLP conference, embodied the tensions simmering within the ranks of the Communist Party of Britain. On the one hand, an editorial attacked the launch of the SLP as premature, while urging a vote for Labour at the next General Election. On another page, a much longer column authored by Arthur Scargill urged Communist Party members to join the SLP. Some of its leading members, like Crow, have already decided to join the SLP. Others could follow.

Organised British Stalinism is in a state of decay and permanent crisis. In part this is a result of the collapse of Stalinism in the USSR and Eastern Europe. Apart from anything else these regimes kept the Morning Star afloat with financial backing. In part, however, British Stalinism's crisis predates the world collapse.

In 1977 the first of many splits in its ranks occurred, between the forces moving in the direction of liberalism (the Eurocommunists as they were then called) and the forces loyal to the old USSR. Since then the Eurocommunists have completed their transformation, now calling themselves the Democratic Left.

The CPB is the biggest fragment of the remaining old style Stalinist movement. Its politics are based on its old programme: *The British Road to Socialism*. The essence of this programme is that the British working class can lead the struggle for socialism, by way of parliament rather than by way of revolution, in a coalition with the middle classes and even progressive, "anti-monopoly" sections of the ruling class. In practice, the CPB has given up on such sectors of capital, but is still keen on coalitions with progressive Bishops, Liberals and anyone else it can lay its hands on. Within the unions it retains important influence, basing its work on electoral machines capturing positions and influence within the trade union bureaucracy.

In 1992 Scargill rejected a strategy built on industrial action and pithead occupations by miners as the catalyst to a general strike.

The relevance of this for the SLP is that though the CPB is on the outside, the tradition it stands in and the politics it espouses have long exercised considerable influence over Scargill himself. He received his initiation in politics in the 1950s as a member of the Young Communist League, the old CPGB youth section.

Though never a member of the adult party itself (he left the YCL to concentrate on the NUM), much of its politics—its little England anti-Europeanism, its nationalist remedies for saving British industry through import controls and state capitalist nationalisations, its emphasis on capturing positions within the union bureaucracy rather than fighting to destroy it—are the politics of Scargill himself.

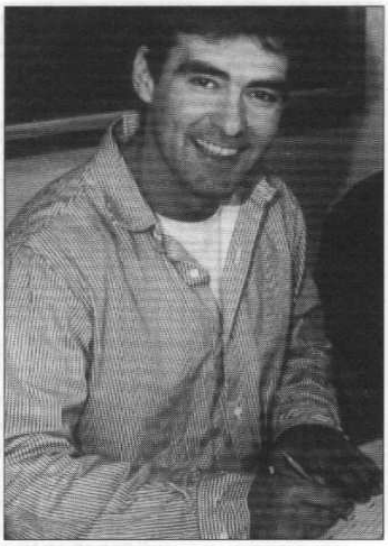
Scargill's militancy, his independence and his conflicts with the CP as he rose to the top in the NUM, often conceal the extent of Stalinist influence on him. But at decisive points in the class struggle that influence has manifested itself in different ways.

His leadership from the front of the miners' epic battle with Thatcher's second government and the might of the British state machine in 1984-85 was often inspirational. His rhetoric both voiced and reinforced the determination of so many of his members and their families to defend their jobs and their communities.

But just as Scargill showed that he was a far from typical trade union bureaucrat, his performance at the September 1984 TUC conference illustrated his inability to break from the trade union bureaucracy and its methods. After spending six months keeping the TUC at arms length, in September he failed to challenge their refusal to deliver solidarity and handed control of all solidarity action over to the TUC bureaucracy, opening the door to the slow strangulation of the strike by bureaucrats whose private view of the dispute was:

"How do we prevent the miners from going down to defeat, while at the same time denying Arthur a victory?"[10]

The overwhelming burden of blame for the miners' eventual defeat lay at



MILITANT'S TOMMY SHERIDAN WALKED OUT OF SLP FOUNDING MEETING AFTER SCARGILL OPPOSED SCOTTISH AUTONOMY

the door of the TUC as a whole, but Scargill's repeated failure to appeal over the heads of his fellow trade union tops to rank and file members for generalised strike action in solidarity with the miners contributed to the NUM's fatal isolation.

In September 1992 the Tories announced plans for butchering the nationalised coal industry before privatising its remains. This triggered a wave of popular protest. The sympathy of the middle class was suddenly on the miners' side. In contrast to 1984-85 Scargill chose to rely on public opinion and play strictly according to the new realist rules of the TUC as a whole. He effectively rejected a strategy built on industrial action and pithead occupations by miners as the catalyst to a general strike.

There were serious obstacles to winning such action, not least the legacy of demoralisation among the miners themselves from the defeat of the Great Strike. But Scargill's embrace of the Stalinist tactic of building a broad alliance of classes in which the working class forfeits its independence and its specific forms of class action in the interests of preserving the alliance with sections of its class enemy, including in this case a few disgruntled Tory MPs in marginal seats, was an abysmal failure. The eventual closure of dozens of pits and the axing of thousands of jobs left the NUM a withered husk with less than 10% of the membership it had in March 1984.

Despite being cold-shouldered to date by the leaders of British Stalinism he has not freed himself from its influence. The arguments used to justify opposition to scrapping all immigration controls are the very ones the Communist Party has been using for years. The idea of a British road to socialism is lodged within the SLP's economic and political recipes for dealing with Britain's crisis. Even the idea of a coalition—although now one

between the working class and radical greens active around road and animal protests instead of between workers and patriotic capitalists—persists.

These influences have shaped the SLP so far. But as the debates at the founding conference showed, they have not shaped the entire SLP membership. Organising to defeat these influences means looking to the forces that prevented Scargill himself from ever joining the Communist Party, the forces that were responsible for bringing out the very best in him—the rank and file of the working class.

Scargill was influenced by militant syndicalism as well as by Stalinism, within the NUM. His rise through the union owed as much to this militant syndicalism as it did to the Stalinist Broad Left machine, in particular to the militancy of the Yorkshire miners.

It was their strikes in the late 1960s that first brought Scargill to regional prominence. And it was their vanguard role in the flying pickets of the 1972 and 1974 national strikes that made his name a national byword for trade union militancy. Once he was president of the NUM in the 1980s, it was to this army of class fighters that he turned.

The pit closure programme of 1984 set into motion by the Coal Board gave Scargill the chance for a showdown with Thatcher. The result was the glorious, but tragically defeated great strike of 1984/85—twelve months of intense class warfare.

While this tradition is considerably healthier and more vibrant than the class collaborationism of Stalinism, in itself it is insufficient to defeat capitalism. The SLP must look to the militant rank and file, but must transcend even the best militant syndicalism, which itself proved incapable of winning the great strike of 1984-85.

It failed because militancy, without being harnessed to the pursuit of clear revolutionary socialist goals embodied in a revolutionary socialist programme, cannot answer the questions of state power and government that are posed when the class war reaches its highest pitch of intensity.

For example, the SLP should commit itself to building a rank and file movement against the trade union bureaucracy inside the unions. The aim of such a movement is to break the class collaborationist hold the bureaucrats exercise over the unions, to replace their bureaucratic methods with genuine workers' democracy at every level and to turn the unions themselves into instruments of class war against capitalism.

This is not simply a technical or organisational question. It is not simply a question of militancy versus bureaucratism. It poses point blank the question of politics.

What do we say about the bureaucracy's tolerance of Blair, about its political philosophy of "new realism", about its acceptance of the rigid divide between politics and economics, about its view of the unions' role in relation to governments and political strikes?

These are political questions that only a revolutionary socialist programme can give an answer to if the class is to defeat the reformist bureaucracy.

To equip the SLP with such a programme means fighting against the mish mash of left Labourism and Stalinism, served up by Scargill and his USec and Stalinist allies alike, and transcending the syndicalism of Scargill's natural base of support inside the rank and file of the working class.

11. *Red Pepper*, op cit
12. *The Guardian*, op cit
13. Personal communication to the author, February 1996



MAY 1996: THE SLP IS FOUNDED

British franchise of a new international?

The fight against Stalinism in the SLP will also require a fight for revolutionary internationalism. Scargill's positions on a series of international questions have long betrayed the influence of his Stalinist mentors. He retained a genuine belief in the East European states and former Soviet Union as examples of "actually existing socialism", and he still holds a similar faith in Castro's Cuba.

The 4 May event played host to the Cuban embassy's political counsel, who received a rapturous reception from the delegates, many of whom had earlier applauded a crude demagogic attack on an amendment to the SLP's policy statement that dared to criticise the absence of democratic control by workers of the Cuban state and the management of its economy.

The SLP has begun to search for allies on the European stage among those parties and organisations claiming to represent a continuity with the traditions of the pre-1989 Communist parties. The evidence to date suggests that the leadership has enjoyed some success in its quest for partners.

Scargill and the founding conference's main organisers shared their platform with Italy's Communist Refoundation, represented by their paper's editor, and Spain's United Left (IU) in the person of the secretary of their group in the European Parliament. Such a line-up was impressive for an organisation which at this stage lacks not only MPs but any regular publication.

The IU representative extended an invitation to the SLP to send delegates to a Madrid conference on 8 June dedicated to discussing a "democratic socialist European left perspective" and a subsequent event in Paris on mass unemployment. The IU is "searching for partners on the European left", and in the SLP had evidently found "a real partner in Britain". Later in the proceedings both Brenda Nixon, parliamentary candidate and national executive member, and Scargill himself referred to the RC and IU as "our sister parties".

At the level of programme, the RC, IU and the SLP leadership share an implacable hostility to the European Union (EU), which they use to justify various left reformist remedies for treating national capitalist economies. Thus the SLP will be firmly on the anti-EU and pro-withdrawal bandwagon. The SLP's draft policy statement on the "European Common Market", as the authors still insist on calling it, itself poses the question of "why not be neutral?" on the issue of European capitalist integration, but fails to answer it. Without specifically reviving the spectre of import controls, the document goes on to uphold "the sovereignty of member states", presumably to pursue the introduc-

tion of "socialism in one country" once again.

Most probably, leading figures in the RC and IU see the SLP as an investment for the future. The British franchise of this loose international faces distinctive obstacles, however. Unlike its counterparts in Spain, Italy and indeed France, the British CP has never enjoyed more than a modicum of electoral credibility. In contrast to the RC, with a serious implantation among trade union militants in key industries, the British CP's industrial base has withered dramatically in the organisation's feeble response to the hammer blows of recession and the bosses' restructuring offensive.

Again, in contrast to its continental counterparts, the SLP leadership looks loathe to countenance any organised internal opposition. The RC, though dominated by hard-line Stalinists from the former PCI, has opened the door to other currents including public members of the USec, two of whom sit on the RC's national executive. Such elements do not, of course, exercise any real influence over key policy decisions, but their presence enhances the party's democratic credentials and provides more footsoldiers for its campaigns.

Prospects for growth

In his concluding speech to the founding conference, Scargill spoke of standing 100 candidates at the General Election and "a recruitment campaign the likes of which the labour movement has never seen in this country". These statements are very much at odds with the slow growth strategy announced on 13 January which called for a target of only 5,000 members within two years of the party's launch. If Scargill is serious about an aggressive attempt to build a mass organisation in the short-term, the SLP will need many more footsoldiers and recruiting sergeants than it currently has.

The SLP does not represent the same mass phenomena that led to the creation of the RC and IU. In both of those cases mass Stalinist parties emerged from the crisis of Stalinism and placed themselves at the centre of the regroupment of left forces in their countries. As such, they were not starting from scratch. They were the product of actual splits in the labour movements themselves. The SLP likes to think that it is a product of a similar process. Sikorski and Nixon argue that it is:

"Britain has one united labour movement, with one trade union federation and one party. Unless the initiative for a new party comes from the heart of that movement, out of a political identity crisis of Labour and the unions, then at best it could only ever temporarily unite the active 'fringes' of the left. Important as they are, they could never win the leadership of the whole of society which parties have to do.

"Socialist Labour comes from the most important fight led by the most militant section of the working class in the last 70 years. The miners' two battles united all that was best in society against all that was worst . . . That is why Socialist Labour could be formed."[11]

The SLP's fate could very easily be the one Sikorski and Nixon decry: unity of the "fringe"

This account reveals the differences between the SLP and the RC/IU, not the similarities. The SLP has not been born as a result of a split in the labour movement, nor does it come from the heart of the labour movement. At the moment its thousand odd members comprise an important section of the working class vanguard, but nothing approaching the masses represented by the RC/IU.

In some senses, whatever it may become in the future, Scargill's SLP is a product of the intense isolation he is suffering within a labour movement still fundamentally united around the prospect of returning a Labour government, Blair and all. And the ace up the sleeve for the bureaucrats who run the British labour movement is that they know full well this is what the overwhelming majority of the working class want too. That is why there has been so little resonance for Scargill's split.

Moreover, the idea that the party is the direct product of the miners' most recent battles is a travesty of the truth. In no sense is the SLP a product of the 1984-85 strike. In that period, when thousands of miners branded the Labour leader "Judas Kinnock" and when Militant's leadership of Liverpool City Council enabled them to mobilise thousands of workers, would have been a far more propitious time to split.

Had the NUM issued the call for a new party then, thousands of strikers would have signed up straight away.

The ranks would have been swelled by tens of thousands of the miners' supporters. The left of the Labour Party, then in retreat, could have been won over en masse. And Militant, by their own admission, could have taken thousands of members in Liverpool into such a party.

It didn't happen. Instead there was a defeat of the strike and no organised break from Labour. The defeat was strategic. It drove the entire labour movement into a headlong retreat. More defeats followed. New realism triumphed in the unions and the right wing surged forward in the Labour Party. Thousands of activists disappeared from the scene.

Perhaps it is more accurate to see it as more a product of the second battle—in 1992. For this was a battle that never took place. The armies were mobilised, in their hundreds of thousands in two huge national demonstrations and countless local ones, but apart from scattered one day strikes, they were not led into battle with the Tories. They were left standing around while a parliamentary commission defused the crisis and paved the way to the devastation of the mining industry, with privatisation and mass sackings following swiftly.



TONY BLAIR

This defeat left Scargill totally isolated and with hardly any members in his union. It created a crisis for him, but not a split within the labour movement. After all he had covered up for every right wing union and Labour leader during the 1992 crisis. If the SLP was a direct result of this, then it confirms that it was the product of a very different process to the one that led to the formation of the RC/IU. It is the product of a very small minority refocusing their political horizons, not the product of a seismic shift in the British labour movement.

That isn't to belittle the importance or significance of the SLP. The very fact of a split, no matter how small, that includes a section of the militant vanguard, is of immense importance to revolutionaries. But the scale and nature of the split puts it into a very different perspective to that outlined by Sikorski and Nixon. It means that the SLP's fate could very easily be the one they decry—unity of the "fringe".

Whether this is so depends on events that the SLP does not entirely control. Scargill's decision to break from Labour does not just arise from a sudden realisation that the party had broken from its "noble roots" or even an admission of error for having ever viewed Labour as a "socialist party"[12]. His perspective, if largely unstated, is that the election of a Blair-led Labour government will lay the basis for the rapid growth of the SLP.

Though the unions remain largely quiescent, Scargill assumes that the actual experience of Labour in office will fuel frustration within the unions at all levels, leaving thousands of trade union activists and even substantial layers of the bureaucracy with

nowhere to turn but the SLP.

He aims to construct an organisation that can accommodate an exodus from Labour without breaking this influx of members from Labourite ideology or abolishing the damaging historical divide between the "industrial" and "political" wings of the labour movement.

Is Scargill's project utopian? He is almost certainly right to expect a measure of revival in the low level of combativity of the organised working class under Blair, after an initial "honeymoon". Both Kinnock and Blair did much to depress workers' expectations of what a Labour government would bring, but some expectations still persist among millions of ordinary Labour voters. Even if the conscious identification with Labour has eroded, millions believe that life will in some ways be markedly better under "New Labour".

However much Blair's inner circle may wish to transform the Labour Party into an organisation no longer dependent on union funding, with structures that allow no voice to the union bureaucracy, most of these advisers recognise that a Blair government may well be obliged to throw certain sops to organised labour to keep the bureaucracy on board.

Blair might be able to placate the TUC tops for some time, but even the most right wing bureaucrats, such as Alan Johnson, joint general secretary of the Communication Workers Union, are not immune to pressure from below.

The SLP has broken from Labour, but has not yet broken from reformism

Blair's party will distance itself further and faster from industrial action in the run up to a general election than Kinnock could run from the NUM in 1984. But such action would provide the SLP an opportunity to show its worth as a campaigning organisation engaged in "extra-parliamentary" struggle and lay the basis for its growth among CWU members.

Alternatively, it could leave the field open to the Socialist Workers Party (SWP) to assist in fund raising and offering tactical advice to the strikers. Though the paper membership of the SWP remains substantially larger than the SLP's, the latter could find itself far better placed to grow under a Blair government, partly because many newly radicalised workers are likely to find a left reformist party that contests elections a more immediate pole of attraction than a self-avowed revolutionary organisation that has long abstained from the electoral arena.

The other advantage the SLP would enjoy in any competition for new recruits is Scargill and his still substantial media profile. As one militant postal worker quipped at the SLP's inaugural meeting in Bristol, "thousands of people have heard of Peter Taaffe (leader of Militant Labour), tens of thousands will have heard of the (SWP's) Tony Cliff, but millions will have heard of Arthur Scargill." So he explained his decision to join the fledgling party.[13]

But to actually win such members, the SLP can only rely on an objective process of disillusionment with "New Labour" for a limited period. It needs a younger, more dynamic membership base than was evident at the founding conference. And it needs to prove itself worthy of such a membership if it is to avoid the fringe fate of both the SWP and the old Communist Party. It cannot do that with its present programme, constitution and membership. Can these be changed between now and any upsurge of struggle against Blair?

Lost for revolution?

The SLP's programme is not yet complete. The bulk of policy papers did not receive a hearing on 4 May, but the essential elements of a left reformist manifesto are in place. The SLP has broken from Labour, but has not yet broken from reformism. There is a deviation to the left on Ireland, while on the military and the police it has made no advance at all on the Labour left of the 1980s. In the short term and most probably beyond, however, the SLP is not about to adopt a revolutionary programme.

But revolutionary Marxists would be mistaken to conclude that the weakness of the party's programme absolves them from a struggle for the hearts and minds of the SLP's membership and a continuing battle around the character of the SLP itself. A number of trade union bureaucrats, with Arthur Scargill towering above them, are in the party. A small clique, dominated by the one-time USec members, is at the centre of the first national executive, but there is not yet a thoroughly consolidated bureaucracy. A sufficient source of finances to secure the material basis for an SLP bureaucracy will almost certainly not exist for some years after the next General Election.

The SLP's formation is a significant event in the life of the British labour movement . It is a truly national organisation, though weakened in Scotland by the relative strength of Militant Labour and the persistence of nationalist sentiment on the Scottish left. Analogies have been made with the ILP, formed from a split with Labour in 1931.

The ILP, unlike the SLP of course, had a number of MPs in its ranks and thousands of more members than the SLP at this stage in its development. But the ILP broke from Labour in the context of international depression and the premiership of then Labour leader Ramsay MacDonald attacking the meagre benefits of the jobless.

The SLP cannot be dismissed as a fit of Scargill's personal pique nor can it be blithely assumed that it will share the dismal fate of the ILP in the 1930s. Its emergence prior to any Labour government headed by the party's most right-wing leader since MacDonald, is a symptom of profound unease and slow-burning anger about Blair and the nature of his project.

The release of pent-up frustration among large sections of trade unionists at some stage during a Blair administration could find the SLP well-placed to grow dramatically.

This poses the need to continue the fight with the SLP's membership for the revolutionary programme and for a party that bases itself on the rank and file of the working class.

It poses the need for revolutionaries to engage the SLP membership not merely in debate but in joint action, so that the merit of the revolutionary programme can be demonstrated in action.

It poses the need to continue the fight to change the SLP's constitution so that existing left-wing organisations, including Workers Power (Britain), can have the right to affiliate and carry on such arguments and action from within the party.

The extent to which revolutionary ideas can take root amongst the membership of the SLP will mark the extent to which the party can fulfil its self proclaimed goal of becoming a genuine mass alternative to Labour. Labour, even now, remains the strategic obstacle in the British working class movement to the building of a revolutionary party.■

OUT NOW!

TROTSKYIST BULLETIN 8

Reformism: what it is and how to fight it



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Rifondazione Comunista

Italy's new reformism

The most dynamic left force in Italy since 1991 has been Communist Refoundation. **Marco Zito** looks at the reasons for its growth over the last five years and whether it has broken with its Stalinist heritage

In April the Italian elections put the spotlight on Rifondazione Comunista (RC). RC gained over 3 million votes nationwide and commanded double percentage figures in a string of important cities and towns.[1] It gained enough seats to make its support essential if there were to be a government of the left rather than of the right. This scale of electoral success for a party which openly claims to represent the more combative and class conscious traditions of the Italian working class is certainly an important phenomenon.

RC has, at one stroke, become the flagship of the left reformist parties which emerged from the wreckage of post-1989 Stalinism. These parties have gathered momentum and support not so much by any specially active role in the class struggle as by attracting those appalled by the ever rightward evolution of former Eurostalinist, Social Democratic and Labour parties throughout Europe.

A constellation of such post-Stalinist and left Social Democratic parties has become a new focus for left activists. Izquierda Unida (IU) in Spain, the PDS in Germany, even the Parti Communiste Française (PCF) and the newly formed SLP in Britain regard themselves as sister parties of RC in an informal, mini-left-socialist international.

Whilst not the largest of these parties, RC is the only one in a position to exert pressure on a "government of the centre-Left", the Uliva (Olive Tree) cross class coalition which won the elections.

Despite winning only 35 seats, the support of the RC deputies in the 31 May vote of confidence was vital to the installation of Romano Prodi. . Now RC cannot evade responsibility for this government, pledged as it is to a whole series of rationalisations and anti-working class reforms.

Whether fate has been kind to put it in such a position of responsibility we will see over the next year. It gives workers throughout Europe the chance to see if the reinvention of left reformism can measure up to the challenges of racist Fortress Europe and the neo-liberal logic of Maastricht.

Although RC refused to join the Cabinet, its most prominent leader Fausto Bertinotti gave his backing to the coalition saying it will have the "conditional support" of the RC in parliament. And this despite Prodi's promise that at least 18 months of sacrifices lay ahead of Italian workers. The new government faces the biggest budget deficit outside the USA (£48 billion) and has committed itself to cut state spending to bridge the gap.

How then can RC reconcile the contradiction between its promises to defend state industry, to fight for a rise in pensions and a return to wage indexation—and its commitment to support a government pledged to do the exact opposite?

What will it do in the face of the government's impending cuts package to get the Italian lira back inside the EU exchange rate system? How will it fight the next attempt to sell-off the state controlled telecommunications group?

Either RC will be dragged along the road behind the Prodi government's cuts, grumbling and threatening, or it will go back into all out opposition and have to take the responsibility for bringing down the government (letting in Berlusconi and Fini) or "forcing" Prodi to seek the parliamentary support of forces to his right (the Lega Nord of Umberto Bossi).

The end of the Italian Communist Party (PCI)

Rifondazione was founded in 1991. Conceived in opposition to the decisions of the last Congress of the PCI in February it was born nine months later. At its February 1991 Congress the PCI changed its name to that of Partito Democratico della Sinistra (PDS)—Party of the Democratic Left—and finally severed its residual ideological links to its Stalinist past.

The PCI had long been a reformist workers' party, since 1935 when the Comintern renounced revolution in favour of an alliance with the "progressive" sections of the capitalist class, nominally to protect bourgeois democracy from fascism, but in reality from working class revolution. For the PCI this was disguised by the fact that "its own" bourgeoisie was fascist.

But with Mussolini's fall in 1943 and the Italian bourgeoisie's entry into the anti-fascist camp, the PCI was free to realise the popular front with its own capitalist class. Under its veteran leader Palmiro Togliatti, the party completely betrayed the mass anti-fascist struggle of the Italian working class. The PCI actively disarmed the resistance and supported the creation of the first Italian republic in 1945 under right-wing bourgeois leadership.

The bourgeoisie showed scant gratitude to its saviours. With the onset of the Cold War, in 1947 the PCI was excluded from government. This "ban" lasted for the next forty years. As long as the PCI was tied to Moscow it could not be trusted to enter the government of a major NATO country. Yet it continued to serve its ungrateful bourgeoisie throughout these years. Its main role in post-war Italy was to head off militant working class struggles into a municipal and parliamentary blind alley.

Thanks to a mass membership of more than one million and its control of the CGIL, the strongest trade union federation, the PCI carried out this job, always hoping that one day it would be summoned back into government by a progressive wing of the

1 RC made progress everywhere, obtaining an average 8.6 % of the votes and doubling its score in Turin over its 1994 result (from 6.2 to 13.7 %).

Christian Democracy (DC).

Nevertheless, reflecting its origins and its ties with the Moscow bureaucracy, the PCI covered its reformist practice in a cloak of "communist" phrases. At least rhetorically the PCI maintained the perspective of going beyond capitalism once the "battle for democracy" was secured and even promised it would establish the "dictatorship of proletariat".

The leaders of the RC have all affirmed the relevance of the specific features of Italian Stalinist doctrine as laid down by their historic leader, Palmiro Togliatti.

At the end of the 1980's, with the disappearance of Stalinist regimes worldwide and the acute crisis of Italy's ruling Christian Democrats (DC), PCI leader Achille Occhetto grasped that the PCI at long last had a chance of entering government provided he could reassure the bosses that the PCI had renounced the goal of socialism. Of course, this only performed the role of deluding the party rank and file that devoting their time and energy to the squalid electoral manoeuvres of the party leaders, served a higher cause— That of the ultimate emancipation of the working class.

Occhetto's plan had several components. First, ditch all the inflammatory symbols and names associated with its "communist" past. Second, accept publicly that capitalism is here to stay and is the best guarantor of economic efficiency.[2] Third, recognise in parliamentary democracy the highest possible political form. By 1990 Occhetto attributed the collapse of the Stalinist regimes to their lack of parliamentary democracy and accepted unambiguously that change could only be realised through such a regime.[3]

Fourth, Occhetto championed a radical change in the Italian political system—a constitutional reform to introduce a "first past the post" electoral system. This would allow for more stable governmental alliances with the PDS at the head of a reformist and democratic coalition.

At the 20th PCI Congress at Rimini in 1991 almost a third of the delegates opposed the "new course" of Occhetto, although only 70 delegates out of 1500 voted in favour of the motion of Armando Cossutta, the leader-in-waiting of the RC.

Stalinist legacy reaffirmed

For thousands of workers in the ranks of the party, the Occhetto line created deep confusion and demoralisation. A whole body of dogma and ideology, to which they were deeply attached, was unceremoniously thrown into the dustbin. This ideology moreover attached millions of the more class conscious Italian workers to the party. A layer of middle to lower ranking PCI leaders decided to retrieve this inheritance, not a worthless one in terms of an electoral base for winning parliamentary and municipal positions.

The head of this group was Armando Cossutta, now President of RC. Cossutta is a die-hard Stalinist. He was always totally loyal to the Kremlin, supporting every policy somersault, every use of the tanks by the Soviet bureaucracy. He dutifully expressed his solidarity with the August 1991 coup attempt by the hardliners against Gorbachev.

The congress which launched RC was held in Rome in December 1991. It asserted its complete ideological continuity with the old PCI. Even the members of RC saw themselves "not as a split, but, paradoxically, its opposite, the answer to a mass diaspora provoked by the dissolution of the PCI."[4]

Thus at the level of ideology and goals the RC represented not so much a split to the left as a standing still while the rest of the old PCI moved right. The leaders of the RC have all affirmed the relevance of the specific features of Italian Stalinist doctrine as laid down by their historic leader, Palmiro Togliatti.

It was Togliatti who created the distinction between "reformism" (the policy of the Italian Socialist Party, and rejected by the PCI) and the "structural reforms" pursued by the PCI. The distinction was more semantic than real but had an important role to play in persuading the mass base of the PCI that it was somehow revolutionary.

"Reformism" was the belief that a political, peaceful, evolutionary and parliamentary transformation of capitalism to socialism was possible. Structural reforms, however, were social changes that would erode the basis of capitalism, such as land reform in the South which would undermine the rule of reactionary landowners and with it the basis of fascism and monopoly capitalism.

In reality, it was all a justification for a popular front alliance with "progressive" capitalists and a reason for indefinitely postponing the socialist goals of the working class. After the split with the PDS the RC reaffirmed the doctrine of structural reforms and formed the basis of their critique of the PDS.

Even when it came to an assessment of the causes of the collapse of "really existing socialism" the new party drew conclusions that only served to bolster their reformist project. While still an opposition inside the PCI the future core of the RC leadership argued that the Eastern Bloc was "a reality in profound contradiction with Marxism."[5] But this was because these regimes held "a conception of socialism which posed as central the seizure of power and the nationalisation of the means of production."

Once again this idea reaches far back into the PCI's past, originating in Gramsci and Togliatti's mistaken theory that in advanced countries a frontal assault on state power was mistaken since the (democratic) state machine was too intermeshed with civil society, too resilient to be captured in this way. Rather, a "war of position" (parliamentary and municipal advance, cultural and political "hegemony" over social as well as state institutions) was necessary. By these means the communists would eventually undermine bourgeois control over all the bodies responsible for gaining the consent of the masses for capitalism.[6]

Ironically, the RC was now retrospectively applying this theory to the one country where Gramsci and Togliatti had accepted that revolutionaries had been justified in seizing state power by frontal attack—backward Russia!

The RC naturally rejected the PCI's own revolutionary, pre-Stalinist past. In his address to the founding Congress, Sergio Garavini, elected General Secretary, turned his back on the revolutionary tradition of the factory councils of 1921:

"The primitive vision of political struggle in the pure terms of a fight between workers and capitalists, class against class, was overcome by our Communist Party already in 1926 at the Lyon Congress, by stressing the need for a complex block of forces for the revolution".[7]

The same cross class strategy can be found outlined too in the party's statutes. The party is:

" . . . inspired by the values of socialism and of Marxist thought, renewing the tradition of Italian communists, in the spirit of anti-fascist resistance and the Republican Constitution, the democratic base from which the communists start for the transformations in a socialist direction of the society and the state."[8]

These popular frontist sentiments would continue to justify the axis of the politics of RC: the search for an electoral alliance with the "progressives", above all the PDS, when elections were held in 1992.

Building the party 1991-92

The leadership of RC was intelligent enough not to limit itself to building a nostalgic Stalinist sect. In the run up to the first Congress they organised a series of open rallies and meetings in most Italian towns to build a mass base for the party.

They could not rely simply upon a bureaucratic apparatus to get their

2 M J Bull, "La svolta di Occhetto e la crisi del Pci" in *Politica in Italia*, 1990 pp123-144 (127).

3 A Occhetto, *Dichiarazione d'intenti*, Rome 1990.

4 Liberazione 21 December 1991.

5 PCI 20th Congress, Mozioni, *Documenti, Regolamento*, Rome 1990, p9.

6 See A. Cleminson and K. Hassell, "Gramsci and the Revolutionary Tradition" in *Permanent Revolution, no 6* Oxford 1987 for a full critique of this idea and of Gramsci's evolution from centrism to Stalinism.

7 *ibid.*

8 *Liberazione*, op cit.

Fausto Bertinotti

Fausto Bertinotti, General Secretary of Rifondazione, will play a major role in the next months and years in deciding whether the Italian workers' movement will successfully resist the impending attacks.

Bertinotti was a trade union official for 30 years. He worked his way up from the ranks to the post of regional secretary of the CGIL in Piedmont in 1971, one of the most industrialised regions in Italy.

During the next fifteen years he clashed repeatedly with the national bureaucracy in Rome over tactics, without ever questioning the fundamentals of trade union politics.

But in 1985 he moved to Rome and his experiences there led him to move rapidly in a syndicalist direction, criticising the "institutionalisation and bureaucratisation of the union"[1]

He argued that the Italian labour movement had undergone:

"a sort of passive revolution which changed the role of the union from one of autonomous subject to one of being part of a triangle along with the bosses and the government, and with this, the imprisonment of workers' actions."[2]

This led Bertinotti and 39 other leaders to found Essere Sindacato (ES) as an organised left faction within the main union federation, the CGIL. At the 1991 CGIL Congress its platform argued that the union was no longer an instrument of workers' democracy and that union policies were tied to whatever the bosses would accept. ES got 15% of the delegates support and even up to 30% in some industrial sections.

At the 1991 founding PDS Congress which saw the emergence of what was to be RC Bertinotti was leader of an alternative left faction. Bertinotti did not split at the same time as RC but gained 26% of the votes for his "democratic communist" opposition.

Throughout 1992 Bertinotti led many struggles against the Amato and later Ciampi governments in close co-operation with the factory councils and in open confrontation with the bureaucrats of the CGIL. This was the year when in October nuts and bolts were thrown at CGIL leader Bruno Trentin during a demonstration in Florence in anger at the agreement he had signed to abolish the scala mobile.

In October 1993 Bertinotti led 30 CGIL leaders and others of the left wing of the PDS into the RC. His reasoning was clear: the 1992 strike movement needed political representation and this could not be the PDS since it was then deeply involved in backing the Amato government.

Bertinotti's defection to RC and his election as its General Secretary in January 1994 form a high point in the RC's left evolution. It represented a victory of the left in RC over the right wing led by ousted secretary Garavini. Bertinotti himself argued his victory showed "that this crisis had been overcome through the prioritising of the relationship between the party and the masses."[3]

The 1994 Congress, however, showed the limits of Bertinotti's idea of the "political representation" of the strike movement. It was to prove little different in substance to the rest of the RC.

Garavini had wanted to effectively dissolve the RC profile into the progressisti bourgeois opposition to Berlusconi. The left by contrast wanted class collaboration from the position of an organisationally independent party. Moreover, Bertinotti wanted parliamentary manoeuvres to be backed by work in the mass movement of resistance against austerity.

At the 1994 Congress Bertinotti stressed that for him;

"the party does not have a governmental vocation . . . for us, the construction of movements, the social unification, the construction of mass self-organisation, comes before the system of political alliances."

But his record since 1994 and especially in the pre-election period in 1996 has shown that on the contrary the search for a political alliance with the PDS and other bourgeois forces comes before generating and directing a mass movement of resistance. Besides, a party which renounces a governmental vocation for itself will end up supporting other parties' "governmental vocations". Such is the logic of political parties.

Bertinotti is charismatic, a powerful speaker, a skilled operator and the "darling" of the bourgeois press because of his intellectual aura.

He is an embodiment of a truly Italian tradition of left "revolutionary" leaders: the "maximalists" whose original leader was Serrati in the left wing of the Italian Socialist Party (PSI). That is to say, a rhetorical intransigence combined with a reformist practice.

In fact, Bertinotti, before joining the PCI, passed through the PSI where he learned his left-wing rhetoric and the pseudo-Marxist theory of Nenni and Basso, themselves pupils of Serrati. Of these leaders, Ernest Mandel once wrote in 1947;



BERTINOTTI.

"The Italian tradition of the workers' movement is heavily stuffed with the flaws of pseudo-revolutionary demagogy and purely verbal or literary radicalism [...] The present heirs of this tradition, Pietro Nenni and Lelio Basso, represent in all aspects, the decadence of maximalism . . .

"Nenni is the bureaucrat-adventurer type. Completely devoid of principles or political orientation, he can handle superbly the revolutionary phrase which pleases the radicalised masses . . . Being used to cover each betrayal with a speech even more radical than the previous, Nenni loved to talk, between 1944 and 1945, about the 'dictatorship of proletariat' each time he was preparing a new ministerial manoeuvre . . . "[4]

Bertinotti, like Nenni, is extremely dangerous politically. He can adapt himself to the language of the workers in struggle while chaining them to the perspective of a bourgeois government.

Even Bertinotti's radical critique of trade union bureaucratism did not survive the needs of peace pact with the PDS in the 1994 elections. Instead of denouncing the sell out of the struggles Bertinotti rejoiced that these struggles proved that "the trade unions are returned to the workers and the workers to the trade unions".

In this way the scourge of the trade union bureaucracy of the 1980s becomes the main agent of reconciliation of the workers to this bureaucracy. ■

1 F Bertinotti, *Tutti i colori del rosso* (All the colours of red) (Milan 1995 p77).
2 *ibid.*
3 *ibid* p133.
4 *Quatrième Internationale*, September-Oct ober, 1947.

message across since most of the property and propaganda machine—the daily L'Unità, the centre, the full-timers, the whole of the party apparatus, the local leaders, the CGIL—all stayed firmly in the hands of PDS. With respect to the thousands of old PCI factory cells RC could only count on 38 by 1993.

The leadership had little alternative but to seek to draw in a range of forces outside the PCI ranks: what was left of the Nuova Sinistra, the new left of the 1970's; all the activists that had left PCI in the previous years; youth, etc. The biggest success was the decision of Democrazia Proletaria (DP) to join in June 1991. Among the 702 delegates at the first Congress, 533 were from PCI, 113 from other political organisations (mainly DP), 56 with no previous attachment.[9]

Inside the CGIL, RC members struggled against the leadership via a minority opposition tendency called Essere Sindacato.

To attract these forces the RC stressed its openness and democracy. To indicate its commitment on this score the first congress adopted a resolution on the environment and made some passing acknowledgement of the merits of feminism. But the democracy was limited. In classical Stalinist fashion the new party did not grant rights to organised tendencies and forced the DP members to dissolve themselves into RC. This seriously limited the impact of opposition to the leadership—the only organised faction allowed.[10]

Still, the relative openness paid off in terms of recruitment. Dismissed as an irrelevance early in 1991, the RC managed to attract around 150,000 members organised in 600 circles by May 1991.[11] Many of these had been among the most active inside the PCI.

They gained 5.6% of the votes, based essentially in the traditional PCI strongholds of the center-north of Italy like Tuscany and Emilia, but also in the industrial towns of the north such as Milan and Turin. More than 75 % of RC votes were drawn from former PCI electors, especially in the traditional strongholds of the industrial working class.

No sooner had this support within the Italian industrial and political vanguard been demonstrated than RC was called upon to provide leadership to these same workers, on the streets and in the factories.

1992 was a decisive year for the class struggle in Italy. On 31 July, on the eve of the holidays, the leadership of the CGIL and CISL trade union federations signed an agreement with the employers to end the scala mobile (sliding scale of wages that gave some protection to wages against inflation)—an historical gain of the working class from the great struggles of 1969-72.

Then in September the Amato government announced an austerity package to follow the real wage cuts. The same trade union leaders were forced to call demonstrations and general strikes in September and October. Hundreds of thousands of workers paralysed the main Italian cities for weeks. This was the first mass movement of the Italian working class for 20 years.

The demonstrations turned into a violent protest against the CGIL and CISL leaders. The situation was ripe for the RC to grow at the expense of the PDS. The RC was deeply involved in the movement. In the initial demonstrations its banners demanded a general strike.

Inside the CGIL, RC members struggled against the leadership via a minority opposition tendency called Essere Sindacato[12].

In addition, RC initiated and fully supported a rank and file movement across the trade unions—the Movimento dei Consigli unitari (MCU)[13] which first met on 20 October in the midst of the strikes. It organised 300 councils which grew to 600 by 9 November and together they pressed for a general strike.[14] Finally, some sections of RC were active in the COBAS movement,[15] half way between a rank and file movement and a new trade union federation, based in certain sectors: railways, schools, civil servants and some car plants.

Despite the advantageous situation all these movements failed in their proposed aim of developing an organised mass movement of rank and file workers capable of serious resistance to the bureaucratised trade union leadership or of founding a "class struggle trade union".

Essentially, Essere Sindacato and the MCU fetishised the unity of CGIL and limited themselves to pressurising the official leadership into action. The



ITALIAN WORKERS FIGHT BACK

9 *ibid.*

10 The Congress elected a 16 strong executive and 20 regional directorates, similar to the old PCI structure.

11 J M Foot, "The 'Left Opposition' and the crisis", in *The New Italian Republic* by S Gundle and S Parker, London 1996, pp174 .This figure was corrected to 106 000 at the end of 1994 according to Liberazione, 18 December 1994.

12 Roughly translated as "to be a (real) trade union".

13 sometimes called "gli autoconvocati" (self-convened).

14 MCU was based essentially in the industrial regions of the North. It renewed a tradition of the workers' movement in Italy of the 1970's, namely the organisation of Consigli di Fabbrica, similar to a shop steward committees in Britain.They forged trade union rank and file unity at a factory level on a militant platform.

15 COBAS means COmitati di BASe; rank and file committees.



THE PEACEFUL ROAD TO SOCIALISM?

COBAS too impatiently looked in the direction of creating a new trade union, underestimating the need for a phase of struggle inside the existing union federations.

But what is worse, all these opposition movements failed to build a united movement of the rank and file on a program of trade union democracy and class struggle. Instead, all of them proposed as the goal of the movement a state referendum to introduce democracy in the unions.

This appeal to the capitalist state, or even to the multi-class electorate, to regulate the affairs of the trade unions betrayed their deep reformist illusions and their inability to understand the bourgeois character of the state apparatus. It completely wasted the opportunity offered by the mass strikes and protests of the workers to get rid of their treacherous leaders.

In part the fact that the RC was not able to fuse all these movements into one behind a coherent programme was due to the fact that different sectors inside RC oriented to different trade union oppositions. This at least was in stark contrast to the PCI of old; its fraction inside the CGIL was well organised and disciplined.

But the main reason for RC's failure to make more of the mass movement was the reformist politics of its leadership. This can been in the declarations of Cossutta when the CGIL leaders were losing control of the strike movement;

"The parties of the majority [DC, PSI with the external support of PDS] should understand the real situation. Nobody is in control of the plants. While we will try to do our job, it is time that they start doing theirs. Otherwise in a week nobody will know how it will end . . . "[16]

The events of the autumn of 1992 proved that the RC had significant roots within a sector of most active trade unionists and class conscious workers. Its prestige was strengthened and it consolidated itself at the national level, further eroding PDS support in the old PCI heartlands.[17] Moreover, the role of the PDS in backing the Amato government's attacks and then after April 1993 the Ciampi government, forced a further significant minority inside the PDS to resign and join the RC during 1993 (see box on Bertinotti).

The Second Congress

At the Second Congress of RC in Rome in January 1994 a new alliance was born which forms the core of the RC leadership up to the present: the axis of Cossutta and Fausto Bertinotti. Cossutta was re-elected President of RC and Bertinotti, having entered the party only three months before, was elected General Secretary.

The main reason for RC's failure to make more of the mass movement was the reformist politics of its leadership.

At one level it was an alliance and compromise between the hard-line Stalinist views of Cossutta and the trade union syndicalism of Bertinotti. The political platform of this compromise was not difficult to arrive at. The three main political contributions to the Congress, by chief ideologue—Lucio Magri, by Bertinotti and the final majority motion of Cossutta and Bertinotti, all stand on the same ground of left reformism, the only differences being rhetorical, tactical or ideological nuances reflecting their different political traditions.

The Congress was dominated by electoral considerations. In April a referendum (backed by the PDS) approved a 75 % "first past the post" electoral system to replace proportional representation.

Magri opened the Congress asking bluntly:

"We have to decide if we will stand in the next elections as part of the political front of the left."[18]

A minority party such as RC without regional majority strongholds was doomed to lose most of its MPs (57 at the time!) if it stood alone. Magri argued that such an alliance of the left was justified by the need to stop the right.

He outlined a short programme for this government: redistribution of the income (wage increases, sliding scale), reduction of the public debt, support for environmental protection, measures to reduce unemployment, democratisation of the state, etc. The whole debate was peppered with references to Marx, the debate between Lenin and Luxemburg, and of course Gramsci and Togliatti.

Taking his cue from Gramsci, Magri said the political strategy of RC was:

"not like a concentrated act of taking power, but as an historic-social process, the construction of hegemony, a transformation not without pain through stages".

And what should the first stage of this be? Why, an electoral bloc to get as many RC MPs as possible. The final Congress motion committed the RC to:

"a victory of a front of left and progressive forces . . . What we pursue is an alliance with different forces, with different strategic perspectives. An electoral, political and programmatic alliance."

The decisions of this Congress were an important milestone. They determined that the parliamentary electoralist perspective of the leadership and its search for a progressive coalition against the right would be safe-

guarded at all costs. The consequences of this were to be seen in the actions of RC during the strike wave of 1994 and the general elections of that year.

RC's reformist weakness appears precisely at that point where the line between "democratisation" of the capitalist state and its destruction is involved

Parliament or mass struggle?

In 1994, RC entered the Progressisti electoral bloc, which included bourgeois figures like Segni and La Malfa. While RC increased its score from 5.6% to 6.1%, the left alliance was defeated by the right-wing block of Berlusconi and Fini. Only three months after Berlusconi came to power he succeeded in uniting the working class against him by his attack on pensions. Once more there was a huge wave of anti-government strikes and demonstrations.

What was the line of RC? First, a glance at Liberazione (weekly paper of RC) during September and October that year indicates that RC completely side-stepped its responsibility to act as a collective organiser of the strike wave. Once the strike wave was well underway it left the issue of a general strike to a report of a timid declaration of Essere Sindacato.

It praises the movement for its "exceptional" and "historic" character while refusing to offer it any political direction. How should the workers organise to kick Berlusconi out? By what methods? For what goals? Under whose leadership? Liberazione was silent.

This glaring omission was deliberate and flows from the political line of the Second Congress: to strive for the unity of "the left" above all else. The key tactical line of the leadership was "to avoid isolation", which meant not putting the CGIL leadership under too much pressure and thereby compromise the sought after unity with the PDS.

In the face of the impending general strike of 14 October the national leadership of RC declared itself at the "service of the movement". Bertinotti wrote:

"We are very critical, we consider it a disaster that today somebody [the CGIL] should think of proposing once more the politics of negotiation [with the government]; nevertheless, we have suspended every critical judgement, dissolving our slogans, our banners in the movement."[19]

Having abdicated any responsibility for leading the strike movement to success and overcoming the political obstacles in the path of this, the trade union bureaucracy was free negotiate an agreement with the Berlusconi government which fell far short of what could have been achieved given the strength of the movement.

The truth is that the strike wave was seen as a diversion from the real political (i.e. parliamentary) strategy that was upper most in the collective mind of the RC leadership. RC proposed to the PDS as against the Berlusconi regime not a workers' government based on the factory and strike committees thrown up between 1992-94, but a "government of guarantee", an interim government open to all the "democratic" forces interested in electoral reform and new elections.

Their parliamentary cretinism and total commitment to the popular front strategy succeeded in squandering an enormous opportunity. Meanwhile, the plea for co-operation with the PDS predictably fell on deaf ears. Instead, PDS leader Massimo D'Alema chose to support Lamberto Dini, a Berlusconi minister, in an alliance with Lega Nord and to try to split the parliamentary group of RC in order to secure precious votes for the government.

This PDS manoeuvre worked. Applying to the end the logic of the line of the Second Congress, half of the RC deputies (17) decided to support Dini in a vote of confidence in December 1994 and resigned from RC.

During 1995, despite the fact that Dini carried out a similar attack on the pension system as the one earlier launched by Berlusconi, RC did not move a finger to organise the resistance. To do it, would have meant to break the non-aggression pact with the PDS, and particularly the tacit agreement with the trade union bureaucrats.

Far from turning to the left in 1995, RC took its Second Congress perspective of alliances further by extending them on a regional scale and enlarging their scope to include the Italian Popular Party (PPI), one of the fragments of the discredited Christian Democrats. An alliance with the Lega Nord was also proposed by RC in Lombardy and Piemonte, and effectively realised in many local administrations in the north.

RC and the Olive Tree alliance

That RC backed the centre-left electoral and governmental block, Ulivo, for the 1996 elections was therefore no surprise. RC leaders feared losing their parliamentary base above all else since it would remove the key platform from which to pursue their strategy of progressive blocs.

RC backed the PDS. But the PDS in turn backed other bourgeois forces inside the coalition including current prime minister Romano Prodi, ex-DC and one-time manager of state-owned industries responsible for tens of thousands of lay-off in the 1980s. The Ulivo also included Carlo Azeglio Ciampi, ex-boss of the Banca d'Italia, and Lamberto Dini who RC had refused to support when Prime Minster just a few months before!

RC tried to face both ways before the election. It would back the Uliva list but in the event it won it would not necessarily support a government of it. They would support the list but not . . . Dini's group. But there was no difference between Dini, Bianchi or Prodi.

This tactical doublethink of Bertinotti only served to confuse and demoralise. But pressured between a radicalised base and the imperatives of its chosen popular frontist strategy such confusion was inevitable.

RC entered the campaign with a left reformist electoral programme designed to reflected the aspirations of its members and supporters; it outlined a series of demands that if implemented would considerably shift the distribution of wealth and income towards the working class and away from the bourgeois class.

For example, in the face of unemployment of 12% RC raised the slogans, "cut the hours, not the jobs: a 35 hour week for 40 hours pay", which if implemented would immediately create one and half million jobs.

Connected with this was a plan for "social renewal" of much of the dilapidated infrastructure of public welfare education and health in Italy, especially the poor southern half. RC fought for a system of free health and education for all, opposed all attempts at privatisation and stood for compulsory education up to the age of 18.

In the face of inflation at 5% (well above the EU average) RC called for the re-introduction of the "scala mobile"—wage indexation.

The centre piece of RC programme was defence of the "social state". Historically, Italy has always had since the war a high ratio of public spending to GDP; but much of it, such as pension provision, was a discretionary award within the gift of the ruling Christian Democracy.

Such a system needed a radical overhaul, but one which put social provision as firmly part of every citizen's unconditional right. Instead, the Dini government made great strides in undermining the principle of public provision. The reform of pensions, for example, has led to raising the age of retirement. RC argued for a lowering of the age of retirement with special provision for

16 *La Repubblica*, 25 September 1992.

17 The strike wave coninued into most of 1993 though not on the same scale as 1992. In February 1993 RC organised a 200,000 strong demonstration in Rome. In September a 300,000 demonstration was called in the capital by trade union rank and file organisations. Long and bitter strikes in defence of the jobs occurred at Alenia, among the miners of Sardegna and the chemical workers in Crotone.

18 *Liberazione*, 28 December 1994.

19 *Liberazione*, 30 October 1994.

20 1994 majority Congress document.

21 Quoted in *Proposta per la rifondazione comunista* April 1996.



OLIVE TREE SUPPORTERS CELEBRATING

women, the disabled and those whose jobs entailed heavy manual labour.

RC members have also been in the forefront of attempts to fight racism in Italy. They played a leading role in the 70,000 strong demonstration in Rome in 1995 against the introduction of racist immigration laws by Dini. RC stands for the abolition of all racist immigration controls (as usual Stalinists fall short of opposing all immigration controls) as well as standing for the right of all immigrants to full citizenship and special provisions for them in every sphere of public life. In addition it calls "as a beginning" for "at least the re-negotiation" of all third world debt as well as an increase in aid for the exploited of Asia and Africa.

The greatest defect of the programme—natural given its emphasis is on the "wider and just development of democracy" as the main goal of RC—is its lack of an idea that socialism is both a practical goal and an urgent necessity to resolve the problems faced by Italian workers.

Embarrassed by the collapse of Stalinist "socialism" and held back by the overriding imperative of deepening the democracy of the capitalist state, RC are incapable of telling those that look to it that bourgeois democracy is a deceit, a trap designed to demobilise mass struggles against capitalism.

RC's reformist weakness appears precisely at that point where the line between "democratisation" of the capitalist state and its destruction is involved.

So for example, instead of calling on the working class to smash the machine of state repression, the key obstacle on its road to power, RC calls for the reform of NATO and argued vaguely that the all standing armies should "in part and progressively be turned over to civilian control".

Worse, in defence of the "democratic assets of our Republic" there will be "no need to call for the dissolution of the secret services or the disarming and disbanding of the Carabiniere"[20] And this in a society that 20 years ago saw tanks deployed on the streets against students!

Such a programme, if the RC ever got anywhere near implementing it, would lead to disaster. If the RC took its own social reforms seriously they would have to be paid for out of a massive taxation of the bosses' wealth and a complete reversal of privatisation. This would lead to the forces of bourgeois reaction mobilising all within their power, above all the state machine of repression, to undermine and sabotage the government.

But RC has already given them a pledge that the key agencies of this work would be left untouched and unchallenged by the RC. It would lead to a wholesale retreat from its social reform package or coup—either Presidential and constitutional or bloody and illegal.

The greatest defect of the programme is its lack of an idea that socialism is both a practical goal and an urgent necessity to resolve the problems faced by Italian workers.

The future?

On the eve of the election Bertinotti pledged that after it RC would "mobilise the masses around the country and on every front." After the results, Bertinotti explained again in Liberazione that "we will activate a mass initiative to support the parliamentary pressure".[1]

To date Bertinotti has mobilised the masses—to support a new government whose programme has been dictated by Gianni Agnelli, the FIAT boss.

To justify their radical rhetoric and practical actions the leaders of RC wheel out two arguments. First, they massively exaggerate the danger of the right wing, fascist and authoritarian solution to the Italian crisis. For RC this danger demands above all imposes an alliance to defeat the right wing parties.

Secondly, RC insist that capitalism in the late 20th century is in irreversible decline. Consequently, there is no room for the programme of parties like the PDS and therefore support will drift away from it towards the RC in time when this becomes clear to the mass of workers.

Whether the Prodi government will be able to push through its attacks without resistance is not clear. Despite the support of RC and PDS and their control of CGIL, the working class has already shown in 1992 and 1994 that it is capable of mobilising without or against its own leaders.

In the event of a renewed wave of industrial class struggle against Prodi, RC will play the role of fireman, as it did in 1994. But this will bring it even more into contradiction with its base than in 1994.

Only through an audacious independent intervention by revolutionaries, combining a thorough critique of the leadership line with a united front with the workers influenced by it, can the working class be broken from the chains binding it to the cross class collaboration promoted by RC.

A deep split within RC on a revolutionary programme, similar to the split of Livorno in 1921 which gave birth to the PCI from the Socialist Party, will be essential if RC members are to help in the construction of a new, revolutionary, Leninist-Trotskyist party in Italy. ■

Trotsky and revolutionary unity

The fight for the

Dave Stockton surveys Trotsky's struggle against centrism in the 1930s

IN 1933 HITLER destroyed the German labour movement. The magnitude of this defeat had a decisive impact on the path taken by the forces of revolutionary Marxism, the International Left Opposition (ILO), led by Leon Trotsky.

From the earliest days of the degeneration of the USSR and the parties of the Communist International (Comintern) under Stalin's brutal bureaucratic leadership, Trotsky and the Left Opposition had fought to defeat and replace the Stalin faction. They fought to reform the Comintern and the USSR and operated, as their name implied, as an opposition faction.

The German defeat caused Trotsky to rethink his policy towards the Stalinist International. The reform perspective was based on the belief that, in the face of Stalin's disastrous errors, the masses of subjectively revolutionary vanguard fighters within the Comintern could act as a lever for its transformation back into an instrument of revolutionary struggle.

The fractures and divisions in the German Communist Party (KPD) and in other CP's around the world in the years 1928-33 showed that this was not a utopian strategy. Nor was Trotsky's perspective a passive prediction that the Comintern would reform itself. He accepted that its reform was not an inevitable outcome of the struggle, but it was the best possible orientation towards the most advanced elements of the mass proletarian vanguard.

Throughout this period Trotsky warned of the dire effects that would come about as a result of Hitler coming to power—the smashing of the strongest workers' movement in the world, a shift in the balance of class forces internationally and the inevitable drift towards a new imperialist war. He also warned that it would signal the historic bankruptcy of the Third International.

Noting the development of a "theory" inside the Stalinist movement that Hitler's rise could not be stopped, that indeed it was necessary in order to destroy the Social Democratic workers' "democratic illusions", that after Hitler it will be "our turn next", Trotsky warned:

"Were this theory to entrench itself in the German Communist Party, determining its course for the next few months, it would signify a betrayal on the part of the Comintern of no lesser historical proportions than the betrayal of the Social Democracy on August 4, 1914, and at that, with much more frightful consequences."[1]

Despite Trotsky's passionate advocacy of the workers' united front of the Social Democrats and the Communists against fascism, the Communist Party in Germany flatly rejected such a tactic and insisted on denouncing the social democrats as "social fascists". As a result Hitler seized power with hardly a shot being fired. Trotsky responded swiftly:

"The KPD today represents a corpse. The scorn of the vanguard of the German workers for the bureaucracy which has deceived them will be so great that the slogan of reform will seem false and ridiculous to them. They will be right. The hour has struck! The question of preparing for a new party must be posed openly"[2].

After an interval, during which Trotsky hoped for, and urged, a revolt

IV International

against Stalin inside the Comintern, he realised that it was not only the KPD's "fourth of August", but also the Comintern's. Apart from a suppressed criticism by the Czechoslovakian section, no parties publicly criticised the KPD/Stalin line on Germany. The Comintern was dead for the purposes of leading the world revolution.

The New International

Trotsky was forced to re-orient his entire perspective. In 1929 he had been exiled to Turkey. A year later the ILO was founded as a coherent international grouping. But even by 1933 Trotsky did not think that the Left Opposition could simply declare itself the new International.

This was not because he thought that in principle the International had to be founded on a loose basis, with many factions and tendencies, revolutionary, centrist and even reformist. Far from it. He believed that the Left Opposition had hammered out the basis which, added to the foundation work of the first four congresses of the Comintern, would be the only revolutionary programme on which such an International could be built.

His reluctance, indeed his avoidance for five years, to found the FI with the forces of the "Trotskyist Movement" alone, was not because he believed this to impermissible in principle but rather because he sought to build the new International into a mass force through a struggle to win over large leftward moving centrist currents.

That its optimum results were not achieved (a new mass international, new revolutionary victories, regeneration through revolution of the USSR, the crushing of fascism, the prevention of a new imperialist slaughter) does not invalidate its actual achievements. These were: a new and qualitatively more advanced international programme; the preservation of thousands of revolutionary fighters against Stalinism, fascism, bourgeois democracy and reformism; the arming of these militants with a principled strategy and flexible tactics.

Trotsky was well aware of the numerical weakness of the ILO for the task which faced it. Dreyfus and Broué [3] estimate that there were just 500 militants in Germany, 800 in Czechoslovakia, 300 in Poland, 300 in France, 100 in Belgium, 500 in the USA, 300 in Spain, 2000 in Greece and probably a thousand or so in Soviet labour camps. Groups had been formed in Mexico, Argentina, China and Vietnam.

He was also aware of its lack of hardened revolutionary leaders, both at a national and an international level. Most of the older seasoned cadres from the Comintern were to prove, sooner or later, burnt out, incapable of the tactical flexibility or the principled intransigence needed, in the face of the struggles and the defeats that followed.

At the same time the young cadres who rallied to Trotsky all too often lacked experience of mass organisation or struggles.

Brought up on a diet of propaganda tasks, when the time for action in mass struggles came their tendency was to commit adventurist/ opportunist or abstract propagandist /sectarian errors whenever a major turn in tactics was required.

In addition Trotsky was denied, by Stalin's relentless persecution and the hostility of various bourgeois governments, the ability to work consistently with the leaders of the sections and the international leadership.

In the years 1933-4 Trotsky consciously set out to lay the foundations of the FI on the basis of a bloc with several independent communist or revolutionary socialist organisations which he considered to be centrist (wavering between revolutionary words and reformist deeds) but which were moving leftwards under the impact of the German tragedy.

This project the Bloc of Four failed, to the extent that it did not mobilise mass forces or forces qualitatively different from those already assembled by the Left Opposition (which in 1933 had renamed itself the International Communist League—ICL). But it did strengthen the ICL and clear away certain centrist obstacles to further progress.

The decision to declare for a new International was finally taken at a plenary of the International Executive of the ILO held on 15 July 1933. An amendment was added to the "Eleven Points" which formed the initial platform of the ILO. It said:

"The struggle for the regrouping of the revolutionary forces of the world working class under the banner of International Communism. Recognition of the necessity of the creation of a genuine Communist International capable of applying the principles enumerated above."[4]

Though Trotsky had talked before of a "Fourth International" he was, for several weeks, reticent as to what name to give the new International. Jean Van Heijenoort, one of Trotsky's secretaries, remembered the discussions that took place when Trotsky settled in France in July 1933 on the name of the new International. He recalls Trotsky's comments:

"There is the secondary and subordinate question of a name. Fourth International? It is not very pleasant. When we broke with the Second International, we changed our theoretical foundations. Now, no; we remain based on the first four congresses (of the Communist International). We could also proclaim; the Communist International is us! And call ourselves the Communist International (Bolshevik-Leninists). There are pros and cons. The title of Fourth International is neater. This may be an advantage as far as the large masses are concerned. For the slower selection of cadres, there is probably some advantage on the other side in being called the Communist International (Bolshevik-Leninists)."[5]

By 1934 Trotsky had firmly settled on the name "Fourth International", which he saw as blocking the way back to an intermediate "two-and-a-half" formation, and because it embodied the notion of clear historical progress.

What Van Heijenoort's account also shows is that for Trotsky the question of name and number were "secondary and subordinate" to the question of the fight to actually build a new International when it became a historic necessity and build it on an operative revolutionary programme and policy. Trotsky made it clear that the "banner" of a party or an International is its programme.

For the ICL the crucial question was not "were the workers ready for a new International", nor in the first instance whether the forces existed to build it.

The first and most decisive question which had to be answered was "is a new International necessary?"

All other questions flowed from this. Despite the weakness of the ICL Trotsky recognised that there was no alternative to this course.

LEFT: BERLIN 1933, BROWN-SHIRTS SURROUND THE KPD HEADQUARTERS

The turn to the independent socialist organisations

Almost simultaneously with his change of position on the slogan of the International, Trotsky signalled a major change in orientation towards the various oppositional forces that had emerged over the previous three years and which were not tied to the Stalinist Comintern, the Right Opposition, or to the Social Democratic bureaucracy.

Trotsky was looking to the left-centrist groupings which had criticised both the Second and the Third internationals' suicidal policy in Germany.

It was here that he hoped to find cadres who considered themselves to be revolutionaries, who had moved leftwards under the impact of events in Germany and who had, to a certain degree, freed themselves from the hold of the bureaucracies of the Second and Third International.

Though these parties were small in relation to the sections of the two Internationals, they were sizeable in relation to the tiny and persecuted groups of the ICL.

Trotsky insisted that the development of these organisations was historically necessary given the bankruptcy of the Social Democracy and the Comintern's demonstration of its impotence. For the workers who had joined these parties and pushed them to the left, this centrism represented, potentially, a stage on the road to revolutionary communism. It was the task of the ICL to aid them through unity in action, pedagogic adaptation and absolute frankness of criticism to hasten their passage down this road:

"With a vigilant eye we must follow the live processes in all the workers' organisations so as to be able at the opportune moment to concentrate our attention in that field which promises the most success. The independent socialist organisations and the left-oppositionist factions within the Social Democracy are either avowedly centrist organisations or they contain within their ranks strong centrist tendencies or survivals. Their positive side is that they develop in a revolutionary direction under the pressure of the historic blows received by them."[6]

Trotsky was looking to the left-centrist groupings which had criticised both the Second and the Third internationals' suicidal policy in Germany

These "independent socialist organisations" were splits from the Comintern's Bukharinite and Zinovievite wings and from the Second International's left wing. Some were moving to the left and others to the right. In April 1932 the IAG (International Working Community) was founded as a meeting place of these parties and groups. It later became known as the London Bureau.

By 1933 it consisted of a series of parties and groups. The largest and most right wing of these parties was the DNA (Norwegian Workers Party). This was a "labour party" with trade union affiliates, led since 1918 by Martin Tranmael, a figure with a past in the Second and the Third Internationals. It pursued a reformist policy and was in the process of a rightward evolution from its brief "communist" phase back towards the Second International.

The other mass party in the London Bureau was also Scandinavian, the SKP (Swedish Communist Party) led by Karl Kilbom. It was the product of a split in 1929 of the Comintern section, one which unusually represented the majority (10,000 out of 18,000 members) of the party. It was closest to the politics of the Right Opposition but had, under the blows of the third period, developed a vague orientation towards a new International.

These two parties were regarded as the mass base of the London Bureau. They exerted a strong pull on the centrist parties to their left who saw them as representing the masses and for whose sake it was necessary to stay within the London Bureau and indeed to make concessions to in order to keep them in it.

In Germany, from Social Democracy came the SAP. In Holland there were two left centrist parties; one originating in a split from the CP and politically very close to the ICL, the RSP (Revolutionary Socialist Party), and the other in a left split from the Social democracy, closely linked to the German SAP, P J Schmidt's OSP (Independent Socialist Party).

The RSP was a party of about a thousand members. Its principal leader, Henk Sneevliet, was a veteran socialist of both the Second and Third Internationals. He had an illustrious record in the pre-1914 Social Democracy and was an active participant in the Comintern. In 1933 he was elected as an MP to the Dutch parliament and at the same time moved significantly closer to the ICL and its project of building a new International. He was a figure of national and international standing in the workers' movement, an important ally in the struggle to found a new International, albeit one with centrist positions which were to prove ineradicable in the longer term.

In Spain there was Joaquin Maurin's BOC (Workers and Peasants' Bloc). Trotsky had had over three years conflict with the leader of the Spanish Left Opposition, Andrés Nin over his co-operation with Maurin, a Right Oppositionist.

In Britain there was the Independent Labour Party (ILP) led by James Maxton and Fenner Brockway, which had disaffiliated from the Labour Party in 1931. Trotsky had higher hopes of the ILP although its political level was lamentable by continental standards. It had nevertheless taken several thousand members out of the Labour Party on a leftward trajectory. There were other groups as well, but most of them were regarded by Trotsky as inveterate right-centrists from whom nothing could be hoped. The main axis of his hopes in this period was the SAP.

The SAP

The SAP was founded in October 1931 as the result of the expulsion of six SPD Reichstag deputies "for indiscipline". In fact, it was for opposing the SPD's line of "toleration" of the Brüning government as a lesser evil to the front of the Nationalist Right with the Nazis—a policy that would lead the SPD to support the reactionary Hindenberg for President "to keep out Hitler".

Its initial leadership was made up of life long right centrists. But the SAP's importance lay in the fact that it attracted some 14,000 former SPD members and that its cadres held some important positions in the German workers' movement.

Trotsky had characterised it unequivocally as a centrist party and its leaders as inveterate right centrists. But he also considered the direction of its evolution as being from reformism towards communism, a direct product of the deep revolutionary crisis affecting Germany and the criminal policies of the SPD and the KPD.

The SAP had no programme, not just in the formal sense of a document, but no strategic assessment of the key lessons of the international class struggle since the war and the October revolution. Instead the SAP leaders were reducing their entire politics to the tactical necessity of a united front against fascism. Under the guise of the calls for unity they were seeking to bury all the key questions of programme which would necessarily arise the moment a united front was formed. Trotsky—hardly one to underestimate the importance of the anti-fascist united front—pointed out:

"In any case the policy of the united front cannot serve as a programme for a revolutionary party."[7]

He showed how for the SAP leaders, "the policy of the united front is carried into the party itself, it serves to smear over the contradictions between the various tendencies. And that is precisely the fundamental function of centrism".[8] For the SAP "unity" was the answer to everything. Trotsky said that though in moments of great crisis this was indeed the spontaneous consciousness of the masses it did not constitute a sufficient answer. As the sum total of the SAP's programme it was proof of the organisation's centrism.

Although for the masses centrism is only a transition from one stage to the next, for individual politicians centrism can become a second nature. These leaders have to be fought and fought openly at the same time as displaying an honest and comradely attitude to the rank and file of the party:

"To reconcile oneself with the centrism of the SAP for the sake of its general progressive role would mean that one would thereby liquidate its progressive role. The task of the Communists consists in giving timely aid to the workers of the SAP, to purge their ranks of centrism and to rid themselves of the leadership of their centrist leaders. To achieve this it is imperative that nothing be hushed, that good intentions be not accepted for deeds, and that all things be called by their own names. But only by their own names and not by fanciful ones. One must criticise, not vilify."[9]

Throughout 1932 and early 1933 Trotsky tried to persuade the German Left Opposition to undertake a serious approach to the SAP. By April 1933 Trotsky addressed himself to the question of seeking unity with the SAP. The main tactical difference with the SAP independent party or faction was in the process of resolution. Trotsky pronounced himself in favour of a united effort to build the new party in Germany noting that with such tactical differences out of the way:

"The problem should reduce itself to that of the programme, the policy and the regime of the new party. We need obviously not general abstract formulas, but the affirmation on paper of the experience of recent years in which both organisations have participated."[10]

The SAP conference had declared its sympathy with both the Brandlerites and the Left Opposition but had not specified on what issues:

"In not taking their stand on the most important problems the leaders of the SAP give the impression that they desire to have the Bolshevik-Leninists on their left, the Brandlerites on their right and by separating the two flanks to conserve their independence (which is not a calamity) and their lack of precision (which is very bad)."[11]

The SAP leaders also criticised the ILO for demanding that they take a position on all the international issues of the last ten years. It was impossible, they claimed, for thousands of workers to study all these issues, indicating that they regarded this as sectarian fetishisation of the theses. Trotsky formulated his answer carefully. Of course it is not possible for the membership of a sizeable party to study every question in depth:

"But it is correct for us to demand that those leaders who take upon themselves the initiative of forming an independent proletarian party indicate now their attitude towards the fundamental problems of proletarian strategy and to do that not in general and abstract form, but on the basis of the living experience of the present generation of the world proletariat."[12]

It was vital to rescue the left centrists from the influence of the right

The Bloc of Four

In June 1933 a clandestine meeting of the SAP leadership decided to call for a new unified German party and a new International. Rather than calling an international conference itself, the SAP pressured a London Bureau meeting in Brussels to adopt a resolution which noted the "failure of the two Internationals" and declared for the "re-creation of the international workers' movement". The London Bureau agreed to convene an open conference in Paris towards the end of August.

Trotsky realised two things. First, the London Bureau was the principal obstacle to the building of a new International because it attracted those forces most willing to consider the bankruptcy of the Second and Third Internationals and to consider the founding of a new one. But it was another "Two and a Half International" in the making. The larger reformist and right centrist parties would try to prevent the formation of a new International, pressing instead for the unification of the two old Internationals on the basis of a return to the live and let live practices of the pre-1914 Second International. In the era of fascism this was a reactionary utopia.

Second, there was an acute danger that the hitherto leftward moving centrists, even the more left wing of them like the SAP and the RSP, would be mesmerised by the "masses" of the right-wing parties, would make all sorts of concessions to them, including a failure to criticise betrayals. They would become enmeshed in the London Bureau awaiting permission from the big organisations to found a new International or to draft a programme—permission that would never come.

Despite these dangers Trotsky realised that the London Bureau contained explosive contradictions. It encompassed the left centrist forces essential to the building of a new International in the short term—i.e. the SAP, the RSP, the OSP—and it was vital to "rescue" them from the influence of the right. This could be accomplished by drawing them into comradely work on the programmatic basis of the new International, by achieving principled fusions between their organisations in Germany and Holland and the sections of the ICL and by encouraging them to fight the right wing in the London Bureau.

Trotsky also recognised that there was a middle ground of "right communist" and "left social democratic" organisations in movement, like the Swedish CP and the ILP. A firm lead from a grouping on the left could pull them further from their old positions. Trotsky advised his small group of



SAP LEADER JAKOB WALCHER (SCHWAB)

British followers to enter the ILP, as Walcher and Frölich had entered the SAP, and win it for the Fourth International.

In France Trotsky sought meetings with the leaders of the RSP and the SAP. From 17- 20 August 1933 he engaged in intensive discussions with Henk Sneevliet of the RSP and Jakob Walcher of the SAP. At the same time the International Secretariat of the ICL overwhelmingly approved Trotsky's initiative towards the SAP and the RSP. Trotsky had himself prepared a draft resolution which he proposed that the ICL, the SAP, the OSP and the RSP should submit for voting to the Paris conference of the London Bureau at the end of the month.

Jakob Walcher himself made a summary of these discussions which Trotsky checked and approved. This showed both the potential for agreement, but also the key stumbling blocks.[13]

Walcher expressed warm agreement with the ICL's approach to the Paris Conference and further that, "the time is ripe for a unification of the SAP and the Left Opposition and that starting now it is important to overcome the remaining obstacles as rapidly as possible". Trotsky is reported as saying that maximum efforts must be made to avoid two disastrous outcomes, "the discussion dragging on to the point that it ends not in an agreement but in a split" or a unification realised "without the necessary explanations on both sides" so that "too late it reveals itself not to be solid and ends in a fiasco".[14]

Walcher's statements reveal the still centrist approach of the SAP. He claims that "there was no difference of opinion between Trotsky and Schwab (Walcher) on the main appreciation to be made of the Norwegian Labour Party (DNA) except on the tactical approach to be adopted towards it", and that "no one in the SAP was under any misapprehension as to the true nature of the DNA, but that we must not ignore the fact that the DNA is the party of the Norwegian working

class."[15]

Further, he explained that "the possibility exists of influencing this development (of the DNA) in a decisive and positive way towards communism". Here lay the principal stumbling block for Walcher, and even more so for the rest of the SAP leadership who were more wary of Trotsky and the ICL than Walcher himself. Winning the mass DNA was their real priority, unifying with the ICL, producing a programmatic basis for the new International, even fighting for the new International were, in reality, secondary questions.

Given that they had "no illusions" about the DNA's reformist leadership the SAP believed that a diplomatic silence had to be maintained on criticism of these leaders in order to influence their mass following with their (abstract) propaganda for communism.

On the possibility of a principled fusion with the ICL again there was a general optimism, but the differences added up to very serious obstacles:

"Schwab first of all took up a position on the Platform of the Left Opposition which was adopted in the February of this year; he declared that the SAP was in agreement with the essential principles and methods of this platform, but did not regard as correct the division of the Communist camp into three groups".[16]

Why this was the case was clear from the list of disagreements. Walcher considered that the Right Opposition's KPO stood to the left of the KPD leadership from 1928-33. He considered Brandler and himself had been right in 1923 on the issue of the "German October" against the Left Opposition, that the Anglo-Russian Committee of the trade unions, in which he had been directly involved, was correct in its first phase at least, and that it was correct for the Right Opposition (IVKO) to be invited to the Paris Conference (it had refused, though its Swedish, Swiss and Norwegian affiliates were to attend).

On the possibility of a principled fusion with the ICL there was a general optimism, but the SAP's differences added up to very serious obstacles

When the proposal for a joint journal of the SAP and the ICL was proposed by Trotsky they proposed that the IVKO be invited to participate in its editorial board.

These differences amounted to a failure to see the right-opportunist character of Brandler and the IVKO on the main historic issues. To these principled differences were added a series of accumulated subjective differences; the claim that Trotsky played too big a role in the ILO/ICL, the accusation that its spokespersons "mechanically dragged in the same questions; the Chinese question, the Russian question, and the Anglo-Russian Committee".

After Sneevliet and Walcher's visit came P J Schmidt and Jaques de Kadt of the OSP, with whom agreement was also reached on the Declaration. Later Trotsky also discussed with Charles A Smith, John Paton and Jenny Lee of the ILP but no agreement was reached.

The "Declaration of the Four", finally agreed in Saint Palais where Trotsky was staying, was based on the core revolutionary principles of the ICL. But it necessarily excluded those points which the SAP would not agree to. It did not include the characterisations of the three currents calling themselves communist, it did not mention the key issues of differentiation of the 1920s. However, it drew the left-centrist groups a good way towards these positions. The joint declaration was issued on 26 August 1933.

It consisted of eleven clauses. The first emphasised the "mortal crisis of imperialist capitalism", the need for a break with reformism and the immediacy of the tasks related to "the conquest of power and the establishment of the proletarian dictatorship". It thereby affirmed the immediacy of the revolution and rejected the idea that there was a stage when a revolutionary party and international was not needed or when some sort of reformist and centrist replacement would do. Hence the urgency of the struggle to create a new International.

The second emphasised the international character of this revolution and categorically rejected the theory of "socialism in one country". This latter point not only drew a line of principle with the Stalinists but with the Right Opposition, since Bukharin shared authorship of this "national reformist theory". This position was to be harder for some of the signatories to put into practice than to agree with in a document.

On the Comintern, the declaration stated that it had "proved not only incapable of fulfilling its historic role but became more and more an obstacle in the way of the revolutionary movement". Social Democracy was characterised as a stinking corpse and that the "overcoming of the organisations, aims, and methods of reformism is the necessary prerequisite for the victory of the working class over capitalism".

This was essential for all cadres coming over from Social Democracy, including those on its left wing. As we shall see the SAP leaders had not really broken definitively with "left" Social Democracy. They remained tied to it with the excuse of the need to relate to its mass base.

The key commitment Trotsky won from the left centrists was the declaration's recognition that international conditions:

" . . . imperatively demand the welding together of the proletarian vanguard into a new (Fourth) International. The undersigned obligate themselves to direct all their forces to the formation of this international in the shortest possible time on the firm foundation of the theoretical and strategic principles laid down by Marx and Lenin ".[17]

The urgency, the totality of commitment, and the pledge to create a programmatic foundation were again to be a severe test for the signatories, indeed they were to be the fundamental test.

Were they willing to put their theoretical assent into practice, when this practice meant a hard struggle within the labour movement against those who opposed these principles? Whilst in no way seeking to stand in isolation from the masses, and joining in their struggles at every opportunity, were the signatories prepared to stand alone if necessary, telling the truth no matter what the cost?

The declaration itself suggested they would:

" . . . the undersigned, at the same time declare that the new International cannot tolerate any conciliation towards reformism or centrism. The necessary unity of the working class movement can be attained not by the blurring of reformist and revolutionary conceptions nor by adaptation to the Stalinist policy but only by combating the policies of both bankrupt internationals."[18]

Trotsky had won the SAP to make, in words, the pledge to fight centrism as well as reformism. It would be hard, indeed impossible, to make good this promise in practice without itself breaking fundamentally from centrism, even its most left-wing variant.

The declaration also embodied the key positions of the ICL on the USSR, which was recognised as a workers' state, "by its social foundations, incontestably prevailing forms of property and therefore the necessity for defending it against imperialism and internal counterrevolution".[19]. This clearly and unequivocally rejected the ultra-left and Menshevik peddlers of the theory of "state capitalism". It made defence of the gains of the October revolution a cornerstone of the Fourth International.

The need for party democracy–freedom of criticism, election of functionaries from top to bottom, control of the apparatus by the rank and file–was stressed. The new International as well as the parties adhering to it, must build their entire inner life on the basis of democratic centralism.

Finally, the declaration committed the four organisations to four immedi-



TROTSKY AT SAINT PALAIS 1933. LEFT TO RIGHT: RUDOL KLEMENT, TROTSKY, YVAN CRAIPEAU, JEANNE MARTIN, SARA WEBER AND JEAN VAN HEIJENORT.

ate tasks which would ensure that their commitment to pledges made was not merely platonic. It committed them creating permanent commission whose tasks were;

"a. to elaborate a programmatic manifesto as the charter of the new International;

b. to prepare a critical analysis of the organisations and tendencies of the present day workers' movement (theoretic commentary to the manifesto);

c. to elaborate theses on all the fundamental questions of the revolutionary strategy of the proletariat.

d. to represent the four organisations in the eyes of the whole world."[20]

This was a pledge to create organised co-operation between the left centrist organisations and the ICL—a bloc. Its task was to draft the programmatic manifesto on the basis of which the struggle for the Fourth International would take place.

It soon became clear, however, that whereas Trotsky hoped that it would be a wedge to split the London Bureau, opening up a principled struggle between the four and the right wing of the London Bureau, the SAP saw it as creating a pressure group on the left of the London Bureau with the long term purpose of winning the Social Democratic and right centrist mass parties over to communism.

The SAP was willing to devote as much time to this as the reformist leaders wanted, to subordinate their fusion process with the ICL to this, and to draw forces to their right into the Bloc in order to offset the ICL's pressure from their left.

Worse they were willing to hide their own estimate of the reformists in the name of "winning over the masses". This eventually wrecked the Bloc of Four.

Agreement with the declaration did not and could not, of itself, break the SAP and the Dutch organisations from centrism, but it aimed to "help them make the right choice", as Trotsky put it. Describing the declaration of the Bloc of Four, Trotsky wrote:

"The Declaration of Four does not give and, under the circumstances, could not give an answer to all the problems of programme and strategy. It is clear that it is impossible to build a new International on the basis of this declaration. But we did not intend anything of the sort. The declaration itself states clearly that the organisations that signed the declaration obligate themselves to elaborate, within a short time, a programmatic manifesto, which should become the fundamental document of the new International."[21]

The Bloc of Four in Practice

Trotsky hoped to win the support of at least some of the middle ground for this declaration—the Swedish Communist Party and maybe even the ILP. But by the time the conference began it carried only the four signatures (the SAP, the OSP, the RSP and the ICL).

When the conference opened on 27 August, a misunderstanding between the SAP and the ICL about the declaration immediately emerged. Walcher claimed to have understood the declaration as simply that, not as a resolution to put to the conference for voting. However seeing that if this was the case it would not enter the minutes and perhaps never reach the mass membership of the participating organisations it was agreed that Walcher would submit the declaration to the conference commission on resolutions.

The British at once objected that since the declaration did not exist in an English translation they could not be expected to consider it. This was a cynical excuse; the declaration was not much more than a thousand words long. This was "a conscious and deliberate manoeuvre by (ILP) leader John Paton" to prevent its discussion as a resolution.[22]

Walcher gave in to this manoeuvre and accepted that it be simply submit-

ted to the records of the conference. Even a short amendment from ICL members Pietro Tresso and Pierre Naville calling for a new International and the constitution of a commission to publicise this idea fell 7—7.

The SAP and its OSP ally defended the Declaration of the Four but in the end also signed the final vacuous, diplomatic conference resolutions.

"It is clear that the work of fusing the revolutionary forces under the banner of the Fourth International must proceed apart from the SAP and against the SAP"

Trotsky criticised this but wished to continue with the attempt to win the SAP to the positions and method of the ICL:

"We cannot pass by the fact that two of our allies (the German SAP and the Dutch OSP) joined not only the bloc of four that signed the declaration but also the committee of the majority (together with two representatives of the ILP and one representative of the Norwegian party). We, the Left Opposition, cannot expect and do not expect anything positive from this committee. We consider the participation of two of our allies (SAP and OSP) in the committee (the RSP, the party of Sneevliet, did not enter the committee) as a glaring contradiction. We also consider the voting of the representatives of the OSP and the SAP for the resolution of the majority as a grave political error that is capable only of sowing illusions and confusion."[23]

While discussions aimed at fusion of the Dutch organisations went forward to some degree, the aftermath of the Conference witnessed increasing friction between the forces grouped within the Bloc. Why were the positive subjective attitudes of both Trotsky and Walcher at the Saint Palais discussions so rapidly dissipated?

It may well be that Walcher, influential leader though he was, went further in signing the declaration than some of the other SAP leaders wished. According to Broué, "Walcher's correspondence actually shows that he ran into a certain resistance in his organisation".[24] Certainly there was considerable hostility between some SAP rank and filers and their former unsparing critics in the Trotskyist IKD. All this pressure, plus the gradual loss of urgency as the impact of the Nazi victory receded, meant a return to the more normal centrist methods of the SAP.

Now Walcher raised participation in the new journal by the Brandlerites as essential. Behind Brandler and Thalheimer were many excellent comrades. *He protested against Trotsky and the* ICL's negative characterisation of both the Paris conference and its resolutions. He agreed they were not good for the vanguard but they were a step forward for the masses and should be welcomed.

He thought that Trotsky's criticisms of the decision of the SAP and the OSP to participate in the standing committee of "the London Bureau" were wrong . They were participating for information. He also objected to Trotsky's calls for a break with the DNA as "premature" and his hostility to the SAP's failure to criticise its leader, Tranmael, as sectarianism towards the masses who supported the DNA.

Whilst some progress was made in exchanging background documents and theses for the work on the manifesto, the permanent commission remained a dead letter. In short the SAP was giving priority to its bloc within the London Bureau/London bureau over the Bloc of Four.

This was ominous for the whole development of it as a tactic to launch a serious campaign which might lead to the founding of the Fourth International in the near future. A positive development, however, was the adherence of the RSP to the ICL. Sneevliet attended the 18/19 November plenum of the International Secretariat which assessed the progress of the tactic. The fusion discussions in Holland were making slow progress. De Kadt was proving openly hostile to the ICL.

The ICL proposed that the Bloc of Four itself hold an international conference open to all who supported the declaration. This met in Paris on 30 December with Trotsky, De Kadt and Walcher in attendance. Pierre Broué says that "the entire meeting went on in a tense atmosphere, with frequent interruptions, with murderous formulations and harsh replies on both sides."[25]

In spite of the "murderous formulations" and the "harsh replies" the Bloc of Four did not disintegrate at this point. However the relations with the SAP became much more publicly confrontational. On 11 January Trotsky finished a letter to the SAP:

"The fight of the SAP against the Communist League does not bear a progressive character; it is conservative; it is a fight to preserve its own amorphousness and its privilege not to think out political ideas to their conclusion. As always happens in such cases, this struggle is refracted in the consciousness of the comrades of the SAP and appears to them as a struggle against our "sectarianism"."[26]

He went on to make it clear what the problem was the SAP's softly voiced "critical" orientation to the Norwegian Workers Party.

"You are no doubt aware that, together with my closest German friends, I stood for a merger as soon as possible with the SAP, hoping that the *education of a unified organisation* would be hastened by our joint experience coupled with mutual criticism. But after initial vacillations, the leaders of the SAP have rejected the merger. The immediate reason was provided by the question relating to the Norwegian Labour Party (or what is practically one and the same thing, the London Bureau). They refused to merge with us in order to have the possibility of continuing their hapless romance with Tranmael."[27]

The SAP and OSP called a Youth Conference for 24 February 1934 and indeed set up an International Bureau of Revolutionary Socialist Youth Organisations, (later known as the Stockholm Youth Bureau), allied to the London Bureau. The SAP's 20 year old youth leader Willy Brandt ran rings around the ICL's delegation, headed by 23 year old Walter Held. Held, drawn into drafting the resolutions for voting, gave in on a series of vital questions.

He accepted the exclusion of the name communist from the title of the organisation without a fight. He accepted that the declaration remain silent on the ICL's participation. He accepted that the declaration contain no reference to the need to struggle against centrism and that it called not for the Fourth International but rather for "transcending the Second and the Third Internationals"—a "classic Menshevik formulation" as Trotsky called it.

Indeed, Trotsky was now certain that even the slogan for a "new International" was a dangerous and evasive phrase in conditions where the SAP was using it to cover its capitulation to the DNA. Such formulations could mean a two and a half international.

It was clear that the SAP had become scarcely disguised opponents of the struggle to build the Fourth International. They reserved all their fire for the ICL who they accused of wanting to proclaim the Fourth International, to dominate it with the ICL's principles and politics. Trotsky replied in a series of articles drawing the main lessons about the past period—the particularly dangerous role that centrism of the SAP variety plays when bold historic changes are objectively necessary in the international workers' movement.

The SAP's turn to the left had been the product of the German events a year previously. By early 1934 the Nazi regime had pulverised not only the mass organisation but also the medium and small sized groups like the SAP. Even the ICL's illegal German section was in the process of being smashed in the first months of 1934. [28]

The SAP cadres and leaders in exile, especially those in Scandinavia, saw their saviours in the large reformist and right-centrist organisations like the DNA and the SKP.

Given the unchanged political background of the SAP leaders the evolution of the SAP back towards the right was inevitable once it had rejected the course of fusion with the ICL.

It remained for Trotsky to sum up the lessons of the ICL's relations with the SAP:

"It is clear that the work of fusing the revolutionary forces under the banner of the Fourth International must proceed apart from the SAP and against the SAP."[29]

Trotsky pulled together the lessons of a year's orientation to, alliance with and struggle against the left-centrist organisations in his classic essay "Centrism and the Fourth International". He draws the lessons of how revolutionary communism differs from the most left-wing form of centrism:

"The chase of the "extreme left" centrists after the ordinary lefts, of the lefts after the moderates, of the moderates after the rights, like the chase of a man after his own shadow, cannot create any stable mass organisation."[30]

And he concludes that revolutionaries can succeed only if they reject the methods of these centrists and determine:

"a. Not to outsmart the historic process, not to play hide and seek, but to state what is;

b. To give ourselves a theoretical accounting of the changes in the general situation, which in the present epoch frequently take on the nature of sharp turns;

c. To heed carefully the mood of the masses, without prejudices, without illusions, without self-deception, in order on the basis of a correct estimate of the relationship of forces within the proletariat to avoid opportunism as well as adventurism and to lead the masses forward, not to throw them back;

d. Every day, every hour, to answer clearly to ourselves what our next *practical step* must be, tirelessly to prepare this step and on the basis of living experience to explain to the workers the principled difference of Bolshevism from all other parties and currents;

e. Not to confuse tactical tasks of a united front with the basic historic task: the creation of new parties and a new International;

f. Not to neglect even the weakest ally for the sake of practical action.

g. To watch critically the most "left" ally as a possible adversary.

h. To treat with the greatest attention those groupings that actually gravitate to us; patiently and carefully to listen to their criticism, doubts and vacillations; to help them develop toward Marxism; not to be frightened by their caprices, threats, ultimatums (centrists are always capricious and touchy); not to make any concessions to them in principle;

i. And once more: not to fear to state what is."[31]

Conclusion

The ICL's attempt to break the left centrist organisations from centrism was entirely correct. It brought tangible gains for the movement in Holland in late 1934, with the fusion of the RSP and the majority of the OSP, to form the RSAP. And, in a parallel development in the USA, a fusion of the Trotskyists and the leftward moving Workers' Party, led by A J Muste, led to the creation of a 1,000 strong section of the ICL.

However, objective factors meant that the full potential of the tactic of the Bloc of Four was not realised. In particular a split with the SAP became necessary when that organisation vacillated on, and then rejected, the key slogan of the Fourth International.

While this phase of building the Fourth International did not bring mass forces to Trotskyism, it did furnish later generations with priceless lessons with regard to centrism. In the first place it demonstrated the importance of determining in which direction—to the left or right—a centrist organisation is moving.

On the basis of this revolutionaries must decide upon their orientation: whether to help left centrists complete a development to revolutionary communism or to launch an all-out assault on rightward moving centrists. But such assistance to left centrists was not an excuse for abandoning or diluting the revolutionary programme in the interests of diplomacy or to service a manoeuvre.

On the contrary, the experience of the Bloc of Four demonstrated that the only way left centrism can be helped is if it is faced with the communist programme and obliged to make a decision between consistent revolutionary politics or a retreat towards reformism. If it is not confronted in this way it will hide behind vague phrases and shift the responsibility for making hard choices from its own shoulders and on to those of the "historical process".

In other words centrism refuses to advance clear precise revolutionary answers to the problems faced by the masses. Instead it waits for the "historical process" to provide those answers for it. In doing so it paralyses itself. If it has any influence over the masses it merely serves to confuse and disarm them. And it paves the way for the triumph of the right wing traitors inside the workers' movement.

Major new political developments occurred in 1934.

In February, the uprising of the workers Schutzbund was smashed in Vienna and large fascist demonstrations were held in Paris. The sections of the Second International—especially the French SFIO–felt the knife against their throat. Their mass membership began to press for the united front, for practical measures to protect the workers' organisations, for a questioning of the policies of the SPD and the Austrian Social Democracy.

The left and centre of their leaderships began to orient leftwards to avoid losing touch with their mass basis. Here were the mass forces which could, perhaps, build the Fourth International if the workers were able to expose the reformist and centrist fakers.

The task of the ICL was to help them do this. Given the tiny size of the ICL and its exclusion in most countries from an effective independent relationship to these masses, in July 1934 Trotsky, remembering the tactical success of Walcher in the left Social Democratic milieu in 1932, developed the idea of entry into the SFIO by the French section—the French turn. From 1934 this replaced the Bloc of Four tactic as the central approach to building the Fourth International.■

FOOTNOTES

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5. *With Trotsky in Exile ; From Prinkipo to Coyoacán* Jean van Heijenoort.Harvard University Press 1978 p 34
6. The Left Socialist Organisations and Our tasks *Writings of Leon Trotsky* 1932-33 p 275
7. The Left Opposition and the SAP *Writings of Leon Trotsky* 1932-33 p210
8. *ibid*
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10. *ibid*
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12. *ibid*, p213
13. All quotes are from "Notes on Conversations Between Trotsky and Walcher 17-20 August 1933" *Revolutionary History* volume 5, no2 Spring 1994. pp92-102.
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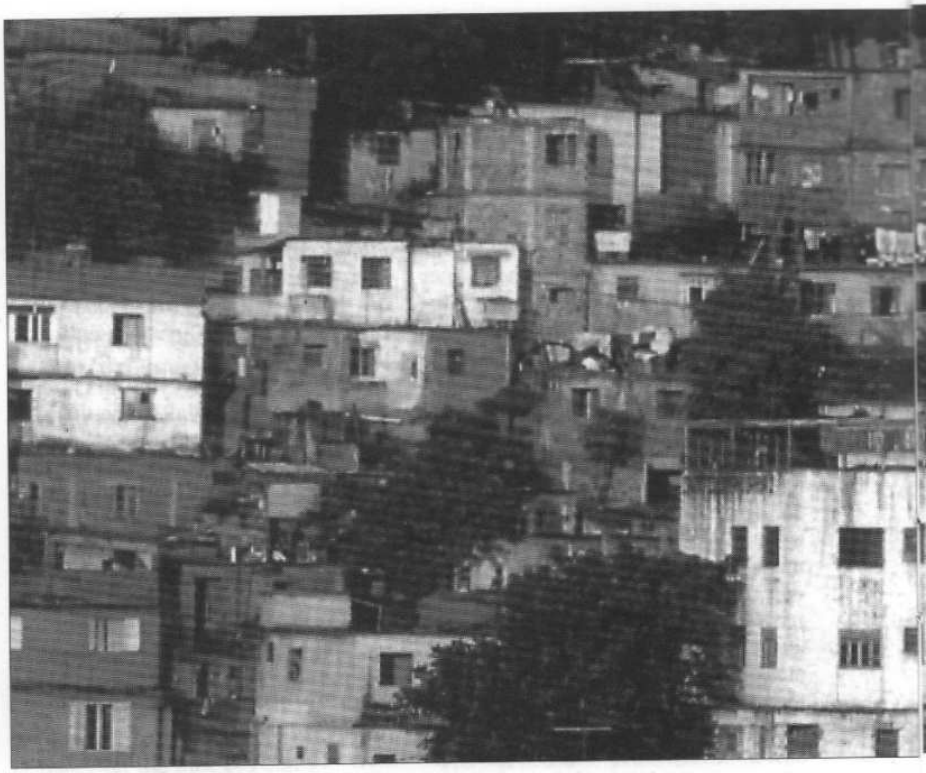
15. *ibid*, emphasis added
16. *ibid*
17. The Declaration of Four *Writings of Leon Trotsky* 1933-34 pp50-51
18. *ibid*
19. *ibid*.
20. *ibid* p52
21. *Writings of Leon Trotsky* 1933-34, p81
22. *Trotsky*, Pierre Broué, Paris 1988
23. *Writings of Leon Trotsky* 1933-34, p67
24. Pierre Broué, op cit, p785
25. *ibid* p 768
26. "The SAP, The ICL and The Fourth International—A Letter to a Group of SAP Comrades",*Writings of Leon Trotsky* 1934-35, p201
27. *ibid* p205
28. See Oscar Hippe's, *And Red is the Colour of Our Flag, London*, 1992.
29. "Centrist Alchemy or Marxism", 24 April 1935, *Writings of Leon Trotsky* 1934-35 p285
30. "Centrism and Thes Fourth International" February 22, 1934 *Writings of Leon Trotsky 1933-34*, p236
31. Ibid p237



DEFENDING THE very idea of socialism is one of the most important tasks for Marxists today. It has to be defended not only against its capitalist critics but also the theorists of "market socialism". Although the ideological offensive of the free-marketeers in the 1980s was primarily aimed at the remnants of Keynesianism, their arguments originated as a critique of the economic policy of the early USSR. The dominance of the neo-liberals, and the paralysis and collapse of the Soviet Union, led many "socialist" economists to concede the need for market mechanisms even in a future socialist society. In the first two-part articles, **Keith Harvey** defends the need for socialist planning.❑

Against market

CAPITALISM LONG ago lost its generally progressive character. The human costs that have to be borne for economic development under its rule far outweigh the benefits. Absolute poverty has grown enormously within all the capitalist economies over the last 25 years. Over one billion people now live below subsistence level; each week in excess of 100,000 children die of malnutrition and other poverty related diseases.

Although capitalism has continued to revolutionise technique, it can only do so at the expense of productive employment.

Tens of millions are kicked off the land by capitalist agribusiness while industry and commerce cannot find them employment in the cities. Nor will the capitalist state take responsibility for the suffering imposed in this way. Welfare benefits are being pared back, leaving millions to depend on crime or charity for survival.

Social inequality has widened as the free market has let rip. A minority have enriched themselves from the sale of undervalued state assets, by an ever more ruthless exploitation of previously protected resources, the depression of their employees' wage levels, and by tax cuts.

Workers find their conditions of labour increasingly intolerable. In some parts of the world capitalism still cannot survive without bonded labour; elsewhere millions are deprived of rights and forced to work longer and more unsocial hours. Millions more have had security of contract removed or undermined. Millions more again are trained for jobs that simply do not exist and are pressed into others out of desperation. In short, alienated labour grows year on year.

Alongside this waste of creative power, capitalism continues to squander other economic resources.

In the search for competitive advantage, modern machinery is scrapped while it still has on average around half its useful life ahead of it. Modern corporations waste billions duplicating research. Even larger sums are spent unproductively. Hundreds of billions of dollars annually are wasted in order to protect the capitalist class from its own working class—whether in sealing itself off from the effects of the urban nightmares it has created, or by arming and training its agencies of repression.

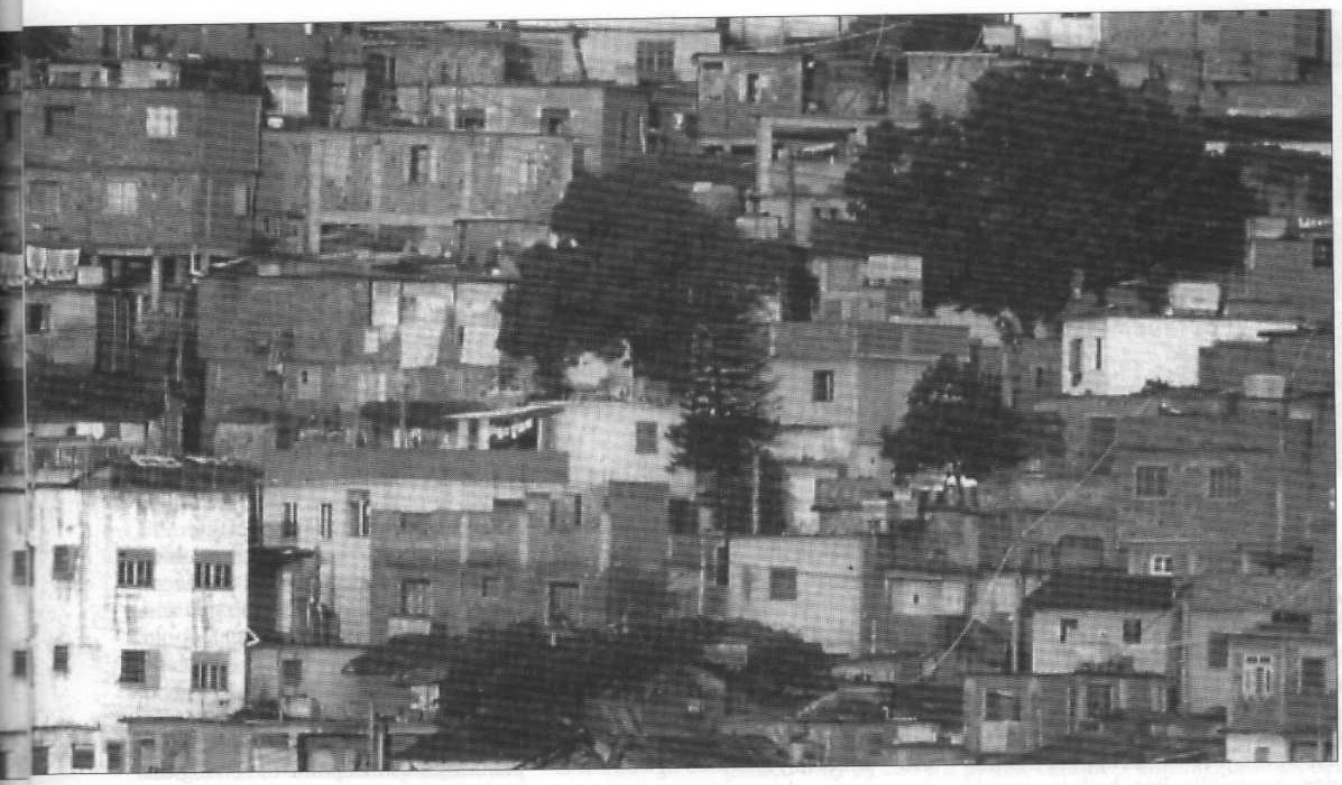
Similar amounts are spent on "defence": protecting rival capitalist classes from their claims and counter claims against each other. Meanwhile, competition drives rival capitalists to spend millions on advertising: persuading workers of the importance of subtle differences between products that they do not need. The constant creation of ephemeral tastes, while the basic needs of tens of millions for housing and food go unmet for lack of "effective demand", is a resounding refutation of the neo-liberal ideologues' boast that the market provides for the maximum satisfaction of the maximum numbers.

Yet, despite all the evidence, these hired apologists of the market still insist that it guarantees the optimal allocation of resources, the equality of participants in exchange, freedom of choice and just rewards of the factors of production. When these arguments fail they shrug their shoulders and insist that at any rate the market is an eternal or natural way of regulating human economic activity.

Contradictions of capital

Regardless of what the apologists claim, the market was not a spontaneous creation of blind economic laws; Neither is it an a-historical institution as old as humanity itself. Rather, the capitalist market emerged in Europe in the sixteenth century as a qualitative extension of the simple commodity mode of production that had existed as a subordinate part within all class societies.

It was the creation of an entire class of people who had no means of survival apart from their ability to work which transformed simple commodity production into generalised commodi-



POVERTY AMID PLENTY: RIO, BRAZIL

socialism

ty production. The emergence of a market in human labour power required political–above all state–intervention to break up traditional patterns of economic activity and to destroy the ties that bound labourers to the means of production and to the land. In this transition to capitalism alternative or supplementary sources of income—other than the sale of labour power—had to be forcibly denied to the mass of direct producers in this transition to capitalism.

Nor was this a once-and-for-all act in the dim and distant past of Europe. It was reproduced time and again on an ever more brutal and larger scale wherever imperialism conquered colonies and implanted capitalism among indigenous peoples.

Once forcibly established, the laws of the market became eternalised in the minds of those subject to them. The main task of bourgeois political economy for the last 150 years has been to "prove" the natural and eternal superiority of these laws. Karl Marx, however, scientifically revealed the real mode of operation of the laws of the market, in his re-elaboration of the classical labour theory of value.

He demonstrated that alongside the realm of equality of commodity owners in the market place there exists the despotic rule of commodity owners over workers in the factory. The purchase of labour power is but the first step to the exploitation of its use value and the extraction of the surplus generated by this ruthless enjoyment.

Misery, degradation, alienation all flow from the fact of commodity ownership once labour power has itself been made a commodity. Hence, the generalisation of the market brings forth wage slavery.

In a market economy, the allocation of economic resources, including human labour, is regulated by the law of value: the generalised exchange of all commodities according to the quantity of socially necessary labour-time worked up in them.

This law applies to the value of labour power itself and, indeed, it is only because it applies to labour power that the law of value can come to regulate an entire national economy. Such regulation requires a common measure for the value of the labour embodied in all commodities produced within the national economy and this can only be derived from a socially average price for labour power. Such a price can only be established where labour power has become a commodity, and was, therefore, impossible before capitalism.

The law of value regulates the production of goods and services and the modes of distribution and exchange that arise production. But it does so blindly, as a *post festum* result of the competing and clashing operations of many autonomous and private owners of capital. What is socially useful emerges only as a result of a blind process that generates much waste, disproportion and overproduction.

This capitalist market is doomed because of the crisis it generates. The Marxist critique of the market does not originate in an abstract, humanist desire for equality but, rather, from the recognition that capitalism generates social crises that can only be ended by the abolition of market regulation of economic life.

This capitalist market produces economic crises which no capitalist or government can forestall indefinitely. So long as the social rule of capital continues, such crises forcibly resolve the systematic disproportions and overproductions that are generated by the market's operation. Production and consumption are forcibly and repeatedly brought back into line through the destruction of products for which no buyer can be found, despite the fact that many of these commodities are needed.

In its many attempts to stave off the effects of crisis, capitalism has always been forced to limit, or even partially negate, the operation of the law of value; in this regard it anticipates and mimics socialism. It prepares the working class—now larger than at any time in history—for the tasks of socialist transition.

It has created a working class numerous and educated enough to take over the functions of management in production for itself. It has created techniques of market regulation and manipulation that can be taken over and extended. It has created planning instruments—partially applied and incapable of lasting effect while private property owners predominate—by which capitalism seeks to minimise the wasteful consequences of anarchy in production.

The forcible overthrow of the state machine that protects and guarantees the market is an essential first step

These foretell the end of market regulation of economic life.

However, just as this market did not arise peacefully but had to smash aside obstacles in its way, so the end of the market in regulating economic life will be neither peaceful nor instantaneous. The forcible overthrow of the state machine that protects and guarantees this market is an essential first step. This allows the wealth and capital of the minority to be expropriated and placed in the hands of society.

Nonetheless, the eradication of the market will not be quick; the market, cannot be simply abolished any more than the state can. It must wither away. In post-revolutionary society, some scarcities will continue and the distribution of scarce resources may well be achieved, in part, through market mechanisms. The market will have to be manipulated as it becomes a declining factor in economic life; it must be forced to serve the cause of its own abolition. This is the aim of the transition period between capitalism and socialism under the direction of a revolutionary workers' government.

Notwithstanding the blindingly obvious deficiencies of the operation of the free market, from the African continent to the urban ghettos of the USA, the left is on the ideological defensive.

The collapse of the Stalinist ruled states since 1989 has convinced many commentators on the right and left that there is no logic in seeking to put an end to the market regulation of economic life.

In addition, socialism's critics discredit the cause of socialism in the West by pointing to the failure of public ownership and nationalisation in capitalist societies to prevent inflation and mass unemployment. Many activists in the international labour movement and in the new generation of youth are influenced by these arguments. Those seeking to replace capitalism with some form of socialist society have been placed on the defensive—politically and ideologically. It is time to go on the attack.

The neo-liberal defence of capitalism

In the years between the two world wars, the "Austrian school" of bourgeois economics (von Mises, Hayek) developed a critique of the political economy of socialism. Following hard upon the experience of "war communism" (1918-20) in Russia, Hayek and von Mises argued that it was impossible to organise a rational economic system without full use of money, competitive markets and prices. Hayek argued that socialism had no economic answer to "the general problem which arises everywhere when a multiplicity of ends compete for a limited quantity of means".[1]

For Hayek, this problem can only be solved in a blind fashion as a result of the unplanned outcome of competing decisions by individual and atomised producers and consumers in the market place. Since for Hayek "value" has no objective foundation in labour, it can only exist in the subjective evaluation of the usefulness of a product to various competing consumers and producers. These colliding evaluations are co-ordinated by the market price system which sends signals to all consumers and producers about the relative value of goods.

A central plan, devoid of such a price system and market, cannot arrive at such an evaluation as to what is the most rational use of scarce economic resources.

A system of private property in the means of production was essential for the Austrian school so that an incentive system (profit on the one side and risk of failure on the other) could compel decisions. These decisions alone could stimulate innovation and enhance labour productivity.

The Austrians also insisted that planning was incapable of solving the "informational problem" that was solved automatically by markets. The millions of goods that existed were all different from each other, even examples of the same type of goods were in different states of wear and tear.

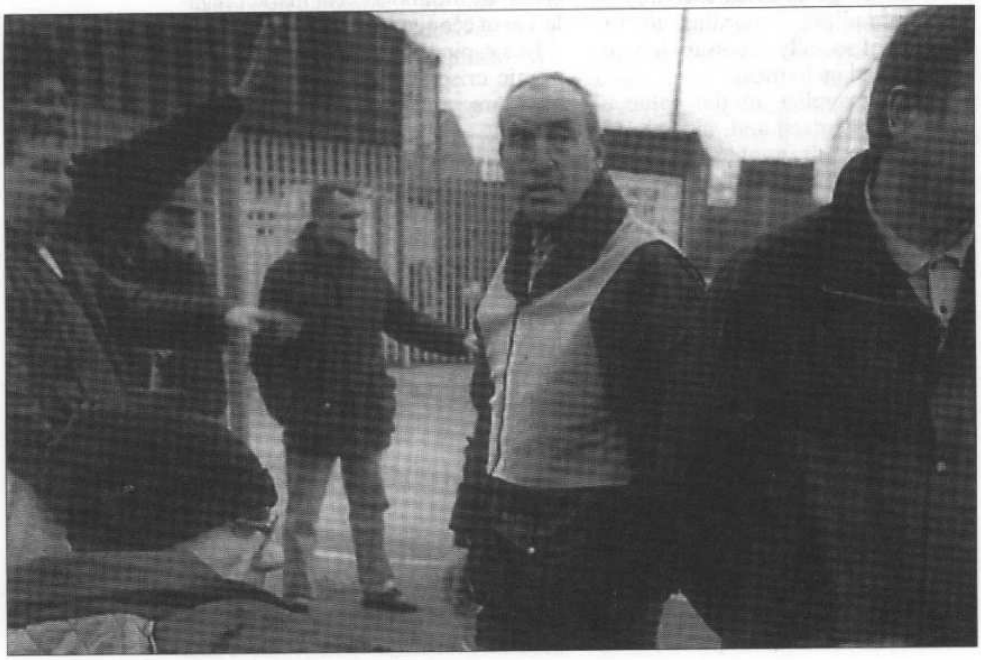
Moreover, technological improvements occurred incrementally and repeatedly. In short, no central plan could possibly collate and co-ordinate the necessary information to make operative plans work. Even if the information could be gathered, formulating a plan would require a set of equations of such a magnitude as would be beyond the scope of mathematical science. Any attempt in that direction would necessarily lead to a reduction in labour productivity as compared to capitalism.

During the course of the debate, Hayek shifted the weight of his argument on to a different plane. He insisted that a system of inharmonious competition between rival private property owners is the only way that fragmented knowledge (about product improvements, structure of demand) can be generated. He accepted that in a static system of demand and supply and of equilibrium prices (the price at which supply and demand are in balance) it could be possible to solve the problem of information. But this could not be done in a dynamic, ever-changing and competitive system.

In this sense, the Austrian argument is not about whether information can be gathered to make allocation possible, but rather that competition and rivalry are the only way that entrepreneurship and economic progress can be guaranteed. They also guarantee improved knowledge, collated ultimately via a price system.

The Marxist response to the ultra-free market views of the Austrian

1 F Hayek, "The nature of the problem", in *Collectivist Economic Planning* by F Hayek (ed), London, 1935, p4



STRIKING DOCKERS: CAPITALISM CREATES CLASS STRUGGLE

school has to start from a critique of its methodological assumptions about the nature of economic life.

Hayek adopts the standpoint of extreme individualism and subjectivism. The needs of the consumer are seen as the driving force of all economy. All of economic life is reduced to market exchanges between free and equal private property owners.

Marxists, while not denying the reality of such a sphere of economic life, contest the idea that this level of economic life provides an explanation of the key regulatory dynamic of economic development, that is, that it determines the allocation of economic resources in a capitalist commodity economy. Marxism, therefore, provides an alternative account of economy which insists on the historical and relative character of economic laws, and rejects a timeless and a-historical conception.

Hayek's extreme subjectivist account of economic forces naturally clashes with the reality of capitalist development. A crucial argument, for Hayek, is that market prices contain all the information private commodity owners need to make rational decisions about resource allocation. But this is patently at odds with the way real capitalism works.

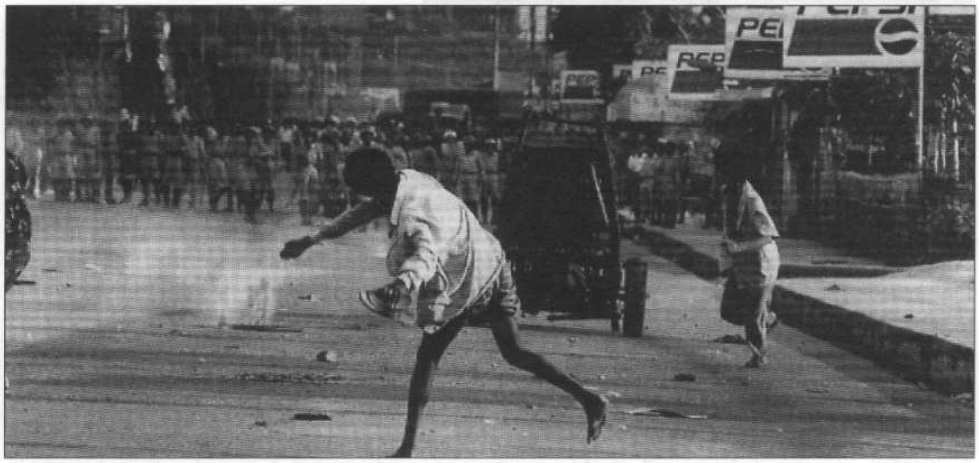
Hayek assumes that prices are parametric for all consumers (i.e. given in advance and non-influencable); consumers are price-takers. This is not generally true. Much production (e.g. defence procurement) is undertaken only after a tendering process in which the nature and quality considerations of the commodity have been decisive and the price is then given for that specification.

Moreover, contract enforcement, the firm's reputation and delivery times, among other issues, affect decisions about market exchanges as much as, if not more than, price.

As for Hayek's suggestion that entrepreneurial risk-taking provides the main dynamic for economic progress under capitalism, it is only necessary to contrast the real character of innovation and technological progress with this nineteenth century myth. Today's multi-national corporations seek to monopolise products and research in a way which minimises risk-taking.

Furthermore, Hayek operates with an absurdly unrealistic concept of perfect competition in which producers have free and unrestricted entry into and out of markets. In truth, the market only offers up fragmented knowledge for any individual and this knowledge is only a partial and inadequate guide to the social effects of decisions taken. It is impossible for any individual to be aware of important and possibly decisive public and social facts that will affect the rationality of their own individual decision.

For example, the effect of a decision over the siting of public infrastructural developments near a town or factory cannot be foreseen. The effect on one individual of a decision taken by another person may, in turn, alter the assumptions under which the first decision was taken.



DAKHA, BANGLADESH: STUDENTS FIGHT POLICE

In particular, competition between egotistic rivals in the market place, guided only by current prices, cannot lead to optimum use of society's resources when it comes to investment and accumulation, i.e, future production. This must be so since it is beyond any one individual to calculate future price movements that will render his/her current decisions about investment rational or not.

So the fragmented character of knowledge and its unforeseen trans-individual or social costs can render economic decisions wasteful. Resources are needlessly duplicated; or in that output may find no final consumer. Atomised decision-making is irrational in that it inhibits economic progress.

While it is true that capitalism subsumes everyone's social life, it is false to suggest that it is in harmony with human nature.

All these criticisms of Hayek's economic model come back to the same point: he makes a false (idealistic) abstraction about the nature of economic life. Rather than generalising it out of the real class character of production under capitalism he does so from the one-sided nature of individuals in market exchange.

It has to be added that Hayek is also guilty of an idealistic abstraction about human nature in general, which is in full contradiction to all the results of modern psychology and other social sciences. Hayek conceptualises human individuals as essentially full blown bourgeois: independent from other individuals, sovereign in their decisions, judging all human relationships only according to the exchange value that others command, acting solely in the pursuit of their individual material interests.

Direct human relationships (as opposed to exchange-oriented ones), based on trust, solidarity or love, do not figure in this abstract concept or, if they do, are completely separated from the "economic sphere". Therefore, for Hayek, capitalism not only fits with human nature, but even more, capitalism is nothing less than the *full realisation* of human nature. It flows logically that there cannot be any other social system "more human" than capitalism.

While it is true that capitalism subsumes everyone's social life, it is completely false to suggest that this is in harmony with human nature. On the contrary, human beings are in need of direct social relationships if they are to realise their potentiality to the full.

The "market nexus" may not be so damaging in the case of bourgeois property owners, since the (successful) capitalists can draw psychological strength from their social power and wealth. Because the social power of capitalists is buttressed by the unpaid labour of their workers, capitalists are compensated for their alienation.

The workers, however, are robbed of their objective contribution to social and historical development. Their personalities are impoverished to the same extent as the capitalists enrich themselves. The increasing levels of psychological and psychosomatic disease within the working class is, in the last analysis, the result of capitalism's destructive effect upon human relations.

Market socialism: old utopias for the new millennium

The intellectual challenge mounted by Hayek and the liberal free market tradition is comprehensive and consistent, even if it is wrong. It establishes its case for capitalism on multiple grounds; it is supposedly more efficient, uniquely innovative and guarantees maximum choice. Moreover, the argument is underpinned by a view of human nature that neatly dovetails economics and social philosophy.

Marxism can rise to this challenge. By contrast, the various schools of "market socialism" cannot. They are an eclectic, muddled blend of economic and philosophical logics. They do not withstand intellectual scrutiny and have failed the test of experience wherever they have been bench-tested in policy terms.

"Market socialism" has a long intellectual history. Its origin can be traced

back to various utopian schemes in the early nineteenth century such as those of Saint-Simon, Owen, and Proudhon. In class terms, these corresponded to the yearnings of an intermediate social layer—the petit-bourgeoisie—crushed between the dominant classes of capitalist society.

The onward march of capitalism massively reduced this social class of artisans and shopkeepers and their intellectual saviours. More recently and the standpoint of market socialism has been adopted by intellectuals, academics, representing the liberal urban middle class: repelled by collectivism and class struggle on the one hand, and the dehumanising effects of capitalist exploitation on the other. While the specific policy prescriptions have moved on—from the labour coupons of Proudhon to the "stakeholder" shares in multinational companies much beloved by John Roemer—market socialism still yearns for the impossible: commodities without capital, capital without exploitation, money without speculation. In short, Utopia.

In modern times, the origin of "market socialism" lies in the 1930s. Stung by the attack of Hayek, various writers defended the rationality of socialism but mounted their defence from within bourgeois economics, reject Marxist political economy and the labour theory of value.

Fred Taylor and Oscar Lange were foremost representatives of this school. They approached their defence almost entirely from the standpoint of the efficiency of socialism. This in turn had two component parts. First, efficiency meant the most cost-effective use of available resources; secondly, the price mechanism should be used to guarantee equilibrium between demand and supply.

For them, "socialism" was nothing more than public ownership of the means of production and an egalitarian distribution of income. They assumed that political democracy would be similar to bourgeois parliamentarism but they believed that their economic model was also compatible with political authoritarianism, such as existed in the USSR.

Lange accepted that Marxism could explain the evolution of society from one class system to another but argued that it could not explain "everyday reality". For him, bourgeois economics "understands static economic equilibrium under a system of constant data and the mechanisms by which price and quantities produced adjust themselves to these data."[2] While Marxism could explain the development of classes in production, the labour theory of value could not explain the distribution of goods and services between individual consumers and firms.

For this Lange relied on neo-classical marginal utility theory, a branch of bourgeois economics that arose from the 1870s and whose essence was to abstract the working of supply and demand in the market from production. As a branch of economics it revolved around subjective estimation of the value (utility) of goods to the individual. So the study of the subjective worth of an object to a person replaced the objective study of the social relations of people in the production and exchange of commodities. This theory more and more abandoned the study of "real costs" lying behind production in order to study "utility".

Despite this, the work of Taylor (*The Guidance of Production in a Socialist State*) and Lange (*On the Economic Theory of Socialism*) was accepted as the most complete pre-war refutation of the Austrian claim that economic calculation was impossible under socialism. They assumed that the means of production were publicly owned but that there was complete freedom of choice in consumption and in the choice of jobs. Taylor argued that the method of allocating goods should essentially be the same as under capitalism. The state would own the means of production and be responsible for distributing income according to the requirements of social justice. Production would be guided by consumers' preferences but these preferences would be expressed by "demand prices" in the market.

According to Lange, production is undertaken by independent and competing firms but they have to produce under two "parametric rules" as established by a Central Planning Board (CPB). The first of these rules is that the choice of the combination of factors must minimise the average costs of production, so that the marginal productivity of factors is equalised[3]; secondly, the scale of output should be determined at the level at which marginal costs become equal to the price of the product.[4] If firms operate according to these rules then the prices of labour and consumer goods are determined by the market.

Prices of production goods should be set, initially, by the CPB based on a calculation of costs of a range of alternatives. Given these, the quantities supplied and demanded would be determined. If it appeared that the prices set out by the CPB failed to match supply and demand, then prices would be adjusted by a system of "trial and error" until they did. Hence, by mimicking the competitive market, the CPB would arrive at demand and supply schedules for all goods and services.

There are many criticisms to be made of the Lange solution from a Marxist standpoint, most of which flow from the insistence on abstracting the system of production from that of distribution. There can be no possibility of overcoming alienated labour or commodity fetishism in this model of "socialism". Human labour and its all-rounded development is not the starting point for Lange; indeed he proceeds from the efficiency of production and the balance between supply and demand. Hence labour is treated as a factor of production whose price is to be set on the open market, at a level established by firms operating according to parametric rules to govern efficiency.

Moreover, the freedom and sovereignty of the consumer is, in fact, shallow and limited. The consumer is separated from his or her role as worker and hence the consumer cannot influence the production of consumption goods before production, or take any decisions about the introduction of new goods. Rather, the consumer is nothing but a passive price-taker of a given limited range of consumer goods which they are "free" to buy or not. The fact that a commodity is put

2 O. Lange, "Marxian economics and modern economic theory" in *Review of Economic Studies*, June 1935, p189

3 Marginal productivity is the productivity that accrues from adding an extra unit of any factor (raw materials, labour, capital).

4. That is, when the cost of an additional unit of output is equal to the price, if price is set at average cost plus average profit.

5 These include the writings of Lange and Brus on Poland, Sik on Czechoslovakia; the experience of self-management in Yugoslavia 1965-71 and the New Economic Mechanism in Hungary after 1968.



MARKET MEANS MISERY FOR RUSSIAN WORKERS

on the market at a price that covers it's costs of production is no proof that it is the commodity that the consumer would have preferred, given full knowledge of the possible range of alternatives prior to production. Similarly, the "trial and error" procedure for mimicking the competitive market and arriving at equilibrium prices is a wholly unrealistic model of the way prices are arrived at.

As a system, it is based on Walrasian equilibrium theory. This model makes the completely unrealistic assumption that individuals can adjust their plans to produce or consume in response to price signals before they actually buy and sell. In this model, repeated responses to varying price signals reveal consumers' preferences and the auctioneer (i.e. the CPB in this case) co-ordinates the process. Thus, the CPB would announce a set of prices and everyone would decide whether they wanted to buy and sell at these prices. This information would be processed by the auctioneer and then prices would be adjusted to bring supply and demand into line. Only then would sales and purchases take place. The problems associated with atomised sequential decision-making are neatly avoided by this process; in short, it is (falsely) abstracted from real time and, therefore, reality. In sum, Lange and Taylor simultaneously present both an unworkable model of the market under capitalism and a technocratic and social-democratic vision of socialism in which the working class remains exploited.

Market as a corrective to bureaucratic planning

The next stage in the market socialist debate arose out of attempts to reform bureaucratic command planning in the degenerate workers' states.[5] Here, market mechanisms (e.g. enterprise autonomy, profit-maximising behaviour) were advocated and/or introduced in order to correct the increasing tendencies towards stagnation (declining productivity), limited consumer choice and a poor record of technological innovation.

In the mid-1980s, Alec Nove, in his *Economics of Feasible Socialism*[6] reflected on the experience of market correctives to central planning. It was a negative assessment. The book became the bible of the left social-democratic intelligentsia in the West who tried to defend the possibility of "socialism" against the neo-liberal critique by lambasting the experiment of centralised planning.

Nove proposed that five types of property were needed, each possessing different advantages. First, centralised state companies should own the strategic parts of industry, commerce and finance. These would not be self-managed enterprises, but both administratively and financially centralised.

Secondly, Nove proposed "socialised enterprises", that is, state owned enterprises with full autonomy and a management responsible to the workforce. They would be medium-sized and should cover the bulk of social production and services. They would work under conditions of "benign competition", which he took to mean that "market success" would influence the earnings of managers and workers, but the means of production could not be sold or bought and the state would retain some powers in the case of bankruptcy.

Thirdly, co-operative enterprises would be privately owned by the workforce, self managed, small in size and fully responsible for their own success or failure. Next, there would be small-scale fully private enterprises, with capitalists allowed to employ not more than around 10 workers.



1996: GERMAN TRANSPORT WORKERS ON STRIKE

Finally, Nove suggests that the right of self-employment be recognised (e.g. freelance journalists, plumbers, artists).

Nove accepts the neo-liberal critique that centralised planning is per se inefficient because of the irresolvable informational problems involved. So the "centre" would not attempt to plan the whole economy but would merely retain certain functions. Via parliament, it would decide on the distribution of social wealth between accumulation and consumption. This would be effected by the tax system. Crucially, the centre would decide on central investment needs (i.e. building of new factories and infrastructures). Meanwhile, the state banks would monitor decentralised investment as well, but intervene only in case of obvious duplication.

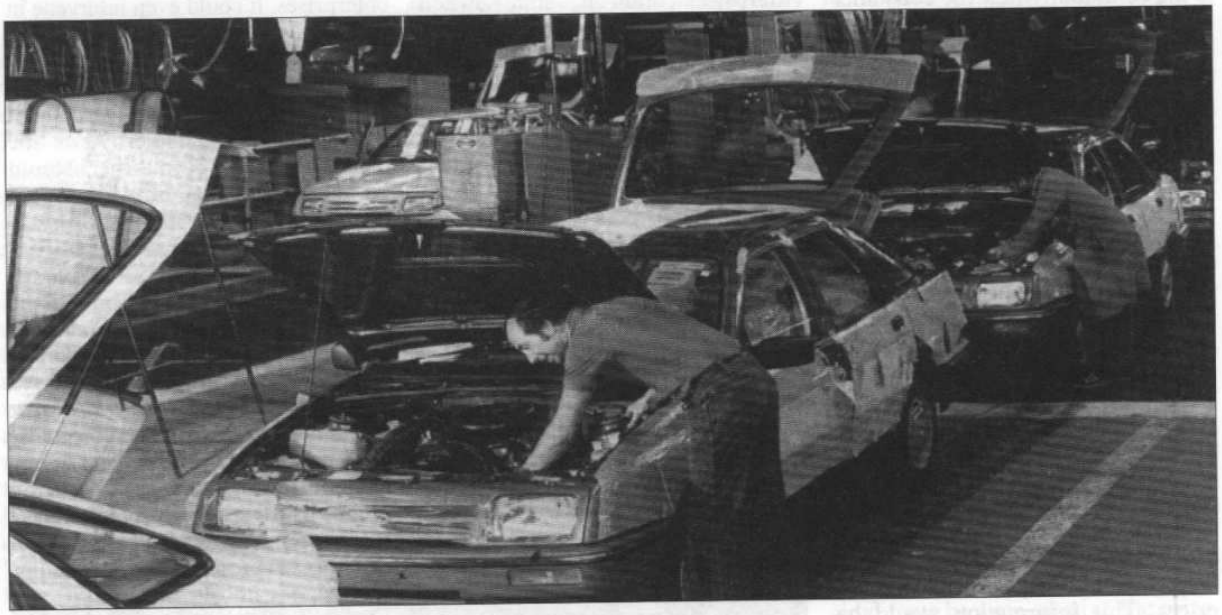
The central planning board would control the centralised state corporations and would define the market rules for the socialised and private enterprises. It could even intervene in this sector in exceptional cases. The state would promote environmental protection, transport planning, science and regional development through use of subsidies. As to the nature of current output there would be long term plans, but they would contain only recommendations, not orders, for the socialised enterprises.

Nove is very clear that this role for the centre would leave the bulk of the economy to be ruled by the market. Co-operatives and private enterprises clearly could go bust. In the socialised enterprises as well, the workforce would have to "take the responsibility for the management", that is, become unemployed in the case of closure, except in cases where society had a strong and democratically expressed interest in protecting a particular enterprise. There would be a few state regulated prices for infrastructural services but most prices would be market prices.

Profits are problematic for Nove only if they are privately appropriated. In the socialised sector they are simply an indicator of efficiency and success. This is true only for the individual firm. The overall rate of profit obviously depends on the wage level which, for Nove, should be determined politically and not economically.

In this system, there would be no exploitation, says Nove, as the power to dispose of profits remains mainly in the hand of society (i.e. parliament). Wages should be closely correlated to productivity but, at the same time, there should be legal limits to wage differentials. For Nove, a labour market is indispensable because only wage differentials can channel the labour force to the most efficient uses. The idea of

6 A.Nove, *The Economics of Feasible Socialism*, London 1983.



CAR WORKERS, FORD UK: ALIENATED LABOUR IS GROWING

voluntary distribution of labour not only overestimates human altruism, but ignores the practical problem that the individual worker could not know where the socially most sensible workplace for him/her is.

All experience of self-management, under capitalism and in the degenerate workers' states, shows that a lack of interest in the long term well-being of the enterprise emerges when there is no property relation between the enterprise and its workforce. Nove's solution is that there should be an enterprise fund, equally owned by all employees. This would grow or shrink according to the development of business. Any new worker would have to buy into that fund and on leaving the worker would get this (expanded or reduced) share back.

Nove estimates that in this way the workers would develop the necessary entrepreneurial spirit to increase production in response to rising market prices because otherwise their enterprise would lose market share, incomes would fall when prices were coming down and, in the long term, this would lead to a devaluation of the enterprise fund. To prevent the most successful firms from achieving a monopolistic position, and thereby liquidating the competitive drive, Nove insists that anti-trust laws would be necessary.

Business cycles that are typical for market regulated economies can be prevented, according to Nove. He thinks that credit policy, strategic investment, price control in the centralised state sector, incomes policy and the tax system are all important anti-cyclical measures to correct a recessionary economy.

Nove wants to combine social ownership of the main means of production, democratic control of strategic investment and the rate of accumulation, on the one hand, with market regulation of production and distribution on the other. He thinks that this would be a harmonious supplement and does not see that within that system an aggressive contradiction would be lodged. Two modes of economic regulation would be set in motion that would represent (i.e. respectively serve) different classes.

Central directives set by the planning authorities concerning income and employment would, in Nove's model, be constantly undermined by the decisions taken by autonomous enterprises, which would be guided in their micro-economic decisions by considerations of profit maximisation. It would be natural in the latter case that enterprises would be differentially successful. What response should be then forthcoming from the centre when some firms lost out in this competition? What if the goods produced were unprofitable but fulfilled a minority social need? What if a firm sought to shed labour or close a part of their production in order to get back into surplus?

It is likely from the outset that such unforeseen developments would immediately render sections of the plan redundant and throw the rest of the plan into disequilibrium. Further, any failure to stop unemployment or income inequalities between enterprises would contradict the structure of demand envisaged in the national plan and be incompatible with the egalitarian ethos of the transition.

The enterprise fund in Nove's model is, in fact, the embryo of private ownership in the means of production. Managers would argue (and in successful enterprises they would find support among their workers) that they wanted to invest their enterprise fund to extend or improve the fixed capital of their firm, thereby acquiring ownership rights in it. Other managers would fight for the right to give credits out of their enterprise funds to other enterprises and, in the case of their inability to pay back, it would be an obvious option to turn these into ownership shares. They would organise politically for these aims, probably together with the small capitalists and co-operatives who would be demanding an extension of the limits for the size of private capital.

In other words, the bourgeoisie would fight first for more rights, and eventually for their unlimited class rule. On the other hand, the workers of the unsuccessful enterprises, who would face low wages and even unemployment, would demand state intervention. They would argue that the failure of their enterprises was not their fault but that objective changes in the market conditions (e.g. superior competition from a much bigger company that had been allocated greater investment, or from a more developed country) had made their success impossible.

Although Nove believes that state interventionism can avoid recessions, real life would show that the dynamism of the market was stronger and enterprise failures would be the simple result of declining overall demand. Why should some workers carry the consequences of "system errors" and others not? Of course, these workers would also politically organise to fight for a generalisation of state ownership, and consequently for thoroughgoing central planning.

Another factor would contribute to the development of class struggle. Under market conditions an average rate of profit is established in the whole economy. As the rate of profit represents the amount of profit per unit of advanced capital (constant and variable), it is independent of the specific amount of labour time extended in individual enterprises.

This means that enterprises with the

7 See E Mandel "In Defence of Socialist Economic Planning" in *New Left Review* (NLR) 159, 1986 and "The Myth of Market Socialism", *NLR* 169, 1987; A Nove, "Markets and Socialism", *NLR* 161, 1987

8 See W Brus and K laski, *From Marx to the Market*, Oxford, 1989; J Kornai, *The Socialist System*, Oxford, 1992

9 M Itoh, *Political Economy For Socialism*, London, 1995; D Elson, "Market Socialism or Socialisation of the Market?", *NLR*, 172 1988

10. N Bukharin and E Preobrazhensky, *ABC of Communism*, London, 1927, pp78-79

same numbers of workers may "earn" completely different amounts of profit, depending on the value of the constant capital of the enterprise concerned. If the income or the enterprise fund share of the workers were in any way correlated to the profit of the enterprise there would be widely differing wages and/or fund shares. Obviously, those who took advantage of such a system would be politically inclined to defend it, whereas those who lose would be opposed to it.

Nove's "socialism" is conceptually unstable, because it tries to institutionalise a sort of dual power. Instead, such an arrangement would break down and a political fight would result in the definite victory of one side or the other. Either the freedom of private ownership would be restored and capitalism regain its full rights, or the workers would achieve their emancipation from market fluctuations, i.e. from the post festum determination of their individual (private) work as socially necessary work. And that is only possible under a democratically planned economy.

Markets, choice and innovation

The debate around the issues raised by Nove[7] dominated the second half of the 1980s, up until the collapse of Stalinism. The fall of the Berlin Wall shifted the debate even further to the right. The West won the Cold War and capitalism began the process of reclaiming the planned economies. Even prominent advocates of market socialism in the East renounced their long held views.[8]

The theory of buttressing a central plan by the use of the market did not stand the test of experience. Various experiments in Hungary, Yugoslavia, and Gorbachev's Russia between 1965-87 suggested that if the curbs on enterprise autonomy were substantial (e.g. inability to sanction investments for additional capacity, inability to cease trading or to sack workers) then enterprise autonomy could not lead to effective mimicking of competitive markets and the system descended into chaos.

A number of Western social democratic academics and economists (e.g. Roemer, Millar, Le Grand) have drawn the conclusion that there is no room for a plan at all in market socialism.

At their most extreme, these writers have abandoned any role for central state regulation in any type of production (or even workers' management of the enterprise), including investment goods, and advocate a free competitive market in setting prices (and thereby supply and demand) for all goods and services (including labour). The claim that this is a "socialist" model at all rests on the advocacy of a specific form of public ownership of the means of production (citizens' ownership of company stocks) and thereby the egalitarian distribution of profits.

These writers are, above all, concerned with choice and innovation. It has been suggested that removing the market allocation of commodities would lead to a reduction in the range of goods and services and in the level of consumer satisfaction. The market socialists argue that the market and the price system are the best way to co-ordinate the huge quantity of information about consumer needs and desires. By contrast, passing this information up and across any planning system without distortion would be impossible, it is said, and so no plan could ensure that production conformed to the (ever changing) pattern of demand.

In reality, consumer satisfaction under capitalism is restricted both on the supply side, and on the demand side,

In reality, consumer satisfaction under capitalism is restricted both on the supply side, by the demands of profit maximisation and competition, and on the demand side, by the structure of income. In the first place, under modern capitalism, the consumer is forced to pay far more than the average cost of production for goods and services due to the huge distribution costs (including advertising) involved in marketing any product. These can typically amount to more than 50% of market price.

In the second place, under capitalism, consumption patterns are not set by the consumers but by the producers. The growing monopolisation of production gives companies the power to substitute products with higher profit margins (e.g CDs over LPs) which leads to the narrowing of choice for the consumer. The clothes industry, for example, determines seasonal fashions according to the need of companies to increase their turnover.

On the other hand, consumer choice is irrelevant without income to make demand effective. The housing market, a key sector of all modern industrial and service economies, is fuelled by a core of second-home buyers while homelessness escalates alongside this demand. The idea therefore, that market price is an adequate, let alone the best, signal of consumer wants is grotesque. All it actually reveals is the structure of income established by exploitation and the inequality of private property ownership.

Many writers sympathetic to centralised planning of some sort (e.g. Itoh, Elson[9]) as well as all market socialists, have argued that even a decentralised planned economy would have a problem generating innovation as there would be no competition between enterprises. They have argued that in order to stimulate improvements in technique, as well as new goods, enterprises would have to be allowed to command a "monopoly profit" as a result of devising a new product line or a new process.

This view must be rejected on the grounds that, far from reconciling individual and social needs, it brings them into conflict. It would mean de facto if not de jure recognition of private property (in a patent for a new product or technique for example). This would then obstruct the rapid diffusion of new inventions across society and, therefore, condemn part of industry to inefficiency and relative backwardness.

Market socialism, then, is an inherently contradictory combination of economic logics and regulations.

Competitive capitalist markets demand a multiplicity of private owners of capital who are each responsible for taking risky decisions about the pattern of investment, about the structure of productive capacity. These decisions have to be taken individually, in broad ignorance of decisions of the other producers and motivated by the desire to maximise profits over the longer term.

Only the interplay of these blind impersonal market forces establishes equilibrium levels of employment, prices and interest rates that confront all private capitalists.

Even the most weakened form of "socialism" which gives most free rein to competitive markets in setting production and price levels still has a core defect; namely, that the collective, egalitarian form of profit distribution and common ownership of property rights, conflicts with the mode of production of those profits.

"Market socialism", then, is a late twentieth century form of petit-bourgeois socialism which, in the words of the *ABC of Communism* "protests against large-scale capital, but it does so in the name of the 'freedom' of petty enterprise."[10]

In the nineteenth century this petty enterprise was artisanal in character; today's market socialists preach the freedom of the self-managed or co-operatively run industrial enterprise; freedom not only from large-scale capital (i.e. monopolies and banks) but from central plan directives.

But such freedom will ensure chaos and anarchy. It will guarantee dislocation between the aims of the producing enterprises and the changing needs of the consumer. It will be "freedom" bought at the price of growing inequality.

In the end collective property rights will be deemed incompatible with such freedom. In short, it will make socialism impossible.■

● *In Part II: The transition to socialism: balancing choice, democracy, efficiency and innovation in the context of decentralised national planning.*

● *Page 46: Bill Jenkins reviews Simon Clarke's* **Marx's theory of crisis.**

SWP international splits:
Federalism versus bureaucratism

Lesley Day analyses the political differences behind the recent splits in the SWP (Britain) and its sister organisations worldwide

THE FIRST HALF of the 1990s saw the rapid growth of the Socialist Workers Party (SWP) in Britain and its sister organisations worldwide, grouped in the International Socialist Organisation (ISO).

While rival far left currents collapsed or fell into disarray, the SWP's membership mushroomed. The political confidence of its activists soared as events seemed to confirm their organisation's main political tenet—the theory of Russia as a form of state capitalism.

In Britain as Major's Tory government was rocked by the ERM crisis and the revolt against a new round of pit closures in 1992, the SWP's leaders saw the possibility of a turn to dramatic growth.

In the last two years, however, success has turned sour for the SWP. Virtually every one of the ISO's sections has suffered bureaucratic expulsions or splits—not just of disgruntled members but of leading cadres. The SWP itself has begun to decline in active numbers. Town branches which were split into dozens of local area branches, in anticipation of mass growth, are now being regrouped into a single, often shrunken, branch again.

The reasons for the turn in the fortunes of the SWP/ISO are profoundly political. They are:

- the exposure of a thoroughly centrist political method to the test of events in Britain and worldwide;
- the leadership's bureaucratic response to the problems this threw up.

Today there exists not just the SWP-led ISO but a parallel international organisation of those who have been expelled or who have split.

In Australia, South Africa, Germany and Canada, the International Socialist groups have suffered serious losses of cadre. These include one of the ISO's leading theorists, David McNally, from the Canadian grouping and, in South Africa, those most experienced in the struggle against nationalism in the workers' movement. A new international opposition grouping has been formed adhering to the basic tenets expounded by SWP leader Tony Cliff—the theory of state capitalism and "socialism from below"—but critical of the regime and party building methods of the SWP and its domination of the ISO.

A number of criticisms are voiced by the new opposition but the one shared by them all is the suppression of democratic debate both inside the British organisation and between the associated groups (oppositionists took to the Internet and were promptly instructed to stop talking to each other). Another common complaint is the "interference" by the British leadership in the affairs of others, specifically the imposition of "mass work" as the method of party building. The new critics look back nostalgically to the days of the original federal association.

Thus many of them now reject not just the bureaucratic bullying of the leadership of the ISO, but the principle with which the SWP leaders defend their actions: Leninist democratic centralism.

For their part, the SWP's leaders, in particular International Secretary Alex Callinicos, have been able to portray the splitters as "conservatives" (against the mass turn), "middle class intellectuals" (i.e. capable of putting their oppositional thoughts into print) and "Mensheviks" (incapable of following discipline).

To understand the recent splits in the ISO, and to rescue the critical thinking, subjectively revolutionary militants trapped both within the SWP/ISO and the split opposition groups, we have to go to the root of the political problem. Something which none of the leaders of the split groupings have as yet been capable of doing.

We have dealt elsewhere with the mistakes embodied in the SWP's various conflicting theories of state capitalism, and in its understanding of the anti-imperialist struggle.[1] In this article we will deal with the SWP's attitude towards building the International, perspectives for the class struggle and the practice of democratic centralism.

The International and its programme

From its inception, the International Socialist Organisation set itself against building a democratic centralist international organisation. In key texts which set out to explain the SWP's policies, such as Alex Callinicos' *The Revolutionary Road to Socialism* (1986) and John Molyneux's *Arguments for Socialism* (1987) its leaders argue for internationalism but against trying to build a revolutionary International—a world party of socialist revolution.

Building revolutionary organisations is a task for the national terrain, they say.

The SWP does not omit the need to build an International from its perspectives and propaganda. But it argues for postponing this task until national parties rooted in the working class have already been built.

In short it sees national boundaries as an insuperable barrier to building a single disciplined revolutionary organisation. This involves rejecting (implicitly) the lessons of Lenin's struggle for the Third International and (explicitly) Trotsky's work to build the Fourth International (FI). It requires a re-interpretation of the history of all the workers' Internationals.

Trotsky's struggle to found the Fourth International in 1938 is seen variously as premature, without proper "roots in the working class", or as the product of a perspective which, when it proved false, invalidated the

whole attempt.

In the earliest substantial explanation of this position, Duncan Hallas wrote in 1972:

"The foundation of the New International in advance of the recruitment of significant forces rooted in the working classes was a desperate gamble . . . that could be justified only on the basis of a particular perspective."[2]

Hallas repeats these arguments in his book *Trotsky's Marxism* (1979) and again, on the occasion of the fiftieth anniversary of the founding of the FI.

Hallas argues that the preservation of the revolutionary heritage was a vital achievement but that the organised expression of this on a world scale was a mistake. He takes Trotsky to task for forgetting the lessons of past revolutionary events which demonstrate "the indispensability of parties rooted in their national working classes through a long period of struggle for partial demands".[3]

Trotsky and the most experienced cadres who founded the FI in 1938 had experienced the attempt to build such parties, by such methods—not once but twice. The convulsive nature of the capitalist crisis in the 1920s and 1930s had destroyed the mass parties of both the Second and Third Internationals as instruments for revolutionary struggle.

The FI leaders did not despair, but saw in the generalised instability and revolutionary upheaval a necessarily different route to the mass party and the International. The idea of building parties on a programme (strategy) centred on a slow and steady struggle for partial demands is doomed to failure in such circumstances. It is the perspective of the Second International, of the maximum and minimum programme.

Trotsky founded the FI despite the weak roots of its sections in the working class. He founded it so that, in the storms that were about to break over the heads of the small number of revolutionary militants, there would be some guide to action, some centralised command structure, some way of relating one partial, national experience in extreme conditions to another.

But the SWP/ISO rejects not just the foundation of the FI but the programmatic method it embodied.

Hallas in his later article, "Trotsky's Heritage", accepts the correctness of building an international current, but depreciates its programmatic basis. He disapproves of the attempt to ensure that the members know the general outlines of the life and struggles of these different sections. Above all sees the foundation of the Fourth International as a grave mistake. It:

"helped to generate delusions of grandeur in the 'International leadership' that managed to establish itself in the middle forties and hindered its ability to make realistic assessments of the new post war situation".[4]

Cliff remains opposed to the idea that sections or affiliates should "poke their nose" into other sections' affairs.

This argument is extremely simplistic. It amounts to the claim that the work of the post-war FI was hindered by its own existence!

The case for building a revolutionary Marxist current internationally was most clearly set out by Trotsky at the start of the 1930s:

"If the Communist Left throughout the world consisted of only five individuals, they would have nonetheless been obliged to build an international organisation *simultaneously* with the building of one or more national organisations.

"It is wrong to view a national organisation as the foundation and the International as a roof. The interrelation here is of an entirely different type . . . It is of course possible in the epoch of imperialism for a revolutionary proletarian tendency to arise in one or another country but it cannot thrive and develop in one isolated country. On the very next day after its formation it must seek or create international ties, an international platform, an international organisation, because a guarantee of the correctness of the national policy can be found only along this road. A tendency which remains shut in nationally over a stretch of years condemns itself irrevocably to degeneration."[5]

This passage, aimed at the Italian Bordigists, is a rebuttal of the main arguments of the SWP as well. Duncan Hallas finds himself obliged to answer it.

Trotsky had "no alternative"[6] but to make the attempt to build an international organisation, but that in founding a democratic centralist "world party of socialist revolution" he had "produced a confusion . . . between ideas and organisation".[7] The ideas were fine: the attempt to embody them in an organisation was a disaster.

A common thread in the approach of the SWP to the struggle for the new International is an impatience with ideas of democratic internal debate. Hallas argued in 1977[8] that while Trotsky wanted to break out of isolation amongst a circle of intellectuals, he himself compounded his difficulties by urging that main questions of strategy and tactics should be debated by the whole membership of the Left Opposition.[9]

This is too much for Hallas:

"This approach inevitably strengthened the 'intellectualist' tendencies to which the petty bourgeois nature of the movement gave rise and made effective involvement in the workers' movement more difficult."[10]

Worker militants are, it seems, precluded from internal discussions on political issues, especially international ones. It will obviously distract them from "the class struggle". What a caricature of the working class and its capacities!

In the most recent treatment of the question, Tony Cliff expresses more sympathy for Trotsky's efforts at building the FI. He says that, while the proclamation of the FI was "almost certainly a mistake", the attempt to build it was "absolutely necessary".[11]

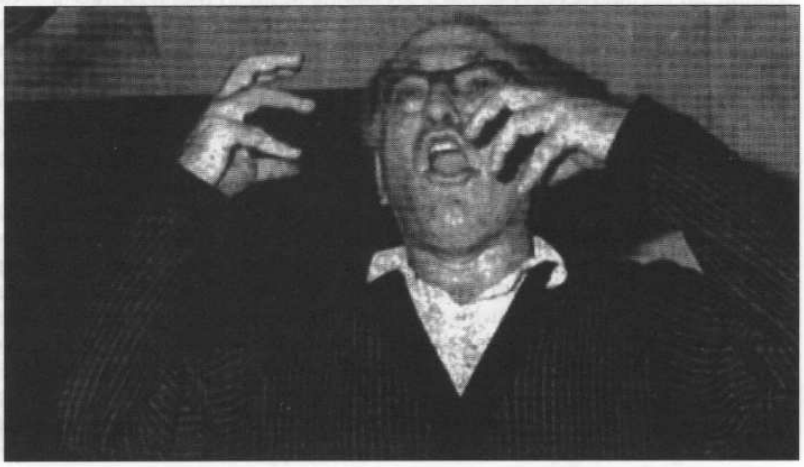
This shift mirrors a change in the SWP's attitude to its own "International"—from the period of an extremely loose federal association to today's bureaucratic structure. But closer inspection reveals a continuity of approach. The idea of building a thoroughly democratic centralist international is still anathema.

Cliff, like Hallas, remains fundamentally opposed to the idea that sections or affiliates should "poke their nose" into other sections' affairs. While Trotsky continued to urge discussion and debate throughout the international tendency, to develop the political culture, to encourage independent thinking, Cliff concludes that "in practice the result was mayhem".

He draws both specific and general lessons:

"The problem with Trotsky's approach was that it is very difficult to draw immediate and tactical lessons from one branch of a national organisation for another. How much more difficult it is to do the same on an international scale."[12]

Wherein lies the "difficulty" in drawing lessons from one branch, in London for example, that may apply in another—say in Leicester? The difficulty clearly exists if there is an



SWP LEADER TONY CLIFF

attempt to make false generalisations, to woodenly apply successful practices from one area to another.

But at a national level, democratic centralism is designed to overcome such rigidity. It is there to allow the pressures of the different experience of the working class to be mediated through democratic debate: "You say fascism is a major threat in your area, but it's not in ours. You say that mass paper sales work in your area, but in ours we've tried it and hit these problems. You say we could be being conservative, well fair enough but we've got more roots in more stable workers' organisations than you: we don't want to risk losing them unnecessarily."

These are the kind of arguments that should be the staple diet of internal discussion in a revolutionary organisation. In reality, inside even the national SWP, they are the staple diet of pub discussions after national demos, never of the national conference, the branch or the internal bulletin.

As for the party, so too for the International. The purpose of international democratic centralism is to correct national one-sidedness, to exchange successful experiences, to pass on the experience of the different sections into a "nerve centre".

In Greece, for example, the leaders of the ISO grouping emerged from a Maoist state-capitalist current virulently opposed to the official mass Stalinist party, the KKE. To this day it steadfastly refuses to engage in electoral tactics aimed at this party, which remains the mass party of the Greek working class. Instead it critically votes for PASOK, a left bourgeois liberal party affiliated to the Socialist International, with few active roots in the organised working class.

The purpose of international democratic centralism is to correct national one-sidedness, to pass on the experience of the different sections into a "nerve centre"

It would be like voting for Ashdown's Liberals in Britain, instead of Labour. To the growing number of SWP members who visit Greece it does seem strange. But there is no mechanism for discussing it other than the odd pointed question at the annual Marxism event. Yet the absence of such a mechanism is not an oversight: it is a basic tenet and precondition of the existence of the ISO.

As many ISO members have found out in the last few years this absolute prohibition of "meddling in matters they cannot understand" is aimed (a) at the membership of all sections and (b) at the leadership of all sections except that of the SWP.

The London based leadership of the ISO (Cliff, Callinicos, Lindsey German etc.) has made it its business to impose a major perspectival and tactical change on the sections of the ISO. The resulting splits are only the latest in a long list of examples of the failure of the method of building the International spelled out in Hallas and Cliff's critiques of Trotsky.

Building the ISO

The ISO defines itself as "an international grouping of socialist organisations" and currently has 16 participating organisations. In the 1960s and 1970s it sought international links with other organisations which were in one way or other hostile to the major "Fourth Internationalist" tendencies.

Some of these shared its attachment to the key planks of IS politics—state capitalism and the permanent arms economy, but others were marked merely by a shared economism or were simply considered the largest, most working class, or simply the most dynamic. Thus as well as the "Trotskyist" *Lutte Ouvriere* (LO) in France the IS oriented to the semi-Maoist *Avanguardia Operaia* (AO) in Italy and the Guevarist PRB-BR in Portugal. With each of these it established fraternal relations. After the 1973 IS National Conference, International Socialism reported:

"Some of the reports, notably from the French Lutte Ouvriere and the Italian Avanguardia Operaia indicated a progress similar to, or greater than, our own. Discussion indicated both the need and the possibility for greater international co-operation. For all participants recognised that progress to meaningful international collaboration depends on progress in achieving influence in national workers' movements."[13]

There was no mention of proceeding toward a common programme or a common method. Roots in the national workers' movements would fulfil this task automatically. This was the implicit stance the IS took, and it was in accord with its economistic approach to the class struggle in general. In the same issue of ISJ, two IS militants Dave Hughes and Dave Stocking took advantage of the journal's "Controversy" column to criticise that method. Hughes and Stocking went on to form the IS Left Faction and were expelled in 1975 to form Workers Power. The "Controversy" column never appeared again. And as for relations with LO, AO and the PRB, it was the very pressure of their national conditions of struggle which soon wrecked the attempt to construct an international organisation between them and the IS.

These organisations may have been "nationally rooted" but they were also, like IS/SWP itself, nationally centred.

LO turned out to be unrelentingly attached to a peculiar brand of abstract propagandism well suited to an organisation that could not and would not challenge the Stalinist PCF for leadership of the class struggle.

The PRB-BR, praised as a revolutionary party contesting for power by IS at the time of the Portuguese revolution (1975), was orientated to the left wing of the Portuguese military. It held in common with IS a failure to understand the nature and hold of reformism. Thus it allowed itself to be provoked into participating in an abortive, and adventurist coup. After this the IS dropped it like a hot potato.

The IS leaders engaged Avanguardia Operaia in a lengthy public discussion which revealed near total divergence of politics, methods and perspectives, which accelerated even as AO "deepened its roots" in the class struggle.

The IS deliberately kept these relations on a bi-lateral basis. If there were disagreements, they kept the relationship going until the tensions became too great. Because there was no attempt to create a common programme or a common organisation there was little struggle even over tactics. Thus opportunities for clarifying and developing ideas were squandered as was the chance of educating the membership through these debates.

By the late 1970s the SWP had retreated from its perspective of building the International through a loose alliance with big, national centred, centrist groups. But it stuck to its belief that the International could only emerge from mass organisations rooted in their own national terrains.

It reverted to building a more homogeneous coalition of small SWP "clone" groups, sometimes by exporting members of the British section, sometimes—as in the case of the Greek section—by recruiting from rival "state capitalist" currents, chiefly the fragments of Maoism.

In all cases the mortar that held together the individual bricks was loyalty to the SWP's politics at the most abstract level: state capitalism, the permanent arms economy, deflected permanent revolution, economism in the class struggle. This period coincided with the "downturn" perspective for the SWP in Britain, where the party reined in its aspirations to grow and contented itself with patiently recruiting the "ones and twos" through campaigns and workplace activity.

Since the small size of all the rest of the ISO sections dictated that propaganda tasks were most important, there was never a major conflict over party building between the centre and the leaders of the national sections.

South Africa provides a good example. During the revolutionary upsurge the SWP rightly argued that a revolutionary party was needed. But it could advance only one model for building that party: the stage in South Africa was that of the "primitive accumulation of cadre".[14]

Callinicos rejected outright the possibility of using the "worker's party" tactic to intervene in the situation of political flux in the workers' movement in the late 1980s. Even when legal work became possible in the early 1990s, the IS grouping was advised to stick to the search for cadre on the university campuses. With all the advantages of a regular press and support from Britain, the IS/SW was effectively told to keep away from the working class!

The accumulation of initial cadre from amongst students is not in itself wrong. It is sometimes dictated by a group's small size. But in the case of South Africa it served to insulate the IS grouping from the real questions facing revolutionary worker militants. The slogan "Black Workers to Power" sounded plausible enough if you heard it in London, or even on the campus of Wits university.

But when you asked the question, "how?" and confronted the problem of Stalinism, of the need for a mass party in the midst of the crisis, of tactics towards the South African Communist Party, it was revealed as inadequate. But there was no need to confront these problems in practice if it was only a case of convincing a few students, in the midst of the revolutionary upsurge, of the historic correctness of Marxism.

The turn to mass work in Britain

Contradictions between a wooden schema for party building, a loose federal structure and political perspectives intensified from the late 1980s onwards. The mother party was expanding and increasing its prestige. Without an internationalist culture or a common programme or set of programmatic positions, this inevitably led to "interference".

There was no way that a serious challenge could be mounted to the Cliff leadership and no way inside the British SWP that the actions of its own leadership could be challenged. International matters were not the membership's concern. Reports to the Central Committee were few and far between and even then were not in the spirit of a report from an accountable international leadership. International guests were wheeled out at the annual event of Marxism in London, but the membership never heard about losses or criticisms.

The workings of the international organisation remained a mystery to most members. Indeed, not only are international developments not reported to the SWP members in Britain in any detail, but they have been actively stifled. In one case, the members of the British SWP were not given access to a document by Alex Callinicos, for the ISO sections' leaders, describing a crisis situation in the SWP in the late 1980s. Callinicos told the international organisations that "manic activism" was threatening the organisation, But the document never saw the light of day for the British SWP.[15]



ANL: EXPORTING THE TACTIC MEANT EXPORTING PACIFISM

After the growth surge of 1992 the SWP embarked on a phase in their international work marked by an increasing tendency to export the SWP's party building methods and perspectives.

One feature of SWP success that could be exported wherever possible was the ANL Mark 2 tactic. Of course it was absolutely correct to take seriously the growing fascist threat in Europe, but the reconstructed Anti-Nazi League was marked by a sectarian attitude to other anti-fascists and in particular, a refusal to work with those committed to unity in action on the question of physical confrontation of the fascists.

Thus, oppositionists in the German IS section, the *Sozialistische Arbeitergruppe* (SAG) protested:

"The SAG unconditionally aims at official participation of trade unions or SPD in antifascist alliances and consequently, in a right wing opportunist way, gives up any direct physical confrontation with the fascists in favour of merely demonstrating far away from the fascists meetings"[16]

These comrades, who went on to form the GIS, looked back fondly to the days of the original ANL which they believed (wrongly) was committed to building alliances based solely on the need for physical confrontation. They are also wrong to think that an orientation to the main organisations of the labour movement is the problem. But their description of the consequences of a failed opportunist tactic will sound familiar to anti-fascists who experienced ANL MkII in Britain:

"Being ignored by the SPD and DGB (German TUC) most of the time, the SAG permanently runs tiny anti-fascist alliances consisting solely of SAG comrades and treating them like a satellite organisation".[17]

The "upturn" wreaks havoc

The late 1980s in Britain saw the SWP moving away from the "downturn" perspectives that had been accompanied by abstention from leadership (giving up shop steward positions), and extreme pessimism over the outcome of struggles.

A "new mood" in the class was announced. By late 1992, this perspective had developed into a full blown catastrophism, reminiscent of Healy and the British SLL for whom the crisis of capitalism was always imminent. In the midst of a mass campaign against pit closures—which reflected the new mood but was in no way as deep as the mass movement during the year long miners' strike of 1984-85—SWP leader Tony Cliff literally "woke up one morning" and decided to commit the SWP to the call for an immediate general strike.

Given that SWP members had honed their arguments against this slogan to a fine art during the miners' and printers' strikes of the 1980s it came as a shock to many. But the whole party quickly swung behind Cliff.

In a series of articles in *Socialist Review* and *International Socialism*, the leadership spelt out the change. ("Can there be a revolution in Britain?", *ISJ 2:57*; "An Unbroken Stream", *Socialist Review* December 1992; "No Going Back", *Socialist Review* January 1993, "Before the Flood", *ISJ2:61* among others)

Gone were the years of the downturn—in fact for a while it almost disappeared from history. When some of the SWP's long standing members

tried to suggest that reality did not quite match up to the descriptions, they were labelled a "conservative block" to building the party.[18]

The particular catalyst for this change had been the mass revolt against the pit closure programme, which, massive and angry as it was, was easily diverted by the trade union leaderships with the co-operation of Scargill.

The SWP leadership thus incorporated its old failure to understand the material and ideological hold of reformism with a view that its own growth would make all the difference.

But reality did not match the SWP's perspectives. The years of the new "upturn" were to log some of the lowest strike figures on record

For a period this could be kept up. The party was reorganised from the top down:

"The SWP made a sharp shift in the last three months of 1992. That meant scrapping much of our existing routine. The result has been a growth in our membership of over 2000, the setting up of over 40 new branches and a substantially higher sale of Socialist Worker".[19]

But reality did not match the SWP's perspectives. In the first place, trade unionism continued to suffer setback and retreat. The years of the new "upturn" were to log some of the lowest strike figures on record. A youth radicalisation around the Criminal Justice Bill came and went. While it lasted the SWP transferred virtually the entire apparatus of the ANL MkII into the leadership of the Coalition against the CJB and took it over. Most of the independent forces: young reformists, liberals, anarchists and single issue humanitarians, simply left and formed a rival Coalition.

Cracks began to show in the new perspectives. Party cards were literally handed out like dance-club flyers. But when some of those who joined tried to bring in their existing methods of work, libertarian, essentially Menshevik methods imported from single issue campaigns, they found themselves on the receiving end of a bureaucratic purge.

Thus the first elements of an organised breakaway from SWP in this period began life as a grouping within the party which wanted the SWP to launch a non-party cultural magazine. For suggesting this, and that party members would be free to put non- party lines in that magazine, one cadre, Andy Wilson, was summarily expelled and his supporters told they had no future in the party.

Increasing numbers of the middle cadre found themselves out of sympathy with the leadership's orientation although there was only a small organised break away, led by Wilson, to form the IS Group(ISG) in 1994.

A genuine international tendency could have corrected the mistakes of the "mother party". But in the ISO this is impossible. The structures and channels do not exist. There is no codification of the principles, strategies and tactics that mark out the International Socialist Organisation: it has no programme, let alone any substantial set of public positions, resolutions, documents against which the membership or the outside world can test the politics and practice of the organisation. There is not even an international discussion bulletin.

In the absence of proper documented discussion and codified positions, then the articles written by the inner core of the SWP leadership are "the line".

The "upturn" perspectives were exported to the fraternal organisations with even more difficulty than they were implemented in Britain and with an even greater amount of bureaucratic manipulation.

In Australia, the ISO suffered a serious split after a lengthy period of internal friction during which the Melbourne membership resisted the organisation's wildly "upturnist" perspective. The previous concentration on the student milieu led to the organisation being ill prepared for such a shift. Bureaucratic expulsions led to the formation of an alternative Cliffite group, Socialist Alternative (SA).

SA is an unstable formation, prone to the pressures of the milieu in which its members mainly work (student work). Both SA and the Australian ISO section are on record as stating that there is no real reason for the existence of two Cliffite groupings in one country. But their leaders have been draw into creating reasons nevertheless, which inevitably focus on the minor, the petty and the cultural .

In South Africa, after a period when the ISSA comrades concentrated almost exclusively on the universities, and were led by a relatively conservative leadership, the arrival of SWP leader Julie Waterstone brought a sharp change. Now as in Britain, branches were to be divided up into absolutely tiny nuclei, dedicated to mass street agitation, and there was to be mass recruitment. Those who resisted this overnight change—who were not for the most part the old conservatives but did include those with most experience in the South African workers' movement—found themselves the victims of manoeuvre and denunciation and left in 1994 to form the ISM.

In Germany, the leadership announced in 1993 that there were pre-revolutionary conditions. This led to new party building methods and, according to the opposition, the line that "educations in general mean sectarian internalisation, internal controversy now comes down to sabotaging our fabulous opportunities, membership conditions for the activists expected to join now not simply as single individuals but as whole 'milieux' have to be kept very low . . . etc."[20] The turn, combined with the failure to seriously address the question of political perspectives, sent the German group spinning into fragmentation.

Since then, in its search for growth,



PORTUGAL 1974

the SAG has made another turn, into Social Democracy. In fact the most extreme disorientation has occurred in Germany where there are now (as of April) five Cliffite groupings.

The original SAG plunged into the SPD Youth in 1994 becoming the Linksruck-Netzwer. Here it is carrying out an extremely opportunist entry tactic, which would make the British Militant Tendency in the 1980s look principled. It fails to raise revolutionary politics, concentrating instead on criticising the SPD for its parliamentarianism rather than orienting to the factories.

One must stay in the SPD, however, according to the SAG, because it is the only party which "can bring about the necessary reforms". It claims it wants a merger of all left wing parties and opposes "the development of the SPD away from its tradition as a workers' party".

This may sound unusual to SWP members accustomed to greeting *Workers Power* sellers with the moronic catcall: "You're in the Labour Party". But it is not an aberration from Cliff's method. The tactic has been fully endorsed by the SWP leadership. The episode should serve as a warning that the Cliffite tradition is capable of a move to gross opportunism and an opportunist application of the entry tactic. That was, after all the original practice of the IS group inside the British Labour Party, from its inception until 1966.

Meanwhile however, the SAG's adaptation is to the major current of German reformism in the leadership of the trade unions and SPD. For instance their attitude to the Pact for Work proposed by IG-Metall leader Zwickel—in which wages would be held down in exchange for job creation—was opportunist. Instead of clearly and unequivocally rejecting this class collaborationist policy and constructing demands on how to fight unemployment and build a rank and file movement, *Linksruck* complained only that the proposal could be wrongly interpreted to imply that high wages caused unemployment. The paper concluded that: "IG Metall must take up the struggle to push through the concrete conditions proposed by Zwickel."[21]

All this does not mean that the ISO has become a rigid monolith. Those familiar with the SWP's position on state capitalism and the ex-Stalinist parties in Eastern Europe—which are seen as representing a wing of the capitalist class—will be surprised by the position taken by the ISO Polish group, Socialist Solidarity. In the last elections they called for a "Vote for Zielinski without any illusions"[22]—a position completely at odds with the attitude of the SWP. Zielinsky is a bourgeois liberal! The SWP in Britain meanwhile advocated abstention.

Elsewhere the pressure for growth produced the hybrid SWO in New Zealand, formed from a fusion of the old International Socialists and the ex-Stalinist Communist Party of New Zealand. The CPNZ, a decades old pro-Albanian Maoist party was, as late as 1990, denouncing the collapse of the Hoxha regime as a "Trotskyist coup".

Casting around for explanations for the catastrophe it transmuted its Hoxa-ite state capitalism into a Cliffite version and set about "adopting" as its policy the collected works of Cliff, Harman, German and Callinicos. This was too much even for the London based leadership, and Callinicos conducted a fighting rearguard action against the fusion. But, since it did not challenge the SWP leaders' hegemony—indeed it represented the abject belly crawling of a dead end Stalinist sect with nowhere else to go—the New Zealand IS group was not subjected to Callinicos' bureaucratic ire.

Thus while the New Zealand group was carrying out an unprincipled fusion with impunity, over 40 of the Australian IS group were receiving letters from Callinicos in London informing them of their expulsion because of a debate over party building tactics!

However, if there are still examples of profound national adaptation amongst the ISO's affiliates, the overall trend within the tendency is towards greater homogeneity—but a homogeneity achieved through the domination of the other groups by the SWP rather than by democratically accountable international leadership, drawn from the different sections, and working on an agreed a programmatic foundation.

The Canadian split is the most recent. Here part of the historic leadership of the Canadian IS objected to the international perspective of crisis and its application to the Canadian situation which was particularly misplaced:

"Just before the Liberal government brought out the most anti-working class budget in post-war history Socialist Worker ran the editorial headline 'Liberals on the run!' Then, after the defeat of railworkers' strikes by back-to-work legislation, Socialist Worker celebrated with the headline "the fightback has just begun!"

Forming the Political Reorientation Faction (PRF) to fight for a change, they found themselves subject to the usual bureaucratic manoeuvres. According to the PRF, no serious measures to overcome the differences or debate them out were taken. Instead:

"the IS leadership has shown further contempt for its members and the debate by ridiculing the PRF's positions, treating the debate as a 'diversion' from the 'real work of the organisation', openly sniggering during PRF interventions, attacking the records of PRF members and name-calling."[23]

We might not give credence to all this if it were not so familiar to anyone who has ever challenged the SWP leadership—or now, the leadership of any of the satellites.

Without a serious debate over an international programme and perspectives, without real education of its cadre, and without real democratic centralism, the ISO will continue to store up problems for itself.

While the "mother party" remains the largest far left group in the world then crises can be postponed, but meanwhile layers of good revolutionaries are being lost. And even more will be lost when reality catches up with the SWP and blows it apart, unless, that is, they can be won from Cliff's method and politics in their entirety, and not just repelled by the bureaucratism which that method necessitates in building parties in Britain and internationally.■

FOOTNOTES

1. "The Crisis of Stalinism and the theory of state capitalism", Paul Morris, *Permanent Revolution* 9; "The SWP, Imperialism and the 'real Marxist tradition'", Paul Morris, *Trotskyist International* 17
2. "Against the Stream" *ISJ1*:53
3. D Hallas *Trotsky's Marxism* 1979
4. *IS2:40* 1988 p63
5. L Trotsky *Writings* 1930 p285
6. D Hallas *op cit*
7. D Hallas,*op cit*
8. D Hallas, "Trotskyism Reassessed" *ISJ100*
9. See L Trotsky *Writings* 1930 p297
10. D Hallas, "Trotskyism Reassessed", *op cit*
11. T Cliff, *Trotsky* 1927-1940 London 1993 p306
12. *ibid* p303
13. *ISJ 57* April 1973
14. A Callinicos, *South Africa: Between Revolution and Reform*, 1989
15. See *A Taste of Honey*, "Building the SWP" IS Group 1995
16. "Document of the Group for International Socialism", in *Democracy and the SWP* ISG 1994.
17. *ibid*
18. See *SWP Annual Conference Report 1992*
19. *Socialist Review* January 1993
20. GIS document, in *Democracy in the SWP*
21. *Linksruck*, March 1996
22. *Solidarnosc Socjalistyczna*, October 1995
23. *Resignation letter of the PRF*

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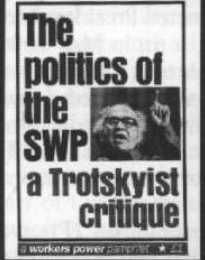

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Argentina
Rebellions puncture Menem's offensive

During the 1990s President Menem of Argentina has been a faithful servant of the neo-liberal policies of the IMF. While they have hit the working class hard each attack has met with resistance. **Mark Abram** of the LRCI (in collaboration with **Mario Gomez** of the Partido de Trabajadores por el Socialismo—Argentina) provide a survey of recent developments inside the ruling class and the workers' movement.

TWENTY YEARS AGO, General Videla seized power in Argentina to put a brutal end to a three year long period of intense class conflict.Over the next six years of the "Dirty War" the military "disappeared" tens of thousands of trade unionists and sympathisers of the urban guerrilla movements.

In 1983, the military retired to their barracks in the face of a mass movement. They were disgraced and demoralised by economic crisis, revulsion at their human rights abuses and, above all, by the failed military adventure of the Malvinas War against British imperialism in 1982.

Argentina today is a bourgeois democracy, but one heavily disfigured by the bonapartist powers of its President and a police force riddled with officers trained in the dirty war. Argentina's working class and youth have fought back in response to the last two years of recession and government imposed austerity policies.

The actions of the government and police have reminded a new generation just how skin deep their democracy is. In this situation, it is vital that revolutionaries combine democratic demands with a programme of action to defend the economic interests of the working class.

Menem wins new term

Despite having presided over the imposition of an IMF inspired privatisation and austerity programme after his first election in 1989, Carlos Menem was re-elected President for a second four year term in May 1995. His ability to maintain support from millions of workers depended on two related factors; the unique role of his party, the Partido Justicialista, in the Argentinian labour movement, and short term economic factors.

The Partido Justicialista (PJ) was founded by General Perón as a bourgeois nationalist movement during the Second World War. Its programme was to develop the Argentine economy on an independent capitalist basis, the so-called "third way", as an alternative to the USSR and US post-war blocs.

Perón made a stand against the aggressive policy of US imperialism, which was actively displacing the historical rule of a Britain much weakened by the outcome of the war.

The secret of his success was his strategy of utilising the growing working class movement against the previously dominant faction of the Argentine ruling class. This faction, predominantly made up of cattle ranchers, depended on meat and grain exports for its wealth and on the British imperialists for their transport. A modern army, such as Péron envisaged for the post-war years, needed a domestic steel and iron industry.

Perón incorporated approved union leaders into his party, channeling the energies of the working class into support for his industrialisation policies and promising improved living standards and rights in return. Provided they were granted under controlled conditions, increased powers for the unions and rising wages for the workers strengthened demand in the domestic market and reinforced Perón's economic programme.

The working class and the toilers in the countryside gained considerable benefits, especially between 1944-51, in terms of salaries, working conditions and trade union organisations. Perón encouraged the unionisation of labour, creating at the same time a powerful and loyal union bureaucracy, by means of which he exercised a tight grip on the organised working class movement.

Although Perón himself was toppled by a coup d'etat organised by a pro-US faction of the army in 1955, amid increasing economic problems, Perónism never lost its grip—in or out of office—on the working class movement. Consequently, when Menem stood for President in 1989, on a traditional Perónist platform of protection of the national economy, preservation of state industry, protection of the salaries, working conditions and labour rights of the unionised workers, millions of workers placed their hopes in him.

In fact Menem did not tour the country on a traditional "Perónist platform", calling for the protection of the national economy . His main campaign in the run-up to the elections was based on two big promises: a "productive revolution" and "big salaries".

The workers were cruelly deceived. On being sworn into office, Menem jettisoned the traditional rhetoric of Perónism, even abandoning state ownership of industry. He immediately promised the IMF that he would follow its strategy for defeating the hyperinflation ravaging the country. This he did by deflating the internal market. He savaged purchasing power by establishing parity between the US dollar and the Argentine peso. He then went on to defeat the 1989 resistance of the state sector (electricity, steel, telecoms, railways) against privatisations. Menem proved his loyalty to the IMF which had demanded the privatisations as a way of cutting state spending and gaining revenues with which to pay interest on Argentina's foreign debt.

By 1991, the working class had suffered a series of sectional defeats and for the next three years the fear of a return of hyper-inflation cowed the masses. However, Menem was able to create a stable base for his rule within the middle class and labour aristocracy on the back of a short economic boom in the early 1990s. Privatisation and recession in the west brought investment to the country and with it a consumer boom.

However, everything appeared to be changing in 1994. A rebellion in the provincial city of Santiago during December 1993 marked the limit of the bourgeois offensive and announced the beginning of a potentially pre-revolutionary situation. A new relationship of forces slowly



MENEM CELEBRATES WINNING SECOND TERM, MAY 1995

emerged. Working class confidence returned and struggles increased, culminating in the general strike of August 2 1994.

During this period, the struggles of the masses became more synchronised and more numerous and there was a tendency for them to become national in scope. However, the situation did not become clearly pre-revolutionary and certainly did not attain the level reached in France in December 1995. The main reason for this was the role of the trade union bureaucracy. It made a series of pacts with Menem that demobilised workers' struggles and allowed a re-stabilisation during which Menem was re-elected in May 1995.

Immediately after the election, Menem introduced yet another austerity package. This was designed to maintain peso-dollar convertibility in the wake of the collapse of the Mexican economy in December 1994. However, renewed resistance ensured that the working class did not suffer a strategic defeat. All the same, some sectors were hit hard; the output of the machine tools and construction industries fell 22% and unemployment shot up during the year to more than two and a half million (around 20%). But the economy did not collapse.

The main reason for this was that Brazil's economy continued to grow and Argentine exports to Brazil were sucked in (a 61% increase in 1995). This created a balance of payments surplus for Argentina and underpinned convertibility. In addition, the IMF recognised the threat of working class mobilisations such as the September 6 General Strike and the Rio Negro rebellion during September/October, and went out of its way to help out with debt servicing and new loans.

Still, the economy was in decline through 1995 and the first half of 1996. Tax revenues fell as industry stuttered. Further attacks on federal and provincial budgets were deemed necessary by the IMF and its chief agent in the government, Finance Minister Cavallo. To carry through this attack, the Menem government resorted to more semi-bonapartist measures.

During 1995, the government passed new laws on labour flexibility, laws on bankruptcy and accidents at work. All have represented defeats for the working class yet, despite these, the government has not been able to inflict a decisive defeat on the working class.

Political forces for bourgeois stability

Since 1983, political stability in Argentina has been based on a high degree of bipartisanship between the President, the opposition parties and the trade union bureaucracy. The present regime could be described as bourgeois democratic with bonapartist traits. The latter are a function of implementing imperialism's plans for the country. A near monarchical Presidency—established by the 1953 Constitution—was left untouched by the 1993 reforms. President Menem increasingly by-passes Congress and resorts to presidential decrees to implement his policies. The US ambassador interferes all the time, as does the IMF.

Menem's regime relies upon a wide alliance of classes: the most important sections of the Argentine bourgeoisie, the upper middle class, the working class in the cities and the countryside.

Menem controls the Supreme Court of Justice and his supporters have a clear majority in both the upper and lower houses of parliament. He maintains a tight grip on the most concentrated sector of the working class through the bureaucracy of the main trade union federation (CGT). Last but not least, the high command of the armed forces agree completely with the policy of total subordination to the policies of the USA.

Menem's regime relies upon a wide alliance of classes: the most important sections of the Argentine bourgeoisie, the upper middle class, the working class in the cities and the countryside

The Radical Party (UCR) supported the constitional change that led to Menem's enhanced powers. This has discredited them in the eyes of anti-Menem forces. Its weakness has led to the emergence of the Frente del Pais Solidario (FREPASO). To date it has been little more than an electoral bloc and has little impact within the working class. Consequently, the main disputes in the bourgeoisie are played out inside the Menemist party and inside the government between Ministers themselves. FREPASO and the UCR are passive witnesses to this conflict.

In 1995, the effects of Menem's policies led to a crisis in the Senate (the indirectly elected upper house of Congress). Many of its members are key figures in the implementation of the government's adjustment plans in the country's provinces. They are the most hated figures in the eyes of those involved in the rebellions.

The other pillar of stability for the regime is the trade union bureaucracy. Part of the Perónist legacy is the co-option of union bureaucrats into government policy and its implementation. The CGT, for example, has been a key agent in privatising pension funds and has systematically used

sinecures in the state sector to establish businesses, transforming certain public utility trade unions into companies (e.g. light, power, rail). The other rival trade union federations, the Congress of Argentine Workers (CTA) and Movement of Argentine Workers (MTA), have not gone this far but other methods are used to co-opt them.

Today, however, privatisation and rationalisation have left millions of workers outside the unions. This has meant that, although important sectors of workers, especially labour aristocratic layers, have had a measure of protection from government policies, many more are outside the bureaucrats' immediate control.

The strikes at the shipyards of La Plata were an exception due to the strength of the left, the tradition of the yards and the democratic culture of the rank and file

Contradictions of the ruling Partido Justicialista

The last year of economic crisis and working class resistance such as September's general strike have also led to divisions within the governing party itself. On the one side stands the "Perónist" Duhalde, Mayor of the province of Buenos Aires and, on the other, Cavallo, who is the Finance Minister and is openly pro-imperialist. Because of his social base in Buenos Aires, Duhalde has called for a modification of the attacks proposed by Menem's policies, suggesting, for example, more modest cuts in the budgets for Social Action and Health.

Other issues have also opened up divisions within PJ. One permanent problem concerns the stance to take towards imperialism's demands. Recently, for example, Cavallo demanded that imperialism's wishes on patent recognition be accepted. Some PJ congress deputies opposed this and called for the "protection of national industry". These divisions have impeded the passage of the "Reform of the State Law II" through Congress. Another is the question of who is to be the successor to Menem in 1999. The bourgeoisie wants no unseemly row in 1996 and wants the rival factions to wait until 1997, but this may not be possible.

Also related to 1999 is the split of Beliz from the PJ. Beliz is a former interior Minister with strong links to the church and based in Capital Federal, the second most important district in the country. It is symptomatic of the fact that some PJ governors of the interior states may split from Menem and try to launch a Peronism Mark II.

These divisions are not new but Menem was able to overcome them during the 1991-94 boom. Once the recession hit, the differences erupted into the open.

While these divisions existed, the trade union bureaucracy felt emboldened to press its claims and even organise protests. But during the early part of this year the rifts have slowly been healed. Why?

First, an agreement was reached with the IMF over the deepening of the Cavallo Plan and defence of convertibility and the pursuit of the Reform of the State Law II. The Duhalde wing has relented but in exchange Cavallo has accepted a less political role than before.

Once again, a crucial factor in allowing this stabilisation was the role of the trade union bureaucracy in striking deals with the government and giving them the time they needed to reorganise. Also, the new Constitutional reforms created a Co-ordination Ministry which has been an active agent in resolving intra-governmental crises. However, much of this is simply cosmetic and a renewed political crisis can be expected to open up in the face of further economic crisis and mass resistance.

Bourgeois opposition

The crisis of the government has not strengthened the opposition which is engulfed in enormous contradictions. The Radical Party (UCR) has suffered serious electoral decline and is now little more than a "bourgeois propaganda party". In part, this is a result of a deal struck in 1993 between its leader, Alfonsin, and Menem over constitutional reform. In this "Olive Pact" (named after the Presidential Palace where negotiations took place) the UCR agreed to Menem's proposal for a Constituent Assembly to reform the 1853 constitution.

The election of delegates took place in 1993, and the Assembly met in the first half of 1994. It introduced a clause allowing the incumbent President to stand for re-election (Menem's most desired aim) and created a post similiar to Prime Minister together with other reforms to the parliament and the judicial system. The pact threw the UCR into a deep crisis, alienating millions of middle class voters who no longer saw it as a reliable opposition to corruption-ridden Menemism. Its only remaining power base is in the students' union and only legal swindles give it any institutional power at all.

In this situation, FREPASO has gained support and dynamism from the crisis of the UCR. FREPASO was formed as an alliance of ex-Perónists, petit-bourgeois forces and the small Communist Party. Now, it too has split with some of its forces seeking to renovate a non-Menemist PJ. This wing, led by Bordón and with some basis in the MTA trade union federation and linked to international Christian-Democracy, recently split from FREPASO but Bordón has been weakened by this and other dissident Perónists are not rallying to him.

Bordón's opponent in FREPASO, "Chacho" Alvarez, models his politics on the Democratic Party in the USA. He draws behind him various petit-bourgeois socialists and ex-PC elements and has ties with the CTA. Without Bordón, FREPASO could become more anti-Menem and anti-Cavallo; it could seek to mobilise the youth base of Peronism in an attempt to stop it being attracted to the left.

Peronism and the working class

The industrial working class in Buenos Aires was partly co-opted into the cycle of growth during 1991-94. Together with the distribution of Duhalde's welfare benefits, this was part of the reason for Menem's stability. The oppressed and immigrant working class of the interior on the other hand were suffering from low wages and poor conditions.

With the onset of recession in 1995 this division has narrowed. Some 40% of the working class are in the black economy or PYMES (i.e. small employers' firms), and enjoy no labour protection or social benefits. Although Duhalde has control of the Recuperation Fund, worth $600 million a year for "work and production", this is being reduced, forcing him to attack his social base.

The working class is used to full employment. In May 1995, however, 50% of the population of Gran Buenos Aires suffered either unemployment, underemployment or having to take more than one job to survive. The families with the lowest incomes have the highest unemployment rate. Although total employment has increased 1% since 1990, production is up 20%. The end of the credit boom meant that in 1995, 4,000 businesses went bankrupt.

This threat of unemployment, labour insecurity and poverty has put a brake on proletarian action.

The main reason for this was the intervention of Duhalde and the trade union bureaucracy to prevent resistance. The strikes at the shipyards of La Plata were an exception due to the strength of the left, the tradition of the yards and the democratic culture of the rank and file.

However, in Argentina there has been no strategic defeat of the working class as occurred in Chile. There, new methods of production—Toyotaism—hold sway; but in neigh-

bouring Argentina these are notwidespread yet.

If they were introduced on a large scale, this would imply a huge defeat.

There is no room for complacency. The working class continues to suffer from a low and declining level of class consciousness. This can be seen in the fact that there has been no great, sustained, nationwide action since 1986. The service sector working class (telephone, gas, light, power and rail) was smashed in the course of 1990-91 because it was left isolated by the rest of the working class movement.

The trade union bureaucracy has been an important factor in underwriting social stability. But even this is not enough for the ruling class. They want the bureaucracy to bend the knee further and want to take the millions of dollars that it controls in the social funds out of its hands. They also want further limits to the bureaucracy's powers of negotiation.

For this reason even the "company" trade union bureaucracy of the CGT has been obliged to mount actions such as the general strike of September 1995. The MTA/CTA bureaucracy are no less treacherous than the CGT. The CTA is chiefly responsible for keeping the state sector industrial struggles of the interior isolated from one another; the CTA/MTA and Santillan surrendered struggles that occurred after the Santiago rebellion. In this situation, it is not enough only to call for a "new federation" of trade unions based on the CTA/MTA, as do the MST, PC and PTP. It is essential to link this demand to the "destatisation" of all the unions, their rejection of class collaboration and a commitment to democratic control by the membership.

It is more urgent than ever to fight for trade union independence of the state machine. Trade unions must be forced to break their ties with the bourgeois state. Against the compulsory levy for the trade union quotas! For the incorporation of the most exploited sectors into the trade unions and workers' organisations, unemployed, immigrants, workers, youth! For factory committees to unify all workers!

However, it would be a serious mistake to raise the call for the creation of new, i.e. "red" unions. This would be a mistake, ultra-left in form but opportunist in content since it would effectively abandon the struggle to win the existing unions from the bureaucracy. Alongside a policy of developing independent organs of mass struggle (such as factory committees) it is essential at moments of increased struggles to place demands on the trade union bureaucracy in a way that develops workers' united fronts and would allow the bureaucrats to be unmasked in front of the hundreds of thousands of workers who they still lead.

Working class perspectives

Perspectives for the working class depend not only on the social and economic crisis but also on the political changes that are opened up by the divisions within Perónism. A series of successive, partial defeats have taken place in textile, electro-consumer goods and metal industries. On the other hand, a concentration of investment in industries that have benefited from the expansion of the Mercosur market has left some workers unscathed by unemployment, even if their labour conditions have worsened; among them are the food, automobile, and iron and steel industries.

If a recession returns then in these sectors an attack on labour costs could provoke big resistance from a working class not cowed by sackings and could even forge a new vanguard. Or, we could see conflicts arising from the non-dynamic sectors in response to closures, lay-offs and wage cuts (e.g. the metal industry in Tierra del Feugo, municipal workers' strikes in BA province).

The trade union bureaucracy has been an important factor in underwriting social stability. But even this is not enough for the ruling class

There is a real danger that a resurgence of a harder nationalist Perónism against the sell-out merchants of the government could lead to workers supporting Duhalde. Although this could represent radicalisation for the impoverished middle class and plebian youth attracted by "anti-imperialist" rhetoric, it is not class conscious and could lead to dangerous and reactionary conclusions. If Perónism remains unified in the face of working class struggles then more sectional defeats are likely.

The rebellions in the interior

Inside Argentina a number of rebellions have exploded in response to Menem's policies. The first and most intense was in Santiago del Estero province in 1993. Located in the depressed north-west provinces where the state is the main employer, state employees have been the main force in the revolts which have led to violent clashes with the police. They have overrun the control of the union bureaucracy and have been characterised by their spontaneity, lack of organisation or alternative leadership. In mid 1995, under the impact of budget cuts in the midst of recession, fur-



PTS CONTINGENT ON DECEMBER 1995 DEMONSTRATION IN BUENOS AIRES

ther rebellions erupted in Córdoba, San Juan and Rio Negro.

None of the rebellions of last year brought down governments or set fire to state buildings, as did the one in Santiago at the end of 1993. None have delivered a death blow to the Cavallo Plan. But, in their wake, partial retreats by Menem have occurred and these have limited his offensive. Betrayals by the bureaucracy and "social fronts" have limited the effect of the rebellions but, if repeated, they could turn into an offensive. There is no brick wall between the defensive and offensive. For example, the industrial working class could add its weight (as was beginning to happen in Cordoba in 1995 before the trade union bureaucracy intervened) and this would lend a semi-insurrectionary character to the uprisings. In the future it is possible that this may occur in Cordoba, Santa Fe or Gran Rosario.

To rid the country of the rotten institutions of the semi-colonial state once and for all, the working class and its organisations need to enter the fray, fighting for its own interests and in its own way

For the future, although unemployment can act as a brake on workers' mobilisations, the increasing scale of government attacks is likely to offset this, opening the way to the prospect of struggles which are more national in their scope.

1996: Democratic issues come to the fore

This year there have been important mobilisations related to democratic questions. In February, students protesting against the introduction of fees in the universities were savagely repressed by the police in La Plata, capital of the province of Buenos Aires. Using tear gas, batons and unmarked cars, the police dispersed the demonstration and arrested 300 students.

Those who remained free regrouped and demonstrated at the police headquarters, demanding the release of their jailed comrades. After clashes throughout the day, victory was won. Late in the evening, the jailed students walked free without being charged.

The widespread condemnation of the repression and the strong sympathy shown by the population forced politicians across the political spectrum to talk about the need for "cleansing" the police of "rotten elements". The UCR and FREPASO both demanded that police should be instructed in the tenets of "democracy" and "human rights". Governor Duhalde sacked policemen directly complicit in carrying out the repression.



CTERA, THE TEACHERS' UNION, MARCH AGAINST EDUCATION CUTS

The democratic wave gained momentum on 23/24 March. Two big gatherings in the main square of Buenos Aires, the Plaza de Mayo, commemorated the 20th anniversary of the 1976 military coup d'etat. Some 40,000 youth gathered to remember the 30,000 "disappeared" in the aftermath of the bloodiest coup in the history of Argentina. But the demos were also a massive outcry against day-to-day police repression, which has resulted in the vicious murders of dozens of youth by the police. The victims have been mainly inner-city kids, but middle class youth are not immune. The March demonstrations acted as a lightning rod for all the deep anger felt by youth against the harsh conditions created by high unemployment and mounting poverty.

The rally was organised by the Mothers of the Disappeared and HIJOS, the recently created group of sons and daughters of the disappeared. A member of HIJOS clearly denounced the repression of the workers and demanded the immediate release of Horacio Panario and Alcides Christiansen (members of the MAS who are in detention as a result of their role in an unemployed workers' demonstration in Neuquén). The rally was quite militant, with a fierce denunciation of the Church's complicity in the genocide. Both Perónists and Radicals were condemned as the architects of the recent laws and pardons that have allowed thousands of criminals to walk free .

In April, a nationwide rebellion in the jails exploded. More than 11,500 prisoners took part in an eight day protest against the hellish conditions of the overcrowded gaols, the beatings and the extreme slowness of the legal proceedings. More than 70% of the prisoners are remanded, rotting in jail for years as they wait for their trial. With the widespread anger due to the La Plata events, and the massive demos in March, the government did not feel strong enough to crush the protest by resorting to the riot police. It promised to ameliorate the conditions in the penitentiary system and accelerate the legal proceedings.

In the province of Catamarca, 30,000 people demonstrated to demand the re-opening of investigations into a murder five years ago. The victim, a teenage girl, died at the hands of sons of the local oligarchy at a private party but the subsequent investigation and trial ended in the freeing of the main suspects.

A further national scandal exploded when it was revealed that one of the killers of a police doctor, who had been involved in torture and child smuggling during the dirty war, was a member of the secret police.

The initial police reports suggested that the killers were a newly formed left wing guerrilla group but there is now strong evidence that the whole incident was set up by the government, or at least the secret police, as a pretext for renewed persecution of the left.

All these events show how the main institutions of the Argentine regime have become discredited. Recent polls have made clear the deep hatred for the police amongst the majority of the people. Moreover, they have exposed the total bankruptcy of the justice system, the corruption of the judges and the sinister manoeuvres of the secret police.

The demonstrations across the country show that the political climate is ripe for an offensive around democratic demands. But for that offensive to be successful, to rid the country of the rotten institutions of the semi-colonial state once and for all, the working class and its organisations need to enter the fray, fighting for its own interests and in its own way.

The revitalisation of the workers' movement, the creation of democratic trade unions and factory committees, committed to an action programme to end unemployment and poverty at the expense of the capitalists, could draw in behind it the millions of the destitute and give Argentina a democracy really worthy of the name. ■

Declaration

Russian Troops Out!

Self-determination for Chechnya!

In March the **LRCI** and the **Trotskyist Faction** agreed a joint declaration on the Russian occupation of Chechnya. This statement is part of the process of regroupment discussions set out by both tendencies in December 1995

IN MID-JANUARY the war in Chechnya once again exploded, shaking Russia's political system to its foundations.

When a 250-300 strong unit of guerrilla fighters loyal to Chechen president Dzhokar Dudayev —the "lone wolves"—launched a raid on an airfield in Kizlyar in neighbouring Dagestan. Forced to retreat they first occupied a hospital taking patients and a platoon of Russian OMON "special forces" as hostages.

After negotiations they departed in a fleet of buses for the Chechen border. A potentially disastrous humiliation faced Yeltsin, already beleaguered after the December elections in which the Communist Party of the Russian Federation and assorted Great Russian nationalists trounced the radical market reformers. At the same time a wave of teachers strikes was coming to a head and the first national miners strike (over unpaid wages), since 1989, took place and Yeltsin was forced to quickly cave in. Since the elections Yeltsin has dismissed market reformers and pro-western officials like Anatoly Chubais and Andrei Kosyrev. Playing the Great Russian nationalist strong leader he announced he would crush the "Chechen bandits".

Unfortunately for Yeltsin, Russian "crack units" bungled the task and the Chechen fighters successfully dug-in with their hostages at the border village of Pervomayskoye.

Three days of all out attack by the Alpha units of elite Russian assault troops failed totally to take it from the Chechen guerrilla fighters. Yeltsin then ordered a murderous bombardment by Grad multiple rocket launchers killing not only Chechen fighters but also hostages and villagers who remained.

Yeltsin proclaimed a great victory yet within days it was revealed that more than a hundred of the Chechen fighters, including their leader (Dudayev's relative, Salman Budayev), had escaped from Pervomayskoye. The whole bloody fiasco brought down a storm of criticism on Yeltsin. But beyond the partial criticisms of this or that episode in the war, all political wings of the restorationist bureaucracy in Russia (from the CP to the liberal leaders of Yavlinsky, from Yeltsin and Chernomydin to the fascist Zhironovsky that urged him to "napalm Chechnya") have placed themselves in the camp of Great Russian oppressor nationalism against the oppressed Chechen nation. For all these forces the war is for "reasons of state". If Yeltsin has not fallen due to the great crisis into which Yeltsin has been put by the brave resistance of the Chechen people it is due precisely to the support "in the last instance" that his political rivals have extended him; all of them defend oppressor Great Russian chauvinism and are enemies of the self-determination of the oppressed peoples. Yet within weeks of the bloody fiasco at Pervomayskoe thousands of Dudayev supporters were demonstrating in Grozny in front of the wrecked presidential palace. By mid- February Russian troops were again making heavy work of surrounding and storming another guerrilla unit at Novogroznensky. Clearly the Russian army, divided and demoralised is unable to win a decisive victory over a small but courageous people fighting for its independence.

Conquest of Chechnya

The recent fighting is only the latest of a series of brutal attempts to crush the struggle for national independence by the Chechen people. Just over a year ago (11 Dec. 1994) Yeltsin sent the Russian armies into the mountain republic. The capital Grozny, with a mixed Chechen and Russian population of 400,000, was subjected to a savage bombing. But the land assault on the city turned into a near fiasco. Lightly armed Chechen fighters fought the Russian tanks street by street, destroying many of them and inflicting many casualties. Yeltsin mercilessly bombarded housing blocks and government buildings to rubble. Thousands of civilians were killed or injured and 400,000 refugees from Chechnya have fled into neighbouring republics of Ingushetia and Dagestan. Large numbers of Russian conscript soldiers met their death or suffered maiming whilst Yeltsin cruelly concealed their fate from their families. By January 1995 4,000 Russian troops had been killed and 5,000 injured in just over one year of war. Civilian casualties in Grozny alone were given as 8,500 in the same period (Nizavisimaya Gazzeta 30.1.'95)

For six months the Chechen fighters— commanded by Dudayev— held out in the presidential palace and the survivors broke through the encircling Russian forces and withdrew into the mountains.

Up to 60,000 are waging a guerrilla war against the Russian army of occupation. In June 1995 a unit humiliated the Russians by taking hostages in Budyonovsk in southern Russia. The Russians, however, installed a puppet regime in Chechnya, headed by Doku Zavgayev, the pre-1991 Stalinist leader of Chechen-Ingushetia. In December it was recently "legitimised" by a blatantly rigged election.

Dzhokar Dudayev is, according to Yeltsin, simply a gangster guilty of siphoning off his country's resources to amass a huge personal fortune and linked to the so-called "mafia". If this is true then he differs little from Russia's rulers.

Minister of Defence Pavel Grachev is under suspicion of wholesale corruption during the Soviet exodus from Eastern Europe. Virtually all politicians in power in the former CIS states, virtually every banker or "businessman" is connected with the criminal gangs who go under the collective name mafia. Dudayev, whatever his reliance on the Chechen mafia, is also a nationalist politician, even a North Caucasian nationalist, militantly opposed to Russian rule over all the republics of the region.

Dudayev's party Vainakh (Our people) won the 27 October elections with 85% of the votes against the Islamists (Islamic Revival Party), the

Greens and other parties. A week later he proclaimed Chechnya's independence and when the Ingush objected allowed them to secede peacefully. Dudayev originally won mass support by opposing both the old nomenklatura and the new privatising businessmen. Nevertheless he only wishes to seize the state assests for himself and his clique. Chechen (and Russian) workers have no reason to place any trust whatsoever in Dudayev. He is just as much an agent of capitalist restoration as Yeltsin and his agent Zavgayev. The republic was riven from the outset with factionalism between various clans and local mafias—fomented from Moscow. At one point there were nine large armed bands operating in the republic.

In early 1992 MVD and KGB troops flew into Grozny and abortively attempted to overthrow Dudayev. Met with a mass mobilisation of the armed populace they had to surrender and were bundled out of the country in humiliating circumstances. This merely gave Dudayev manifest reasons to refuse to sign the new Russian Federative treaty on 31 March 1992. Yeltsin proclaimed that this intervention was prompted by their concern for the Russian minority living in Chechnya yet there is no evidence that the country's 300,000 Slav population were subject to any persecution or discrimination.

Since then Yeltsin has bankrolled every opposition and supervised Russian secret service operations. He imposed an air blockade and, with less effect, a land blockade in 1993. The Anti-Dudayev forces did make progress within Chechnya over the next two years. Dudayev's regime narrowed rapidly into a military bonapartist dictatorship, dependent only on certain clans and more and more on the so-called Chechen mafia. This is in part because social base for Dudayev amongst a potential new ruling class was very narrow.

The former ruling bureaucrats, the Chechen nomenklatura continued to support Doku Zavgayev and his new master Yeltsin, whilst the pro-market intelligentsia opposed Dudayev because he would not privatise industry and the natural resources and instead imposed heavy taxes on profits. In addition his support amongst the workers and the poor, to whom he had made demagogic promises in 1991, declined sharply. The intervention of Ruslan Khasbulatov, speaker of the Russian parliament till November 1993 in Chechen affairs added to the divisions and conflict in the independent republic .

In mid-1994 the Chechen opposition forces sponsored by Russia headed by Labazanov and Khasbulatov invaded

The Kremlin sees the whole region as a part of their "near abroad", somewhere they must dominate if not rule directly.



CHECHEN LEADER, YANDARBIYEV

the republic. They scored early successes which testified to Dudadyev's loss of support amongst Chechens. However, when the advance was halted overt Russian assistance deprived them of most of their popular support and they too suffered a crushing defeat. It was this further fiasco for their agents that forced Grachev and Yeltsin to resort to a full scale Russian invasion on December 1994. They claimed that they were intervening to crush a "criminal state" where the Mafia had seized power.

Yeltsin made his real objectives clear enough in his 1995 New Year address: "Russian soldiers are [in Chechnya] to defend Russian unity. Not a single territory has the right to withdraw from Russia". This is a flagrant denial of the elementary democratic right to self-determination, the right to secede from the Russian Federation.

It is because Dudayev, whatever his crimes, defended the countries independence that Yeltsin launched the war. The majority of the Chechen people, rejecting centuries of Moscow's rule under the Tsars and then under Stalinism, clearly support him in this if in nothing else.

Oppression of the Chechens

The Chechens are a historically oppressed people. The annexation of the Caucasus mountains by the Tsarist empire, which commenced in 1785 was not completed till 1864. The fiercest resistance from its largely Islamic peoples came from the Chechens, who subsequently revolted several times.

In 1921 after the Civil War the Bolsheviks recognised a unitary Mountain Autonomous Republic but in 1924, under Stalin's Commissariat of the Nationalities, the process began of dividing up the north Caucasian peoples, fostering as many ethnicities and languages as possible. The Stalinists as well as dividing them denied them real self-determination or a federation free from Great Russian domination.

Under Stalin's Great Purges(1936-38) thing's went from 'divide and rule' to wholesale annihilation of the cultural elites and attempts to destroy Islam by forces. Nevertheless, Chechen uprisings took place in 1926, 1929-30 1940 and 1942.

But this was not the worst that the Chechen people had to suffer. In 1944 Stalin deported four entire Muslim Caucasian nations (including 400,000 Chechens) into the Kazakhstan steppe. One third of them perished during transportation alone. Stalin did this ostensibly as a collective punishment for the Chechen nationalist rising two years previously, which erupted when German forces entered the northern Caucasus. Not all Chechens supported this rising and in any case by 1944 the danger to the USSR from Germany had passed. In reality Stalin was simply trying to complete the depopulation of the region and settle it with Russians. Only in 1958, after riots in Grozny did Krushchev allow the exiled Chechens to return home en masse.

As a bonapartist with collapsing popular support, and with no majority in the parliament, Yeltsin is dependent on the high command of the army, or rather on the dominant faction within it. This faction, headed by defence minister Pavel Grachev, is itself fighting for its life within the army elite, accused of corruption on a grand scale. A whole series of top commanders have resigned over the Chechen war and a potential candidate for the presidency Alexandr Lebed, former commander in Moldova, has publicly denounced the war from the outset.

In addition to the issue of Yeltsin's prestige there are real strategic and economic reasons to hold on to Chechnya. Whilst it has only medium sized oil reserves itself in a oilfield around Grozny it has large refinery complexes which produce aviation fuel for Russia and the other CIS states. Even more important is the fact that main the pipeline which links Russia to the enormous oil fields of Azerbaijan crosses Chechen territory. Azerbaijan itself has been openly threatened by Yeltsin for striking a deal with western oil companies and for planning to export oil via Turkey or Iran, rather than through Russia.

The Kremlin sees the whole region as a part of their "near abroad", somewhere they must dominate if not rule directly. They fear that if Chechnya goes, others may follow and the entire region could slip out of Russian control. Tatarstan, for example, has a strong independence movement which has been crudely coerced into staying within the federation, as have the other north Caucasus republics.

Yeltsin was initially encouraged to intervene in Chechnya by the benevolent attitude shown by the Western

imperialist powers who have insisted all along that "Chechnya is a part of Russia". They were willing enough to see him as the local policeman of the New World Order amongst the "barbaric" peoples of the former Soviet Union in return for Russia's support to pressure the Serbs into a deal in Bosnia.

But the imperialists are fickle friends. Once the invasion became bogged down in the bloody battles of Grozny Kohl and Clinton started to criticise him for the bloodshed. These hypocrites are in reality worried not by the piles of Chechen dead, but that Yeltsin himself might fall if the war is a complete fiasco.

Even if it is a success it may mark Yeltsin's absorption into the most aggressive, would-be imperialist faction of the army and the secret police. Russia could become a "military threat" once more. In addition, they are terrified that a prolonged war with a Muslim nation may ultimately embroil others, both in the Caucasus and beyond.

But whilst imperialism's support and understanding are important, internal pressures are the determining factor in making compromise or withdrawal impossible. Yeltsin is facing a deepening political crisis and continued economic stagnation on the road to completing capitalist restoration. As might be expected in a period of deep economic crisis, racism and the search for scapegoats, is rife in Russia.

The peoples of the Caucasus are a particular butt of racism. They are blamed for the corruption and lawlessness which the market economy has brought. Russia's capitalist restoration process is in deep crisis and Yeltsin's answer is an increasingly dictatorial government, using his bonapartist powers to rule and trying to recover some mass support by stirring up national chauvinist feelings against the Chechens.

Within the first year of fighting alone 4,000 Russian troops had been killed and 5,000 injured in just over one year of war, The Chechen war has however provoked opposition in Russia. There were immediate street protests when the troops went in. these involved involving veterans of the Afghan war and mothers of conscripts. The latter sent delegations to Chechnya to try to find out the fate of their sons. So far however, the widespread hatred of Yeltsin has not yet turned into mass action against him.

What is to be done?

It is vital that workers defend and extend the very limited democratic freedoms they gained after the disintegration of the Stalinist regime. Alongside defence of their political rights there is the vital task of defending jobs, wages and living conditions against the ravages of the restoration process. The recent strikes of the Russian miners and teachers show that workers are beginning to shake off illusions in the market-reformers and the paralysis which descended on them with the shock therapy of 1992.

The higher turn out in the parliamentary elections also shows a decline in political passivity which bodes ill for the present rulers. Defending the Chechens' right to self-determination, as well as refusing to be fooled by the poison of Russian nationalism, are crucial if Russian workers are to defend themselves against the tribble social results of the attempt to restore capitalism. As Marx said "a nation which oppresses another can never itself be free".

The Chechen fighters, the Russian workers, and the ordinary Russian soldiers themselves have the power to inflict a huge political defeat on Yeltsin. The workers have the power to use the crisis in Chechnya to drive Yeltsin and his warmongers from office.

Workers everywhere must support the right of the Chechen people in their struggle against Russian domination and oppression. The Russian people—beginning with the workers who have shown their potential in the recent strike wave—must unite their struggles and demands with those of their oppressed class brothers and struggle for the immediate withdrawal of Russian troops and for the unconditional right of self-determination for Chechnya.

It is the revolutionary mobilisation of the Russian people and of the ex-USSR who must call for the victory of the Chechen masses, and to have no confidence in Dudayev who at every turn wants to enlist "democratic imperialism" to help him.

As Trotsky said in his writings on Ukraine, 'in the imperialist epoch the question of national independence is indisolubly linked to the struggle for the dictatorship of the proletariat.' For this reason we raise. the need to fight for an independent workers' republic in Chechnya

Only the Chechen workers and peasants can do that. The Chechens as the foremost fighters for national freedom in a region with many intermixed national minorities cannot solve the question of their free and independent national life without reference to the other peoples. An isolated Chechnya will in any case be an economic disaster. That is why as a minimum they must set themselves the goal of a federation of all the peoples of the Caucasus.

Unless such a republic is based upon preserved and strengthened state ownership of large scale production and the natural resources then it will continue to be plunderd by the mafia, to have a heavy toll levied on its exports by Russia and may even fall into the hands of the Western oil monopolies. Such nationalised production requires efficient and democratic planning— which only the working class of all the nationalities can bring about.

Therefore an independent federation of Caucasus republics has to be based on workers' council (and militia) power allied to councils of the peasants and rural population. Such a power can prevent the national differences of the peoples of the Caucasus being used as playthings by restorationist elites and the Kremlin.

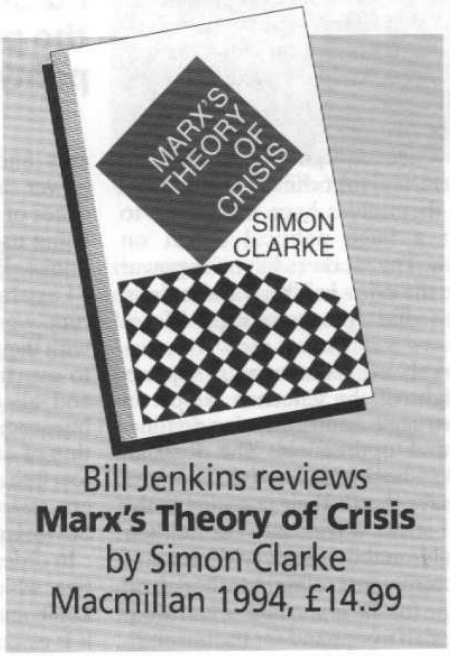
The Chechen fighters, the Russian workers, and the ordinary Russian soldiers themselves have the power to inflict a huge political defeat on Yeltsin

Last but not least the urban and rural workers of the region must unite with their Russian brothers and sisters to overthrow Yeltsin and his clique and all wings of the restorationist bureaucracy and reverse the restoration of capitalism—opening the road to a free and equal federation of workers states across the entire former Soviet Union and beyond.

In order to struggle for this perspective, which is nothing other that what Lenin and Trotsky stated in their time, it is essential to build an international Trotskyist party in Russia and the ex-USSR.

●All Russian troops out of Chechnya! For the unconditional right of the Chechen people to full independence!
●For an independent workers' republic of Chechnya!
●For a voluntary Socialist Federation of soviet republics of the Caucasus!
●For fraternisation between Russian conscripts and the Chechen people
●Build mass demonstrations in Russia to stop the war and bring home the troops
●Down with Yeltsin, Grachev and Chernomyrdin and Co.
●Down with Great Russian chauvinism! Support the Chechen right to self-determination!
●Halt and reverse the restoration process; for an emergency plan of the workers
●Imperialism and its multinationals who are trying to get their hands of the oil, out of the region!"
●For a revolutonary Trotskyist party and international!■

Marxist Theory
Explaining the crisis



Bill Jenkins reviews
Marx's Theory of Crisis
by Simon Clarke
Macmillan 1994, £14.99

A **MARXIST** theory of economic crisis has to accomplish five challenges. First, it has to be a theory that is capitalist specific. It must focus on those causes of breakdowns in production and exchange which are peculiar to capitalism.

Secondly, it must locate the cause of such crises in production and not in distribution. To demonstrate that capitalism fails to match supply with demand is a necessary but insufficient step in the analysis of crisis.

Thirdly, capitalist crisis must be shown to be inherent in its system of production: a contradictory but inescapable outcome of the way the system reproduces itself. It must not be seen, therefore, as an accidental phenomenon or one which is due to the intervention of external factors.

Fourthly, a theory that is adequate must demonstrate not only how crises arise but how they create the conditions for their resolution so that a new phase of the cycle of growth can occur.

Finally, the theory must combine an explanation of the cyclical aspects of capitalist crises (recession and recovery) with an account of how the whole system gravitates towards a systemic breakdown.

Simon Clarke's book on crisis theory more than measures up to the first four challenges. But the last he considers a non problem. This fatally undermines his argument, not for the necessity of capitalist crises, but for the necessity of socialism.

It is well known that Marx himself never produced a "general theory" of capitalist crisis. According to Clarke this is essentially because Marx's general theory of capitalist production and reproduction is at the same time his theory of crisis. Since there is no separate crisis theory:

"The theoretical problem is . . . to explain the regular occurrence of economic crises as a normal part of the developmental tendencies of the capitalist mode of production." (p4)

By following the evolution of Marx and Engels' own ideas on the subject from the 1840s and through an account of the attempts by later Marxists to establish a general theory of crisis, Clarke makes clear that he considers an overproduction theory of crisis to be the core of a correct Marxist approach.

This is correct. The overproduction (of commodities and capital) account of capitalist crisis is the fundamental Marxist theory because it recognises that the causes of capitalist crisis stem directly from the production of surplus value itself, independently of the laws which regulate consumption.

According to Clarke, Marx and Engels believed the tendency to overproduction and crisis is both the cause and the consequence of the drive to constant development and innovation in the means and methods of production:

"Overproduction is the result of the tendency to the unlimited development of the forces of production, imposed on each individual capitalist by the pressure of competition, which comes into conflict with the limited development of the world market." (p94)

Clarke gives a lucid account of the century-long Marxist debate over crisis theory. There have been three kinds of explanation, each stressing, one aspect of the problem and elevating it to the theory of crisis.

He does not have a theory of why capitalism is necessarily historically transient, only that it is inherently contradictory.

The early Marx and Engels, together with most of the theorists of the Second International, located the core of the problem in underconsumption; that is to say, a lack of effective demand for the goods produced brings about the crisis. This was the view of Kautsky and Luxemburg, even though they advanced different models. The same outlook predominated right through the inter-war years, championed by Stalinism and made popular academically through the work of US economists Baran and Sweezy.

A second tradition, originating in the Austrian Marxist, Hilferding, championed "disproportionality" as the main cause of economic crisis. This theory stresses the breakdown that occurs due to the fact that private property in the means of production inevitably fragments decision-making about production and investment. The anarchy that results leads inevitably to a crisis, which is nothing other than a dislocation in supply and demand between sectors of production.

The experience of generalised capitalist crisis at the end of the 1960s brought a sharp challenge to this underconsumption-disproportionality consensus:

"By the early 1970s there was a widespread agreement amongst western Marxists that the fall in the rate of profit was the cause of crisis . . . "(p63)

This contrasted starkly with tradition of the Second and Third Internationals which believed that a fall in the rate of profit was a consequence of the outbreak of crisis.

Absolute

The underconsumptionist theorists argued that even if the rate of profit falls, providing the mass of profit increases, and provided the profit rate does not turn into an absolute loss, there is still an incentive to invest and a crisis will not necessarily arise.

The theorists who emphasised falling rate of profit (Bullock, Yaffe, Mattick) , believed that because capitalists only produce for profit, a falling rate of profit would discourage investment. In turn this would lead to a fall in demand for means of production and a crisis would break out in this sector and spread to all others.

Clarke has little time for the terms of this debate between monocausal theories of crisis;

"The debate that dominated Marxism between disproportionality theories, underconsumptionist theories, and falling rate of profit theories of crisis has really been a red herring. A crisis arises when capitalists face a fall in their realised profit which can arise for all kinds of reasons, but the precipitating cause of any particular crisis is inconsequential. . . the underlying cause of all crises remains the fundamental contradiction on which the capitalist mode of production is based, the contradiction between the pro-

duction of things and the production of value, and the subordination of the former to the latter." (p285)

Clarke stresses the centrality of overproduction as inherent within a system of production in which capitalists strive to increase their profits by relentlessly searching for productivity gains, market share and profits at the expense of their rivals.

In this sense capitalists are not limited by consumption. Consumption may well be limited but this is a barrier to be overcome and not absolute. Costs can be cut and new markets created. As long as capitalists can make the anticipated profits the limited character of the existing market is not an insurmountable barrier.

Clarke explains crises as a function of the normal process of accumulation. Each capitalist overproduces in the normal course of events. This appears to each of them as competition. Falling prices result from this competition. When this happens existing stocks are also devalued. A new round of cost-cutting results from this pressure. This is done by cutting the workforce back, running down inventories and extending the length of the working day, among other measures.

But such attempts to relieve the situation for any one capitalist lead to problems for the system. Bankruptcies and persistent losses may lead to takeovers or closures. Redundancies and wage cuts can lead to a fall in demand for goods.

The liquidations and concentration of capital that results may be confined to odd cases or a clear out or one sector; or it may trigger a generalised series of financial defaults embracing banks and huge companies. A chain reaction could lead to a pervasive crisis engulfing all sectors: a general crisis of overproduction.

Clarke distinguishes this "overproduction" theory of crisis from underconsumptionism, disproportionality and falling rate of profit theories. These, he argues, are all symptoms of the overproduction of capital, not the cause of it.

Clarke provides a challenging analysis of the various parts of Marx's theory showing how the overproduction of capital relates to underconsumption, disproportionality and the falling rate of profit.

Moreover, Clarke correctly argues that in contrast to these other theories, the overproduction theory contains no possibility of being reconciled with bourgeois economics. This theory understands that is the very process of capitalist production for profit itself which creates crises.

Breakdown

The main deficiency of Clarke's work concerns the last of five challenges listed above: specifying the relationship between cyclical crises and a secular tendency to breakdown.

Is capitalism doomed to an endless repetition of booms and slumps without end, until the working class puts an end to the system? Or is there a long-run trend for the pattern of investment, profits and productivity to decline?

Many Marxists this century have considered that such a long run trend exists. "Long wave" theory has had many adherents, who claimed to discern roughly 50 year cycles of generalised growth or decline, within which short cycles of generalised overproduction and recovery take place. Ernest Mandel was a prominent representative of this school.

Others, such as Henryk Grossmann, using an overproduction of capital model, have argued that capitalism does head towards final breakdown: when the mass of profits can no longer compensate for the fall in the rate of profit. At that point there simply is not enough total surplus value in the system to cover the investment needs of the next round of production. Collapse is the result.

"There is no *a priori* theoretical reason to expect the rate of profit to fall rather than rise" Clarke (p66)

Clarke does not consider the merits and demerits of these long term breakdown theories. His critique of the falling rate of profit theories suggests that there is no such tendency. But it is precisely that critique which is flawed. Clarke insists that for Marx:

"The tendency for the rate of profit to fall is not identified as a privileged cause of crises, but plays the role of a factor which makes crises more likely, primarily because it leads to an intensification of the competitive struggle between capitalists." (p243)

In traditional accounts of the theory (based on Volume Three of Capital) the source of all surplus value is the living labour of the working class. But over time workers are displaced from production by machinery in the search for greater productivity. Hence the relative weight of that part of capital invested in technology (fixed capital) rises compared to that invested in workers' wages. The ratio of one to the other is called the organic composition of capital. This rises over time.

Profits are measured against the total capital invested. But profits are only made by the living labour: thus the rising organic composition must produce a fall in the rate of profit. In turn this leads to generalised investment collapse and generalised crisis.

Clarke follows a Stalinist intellectual tradition (exemplified by Fine and Harris) that refuses to accept that this law is pivotal to crisis theory. He insists that Marx never argued that "a rise in the organic composition of capital leads to a fall in the rate of profit and so to a crisis."(p241)

Like Fine and Harris before him, Clarke considers the countervailing tendencies to have equal weight to the trend to declining profit rates. Hence the trend is indeterminate, conjunctural and only a consequence of other factors:

"There is no a priori theoretical reason to expect the rate of profit to fall rather than rise."(p66)

Clarke is wrong here. There is no limit, as Clarke explains, to the capitalists constant striving to revolutionise production, and their replacement of living labour with dead labour. But there is a limit to the increase of both the mass and rate of surplus value.

Limited

The production of surplus value is limited to the number and intensity of workers employed. There are physiological limits to the intensity and duration of the working day. Even if the working class was to work for nothing 24 hours a day, it would not ultimately be able to produce surplus value at a rate adequate to compensate for the rise in constant capital, as more and more processes are mechanised, as the technical composition of capital changes, and as living labour is replaced by "dead labour" in the form of machines.

The law is a tendency precisely because the countervailing factors are important (e.g. raising the rate of exploitation, increasing the speed of turnover of capital). So the fall is not linear. But it is a law because these measures do not overcome the effect of the rise in the organic composition of capital.

More than eighty years ago, Rosa Luxemburg first argued that without a theory that shows that capitalism faces a historic dead end:

". . . socialism loses the granite bedrock of objective historical necessity. We are left in the fog of the pre-Marxist systems and schools that want to derive socialism from the pure revolutionary will of the working class." (*Accumulation of Capital* 1913)

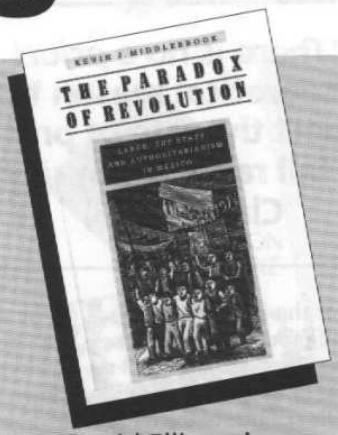
Luxemburg's own model of the dead-end was fatally flawed, as Clarke illustrates well. But without some theoretical account of the secular tendency to decay against the background of which cyclical crises of overproduction take place, Clarke has only a theory of why and how capitalist crises are necessary.

He does not have a theory of why capitalism is necessarily historically transient, only that it is inherently contradictory. On this basis we cannot establish the objective need for socialism.■



DOLE QUEUE: ENDEMIC TO CAPITALISM

Mexican Unions
Breaking free at last?



David Ellis reviews
The Paradox of Revolution: Labor, the State, and Authoritarianism in Mexico
by Kevin J. Middlebrook
The John Hopkins University Press, 1995, £15.50

OVER 200,000 workers marched through Mexico City on the May Day demonstration this year. This has been a regular event in the life of Mexican trade unionists. But this year there was a difference; the marchers were not led by the largest trade union federation, the Confederation of Mexican Workers (CTM)—the union confederation closely linked to the ruling government party of the last 69 years (the Institutional Revolutionary Party—PRI).

The 96 year old leader of the CTM, "Don" Fidel Velázquez, refused to organise the march, fearing that it might explode into a protest against the government's savage attacks on wages and employment over the last two and a half years. The five million members of the CTM are amongst the worst affected. This year Velázquez failed to persuade his friends in government to index wages against rampant inflation, which earlier this year rocketed from 10% to over 50%. Nor was the Don listened to when he asked the PRI to hold back price rises in basic foodstuffs.

It fell to a coalition of 21 "independent" trade unions to lead the May Day march. The failure and inactivity of the CTM leaders to mobilise discontent has led to a cold split in the Confederation. Although that is not its purpose, Middlebrook's book helps to explain why this should be welcomed by all socialists and trade unionists.

Paradox

The author sets out to prove that, in his words, "the paradox of social revolution is that popular mobilization and socio-economic transformation most commonly eventuate in a new form of authoritarian rule" (p1). This "law" obscures more than it reveals. Middlebrook, for example, uses it to equate the early revolutionary regime of the Bolsheviks after 1917 with that of the Mullahs in Iran in the 1980s.

Nonetheless, in proving his particular point, that the regime which "eventuated" from the Mexican revolution constructed mechanisms with which to control the masses who had made the revolution, Middlebrook has compiled a detailed history of relations between Mexican labour and the post-revolutionary state. From it we can learn a great deal about the unique features of the Mexican movement and what lies behind the present divisions and tensions.

The CTM is not a trade union federation on the European model, nor is the class collaboration of the CTM leaders of the kind that we routinely expect from the likes of the British TUC, the French CGT or the German DGB. The CTM officials are, in effect, an arm of the Mexican capitalist state, an extension of the ruling PRI. Thus, all union elections must be approved by the labour ministry; new independent trade unions outside the CTM find it impossible to obtain official registration by the state and the government has the power to declare whether strikes are legal or not.

Once the government has secured the election of leaders it wants they are rewarded with governorships, seats in the Senate and other lucrative government jobs. Officials like Velázquez are allowed to set up private companies that bid (and win) contracts from the state owned industries.

The difference from "normal" class collaboration is immediately apparent. While federations like the British TUC may have to operate within strict legal limits and government interference in internal union affairs is growing, the unions are still legally independent of the state. The officials may be elected or appointed but they do not have to be approved by the state. While they may be paid as much as eight times the wages of their members, union officials are not in effect company directors at the same time. Their class collaboration is essentially political and voluntary rather than obligatory, legal and institutional. Midddlebrook's book shows how the CTM's role is rooted in the early years after the Revolution.

The Mexican revolution of 1910-20 was a political and not a social revolution. The revolution did not end by constructing the capitalist mode of production on the ruins of an old feudal regime. On the contrary, the revolution occurred precisely because of the expansion of capitalist production under the earlier regime of Porfirio Diaz.

This development had been dominated by imperialism. The new national capitalists, and the middle classes, were excluded from political power. When these groups rebelled, the masses intervened in political life by making a revolution, and they did so by pressing their own demands—for land, for better wages and labour rights.

From the very beginning, the bourgeois leaders of the revolution sought to harness the mobilisation of the masses for their own, narrower goals. But, at the same time, the Mexican bourgeoisie had to acknowledge the claims of the masses. The 1917 constitution contains two important sections—Articles 27 and 123—that set out the rights of peasants and workers respectively.

The 1920s were years of instability with continuing conflict between regional leaders, the caciques, prompting several attempted military uprisings. National capital was weak and threatened by imperialism. This convinced the majority of the bourgeoisie of the need for a strong state that would intervene in political life and play a leading role in economic development.

Challenge

This project was consolidated around the formation of the PNR (the Revolutionary National Party, the forerunner of the PRI) in 1929. But there was a new threat, as Middlebrook points out:

the "potential power of a politically independent labor movement constituted a major challenge for the post-revolutionary leadership" (p12).

The Mexican bourgeoisie dealt with this challenge by seeking to shape the emerging labour movement. In 1936, with the support of President Cárdenas, the CTM was formed and retained firm links with the ruling party thereafter. Middlebrook fails to understand the real nature of this relationship. The function of the state apparatus and governing party is that they rule on behalf of a dominant capitalist class. The important role that the ruling party gave to the trade unions, including promoting their organisation and supporting social reforms—at times in the teeth of business opposition—was not because it championed

the interests of the working class.

On the contrary, its overall strategy was to defend the rule of domestic and foreign business. As Middlebrook points out, the state never dealt even-handedly with the unions and business. It always favoured the latter. But its strategy also succeeded in controlling workers' unfulfilled demands and dissipating their grievances. At times the governing party performed a balancing act between the worker and peasant masses and the capitalists.

This ability of the state to co-opt the trade unions would not have been possible without the federal legislation that protected workers' wages and conditions. In addition to various constitutional guarantees emanating from Article 123, the Federal Labour Law of 1931 lays down in detail practices concerning individual and collective work contracts, working hours and conditions, compensation for work-related illness and injuries, work by women and children and minimum wages.

Although Article 123 and later the Federal Labour Law won important social legislation for workers, the underlying principle that they contained was the right of the state to intervene in all spheres of labour-capital conflict.

Middlebrook believes that the creation of the conciliation and arbitration boards "was a significant political victory for labor" (p56). It was not. These boards tied the workers to the state, subordinating their interests to the "national interest" for which read, "the interests of national capital".

On these boards sit representatives of business, the government and a trade union bureaucrat. For Middlebrook these union leaders do not form part of a distinct social layer raised above the ordinary member of the trade unions. He does not understand them as agents of the bosses and government within the union, put there to control the rank and file.

But what of the fact that these boards sometimes rule against individual firms or capitalists? Quite simply, the Mexican state bureaucracy cannot always rule against the unions if it is to prevent the growth of a politically and organisationally independent labour movement.

Restricted

The insistence on the registration of new unions has restricted the growth of more independent formations and aided the "domesticated" sectors of the labour movement. While unions may be organised without prior authorisation they have no right to represent workers, negotiate collective agreements or engage in other activities such as strikes until they have been legally registered. The law also allows the state to intervene in union affairs. On many occasions this has meant the state maintaining the position of a union leadership against challenges by the rank and file.

In the chapter on the labour crisis of 1947-51, Middlebrook shows how the state intervened to prevent the growth of a rival union confederation to the CTM. With the economy in crisis the government introduced austerity policies. Unions that were the backbone of the labour movement, in rail, power generation, mining, petroleum and telephones, wanted greater autonomy from the government. They established the Coalition of Workers' and Peasants' Organisations (COOC). It quickly threatened to challenge the dominant position of the CTM.

The Railworkers' Union of the Mexican Republic (STFRM) was resisting a govern-

Middlebrook believes that the creation of the conciliation and arbitration boards "was a significant political victory for labor". It was not. These boards tied the workers to the state, subordinating their interests to the "national interest" for which read, "the interests of national capital".

ment attack on working conditions on the national rail network; its previous secretary-general, Gómez, had been a key player in the foundation of the COOC. Gómez' successor, de León, called on the state to carry out an audit of the union's funds to prove Gómez guilty of fraud.

The national executive of the union suspended de León from his position of secretary general. In response he mobilised some 600 railworkers from workplaces in Mexico City to take over the union offices with the support of 100 officers of the Dirección Federal de Seguridad (modelled on the US FBI). Later, Gómez was prosecuted and sent to jail. The government thus secured the position of its preferred leader.

The effectiveness of the ruling class strategy in preventing the independent mobilisation of the working class can be seen in the figures for strikes. Article 123 of the constitution specifies the purposes for which workers could strike: "to achieve equilibrium among the diverse factors of production, harmonising the rights of labour with those of capital" (p68). The 1931 Federal Labour Law significantly restricts "the type, frequency, and duration of strikes" (p69). If the arbitration board rules against a petition to strike;

"striking employees are required to return to work within twenty four hours; if they fail to do so, the employer is legally permitted to hire replacement workers." (p69)

The result of this has been to allow governments and the union bureaucracy to curtail militant action by the working class, particularly in periods of economic and political crisis. So, for example, whilst the number of petitions for federal-jurisdiction strikes rose substantially from 6,589 in 1981 to 16,095 in 1982, the number of legal strikes only rose from 108 to 675. Throughout the period 1963-1993 the average number of federal-jurisdiction strikes officially recognised was 2.2% of the petitions filed.

This arrangement has served the Mexican bosses and state well for 60 years. But times are changing. The whole edifice of the PRI is in crisis. Mexico is wracked with economic problems and political conflicts. The ruling group within the PRI has pursued neo-liberal policies since 1982. Neo-liberalism does not sit easily with protected labour rights and guaranteed representation by unions. Sinecures for union bureaucrats are harder to maintain when 90% of the state sector has been privatised, often to foreign capital.

This has led to the curtailing of privileges for the bureaucracy. Reforms of housing and health have meant the bureaucracy has less control over this lucrative source of funds from the state. Relations between the bureaucracy and the PRI are under strain.

The worst affected have been the rank and file of the unions. The privatisation process has severely affected the membership of important national unions, through sackings and changes in working conditions.

Demonstration

New cracks have appeared as was shown by the May Day demonstration. This was organised by the Forum for a new Trade Unionism. Its leader is Francisco Hernández Juárez of the telephone workers' union—the Federation of Goods and Services Unions (FESEBES). This union has been among those criticising the neo-liberal reforms of the current government of President Ernesto Zedillo. The Forum has brought together electricians, pilots, teachers, transport workers, bank employees, social security workers and some car industry unions. It has raised the banner of independent unionism, free of state control. It wants to clean out the corruption from inside the unions and abolish the ties with the PRI.

Further splits and struggles in the Mexican labour movement are inevitable and even an intensification of class struggle as rival federations vie for the support of the rank and file. The workers have a unique chance to forge a class struggle trade unionism, controlled by the base. If they link this fight to a programme of struggle against capitalism and for their own political independence the Mexican workers could at last begin to realise the potential they showed at the beginning of the century.■

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Palestine
Bitter fruits of peace

ON 14 SEPTEMBER 1993, a handshake on the White House lawn symbolised the end to the conflict between Israel and the PLO. A peace process was launched, brokered that year in Oslo, that would supposedly result in a just and democratic outcome to one of the post-war world's longest and most intractable national liberation struggles. President Clinton, Yitzhak Rabin and Yasir Arafat were joined by an assembly of dignitaries designed to sanctify the occasion.

Yet there was one individual whose presence could not be secured. North America's foremost Palestinian intellectual, Edward Said, refused to join in the charade, insisting "This is a sell-out; a shabby and abortive thing." This book eloquently explains why.

In Peace and its Discontents, Said demolishes the pretensions of the Middle East "peace process", and exposes the sordid reality of state terrorism, deceit and treachery that underlies it. Said denounces "the degrading spectacle of Yasir Arafat thanking everyone for what, in fact, was the suspension of most of his people's rights" and lays bare "the truly astonishing proportions of the Palestinian capitulation."(p5)

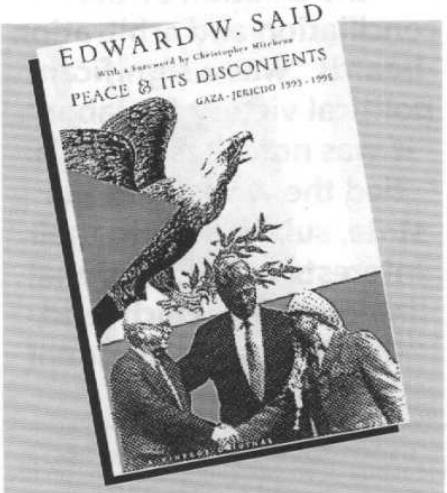
Step by step, Said demonstrates the fraudulence of the notion that the Oslo agreement represents a step towards Palestinian self-determination. The deal was struck not against a background of continuing and effective Palestinian resistance, but the disorganisation, demoralisation and near disintegration of the PLO under Arafat's leadership.

Whilst Israel was obliged to concede almost nothing, the PLO has abandoned its historic claim to a secular Palestine and national independence. In return it has received the "right" to transform itself, in Said's phrase, "from a national liberation movement into a kind of small-town government" concentrated in the hell-hole of Gaza and in very strictly delimited areas of the West Bank.

Occupation

The Israeli government still refuses to recognise international law condemning the illegality of its occupation, but in the Oslo deal the PLO itself, in recognising Israel's right to exist, renounced all relevant UN resolutions, their own Charter and their very right to resist the occupation.

The Declaration of Principles of September 1993 initiated a process under which the PLO was to abandon its struggle for self-determination and recognise Israel,



Richard Brenner reviews
Peace and its Discontents
by Edward Said
Vintage 1995 £6.99

in return for a staged withdrawal of Israeli troops from Gaza and Jericho. Said shows how the Israeli government delayed and reneged on agreements at every step, refusing to abide by the timetable for troop withdrawals, with only Rabin's cavalier remark that "no dates are sacred" as an explanation.

Indeed, the Oslo accord allowed the Israelis to treat "withdrawal" as mere "redeployment" of troops. They remain on the pretext of defending the heavily armed Jewish settlements in the West Bank, and, crucially, they may re-enter the Palestinians' "self-rule" areas at any time.

The new Palestine National Authority under Arafat is nothing like an independent state, and is responsible only for education, culture, health, welfare, tourism and local direct taxation.

Throughout the "peace process", Israel's violence and terror has continued. So has the seizure of Palestinian land. In signing away the Palestinians' claim to East Jerusalem, the PLO has allowed Israel to redefine the size of the area covered by the municipality, and to build further settlements all around it.

Said exposes the cynicism of Israeli government claims to oppose the building of more Jewish settlements, and points in particular to the massive road building project which aims to link up the settlements with Israel proper, and thus further to divide the territory on which the PNA exercises its limited authority.

He shows how all laws, all actions of the PNA are subject to the assent and approval of the occupier, and how the deal leaves Israel not just politically and militarily dominant, but in a position to deepen its economic domination of the territories and the region;

"With its well-developed institutions, close relations with the US, the aggressivity and drive of its economy, Israel will in effect incorporate the territories economically, keeping them in a state of permanent dependency. Then Israel will turn to the Arab world, using the political benefits of the Palestinian agreement as a springboard into Arab markets, which it will also exploit and is likely to dominate." (p11)

Furthermore, he proves beyond doubt that the new Palestinian police force exists solely to do Israel's bidding. He shows how the joint meetings between Fatah and the Israelis to discuss security took place with the aim to;

"silence or deter the Palestinian man or woman who might want to demonstrate against the occupation, which will continue given that Israeli troops will redeploy, not totally withdraw. Besides Israeli settlers will remain and live, as they always have, under different laws ruled by the army. The PLO will thus become Israel's enforcer, an unhappy prospect for most Palestinians." (p10)

These lines were written well before the repressions of March this year, when the PNA police "enforced" Zionist rule by attacking and arresting Hamas militants, declaring their intention to "demolish this vicious organisation." Said's warnings were entirely justified.

Said is at his most savage when dealing with Arafat himself. He excoriates the man's ignorance, his disconnection from the realities of Palestinian life, his insolent lack of concern for the welfare of his people, his megalomania and corrupt monopolisation of PLO finance.

Said shows how the Palestinian leadership attended the Oslo negotiations without any command of the facts, without their own independent studies of the territories in dispute, even without their own map or their own population census. In consequence they relied entirely on Israel's facts and figures at every stage.

He is particularly alarmed at the failure of the PLO to develop its own research and studies of its principal enemies—Israel and the USA. Incredibly, Palestinian universities have no real centres or projects to study

these countries. Instead, they rely on vague and often false assumptions and a naive trust in the Democrats and the Clinton presidency.

Said rejects the PLO leadership's desperate dependence on diplomacy aimed at convincing their enemies to moderate their attitudes, rather than any continuing campaign of resistance;

"No, Yasir Arafat, there is no help or succour to be had from Clinton or the Israeli lobby, and even if you prostrate yourself still further they will continue to believe that Palestinians are an inferior people bent on terrorism, and who deserve the protracted punishment of military occupation and apartheid. Neither Rabin nor Peres nor Clinton have anything to give your people except more misery. As your last act before you resign (as you should) look to the real resources of your people—their belief in justice and freedom—and rely on them instead of on foreign adventurers and commission agents." (p136)

Little wonder that Arafat's response to this book was so petulant and irritable. He attacked Said not for his views, but for being distant from the intifada and (crime of crimes) for living in the United States. Said's riposte is devastating;

"Arafat, who criticises his opponents for their geographic distance from the arena of the intifada, forgets or pretends to forget that the palaces of Tunis that he frequented, the private planes, the ostentatious limousines, and the luxurious rooms of governance, are a great deal more distant from the intifada and its people—both spatially and temporally." (p179)

Liberation

Yet this passage—contained in an interview which appears as an appendix to the book—is one of only a few observations that point towards a question that Said' book, for all its strengths, does not begin to address. The PLO and its leader have dramatically sold out the national struggle . . . but why? How is it that a popular liberation movement has fallen so low as to make peace with a power that is still occupying its country?

In short, it is the class dynamics of Palestine and the class nature of the PLO itself that are absent from Said's analysis. Here he reveals that despite his anger and his honesty, the prevailing pragmatist method of the radical US intelligentsia has only limited explanatory power.

Typically, Marxism is treated with a degree of respect but ultimately dismissed as having resulted in the blind alley of Stalinism. The possibility and existence of an anti-bureaucratic, internationalist Marxism unsullied by the failures of the Eastern Bloc is not even acknowledged.

A Marxist, class analysis of the PLO reveals that the contemptible surrender of its leadership derives from the fact that the movement has always been controlled and led by representatives of Palestine's former property owning elite. Over half of all PNA functionaries come from the upper echelons of the Palestinian bourgeoisie and landowners.

That is why they are prepared to renege on all their democratic and national commitments in return for a share in the expected flow of private investment into a "stabilised" West Bank and Gaza. It is why the PNA's basic law violates international labour law and allows for payment in kind. And it is why the PLO will never endorse one of Said's most significant and valuable proposals for the Palestinian resistance—to withdraw labour from the Israeli settlement and road building schemes in the West bank and Jerusalem.

Throughout the "peace process", Israel's violence and terror has continued.

Arafat may be enforcing Zionist political and military rule, but in doing so he is not acting as a lone renegade, but as the representative of a class that has made its peace with Israeli and US economic hegemony in the region.

Unlike so many of the disoriented apologists of the New World Order, Said never gives way to pessimism or despair. He argues for a renewal of the Palestinian struggle for democracy and national self-determination.

Indeed, Said's programme is refreshingly clear on many points. He questions whether his previous support for the two state solution was a mistake, ("I might have been wrong in the way I voted then", p188), and calls for a campaign of mass action and civil disobedience against the settlements and focused on action in and around Jerusalem.

He calls for an independent Palestinian newspaper and—crucially—for an all-Palestine Constituent Assembly. To achieve this, he calls for a break with the PLO and the organisation of a popular, secular opposition to the Oslo accords and the PNA.

Yet just as the class nature of the PLO's treason is never theorised, so the class nature of the solution is overlooked. The Palestinian trade unions are not examined—barely mentioned—as a possible future source of opposition. Yet it is surely among the 350,000 low paid workers in the occupied territories—who have always opposed the occupation and will now find themselves in conflict also with the PNA—that the most cohesive and potentially powerful section of the Palestinian people is to be found.

Their social strength can and must be mobilised; to do so would not only be a powerful weapon in its own right, but would serve as a counterweight to reactionary Islamism and an alternative point of resistance around which the youth and the plebeian masses could rally.

A Palestinian workers' party—politically and organisationally independent of the PLO—that should be the slogan around which resistance to Arafat can be organised in the months and years to come.

For such a party could unite the active struggle for democracy and national liberation with economic and socialist demands that could attack the very basis of Israeli capitalism and the traitor Palestinian bourgeoisie.

The nation can never be reconstructed under the leadership of the bourgeoisie. For as Said himself puts it, "even if one has 40,000 policemen and bureaucrats, and perhaps even a little state, the general condition remains enslavement and unawareness."(p98)

Resistance

Under the new Israeli Likud government there are likely to be more land seizures to house thousands more armed Zionist settlers in the heart of the "Palestinian state". No doubt the PNA will do their best to prevent resistance.

The task of national liberation falls to the working class leading the poorer peasants behind it.

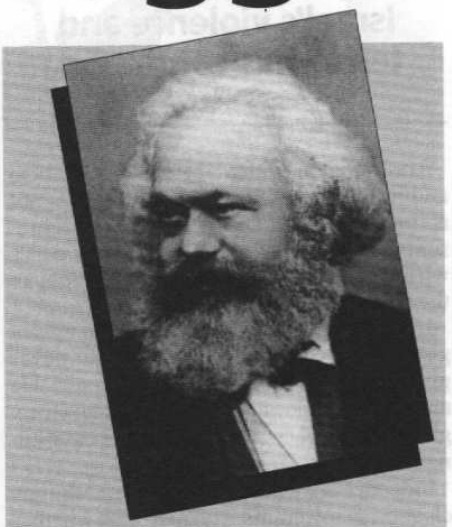
Together they can cripple the economy on which the Palestinian bourgeoisie hopes to prosper; they can provide the mass numbers needed to fracture the will of the PNA and Zionist troops to repress them.

In short, it is the theory and programme of permanent revolution—the apex of the unfalsified Marxist tradition (Trotskyism) that Said does not see fit to acknowledge—which provides the key to successful challenge to Arafat and the PLO.■



PLO UNIVERSITY BRIGADE

Analytical Marxism
Socialism without class struggle



Gil Hyle reviews
Analytical Marxism
by Tom Mayer,
Sage Publications, California,
1994, £12.99

THIS IS a useful book; I didn't agree with a word of it. It explains "Analytical Marxism" with admirable clarity. It is "Analytical Marxism" itself which is clearly unworthy of admiration.

This academic trend is influential wherever institutions of Higher Education purport to teach Marx. It embodies a viewpoint consonant with the views of the "democratic left" successors to Stalinism. For this reason a critique of the main errors involved is valuable—and Mayer's book assembles them for us.

"Analytical Marxism" was founded in 1978, when Gerry Cohen published Karl Marx' Theory of History: a Defence. At first sight his book appeared to many as a restatement of Marx's views that was both faithful and original. However, a closer analysis of Cohen's central theses reveals an altogether different picture.

Take Cohen's "Development Thesis" for example. Here is a theory formulated in such a way as to sound like Marx. Cohen's assertion that "the productive forces tend to develop throughout history" (p29) seems entirely correct, even to the point of banality.

But what Cohen is in fact suggesting is not simply that human beings have always faced material scarcity (which is a fact), but that because we are rational beings we have always sought to overcome this by developing the forces of production (which is not a fact).

Similarly, Cohen's "Primary Thesis" states that, "the level of development of the productive forces explains the nature of the productive relations". (p29) This turns out to mean for Cohen, not only that relations of production take on a form consistent with the capacity of the society in question to transform nature (which is a fact), but also that the form taken will be the one which allows the optimal use of the available forces of production (which is not a fact).

Rational

In each case the problem with Cohen's approach is his attempt to portray the causes of revolutionary change as being the same as rational judgements. This is not an authentic summation of Marx's historical method.

Marx's materialist conception of history was a generalisation which identified the common fundamental patterns of change in all human societies characterised by relative material scarcity.

Marx was always clear that the general materialist conception of history explains why such revolutionary changes in modes of production occur, but does not seek to generalise a single pattern as to how they occur. Marx recognised that the manner in which revolutions in the mode of production happen varies depending on the mode of production concerned, depending on specific contradictions in each process of production.

The logical error in Cohen's argument is to assume that because there is a unified general pattern of change in history, there must therefore be a similarly simple and general material cause of that pattern running throughout history. (i.e. human beings' supposedly rational pursuit of efficiency to reduce scarcity).

This search for a teleology in history is false and idealist; it ignores the fact that the general explanation of why modes of production change can only be identified by abstraction from the more complex realities which determine how each revolution occurs.

The real purpose of such mechanical "humanist" rationalism is to avoid recognising that it is the working class which is necessarily the agent of revolutionary change in capitalist society.

To arrive at this conclusion Cohen somehow suggests that the overthrow of capitalism occurs simply because people come rationally to recognise that the old form of society is no longer optimally efficient. In this way socialism is portrayed as something that anyone from any class could, in principle, sign up to.

As Marx pointed out, those who would ascribe to him the excessive generalisation of identifying of single mechanism of social change both flatter and shame him by the absurd ambition of the theory they link to his name.

Debate

Within Analytical Marxism there has been a debate as to whether social revolution is caused by the exploited perceiving that society is either inefficient (Cohen) or inequitable (Roemer). This debate is sometimes posed as the development of the forces of production versus the class struggle as the basic cause of revolutionary changes in modes of production.

Cohen had at least argued that history develops in accordance with attempts to optimise mankind's exploitation of nature. But his work declined in popularity in the early 1980s as John Roemer advanced an alternative foundation for the tradition. Roemer focused on history as a process of "successive elimination of inequalities considered to be exploitative" (p112).

This too was a caricature of Marxism. Just as Marx's rejection, indeed ridicule, of Auguste Comte's rationalism proves his opposition to Cohen's central errors, so in his writings on Proudhon and John Stuart Mill we find devastating criticism of Roemer's view of exploitation and the general pattern of historical development.

Roemer, like Cohen, uses a Marxist term to articulate his argument: "exploitation". This is a word which Marx employed not in the general sense of meaning inequity, but in the specific technical sense of meaning the appropriation of surplus value. But Roemer means by it a distribution of output disproportionate to labour input, something com-

mon to all class societies and, implicitly, something morally reprehensible.

This whole approach to socialist theory is wrong. Roemer focuses on this moral concept of "exploitation" because his ideal society is one in which each person receives an equal measure—a utopian and unrealisable goal which is little more than a "socialist" variation of the bourgeois ideal of equality and freedom. Marxists however, aim not merely for a more equitable distribution of the social product, but for a transformation in the mode of production.

The abolition of private property in the means of production and the conversion of these into a planned economy of the associated producers alone enables a communist society and culture to be built. With this will come a progressive withering away of social classes, the division of labour , and the remains of the state.

A planned administration of things rather than the coercion of people, material wealth for all on the basis not of equal rations, but "from each according to their ability, to each according to their needs" this is the perspective outlined by Marx and Engels. This serves to demonstrate how far removed Roemer is from classical Marxism and its communist goals.

Flawed

But there is far more to the errors of Analytical Marxism than this. Its much vaunted methods of deduction are equally flawed, as an example from Roemer will demonstrate.

Roemer aims to deduce that "exploitation"—defined merely as some people working more than the socially necessary labour time—occurs in essence because of uneven property relations.

He argues for this first by producing a model of an analytically simple economy in which "exploitation" does not occur. Then he adds uneven property relations to his model and shows how—through this addition—"exploitation" now occurs.

The conclusion drawn is that because disproportionate distribution has been generated in his model by adding uneven property ownership, a proportionate, just, distribution can be derived by removing uneven property ownership. This sounds terribly egalitarian. In reality it leads to a disastrous reduction of the socialist political programme to one of market socialism.

The deduction, of course, is flawed. The non-exploitative model created by Roemer has been artificially rigged. Roemer assumes that the individuals in his model operate on the basis of private maximisation of their utility. He also assumes that capital exists in this non-model economy as an independent input into production, without prior labour costs: capital without exploitation.

Thus Roemer includes in his premises a number of assumptions based on characteristics which are specific to certain modes of production. The legal category of private property is a reflection, a form of appearance, of these characteristics. So Roemer invalidates his conclusion that it is the uneven property form rather than the nature of the mode of production which causes uneven distribution. The whole method of using a model in this way turns out to be no more than a conjurer's trick.

On the basis of this (invalid) deduction of "exploitation" from uneven private property, Roemer then has to go on to show how in history each overturn of a mode of production can be understood as an elimination of a type of uneven property relations. Thus there is supposedly an unbroken thread of continuity between bourgeois revolutionary politics and the politics of the labour movement. But he has defined his concept of exploitation only by ignoring the specific character of modes of production.

The debate is posed as the development of the forces of production versus the class struggle as the basic cause of revolutionary changes in modes of production.

He gives his economic models characteristics that are superficially similar to historical economies. In his model of each society (Subsistence, Feudalism, Capitalism, "Socialism") exploitation arises from unequal ownership of something (respectively: natural resources, labour, capital, productive skills).

Mayer tries for a few pages to show the vaguest of parallels between Roemer's models and historical reality, but his limp efforts depend on ignoring the fact that Roemer's models assume forms of property ownership, labour markets and economic agency which simply did not exist in the societies to which Mayer tries to relate them.

So Roemer's argument is neither logically sound, nor historically applicable. In response to Roemer's nineteenth century predecessors, Marx pointed out that the whole argument is historically false. It is not the ownership of property but the social division of labour which causes the cost of reproducing labour to vary from the amount of labour embodied in the products of labour.

Consequently it is not just the forms of ownership that need to be modified to achieve significant change, but the whole mode of production. Unfalsified by Roemer, the Marxist theory of history leads to directly communist, not market socialist, conclusions.

Yet Roemer believes that the "moral argument" for reducing uneven distribution is "conceptually simpler, and more robust" (p175) than the Marxist advocacy of the revolutionary interests of the working class. His suggestion is that Marxist theory should drop its specific allegiance to the interests of the working class .

What he cannot do, however, is produce any realistic model of revolution in which this "conceptually simple" and "robust" argument ever has or ever could shape or articulate the views of the social forces necessary to overthrow an entire mode of production. Mayer admits that Analytical Marxism may not yet have produced what he calls "a plausible emancipatory project" (p227). Indeed!

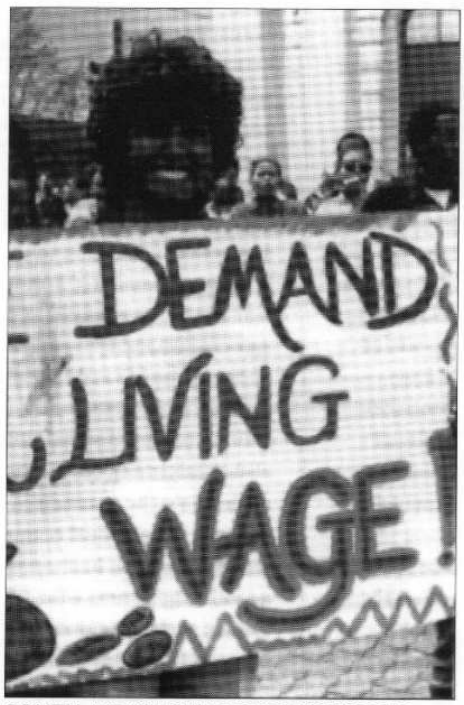
Links

Ostensibly Analytical Marxism is not a political current. It has no links to any party and its own organisation is minimal—an annual meeting and a pattern of mutual academic reference. But there are clear political influences on this school of thought, which in turn determine the class nature of their conclusions.

The first is the pervasive individualism of late twentieth century ideology; a retreat in the face of the forward the march of neo-liberalism in the 1980s. Thus the Analytical Marxists' call for socialist theory to establish credible "microfoundations" amounts to a demand to reduce everything to an aggregation of rational decisions by individuals.

The second major influence is Stalinism. Analytical Marxism emerged alongside the "Eurocommunist" drive to rescue Stalinism through its social-democratisation, as the structuralist fashion in academic "Marxism" was ending, and at the same time as a new wave of free market ideas were being articulated to justify a new wave of assaults on the working class.

By reformulating Marxism as a declassed theory, Cohen fitted in well with the approach of those within the Stalinist parties who were trying to reduce working class politics to a search for the protection of liberal and religious opinion against Thatcher and Reagan's attacks. What the Analytical Marxist claim to be Marxist really reflects is that the Stalinist tradition these people grew up in and learned their politics from was one in which Marx was already an empty icon.■



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