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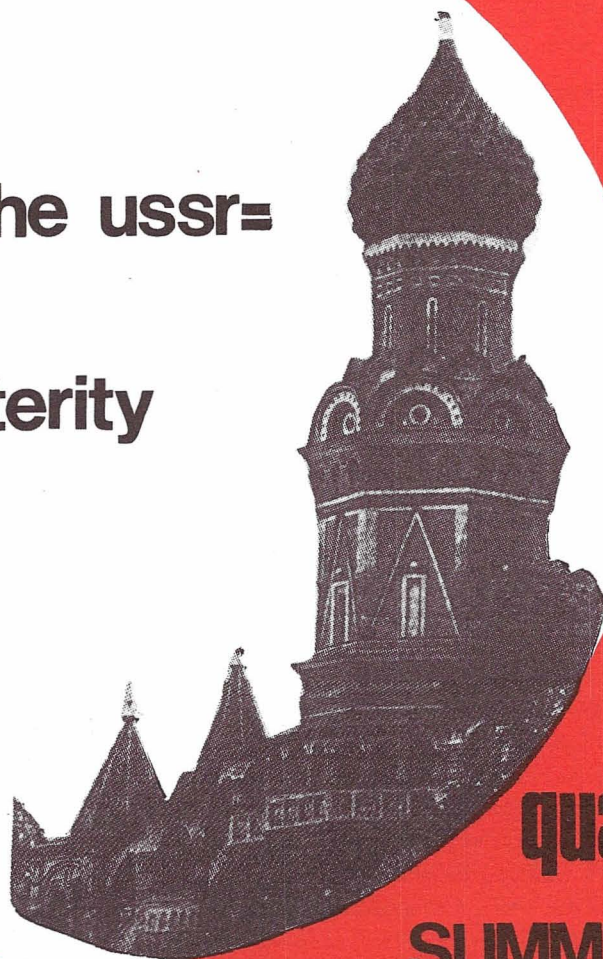
INTERNA TIONALIST PERSPECTIVE

strikes in spain, yugoslavia

**state
capitalism**

'reform' in the ussr=

more austerity



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INTERNATIONALIST PERSPECTIVE

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LETTER

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repression', we have already emphasized the necessity of first defining to whom this solidarity against repression must pertain.

Finally, there is no need to repeat ourselves concerning the impossibility of publishing texts in common if these are not the reflection of a real work of political confrontation, through debate, of the positions contained in the texts.

In conclusion, we reaffirm our concern to contribute in a positive way to any effort at reflection which occurs in the milieu and to respond with the maxi-

mum possible clarity, as we did in the case of the proposal made by the Argentines and as we sought to do in the case of the present initiative.

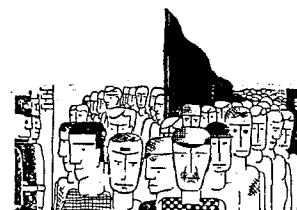
We will continue to adopt a fraternal attitude towards groups in the milieu (exchange of publications, information on class struggle, documents, addresses of bookstores, distribution of publications, etc.) But it is clear that we can sign no 'declaration' or position paper which substitutes a technical agreement for a political one resulting from a process of discussion and clarification. Therefore, we can only once again make a pressing appeal to set-up -even in a limited way - discussions between groups and elements in the milieu desirous of overcoming our common weaknesses and of working together for the regroupment of revolutionary forces.

June 6, 1987 External Fraction of the ICC

WORKERS STRUGGLES INTERNATIONALLY

spain, yugoslavia

AGAINST AUSTERITY IMPOSED BY LEFT



As we have shown in IP 6, if 1986 was marked by a decrease in the frequency of struggles, this was not due to a demoralization of the working class but rather to a questioning by the proletariat of the way it struggles. What perspective to put forward? Are partial struggles effective? What role do the unions play? Can we expect anything from the left? Through its experience in struggle the proletariat destroys little by little the mystifications used by the bourgeoisie.

The bourgeoisie attacks the proletariat more and more brutally and frontally but the proletariat continues to respond. Other than the struggles in Turkey, Lebanon, Brazil, Bolivia, Peru, India or South Africa, there have been many important movements:

- Spain has just gone through some of the most important strikes since the beginning of the world crisis of capitalism in the late 60's and these struggles are all the more significant in that they are in opposition to a 'socialist' government;

- disturbances for the last 6 months in Yugoslavia against a brutal and massive austerity-attack which challenges all the mystifications put forward by the bourgeoisie of the 'paradise of self-management' there, while Gorbachev is desperately trying to create a positive image of the USSR, which only hides the lay-offs, speed-ups, etc.

We would like to go more deeply into these 2 important struggles, in Yugoslavia and Spain, which are both rich in lessons.

6 MONTHS OF STRUGGLE IN THE 'PARADISE OF SELF-MANAGEMENT'

The defenders of the so-called socialist countries must be very annoyed. The workers of Romania, Hungary, Bulgaria and Russia have all shown their capacity to struggle recently and now for the past 6 months social unrest is almost constant in Yugoslavia. Leftists often admit that the Russian state is rigid and totalitarian but then they point to Yugoslavia, where the proletariat is self-managing its economy and social peace therefore reigns! The struggles we are seeing today are very significant. They show that:- despite the Eastern European countries' claims on 'communism', the workers there show that they are just as fed up with their conditions of life as workers elsewhere in the world;

-despite all the beautiful speeches of the leftists, the

bourgeois concept of self-management has nothing to do with communism but means the management of the crisis of capitalism and the workers' own exploitation.

What has become of the 'alternative Yugoslavian model' today? It is mired up to its neck in the turbulence of the economic crisis: 130% inflation, 1,2 million unemployed, the closing of factories, wage-cuts. Since last summer, workers have struggled against the austerity-plans dictated by the International Monetary Fund to the head of the 'socialist paradise', Bronko Mikulic: suspending wage payments for 35000 workers at the end of '86, and in february 87 wage freezes and increases in production-output.

These policies reflect those adopted by the USSR, hidden behind all the propaganda on democratisation etc. Where before the workers mainly used absenteeism to protest against working conditions, today they have begun to employ the strike as a weapon, despite its illegality. Dozens of wildcat strikes exploded throughout the country. The most important, of the miners of Croatia, lasted 33 days. The workers demanded 100% increase in salary. Faced with the strength of the strike, the government backed off and conceded a part of the demands: 50% wage increase and the suspension of some directors. In the light of this outcome, other struggles exploded in Kroljevo and Titograd. The government was caught in its own trap: having given in to the demands of one sector out of fear of an extension of the struggles, it encouraged workers of other regions to follow the example of the Croatian workers.

The policy of the unions -openly integrated into the state - was very clear: manoeuvres and pressure against the strike and direct threats against the workers. The so-called 'Workers Council' (the organ of self-management elected by the workers), like the unions, called for a return to work. If the workers didn't obey, they would be laid off after 5 days absence unless officially justified. The workers held firm and didn't give in to this blackmail. But the struggle for economic demands risked being diverted towards a struggle for democratic and union rights. A series of debates took place led by the mass media on the role of the unions and the party. Further, the unions

came together to draw the lessons of the danger of the extension of struggles.

The workers have certainly not spoken their last word. Even if they have stopped the strikes in Croatia, they are still not working. They come to the factories...to debate! Next month, Mikulic must put into effect a new law imposed by the IMF: laying off workers in factories showing a deficit. But almost all of them do! As in the peripheral countries, one of the weaknesses of the countries of the Eastern bloc is their lack of social buffers, organs of mystification of the left enabling the containment of struggles. As we saw in Poland 1980, struggle can extend very quickly since there is no 'opposition' to divide and weaken it within a corporatist framework. But the danger is also much greater that the workers still harbor many illusions about democracy and free unions. But despite the weaknesses which the struggles in the East can contain, what's important is that the international character of the wave of struggles becomes increasingly clear; that all the mystifications of the Russian bloc on its supposedly socialist nature, on its absence of unemployment and economic crisis, on its self-management, melt away like the early morning mist.



Striking miners in Labin (Croatia)

THE SPANISH WORKERS CONFRONT THE 'SOCIALIST' GOVERNMENT

During the same period as the social unrest in Yugoslavia, Spain was shaken by social unrest for almost a year. The 'socialist' government of Felipe Gonzales took a series of blows. Elected by a majority of votes in 1982, Gonzalez talked tough: he promised to lower unemployment and to create 800 000 new jobs. But first, belts had to be tightened! Immediately, the government applied a plan of rationalisation and restructuring of the economy to make up for the lateness in industrialization under Franco. These plans backfired in 1986. The working class, which had believed in these plans, realized that it had nothing to gain from them. On the

contrary, unemployment rose steeply (to more than 3 million or 21,5%). From January to April, the number of unemployed increased by 67800 and whole sectors with deficits have been eliminated from the economic charts.

The workers have not stood around waiting. Since August '86 they have been on strike. In the spring around a million workers were in struggle: construction workers, steelworkers, autoworkers, health workers, miners- supported by the unemployed.

Even if Spain has some specific characteristics linked to its history, the working class is showing to workers of other countries that, whether you live under a government of the left or the right, the consequences are the same. There should be no illusions about a 'socialist' government, it will not grant workers anything but misery.

The massive opposition to the Gonzales government has determined the strength of the struggle in Spain, which discredits the left. But the proletariat has shown some weaknesses, linked to its lack of confrontation with the bourgeoisie. Despite strong industrialization and proximity to the central countries of Europe, Spain is coming from 40 years of open dictatorship. It must therefore catch up, due to the lateness in the development of its political forces. Governed by a new left, Spain suffers from the absence of right-wing parties which can take the stage from the left, so that the left can accomplish the role it plays in most other countries of Europe: the task of weakening from within the struggle of the proletariat, of introducing a series of mystifications to blind the workers. Faced with this less agile bourgeoisie, the working class, even if its struggle must be saluted and encouraged, is still burdened with certain illusions which have already been overcome, more or less, in other countries.

The movement has not been able to generalize and unify and this lack of seeking extension constitutes another important weakness. Many sectors of workers have been touched and have struggled simultaneously. But there has not been, or at least very little, conscious extension of struggles. Faced with this loss of perspective, the struggle has a tendency to take a violent character. At Reinosa for example, while the bourgeoisie choked the entire region by closing the industries which it was supported by, the workers didn't seek to extend the struggle but isolated themselves and pillaged buildings and communication lines (trains, telephone, etc.) Violence is an integral part of the struggle but only when it is linked to a perspective. If the struggle limits itself to violence without any other goal, as we often saw during the 70's, it is followed by a strong repression which can only demoralize the proletariat. So then, what should be the perspectives? At the time of the struggle in Poland in 1980, the workers did not block the trains or other lines of communication but took them over, to extend the movement as much as possible and to seek the active support of all other sectors.

The unions tried everywhere to reinforce this weakness, defending that it is necessary to struggle in a radical and isolated way and reinforcing corporatism as much as possible. The PSOE (Spanish Socialist Party) also played on the illusions which workers had in relation to base unionism. In rivalry with the UGT (the union associated with the PSOE) the CCOO (the 'Workers Commissions' - the union close to the Communist Party) grew strongly and became the main

organ of control of the bourgeoisie. Within the different unions, a game of opposition developed: one (the CCOO) would organize demonstrations, the others would be against it. In this way the bourgeoisie tried to divert the struggle to a defense of union-rights and -pluralism.

Faced with the development of the class struggle, the bourgeoisie tried it best to recuperate the movement in playing the card of base unionism. In Italy for example, there was a wave of important strikes at the end of may- beginning of June: After the railworkers, the teachers showed their anger about the governments policy and the passivity of the traditional unions. The strikers tore up their union cards and were joined by non-strikers. Confronted with this struggle, a number of 'independent' and 'radical' unions were put in place.

Wherever the working class goes into struggle, the bourgeoisie tries to prevent, at all costs, its extension. It adjusts itself to the situation by putting in place 'rank&file'-union organizations, so-called 'radical', which propose false extensions and a false solidarity. This mystification still more or less weighs on the struggle. In Spain, and even more in Yugoslavia, the working class has little experience as to the union-sabotage. The social buffers there are less developed than in the old capitalist countries. In those, on the contrary, one sees more and more struggles which spontaneously go beyond and refuse the union-organization. This preoccupation of the workers is pushing them more and more to become conscious of the necessity to seek exten-



In the port of Bilbao, workers threatened by lay offs fight the police.

sion of the struggle in order to be effective, contrary to what the unions offer them. And the only way to attain this perspective is to organize in an autonomous way. The French railworkers for example, tried to understand this: They chose consciously for self-organization in December '86 (see IP 6). Even if this movement still contained weaknesses, it was a great step forward in relation to the lack of confidence which the proletariat still carries today.

M.I.

BRITAIN

CONTINUED FROM p.9

-The campaign brought out more indications of a strengthening anti-Thatcher faction in the Conservative Party, a faction which considers that, among other things, Thatcher is too overtly confrontational in dealing with social issues. Hestine, her main antagonist at present, was obviously being funded during the campaign to a considerable extent from outside the official party sources. Alone among the backbenchers he was able to afford a 100-constituency-tour, with a private aircraft at his disposal. The list of malcontents and enemies is growing; now even Tebbit has been discarded. There may be no challenge to Thatcher in the short term after such a successful election. But the basis for one is being laid.

-The Labour Party is casting off its helpless, despairing posture and looks set to adopt a more campaigning style. And despite the electoral disaffection with the Party because of the behaviour of some of the Labour local councils (particularly in London), the new Parliamentary Labour Party is now dominated by its left wing which is arguing loudly for more extra-Parliamentary activity, as are the militant union-leaders like Scargill, head of the largest mineworkers union. No sooner was the election over than these left-wingers reappeared at a nationalist level to demonstrate that the faction-fights within the party will continue as strong as ever.

Taken together, these indicate some modifications underway in the way in which the ruling class is likely to use its left in opposition mystification. Not that the strategy itself is in question, but after eight years some refreshment in ideological presentation is on the cards. Certainly the Thatcher faction has been successful to date in carrying out the tasks required by the state as a whole; for the present the state is unlikely

to change the governing faction but it can also see that this governing faction should not continue indefinitely. The capitalist class knows that the 'recovery' is of strictly limited duration, that its attacks on the working class will have to be increased. This election was part of the preparation for the reaction.

In the campaign, the state machine and the mass media went to great lengths to get 'the people' to participate and to get the result it wanted. But manipulating an atomised electoral mass is one thing. It is quite another in a period of deepening crisis where the very basis for its ideological grip on society is being eroded for the state to be able to control the struggle of a revolutionary class coming to consciousness. This is where it counts; this is where the capitalist state will fail.

Marlowe, June 20th 1987

APPEAL TO READERS

We intend to make this magazine an instrument of political clarification and understanding of the situation today. We also need to have the tools necessary for direct intervention in the class struggle (leaflets, posters, newspapers). Our limited material resources and our small number makes this task very difficult. We appeal to our readers to help circulate Internationalist Perspective and to carry on political discussion with us. We ask you to subscribe to our magazine and to show a practical support for our efforts by giving a contribution if you can.

belgium...

how rank and file unionists sold out the miners' struggle



The bourgeoisie has not failed to react to the formidable wave of workers struggles that have occurred on an international scale over the past several years. But when it is by the thousands that workers enter into struggle against the living conditions imposed by the crisis of the capitalist system, the bourgeoisie tries to prevent too brutal a confrontation. It must try to maneuver so as to divert the thrust of the workers combativity towards secondary objectives, which are not threatening to the capitalist order. The task of undermining the combativity of the workers is bestowed on the trade unions. However in the recent struggles a new tendency has manifested itself: open distrust towards the unions on the part of the workers, giving rise to concrete and practical initiatives to organize the struggle on an autonomous basis. Despite this tendency, the workers have been confronted by a "radicalized" version of trade unionism which, through its rank and file members, has sought to keep union control over the various struggles, utilizing certain weaknesses subsisting within the working class. Taking advantage of the relative isolation of certain conflicts, the rank and file unionists have utilized a corporatist and sectoralist ideology to prevent the extension of struggles; this was the case with the railway workers strike in France and with the strike of the Limburg miners in Belgium. It is important to come back to the example of the Limburg struggle to show, and to denounce, the various tactics that the rank and file unionists used to divert the struggle.

Besides the corporatist prison, in Limburg the rank and file unionists utilized other weapons to disorient the workers: preventive actions, the self-management diversion, "popular" consultation, the caricature of self-organization. At the beginning of this year, as the struggle of the French railway workers ended, the Limburg miners launched a

series of protest actions against the restructuring plans --- involving the closure of several mines --- decided on by the government and concretized by the Ghyselincx plan. These actions, punctuated by several days of strikes, by demonstrations, and confrontations with the cops continued until the end of March. The need to impose the mine closures had been known for some time. The bourgeoisie set to work, not only to prevent an explosion which, as in 1986, would rapidly extend to other sectors, but above all to recuperate the discontent of the miners and to canalize it. To that end it could count on the decided and effective action of its rank and file unionists, who had acquired their experience in earlier conflicts.

For many years now the miners have waged struggles for their survival and have faced not only the intransigence of the state and its employer representatives but also the official unions. Therefore, in Limburg the struggles rapidly took on a unique character, developing outside of official union control, but controlled by a more fluid structure claiming the mantle of "trade union democracy". The leftists could thus recuperate this movement, each time defending the need for a "fighting unionism, controlled by the base". When in the press of the PTB (a Mao-Stalinist organization) they launched a so-called radical campaign around "No to the closures", they in fact marched in tandem with the official unions which limited themselves to contesting certain secondary points linked to guarantees of compensation accorded to those workers who took "voluntary" retirement. The rank and file unionists of the PTB "radically" outbid the official unions by publishing an open letter to the boss, Mr. Ghyselincx, to show that the PTB had a self-management alternative to the reconversion of Limburg. Thus, the leftists provided a cover for the whole operation, by trying to show that the problems of the miners

were due, not to the crisis of the whole capitalist system, but to bad management, which thanks to better administrators could be corrected.

In addition, so as to further drown the possible reactions of the workers, the leftists tried to develop another campaign around the imminent social (union) elections. While the fate of thousands of workers was at stake, and while these workers would have had to react in a unified fashion, the leftists pushed for "democracy" in the official union lists so that these would be open to the candidacy of combative workers. The leftists even called for General Assemblies so that the miners could put pressure on the unions. This is a well known strategy. In spite of incendiary speeches, reactions which "try" to be "radical", the rank and file unionists remain strictly within the logic of trade unionism. In Limburg, they could play the card of trade union unity at any price by unfurling banners in the colors of the two trade unions (the FGTB, linked to the Socialist party and the CSC, linked to the Christian Democrats), which traditionally oppose each other. Thus, they sought to make the workers believe that by democratizing the union structure it could once more be used to carry on a workers struggle. This tactic would be utilized during the whole of the conflict. But its immediate result was that at the end of December 1986 many miners were questioning the utility of again taking up an open struggle. Therefore, it was only a minority of miners who, on January 6, 1987, at Waterschei, reacted by unleashing a first 24 hour strike, manifesting --- despite all the obstacles preventatively placed in their way by the bourgeoisie --- a determination that would draw in their comrades, even if at the outset the situation remained confused. Faced with this combativity, the bourgeoisie again reacted preventatively by dividing the workers through the subterfuge of "support committees". At the beginning of February, the leftists on the one hand and the Flemish nationalists on the other, each organized a support committee amongst the miners: Limburg in Nood for the former, Front des Mineurs for the latter. To better mark the division, two separate demonstrations were called for the same day in Hasselt on February 7; one in the morning by the leftists, the other in the afternoon by the Front des Mineurs. A second result was thereby attained: the combative miners were recuperated by alternative structures to the unions --- leftist action committee and nationalist Front --- preventing them when it was both necessary and possible from developing the autonomous structure indispensable to waging the struggle. This situation would have repercussions on the unfolding of the struggle, where a real unification of the demands of the the several mines could not be brought about. At the end of February, while the unions only called a 24 hour strike at Waterschei and at Winterslag to get some more window

dressing for the Ghyselinck plan, the miners went beyond their slogans and continued the strike. However, they did not succeed in putting forward a demand capable of forging unity between the several mines. The leftists focused the struggle on the specific defense of working conditions at certain mines to the detriment of others. The rank and file unionists, to relieve the tension somewhat, proposed polling all the miners by means of a referendum; thus, they oriented the struggle on the consultative terrain --- clearly less dangerous to the established order. They presented themselves as the defenders of democracy, defenders of the opinions of those who were no longer convinced of the necessity of struggle. Moreover, they continued their campaign to democratize the trade union lists for the upcoming elections. Which did not prevent a new 24 hour strike from breaking out on February 27 at the Eisdien mine. On March 3, there was a strike at Waterschei, but no real coordination appeared between the different mines. The bitterness of the miners grew, while confrontations with the national police broke out. This was the moment chosen by the rank and file unionists to bring back the official unions into the struggle. On March 4, the official unions recognized the strike. The rank and file unionists could present this as a victory before the scattered Assemblies.

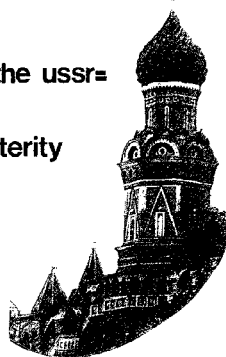
The same scenario would unfold with the idea of a march on Brussels put forward by certain miners at the beginning of March. The desire to make a demonstration of force, to confront the bourgeoisie in its vital center, the concern to go out towards other sectors and to meet with other workers in struggle is only possible if the general situation permits it. The lack of autonomy and effective self-organization in the miners strike, the relative social calm, meant that this idea was completely recuperated. The rank and file unionists utilized this idea to try to waste the workers time. The "committee" and the "Front" said that they lacked the money and the means to do it. The FTB only accepted such a project if it was delayed: first it was necessary to have sufficient numbers, to mobilize all the people of Limburg! With the idea recuperated, the leftists could occupy the miners with the perspective of this demonstration for several days. That was enough for this march --- whenever it took place and whether or not it was officially organized --- to become a harmless nothing.

Thus, everything was in place to keep this struggle imprisoned in the framework of corporatism. The manifestations of this corporatism as expressed in Limburg corresponded basically to a trade union activity playing on the defense of the specific demands of the miners in struggle. In reality, however, this struggle stemmed from the fundamental

CONTINUED ON p.12

'reform' in the USSR=

more austerity



6

'reforms' in the eastern block really means more austerity

'Reform', 'renewal', 'demoralization', 'freedom of speech'... Gorbachev today has pulled off the major feat of chasing out the image of the "Evil Empire" which the Western media had stuck to the USSR and to point to a whole series of improvements of the Soviet system. In this article, we want to show that the changes now in progress in the USSR do not mean an improvement in the living and working conditions of the working class. On the contrary: the reforms launched by Gorbachev clearly show the capitalist nature of the USSR. Faced with the deepening crisis, Russia has to do the same thing as any other capitalist regime: rationalize its economy in order to make it more competitive and develop the military preparations for war while hiding these realities behind a tissue of lies aimed at strengthening its control over the working class among other things, in order to subject it to the demands of the capitalist system.

THE USSR IN A DEAD-END

Twenty years ago, revolutionary groups were alone in saying that the countries of the Eastern bloc and China were capitalist and would be affected by the nascent crisis of world capitalism. Today, it's clear to everyone that the 'socialist' countries are suffering greatly from this crisis. A brief recapitulation of the key elements of this analysis will help us understand the gravity of the current situation in the USSR and the reason for the current reforms.

In October 1917, the Russian workers as the vanguard of the international proletariat, seized power and achieved the first victorious socialist revolution, the only one that succeeded in an entire country. But the revolution did not spread. The failure of the revolutionary movement in Germany, Italy and elsewhere condemned the Russian Revolution to eventual degeneration as the political power of the workers councils disappeared under the sway of the counter-revolution, which became definitive in 1926, with the adoption of the principle of "socialism in one country". The failure of the revolution to spread to other countries made it equally inevitable that the Russian economy could not be anything else but capitalist. Contrary to the principle adopted in 1926 by the Komintern, socialism must be international or it cannot exist at all. The proletarian power in Russia was forced to manage an economy where the laws of capitalist economy applied. With the definitive victory of the counter-revolution, stalinism led the Russian capitalist economy in a course of economic and military com-

petition with the West.

Russian capitalism, having been dominated so long by feudal forces, arrived too late (that is, at the start of capitalism's period of decadence) in the arena of the world economy to experience a development similar to what occurred in the Western countries. The capitalist development of Russia in the period of decadence was possible because of 2 basic assets: On the one hand, state capitalism, the state, dominated by the counter-revolution.

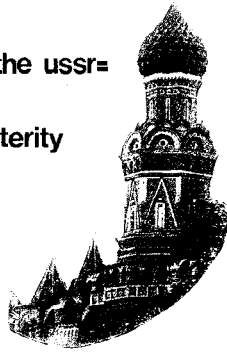
On the other hand, the war-economy where the investments were primarily directed towards the means of production and armament. All through its history, Russia had to make draconian choices in favor of its military potential. But this is a constant drain on its economy: -The orientation of the economy towards war preparation has increased the backlog in modernisation of these sectors not linked to armsproduction. The lack of productivity there is compensated for by the extensive use of labour power. The factories have an abundant supply of underpaid workers. The growing backlog in industrial production can be seen in the fact that Russia is essentially an importer of finished goods and an exporter of raw materials;

-The extreme centralisation of the production process and the "neutralisation" of the law of value within the borders of the East bloc leads to considerable waste. Every sector of production must fulfill the quota of the Plan, even if they produce unusable goods (10 to 20% of Russian industrial production is deficient and unsaleable; even on the internal market).

-The backward state of the Russian economy is linked to the miserable living conditions of the workers and the widespread corruption in the ruling class (we refer readers to the article following this one in this issue). The current situation confirms these analyses. The structural weakness of the Russian economy has further deteriorated because of the deepening of the crisis in these last years. The resources on which the USSR based its development have continued to decline since the early '70's. And during the first half of the '80's, the volume of the labour force has only risen by 3% (as opposed to 6% during the '70's) the output of the extractive industry has barely gone up 5% (as opposed to 20 and 10% for the first and second half of respectively the '70's); capital investments rose 17% (as opposed to 44 and 23% the first and second half respectively of the '70's). GNP growth slowed markedly: 3.1% in 1985 against 3.7% in 1976-80 and 5.1% in 1971-75 (according to official figures). More important, its economic position vis a vis the West has worsened. In 1984, while the US GNP stood at \$ 3627

'reform' in the ussr=

more austerity



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illion, the USSR's stood at \$ 1400 billion, closely followed by Japan with \$ 1307 billion. In industrial production, Japan has passed the USSR. In 1973, 27 % of Russia's exports to the (Western) OECD-countries consisted of "technology-derived" products. In 1982 this figure had sagged to 9%. This situation increasingly allows the Western bloc to put direct economic pressure on the USSR. So the fall in oil prices, which are largely controlled by the Western bourgeoisie, has caused a tremendous loss in income for the USSR (up to a third of its potential intake in hard currencies) which had been used to buy Western Technology to modernize its economy (see: "The fall in oil-prices" in IP 3).

The deterioration of the economic situation in the USSR had a profound impact on the living and working conditions of the working class: a worsening of social services, an increase in alcoholism (alcohol consumption has doubled in 25 years), a worsening of the demographic crisis because of an increase in infant-mortality and of the mortality rate of men over 40 years old; an increased apathy on the job. All these factors increase the economic problems. This situation explains why the optimistic forecasts of Khrushchev, who said Russia would undergo in the '80's an "era of social equality and well-being" and the reassuring speeches of Brezhnev in the '70's who said, when difficulties started to increase, that "with some improvements, socialism would gain the upper hand", have been replaced by the alarmist cries of Gorbachev: "If we don't deal with today's problems all we gained in the past at the cost of immense effort will be at risk and the future will be more difficult." (quoted in *Le Monde Diplomatique*, June '86).

The deterioration of Russia's situation in the balance of power with the West is the second main factor behind the current reforms. The USSR has always been a weaker imperialist power than the US, but the development of the economic crisis since the '60's has widened the gap between the 2 blocs. Since then, the zone of Russia's imperialist domination has progressively diminished. It has lost its influence in Latin America, it has lost Egypt and China and national liberation organizations (like those in Africa) have switched to the Western camp, the West has shaken its links with Syria and Iraq. The invasion of Afghanistan showed the Eastern bloc's determination against its increasing ejection from the international scene but also shows how difficult it is for Russia to occupy a new position. This invasion was not the beginning of a new Russian offensive as the Western bourgeoisie portrayed it; it was followed by a period that could be qualified as "the offensive of the American Bloc". Today, the Western bloc exerts strong pressure everywhere to make Russia retreat: in Asia (with the tightening of the links with China and Japan), Afghanistan, Ethiopia, Angola, the Middle East (see: "The Military Preparations of the Eastern Bloc", IP 2).

In the same way, the USSR finds itself today in a position of weakness and lagging behind the new initiatives launched by the US (like Star Wars), even though it tried to pass its rival in the arms race during the '70's.

The catastrophic state of the economy contains another potential danger for the Russian bourgeoisie: the danger of igniting serious workers' struggles. The strikes in Poland in 1980-1981 showed the huge gap between the masses of workers and the state organs which supposedly represent them (that is, control them) and constituted a warning for all the Eastern countries. All these factors as a whole make it clear

why the Russian bourgeoisie needs to institute a series of changes. In the rest of this article, we'll try to show the real content of the proposed reforms and to evaluate whether they can reach their goals.

THE ECONOMIC REFORMS : INCREASING THE EXPLOITATION OF THE WORKING CLASS

Since the beginning of the crisis, the Russian leaders have tried to deal with the most glaring disfunctions in the economy. But the reforms undertaken were cautious and limited. The succession of general secretaries since Brezhnev's death shows the dissensions within the ruling class on this issue. Andropov started a campaign of "public morality" in the working class. His successor Chernenko, elected by the conservative old guard, put the brakes on this process but without halting it altogether. Gorbachev took up Andropov's themes again and developed them but he too is meeting resistance within the party. The delay with which Gorbachev attacks Russia's economic problems makes the changes needed to modify the situation so much greater. We needn't give an overview here of all economic reforms that are planned. We just want to make clear in the first place that the proposed restructuring to face the crisis means first and foremost, in the USSR as in any other capitalist country, an increase in the exploitation of the working class.

The challenge Gorbachev wants to take up is to increase production and restore the competitiveness of Russian commodities on the World market. To this end, contracts are sought with Western companies which would permit the import of modern technology and reforms are undertaken to improve the quality of products. Several measures indicate that an unprecedented attack against the working class is necessary to obtain that goal:

- Principles of autonomous accounting, self-financing and self-management are introduced in factories. Concretely this means that they must be profitable and that the units which suffer a loss must be liquidated. Company-bankruptcies, which already could be seen in China and Hungary, will now also appear in the USSR. In March 1987, the press agency TASS reported the first bankruptcy as a result of this measure, a construction company in Leningrad which employed 2000 people;

- A reform of wages: differentiations of wages between regions and also within companies have been introduced. A mobile part of the wages (up to 30-40%) can now be paid in the form of bonuses "to encourage qualification, the quality of work, the feeling of collective results". This can lead to a possible increase in wages in modern plants but also to a decline in wages where the machines are antiquated;

- To rationalize the management of big companies, any workers deemed excedental can be laid off or transferred, according to A. Aganboghian, a close advisor of Gorbachev. In the railways of Beylo Russia for instance "which, with their autonomous transport units, prefigure our new management-system" (*Le Monde Diplomatique*, June '86) 12.000 workers have been transferred; 22 000 agricultural functionaries some of which, according to Pravda, "cling to the cities" have been sent back to production" that is, have been laid off with 3 months wages. In this also, Russia is following the example of Hungary where, according to official estimates, thousands of workers have been laid off (mostly in the mines, the steel sector and textiles) and survive with unemploy-

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more austerity



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mentbenefits. According to official forecasts, 100,000 to 150,000 workers will be laid off before 1990 in Hungary.

-An increase of discipline in the workplace: Gorbachev has developed the ideas of Andropov in terms of the struggle against absenteeism, alcoholism, corruption at all levels. For instance, the type of organization which is encouraged the most at the rank and file level is the "brigade", which works under a contract with management (exchange of technical supply against finished products) and which 'selfmanages' the payment of wages which are composed of individual parts and "coefficients of participation in the collective work". These brigades have to control and supervise the workers. The fact that its members are elected is presented as democratisation;

-Price reforms: the prices of prime-necessity goods, transport and rent will be upgraded. The price of meat has been unchanged since 1962, the price of bread since 1954, of transport and rent since the '30's. Furthermore free markets will be stimulated for certain foodstuffs (fruits, vegetables, and other farmproducts) meaning that some products will be more available for those who have the means to pay for them;

Companybankrupcies, the search for profitability, a closer link between wages and productivity, the prospect of massive lay offs, price increase on prime necessities... it's clear that the desired improvement of Russian capitals'competivity can only be accomplished through a harsh attack against the working class. The planned wage-reforms may also lead to an increase of divisions and competition within the working class, which would provide the Russian bourgeoisie a chance to control its class enemy better.

THE STRENGTHENING OF WAR PREPARATIONS

On the military level, two main objectives can be discerned in Gorbachev's policies: to achieve a pause in the arms race in order to gain time to modernize the military forces; and to try for a new opening for the Russian imperialist power on the international check-board.

The "zero-option" and "double-zerooption" which Gorbachev repeatedly proposed for over a year and which seem to meet the US-position today, do not aim to assure peace in Europe. In this area even less than in others,, we don't have all the elements to have a complete picture of what's at stake in the current negotiations, military secrets by definition being well guarded. But we can point to the following factors. These proposals, if they are accepted will not bring a "denuclearisation of Europe" for at least 2 reasons. First, thousands of tactical nuclear weapons would still remain in Europe. Secondly, if the 'Euro-missiles' are discarded, it could mean that this type of weapons is technologically outdated and that the 2 superpowers prefer to devote their resources to making more precise nuclear weapons with a larger range (in the framework of the 'StarWars'-project and Russia's counter-moves) as well as to upgrade conventional armaments, necessary for the battlefield. The abandonment of the policy of maximum increase in armaments followed by Breznjev in the '70's has led to the removal of the conservative leadership of the armed forces and the rise of Ogarkov, who has reorganized the forces, regrouping, Army, Navy, Air Force and nuclear forces on a regional basis. An agreement on

on Euromissiles would also enhance the prestige of the f actions in power in both superpowers which both need this, for different reasons . The

republican party with a view to the elections in 1988 in the US, and Gorbachev, to solidify his position in his quest for 'reforms'. Also, the interdependence between the economic and military orientations of the USSR must be taken into account. A "pause" in the arms race would allow it to devote more resources to the modernization of its economy, which in its turn is a necessary condition to making the needed technological leap in the modernization of armament.

The current efforts of Russia to prepare for war can also be seen in its attempts to enlarge its imperialist basis, to get out of the impasse the Western bloc has put it in. This goal is at least as difficult to reach as the previously mentioned one if not more so, as the USSR has little economic resources to offer its potential allies. Its economic aid is currently more and more limited to Cuba and Vietnam. A primary goal would be to control Afghanistan with fewer resources. But the attempt for 'national reconciliation' under the guidance of the 'Communist Party' does not seem to bring any results for now. The attempts to improve relations with China and the offer of Russian warships to protect Kuweiti tankers in the Persian Gulf concretize, albeit in a still limited way, the efforts to loosen the vice in which the US had increasingly caught the Russians.

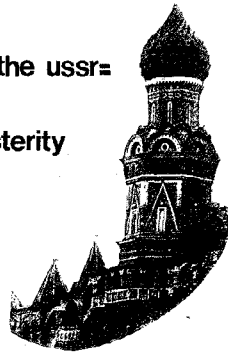
A LARGE-SCALE-IDEOLOGICAL CAMPAIGN

The current speeches by Gorbachev on reforms in the USSR do not merely reflect the changes we just discussed. They also serve as an ideological campaign to win support for these changes. They are only possible with the collaboration of fractions of the bourgeoisie in the West, the leading circles in Russia and through the submission of the working class in Russia. So, in order to evaluate to what extent these changes can be realised, it's important to see if the current speeches can convince those to whom they're addressed.

It's well known that the economic and military reforms underway in Russia are encountering some resistance from within the ruling strata, the bureaucracy, entrenched for decades in its privileges. Gorbachev can hope to gain the support of bureaucrats by giving them more power in the management of companies and by giving the military a bigger say in strategy decisions. But it's foreseeable that at some point the "old guard" in the police, Army and the Party will regroup and try to slow Gorbachev down. To succeed in his goal of developing a high tech-economy, the USSR needs the participation of Western Capital. The speeches on "peace in Europe", "withdrawal of missiles", 'freedom of expression' in the mass media, the liberation of dissidents and the granting of exit-visa's to some Jews, serve also to blur the old image of the USSR (as a totalitarian war-mongering country without individual liberties) and to create a "new Look" that could undermine American vetos against the sale to Russia of advanced technology by the Europeans. In this regard, the campaign around the withdrawal of Euromissiles has been conducted in a particularly deft manner by Gorbachev: Even if no

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agreement results from it, Russia will come out of it as desiring "peace in Europe".

As we've seen before, the workers are very concerned by the current 'reforms'. Will they support the project? Highly unlikely. Surely, Gorbachev's campaigns against corruption, the dismissal of big shots, the downfall of a series of "maffiosi" enhanced the popularity of the new leader in the short run. Similarly, the apparent 'opening up' in the press, radio and television (which recently gave information in strikes, which is even more exceptional in the USSR than in the West) provoked curiosity among workers. But all this is probably not enough to make them swallow the bitter pill of the reforms. Gorbachev has promised the workers an increase in wages and consumer goods. But there will also be lay offs and price increases. So the reforms will very likely encounter resistance from the working class which regularly shows its opposition to the working and living conditions imposed on it in the USSR and its satellite-countries. The current reforms will allow the Russian bourgeoisie to develop 2 weapons against

the workers' struggle, in addition to its repression. On the one hand, it can make use of an increased possibility of division within the working class, as explained above. On the other, it will try to make greater use of political mystifications like democracy in the unions and in the elections. The events in Poland in 1980 have shown that this type of mystification still weighs heavily on the working class in these countries. It will still have to confront these mystifications several times before it can overcome them in a conscious way.

In the long run, the fact that the workers in the Eastern bloc will confront the same problems as those in the West - unemployment, inflation etc. - can accelerate the consciousness of the worldwide unity of the working class and its struggle.

Adele

REFERENCES: THE EASTERN BLOC'S NEW MILITARY PREPARATIONS: READ IP 4. ON THE GROWTH OF INTERIMPERIALIST CONFLICTS: READ IP 2.

BRITAIN

CONTINUED FROM p.13

Fire') Hudson, with theme music based on Beethoven's 9th Symphony, and ending with a rally in London which bore more than a passing resemblance to a revivalist meeting, the Labour Party spewed out its message to the British electorate: it 'cared' more for the old, the sick, the disadvantaged, children, the unemployed. Gone were the divisions in the party, the trade unions, even Militant seemed to be on holiday. The other parties were shocked and had to modify their performances accordingly. The Conservative fought back: their rallies were choreographed by Harvey Thomas, one-time organiser for the evangelist Billy Graham; Andrew ('Evita') Lloyd-Weber was commissioned to write the music for Thatcher in an attempt to perform the same beatification service for her as he had already done so successfully for Eva Peron. So the Conservative Party spewed out its message: it 'cared' more. And so the revolting circus went on, and on, and on. Knowing they could not improve the reality, the various factions concentrated on improving the perception. Farcical in many respects though this election has been, several shifts in the postures of the state's various political forces can be detected, and will have a bearing on the way in which the ruling

class attacks the working class and tries to undermine its struggle:

-The collapse of the Conservative representation outside the South-East of England (roughly following the collapse of the traditional economic infrastructure) will bring about a shift in the propaganda confrontations between the Tory and Labour Parties, though exactly how this will be handled remains to be seen. Now party strengths and weaknesses have a particularly strong geographical component. In some ways this symbolises a concern in parts of the ruling class that Thatcher's policies have been dividing the country, eroding the notion of 'the nation' as a single entity. This point has not been lost on Thatcher.

-As a result of Labour's campaign, Thatcher's faction in the Conservative Party has been forced to recognise the potential for massive social turmoil in the devastated inner cities of the North of England and Scotland - something no Tory faction has been able to make them do. At the end of the campaign Thatcher's public attitude had changed and immediately the new cabinet was formed, priority was put on this issue.

CONTINUED ON p.3

THE CONTINUITY OF STALINISM

During the public meeting of our Fraction in Belgium last May, a comrade of the magazine "Jalons" intervened in the discussion. He denounced the mystification of socialism in the Eastern countries and reminded everyone that Gorbachov's public relations campaign is just the flip side of increasing exploitation of the working class in Russia. His basic point was that for workers in the East as well as workers in the West, there is only one over-riding necessity : to destroy world capitalism and, through revolution, create a communist society. We are publishing the text of that intervention which agrees with our own analyses.

Since 1926 when it renounced all revolutionary principles and sacrificed the world revolution to the interests of the Russian national State; since 1926 when it became a bastion of international reaction with its theory of "socialism in one country", Russia has exploited the workers living under its control with extraordinary ferocity. From Leningrad to Vladivostok, from Tiflis to Verkoiansk, workers live in a regime of terror with the constant threat of losing work and home, of being sent away to the prisons and camps of the KGB.

Governments change but the social relations of production remain the same. Whether under Stalin, Khrushchev, Baganin, Breznjev, Andropov or now Gorbachev, stalinism uses the most ruthless police methods of implacable repression against anyone who resists.

The claims of stalinists, trotskyists and other leftists, that the system in Russia is socialism, is a lie. The system in Russia is wage labor, the exploitation of man by man. The wage labor Marx strived to abolish, the piece work he so severely castigated are apud into practice in Gorbachev's Russia on a grand scale ... in the name of Marx and Lenin ! The State, the collective owner of the means of production, buys the labor power of the workers to exploit it. It is the State that takes all the surplus value, accumulates most of it in heavy industry and redistributes it among the bureaucrats.

These bureaucrats can deposit their holdings and savings in the State bank, buy real estate (dashas, apartments, studios) which they rent to rich colleagues, buy luxury goods (jewelry, paintings, furs) and cars and shop in special stores reserved for privileged customers. But the mass of workers receive miserable rations and stand in line at retail stores to buy poor quality goods -- if there are any to buy : frozen potatoes, bad meat, stale bread. They live in poor conditions : toilets, bathrooms and kitchens must often be shared among several families.

Alcoholism, prostitution and vandalism are all part of Gorbachev's "socialism". The situation of the working class in Russia in 1987

resembles in many ways the situation of the masses of workers in England as described by Engels in 1844. For the more than 200 million Soviet citizens, the workers' paradise is more like a nightmare.

It's only natural that Russia with its backward productive forces defends Stalin's notorious principle "Man is our most precious capital" and reduces the Russian worker to a slave. As of yore, the directive is "Roll up your sleeves and get to work." But productivity is declining rapidly. According to official figures, productivity rose 6% from 1971 to 1975 but only 3.2% from 1976 to 1980. Generally speaking, the Russian worker produces four times less than his class brother in Western Europe. Gorbachev is trying to make capital more profitable in Russia. Hundreds of thousands of workers are being thrown out of the factories. The myth that there is no unemployment in Russia shows itself to be a lie of the stalinists and their leftist accomplices. When Gorbachev announces in the "new economic plan" that he wants to stimulate the realisation of the higher stage of socialism, this must be understood as it was meant under Stalin : ferocious exploitation of workers on the job and unemployment for a considerable number of other workers.

To this must be added the fact that importing western technology cannot really solve the problem of low productivity because it is too expensive for Russia to afford; dipping into the gold reserves is their only substantial resource for hard currency.

Russia, like all the other capitalist states, has been hard hit by the crisis. The Russian ruling class is intensifying the rate of exploitation of the working class trying to get a higher output from them. Given the weakness of its productive forces, that means raising the relative and absolute surplus value, worsening the living conditions of the working class. Increasing productivity means punishing absenteeism, "laziness", rounding up workers who leave the shop early, etc.

The ruling class rewards elite workers, the stakhanovists of the work brigades, with bonuses and medals. These workers receive important social advantages. But in contrast to this tiny minority of well-treated workers, the vast majority are underpaid and overexploited. The masses of workers in all the Soviet republics live under constant surveillance from the factory foremen and the tenants brigade in the buildings they live in.

Gorbachev is not Lenin's heir but Stalin's. Stalin's merits as a "great patriot", the "pride of the Russian and international proletariat" are vaunted once again in today's Russia. To expect that Gorbachev will re-establish a real workers' power or that he would like to resuscitate workers' democracy but that he is prevented from doing so by



In the 30's Stalin deported millions of workers... to build socialism! Here, prisoners build a canal.

the die-hard bureaucracy is just falling for Russian propaganda and becoming its instrument. The Soviets that exist in Russia are armed parts of the State against the workers. The so-called "workers' democracy" in Russia serves only to fool the workers about the nature of the ruling class.

The Russia governed by Gorbachev is an imperialist power that fully participated in the slaughter of the second world war. Millions of workers and peasants perished at Stalingrad, at Kuban, in the Ukraine so that this nation could swallow the Baltic countries and parts of Finland, Poland and Rumania. The leaders have erected great monuments to their memory!

At Yalta in 1945 Russia divided up the spoils with the other imperialist bandits, the U.S., Britain and France. It got the "satellite" countries which it has, as all good imperialists, plundered ever since. A substantial part of the riches produced in East Germany, Czechoslovakia, Rumania and Hungary have simply been hauled to Russia. Russia sells its own shoddy products to the satellites at high prices. Finland still pays war reparations to Russia in the form of machinery and high-tec products.

Russia has been behind all the local imperialist conflicts that have erupted since world war two because it is forced to try to expand its zone of imperialist domination. Today it helps Vietnam in its war in Cambodia, economically as well as logistically.

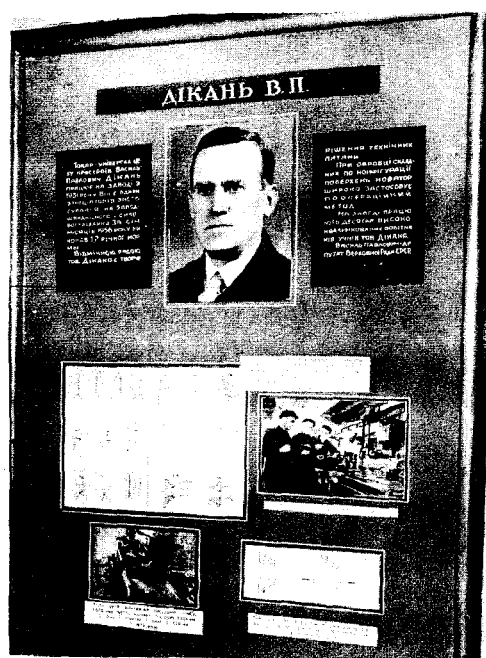
Gorbachev preaches world peace and bombs Afghan villages. He talks about denuclearization and orders his General Staff to proceed with underground and submarine nuclear testing. He talks endlessly about disarmament while building new missile launchers capable of propelling cargos weighing dozens

of tons and maintaining an army of four million mobilized and armed to the teeth. The military leadership indoctrinates these troops with the idea that they are accomplishing a work of peace, a "civilizing mission". But deserters are starting to appear in the Red Army. We salute the acts of disobedience and rebellion of the soldiers in Russia who have taken the path staked out by Lenin in 1914. Gorbachev's aim is simply to lessen the military gap between Russia and the U.S., nothing more or less.

With great talent Gorbachev plays the comedy of "liberalisation", trying to give credence to the idea that Russia is "socialism with a human face". He frees some refuseniks and grants some visas for emigration while hundreds of thousands of people of all ages still remain in the prisons and labor camps.

Because he is aware of the weakness of Russian capital, of its deterioration, Gorbachev has begun the campaign against waste, fraud and nepotism, firing some of the most corrupt bureaucrats. Just recently the ex-Party Secretary of Bukhara, A. Karimov, was condemned to death for corruption. One high official less, but the ruling class as a whole continues to live off the proletariat which, when necessary, is carted off to Siberia to serve the needs of industrialization.

Gorbachev plays the role of the great liberator going beyond Khrushchev in the process of renovation. In fact, what is being renovated is the method of controlling and exploiting the proletariat. Clearly, he is preparing to confront the outbursts of class struggle which are undoubtedly brewing. He excels in the role of the "unselfish friend of the worker" when, in fact, he violently repressed the workers' strikes that occurred recently in the Baltic and in the Tartar republic where a confrontation took place in the



To increase productivity, bulletin-boards in Russian factories praise Stakhanovist workers.

giant Kamaz truck factory.

He wants to hide his iron hand in a velvet glove which of course appeals to the left-leaning intelligentsia who talk of the "Gorbachev era" as a real social revolution!

It is not in the name of democracy and humanitarian values that we condemn the capitalist and imperialist Russian regime. We fight it in the name of the world-wide workers' revolution. Along with other internationalist groups, we support the principled work done during the war outside the anti-fascist frenzy and the crusade against Hitler led by the bloody satrap Stalin. With others, we are the heirs of Red October, the revolution for communism; with them we continue the revolutionary work of the Bolsheviks massacred to the last man by Stalin.

Communism means the disappearance of antagonistic social classes and the extinction of the State apparatus. In the USSR, the State has expanded as never before. A class, the bourgeoisie, exploits another one, the working class. Therefore, Russia is the opposite of communism. None of the conquests of October have survived. The USSR is not a "degenerated workers' state" nor is it a "proletarian State with bureaucratic deformations". It is the second greatest imperialist power in the world after the U.S. and the third economic power since Japan has surpassed it in G.N.P.

Although the Gorbachev media campaign has found a certain echo in public opinion and has seduced part of the bourgeoisie internationally, we call upon the workers in Russia as elsewhere, to overturn their exploiters, to smash the capitalist State, to create everywhere a dictatorship of the workers' council. The revolutionary proletariat must rediscover the meaning of the revolutionary wave of 1917-1927; it must know who slaughtered its predecessors.

The revolution isn't dead. It will rise again even more powerful than in 1917. And this time it will shatter forever the chains of world-wide capitalist domination.

R.C. "Jalons"

belgium

CONTINUED FROM p.4

hostility of the working class to accepting the conditions of capitalist exploitation. It was a question of a potential demand general to all workers, but which in present conditions still have specific characteristics which are put forward by the unions and which denature the meaning of the workers struggle.

In Limburg, the rank and file unionists succeeded in transforming a struggle for survival into a struggle for the defense of the tools of exploitation. They could

do so because the workers identified with the mine, with the mining sector, thereby permitting the official unions to reappear and throw down the conciliatory card. In spite of the radical talk of the unionists, there was no real opposition between top and bottom. The distinction made between official unions and rank and file unionists in no way corresponds to any separation between summit and base, a Trotskyist vision of bureaucratic hierarchization. Unionism, whether it is official or rank and file is characterized by the objective function it fulfils in capitalist society and not by the men who compose it. The distinction between base and summit comes down to the utilization of different tactics against the working class by the several factions of the bourgeoisie.

In this sense, rank and file unionism is in no way the expression of any sort of combativity found in the union, or the expression of a more radical tendency of the bourgeoisie pushed by the workers.

Rank and file unionism corresponds to and expresses the total effort of the capitalist state apparatus to control all aspects of social life and provide the means of repression against those who risk putting in question the bourgeois democratic order. Furthermore, the practice of the union militants of the PTB clearly showed that, when they tried to prevent the intervention of revolutionaries within the working class. In spite of the real combativity, the rank and file unionists succeeded in containing the movement and forcing the acceptance --- without too much damage --- of the plan to restructure the mines. Two mines will be closed and thousands of jobs lost.

The scenario of the steelworkers in France, England and Belgium was thus reproduced: "radical" protests on the part of the rank and file unionists, organizing some violent actions to show the uselessness of fighting and the necessity of having confidence in the union negotiators, who in spite of everything get something. This bitter lesson has yet to be clearly drawn by our class. However, the stakes are high. As long as struggles are not organized in an autonomous manner, controlled directly and in a permanent fashion by those who fight, true extension cannot take place, and the bourgeoisie will have an easy time recuperating the demands posed by the workers and making a travesty of them under a trade union and democratic cloak.

In Limburg, the miners have experienced the imprisonment and caricature of a parallel structure orchestrated by the leftists. It is necessary to break out of this straight-jacket and to give the struggles to come organs making it possible for the workers to really take charge of their struggle.

F.D.

great britain and more austerity

On 11th June, the British ruling class held one of its occasional 'democratic' orgies. The decisiveness of the national result - a 102-seat absolute majority for the Thatcher government - is testimony to the effectiveness of the state's election engineering machinery. Not for over 150 years has a third successive term been given to a British Prime Minister, and on this occasion it has been given to arguably the most generally reviled incumbent this century. Although much could be said about the military, economic and social policies of the ruling class, we shall confine ourselves in this brief article (written just after the election) to making some points in relation to the question of the left in opposition.

First of all, the results of this election gives proof positive (as if more was needed) that, faced with the rise of class struggle in this general period, the dominant strategy of the ruling class in the Western industrialized democracies is to retain their left factions - in this case the Labour Party - in opposition. Yet few organizations in the revolutionary milieu acknowledge this to be a deliberate policy of the ruling class. In Britain, this policy was forced upon the state as a result of the 1978/79 'winter of discontent' in which the working class showed that it would accept no more austerity packages, wage freezes, increasing unemployment and worsening exploitation in return for empty promises of a better tomorrow. This upsurge of class struggle put the final nail in the coffin of the 'social contract' between the trade unions and the Labour government of the time. The effects of the worsening economic crisis on the life of the working class had become too severe for its struggle to be contained ideologically in the name of support for 'its own' Labour Party. On a parliamentary pretext, the Callaghan government resigned and a general election was held which brought the Thatcher government to power, where it has remained ever since - with Labour in opposition - now into its third term. The strategy is obvious.

The complementary roles for the two main parties have been well-defined and tested during the past 8 years. The Conservative Party has become the personification of the austerity and exploitation thrust harder and harder on the proletariat as the crisis has deepened more and more: massive closures in traditional industries, enormous increase in unemployment, and cuts in the social wage: health service, pensions, social security, etc. On the other hand, the Labour Party - along with the trade union apparatus with which it is closely in-

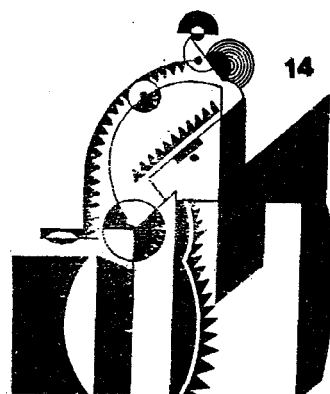
tertwined - has personified the 'democratic opposition', charged with the main ideological sabotage of the workers' struggle. That the capitalist class need to have this apparatus well-deployed was highlighted by the massive battles which have taken place, the highest points being the steel strike in 1980 and the miners' strike in 1984/85.

The capacity of the ruling class (especially one as experienced as that in Britain) to engineer election results has again proved highly effective. The run-up was paved with tax cuts, interest rate cuts, a reduction in unemployment (in the government figures anyway), and an economic 'recovery' being much publicized. The anti-conservative vote was split with the Alliance parties being used as a 'spoiler', and Labour itself was portrayed by the mass media as being still infiltrated by the leftist Militant Tendency and being divided over too many issues to be able to govern. In addition to which, the contrast between the portrayals of Thatcher in Moscow with Gorbachev and of Kinnock in Washington hardly being given the time of day by Reagan, cemented the different perceptions. And the ultimate weakness of Labour was of course its non-nuclear defence policy (even criticized publicly by Reagan) which alone would debar it from government. Whatever happened during the campaign itself, Labour was not going to be brought to power. And so it was, with the final result being little different from the beginning of campaign poll predictions. Indeed to bring Labour into power by mistake would be very difficult given certain structural aspects of the British election system, such as the constituency boundary changes put in place to benefit the Conservatives in the 1983 election and the 'first-past-the-post' system by which the British ruling class creates landslide victories out of minority votes (in this election the Conservatives got 375 seats from 43% of the vote, Labour got 229 from 32%, and the Alliance 22 from 23%).

If the actual outcome was as predicted, the conduct of the campaign was not. In the expectation that the 1983 campaign pattern would be followed, the Conservatives and the Alliance just waited for Labour to 'shoot itself in the foot' so they could then rip Kinnock and company to shreds. In the event Labour went on the offensive with a presidential-style campaign straight out of Madison Avenue. Beginning with a film study of Kinnock directed by Hugh ('Chariots of
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Discussion

STATE CAPITALISM



One of the tasks that Internationalist Perspective has given itself is to develop theoretical contributions deepening marxist revolutionary thought. This text on state capitalism is the product of discussion in our Fraction. Far from being a mere academic concern, the question of state capitalism raises a whole series of issues vital to the understanding of the evolution of capitalism and its effects on the working class. The revolutionary milieu suffers from many errors and confusions on this subject and this has a negative effect on intervention in the working class. The following text does not represent a totally worked out position of our Fraction; it is presented as a contribution to the debate. We hope that it will provoke reactions and discussion in the milieu.

An understanding of state capitalism as a universal tendency in the decadent phase of the capitalist mode of production is an absolute precondition for revolutionary intervention in the class struggle. State capitalism and the decadence of capitalism are two sides of the same coin, and, therefore, it is no surprise that revolutionary organizations which reject the concept of the decadence of capitalism, such as the Bordigists, cannot begin to grasp the reality of state capitalism. However, the balance sheet of the whole revolutionary milieu today, as far as its understanding of state capitalism is concerned, is largely negative, as even a brief survey will show.

The Scandinavian Council Communist groups which arose during the 1970's as a direct result of the influence of Paul Mattick, have generally adopted the position articulated in Marx & Keynes which sees Russia as an exploitative but non-capitalist society, a society which Mattick designates as state socialist, in which the capitalist law of value no longer regulates the economy. As far as the advanced industrialized countries of the West are concerned, for Mattick, these societies are examples of monopoly capitalism, in which the law of value operates in basically the same way as it did before 1914; the modifications

introduced by Keynesianism merely delay the outbreak of economic crises, but do not bring about a change in the operation of the laws of motion of capitalism (not even one comparable to that brought about by the formation of the average rate of profit in ascendant capitalism).

The Bordigists have dealt with the issues raised by the phenomenon of stratification purely in terms of the class nature of the Stalinist regime. In contrast to the Trotskyists, Bordiga, in the late 1940's, concluded that Stalinist Russia was capitalist, but he denied the very existence of state capitalism. As a capitalist state, for Bordiga, the Stalinist regime could only be the instrument of the bourgeoisie. Thus Bordiga posed the question of the

Stalinist regime solely in terms of who constituted the bourgeoisie on Russian soil. Bordiga first discovered this bourgeoisie in Stalinist Russia in what he thought were incipient tendencies towards the restoration of "private property" through the sale of interest bearing bonds to high-salaried functionaries, scientists, artists, etc., who constituted the embryo of a bourgeois class. A few years later, when it was clear that these strata had obviously not become a full-fledged bourgeoisie, Bordiga decided that the ruling class in Russia was in fact the American capitalist class ("Wall Street"), to whom Stalin had "sold" the USSR via huge state debts. In the 1950's, when it was obvious that Stalin and his heirs could not be construed as the tools of American imperialism, Bordiga put forward a new theory according to which each enterprise in Russia — despite nationalization, despite the role of the state and its plan — was an autonomous capitalist entity, the relations between which were determined by the operation of the law of value in exactly the same form as had existed throughout the history of capitalism (competition on the market between enterprises acting as independent capitalist entities). In this vision the role of the state in the economy was only transitory, corresponding to a period of youthful capitalism, analogous to the role played by the state in the West during the formation of a national market (from the Renaissance to the latter part of the

19th. century, depending on the country), and destined to diminish as Russian capitalism reached its maturity.+

While the theories propounded by Mattick and Bordiga deny the very existence of state capitalism, the positions of Battaglia Comunista and the CWO, which assert that Russia, the countries of the Russian bloc, China, etc. are state capitalist are also inadequate. For both BC and the CWO, the issue of state capitalism is raised solely in terms of the "Russian question". When BC in its Platform insists that "state capitalism is just a form of capitalism and does not differ from any other type of capitalism in its nature, its contradictions and the external aspects of its organization (from the point of production to the internal and world market)", this is not to demonstrate that state capitalism is a universal tendency in the decadent phase of capitalism, to show that the U.S. is no less state capitalist than Russia,* but only to assert the unequivocally capitalist nature of the Stalinist regimes.

Indeed, in one of the rare articles where the Damenists took up the question of state capitalism in any detail (in the pages of Prometeo in the late 1950's), it was argued that state capitalism, defined purely in terms of the nationalization of the means of production, was specific to Russia, China and certain backward countries of the Third World, while the West continued to be characterized by the same monopoly capitalism that had appeared before 1914.

In the case of the CWO's major text on "Theories of State Capitalism" in R.P. 19, the issue is again posed in terms of "the class nature of the society produced by the failure of the Russian Revolution". While the CWO, in contrast to the Damenists, did acknowledge that "the stratification of property relations is a response of the entire world bourgeoisie to the decline of the capitalist mode of production in this century", this insight is never developed, and the whole of the text is devoted to "the Marxist Analysis of Russia". However, even the demonstration of the capitalist nature of Russia must remain incomplete and formalistic if the Russian development is not shown to be an integral part of the trajectory of capitalism on a world scale,

especially of its most advanced sectors, e.g. the U.S., in its phase of permanent crisis. To focus on the "Russian question" as do BC and the CWO is to fail to grasp the phenomenon of state capitalism in its essential dimensions and, therefore, to misunderstand the reality of state capitalism even under the specific conditions of Russia and Stalinism.

In the case of G. Munis and the FOR, we finally have an analysis which does not reduce state capitalism to the Russian question, but rather one which clearly situates Stalinist Russia within the framework of the decadence of capitalism as a global system and its correlate, the universal tendency to state capitalism. Munis' analysis, however, is vitiated by three major errors. First, his insistence that it is Russia which provides the model of state capitalism, a mirror, so to speak, in which the economically more powerful countries of the West can see the details of their own future development. In fact, it is the most advanced sectors of world capital, and not backward Russia under Stalin, which first broke the path for state capitalism (e.g. Germany and England during World War I), and which determine the course towards state totalitarianism on a global scale. Second, by his view that under state capitalism, the capitalist class disappears, giving way to a stratum of "riffraff", "outcasts", "scum"; a view which not only reveals a mistaken understanding of and overdependence on the low Roman Empire as a model for state capitalism, but also leads to the hypothesis of a capitalist system without a capitalist class. Third, by his conception that state capitalism eliminates the economic crises which plagued "private" capitalism; thereby putting into question the primordial fact that in state capitalism the economy continues to be regulated by the capitalist law of value and therefore cannot escape the catastrophic economic crises which are inseparable from its operation.

The ICC's analysis of state capitalism, which is based on a recognition of the universal tendency to state capitalism in a phase characterized by a permanent economic crisis, though it is the point of departure for this text, is also deficient in several important

+ It is worth noting that as it moves ever closer to Bordigism, the GCI has completely thrown overboard the concept of state capitalism, adopting the Bordigist position that the state is simply an instrument of the bourgeoisie, with the new twist that the bourgeoisie and its state is now international!

*Even if that were the case, the quotation from BC's Platform would be mistaken inasmuch as state capitalism most certainly does involve profound changes in the nature of capitalism, particularly in the "external aspects of its organization".

respects. The ICC has never really gone beyond the brilliant insights contained in the text published by its predecessor, the GCF, in 1952: "The Evolution of Capitalism and the New Perspective" (reprinted in I.R. 21). This text has served as the ICC's only sustained treatment of the question of state capitalism, and in reprinting it in 1980, the ICC in its introduction saw fit to correct only the text's insistence that a new proletarian revolution could only come out of a new world war, which at the time of the text's writing was thought to be imminent. A whole series of other assertions invalidated by the actual development of state capitalism in the period 1952 - 1980 were allowed to stand: all too eloquent testimony to the ICC's incapacity to provide a coherent theory of capitalism's economic survival in its decadent phase. Thus, the text argues that the permanent crisis is characterized "by the continuing fall of production and trade in all capitalist countries (as in 1929 - 1934)." (p.26) Clearly the ICC continues to be bewitched by the model of 1929 and fails to provide a theoretical basis for understanding the phenomenon of reconstruction or the basis for the expansion of both production and trade -- in however distorted a form -- since the end of World War 2. While the introduction to the ICC's text acknowledges that it "didn't see or didn't sufficiently emphasise the phase of 'reconstruction'" (p.23), it fails to point out that the text is based on the denial of the very possibility of a period of reconstruction (even one on the scale of 1919 - 1929, let alone one of the length and breadth of the post World War 2 reconstruction). The ICC has continually used the term reconstruction, but it has never provided a real conceptual basis for, or explanation of, this phenomenon. In particular, the ICC has no clear understanding of fictitious capital and its role; yet fictitious capital is the veritable basis of state capitalism and the correlate to the real domination of capital to which the phase of state capitalism corresponds. Similarly, the text mistakenly insists that autarky is the dominant feature of state capitalism. Certainly autarkic tendencies exist under state capitalism, but the hallmark of the post-war era has been the refashioning of the world market and the complex network of world trade under the aegis of the American state (the dollar as the international currency, the Marshall Plan, the IMF, the World Bank, GATT, etc.). The ICC's text also argues that under state capitalism there is "a restriction in the law of value's field of application". (p.26) This view is based on the mistaken narrowing of the law of value to products and prices, when in fact it is

expressed in the abstraction, quantification and reification which are the hallmarks of the exchange relation, and which under state capitalism penetrate all aspects of social existence. Thus, far from seeing a restriction in the application of the law of value, state capitalism marks its greatest expansion!

If the ICC's text fails to explain the economic basis for capitalism's survival in its phase of permanent crisis, does it at least explain the origin of state capitalism? Unfortunately, here again the answer is no. The ICC sees the origin of state capitalism exclusively in terms of a political response to the danger of proletarian revolution and the necessity for state concentration to prepare for, and to wage, imperialist war. While this is certainly one of the origins of state capitalism, it is not the only one. The origin of state capitalism must also be sought in the fundamental economic transformation internal to the capitalist mode of production brought about by the change from the formal to the real domination of capital. This epochal change from a process based on the extraction of absolute surplus value to one based on the extraction of relative surplus value necessitates an internal reorganization of capitalism in which the state must become the literal axis of the capitalist production process-- and this as a condition for its very survival. It is not a question of separating political and economic processes which are of course inextricably linked in the actual social development itself, but of analytically distinguishing them precisely so as to grasp the real process in all its complexity. In failing to do this the ICC has proven itself incapable of providing a coherent Marxist account of state capitalism -- its origins and its mode of functioning.

An advance in Marxist theory does not begin with the resolution of the problems posed by changes in reality, but with the posing of a problem, and with the development of the conceptual tools necessary to grasp it. Only in this way can theory - praxis ultimately resolve the contradictions which are the very essence of an ever moving reality. In this regard, the whole of the revolutionary milieu has woefully failed to provide the indispensable theoretical basis for the comprehension of state capitalism.

In attempting to lay the groundwork for a real Marxist theory of state capitalism, we shall discuss in turn:

- 1) the Marxist theory of the state
- 2) the meaning of the relative autonomy of the state in Marxist theory
- 3) the changes in the operation of the law of value in the phase of

state capitalism.

4) the question of the nature of the capitalist class under state capitalism, and the fate of the bourgeoisie in the epoch of state capitalism.

THE MARXIST THEORY OF THE STATE

The theory of the state was never definitively worked out by Marx and Engels. It remains a task that revolutionary Marxists must now accomplish. In the original plan of Capital, Marx envisaged a separate volume on the state. This project, though it could not be carried out, was never abandoned. Had Marx been able to write it, the integral role that the state plays in the enlarged reproduction of capital, as well as the dialectical interaction between the state and the economy in all modes of production, would have been clearly delineated. In fact, the absence of a fully worked-out theory of the state (one that didn't have to be pieced together from Marx & Engels' voluminous and scattered historical, propagandistic and journalistic writings) facilitated the banalization and outright corruption of Marx & Engels' seminal insights into the nature of the state as Marxism was uprooted by mechanistic materialism within the ranks of the Second International. Under the reign of Stalin, the vulgar Marxist theory of the state was enshrined as orthodoxy within the Communist International. The preeminent features of this theoretical aberration are two: first, that the state is an epiphenomenon, a passive superstructural reflection of the economic base (a theory rooted in the undialectical concept of base - superstructure dear to vulgar Marxism); second, that the state is the simple instrument or tool of the economically dominant class in society (a sort of executive committee of the ruling class, to use the unfortunate terminology of the Communist Manifesto, which, whatever the propagandistic value of its imagery, is very far from the theory that Marx & Engels articulated in text after text).

The supposed alternative to this vulgar Marxist theory of the state consisted in effecting a separation between the state and the mode of production, in insisting on the autonomy - albeit relative - of the state from the mode of production. Such a view, no less undialectical than its orthodox counterpart, underlay Trotsky's theory of the Stalinist state. In blatant contradiction to both the facts and Marxism, Trotsky argued that the Stalinist state and the Russian economy were proceeding on opposite courses: the Stalinist state and the bureaucratic caste

which directed it was virtually the same as the fascist state, while the Russian economy was socialist, based as it was on the expropriation of the bourgeoisie, the nationalization of the means of production, and central planning;* in short, the state was counter-revolutionary, while the economy was progressive. That this autonomy of the state from the mode of production was only relative was made clear by Trotsky's insistence that the bureaucratic caste, in the final analysis, had to defend the "socialist" nature of the economy, despite the horrible brutality of its policies towards the working class.

Against these two theoretical aberrations purporting to be Marxist theories of the state, it is necessary to restore the genuine foundations of the Marxist theory of the state. For Marx and Engels, the state is a product of the division of labor in society, a power complex that has a specific function within this overall social division of labor. The state is personified by a bureaucracy, which continually seeks to expand the range of state functions (independent of other factors leading in that direction) so as to justify its own existence and power. With respect to the real motor of historical development (the growth of the productive forces, the class struggle), the state plays an essentially conservative role, representing a force of social inertia in historical terms, even if within a given socio-economic formation it can play an innovative role. A Marxist theory of the state is incompatible with one which sees the state as the result of some sort of class plot, or as a pure and simple instrument or extrusion of the economically dominant class in a given mode of production. But neither can the state be conceived as being in any way independent of the mode of production, to which it is organically, though not mechanistically or passively, linked. What precisely is the nature of this link? What exactly is the objective role of the state according to Marxist theory? The state is a complex of institutions basing itself on the instruments of violent coercion (army, police, courts, prisons), and on ideology in order to maintain the prevailing social relations of production, to preserve the existing property relations from basic change, and to keep the non - possessing and exploited classes in subjection. To accomplish these basic tasks, which are indispensable to any class society, the

* Trotsky's conception of what constituted a socialized economy was, of course as anti-Marxist as his conception of a mode of production and its state apparatus moving in opposite directions.

state will utilize force and violence whenever necessary, and ideology

whenever possible. In this sense it is well to remember Engels' dictum that "the state presents itself as the first ideological power over man". From which follows the combination of royal and priestly functions in Pharaonic Egypt to the existence of the mass media as an integral part of the totalitarian apparatus of state capitalism.

Inasmuch as the very *raison d'être* of the state according to Marxist theory is the maintenance of the existing social relations of production, there can be no question of the autonomy of the state from the mode of production. While in the ascendant phase of a mode of production the role of the state is generally confined to assuring the external conditions necessary to the functioning of the economy (internal peace, order, security for the ruling class), in the decadent phase of a mode of production the state apparatus will be directly implicated in the operation of the economy itself. Indeed, the "active" role that the state must play in such periods will involve it in effecting substantial modifications in the functioning of the economy so as to preserve its fundamental structure and its essential features (though this phenomenon will reach its highpoint in state capitalism).

The decadent phase of a mode of production will also see a veritable hypertrophy of the state apparatus as a response to the turmoil and instability provoked by the combination of devastating economic crises, violent social upheavals and chronic wars which are the hallmarks of such periods. One need only think of the bloated state apparatus of the low Roman empire (Diocletian, Constantine) in the decadence of the ancient slave mode of production, or the huge bureaucracies of the absolute monarchies of the 17th and 18th centuries in the decadence of the feudal mode of production to find revealing parallels with the rise of state totalitarianism in the decadent phase of capitalism.

THE MEANING OF THE RELATIVE AUTONOMY OF THE STATE IN MARXIST THEORY

In every socio-economic formation there is a tension between the state and the economically dominant class. Put another way, Marxism denies the identity of interests between the state and the ruling class that its vulgarizers make the basis of their concept of the state. In all modes of production, and in both the ascendant and decadent phases of a given mode of production, the state (and the functionaries or bureaucracy which comprise it) is characterized by a

relative autonomy from the economically dominant class (the ruling class). This is the real meaning of the autonomy of the state in Marxist theory. This relative autonomy of the state from the ruling class constitutes the objective, social basis for the modifications in the functioning of the economy which the state has brought about in each of the successive modes of production which class society has known.

Just as phases of decadence see a hypertrophy of the state apparatus, so too it is in such periods that the state achieves its greatest degree of autonomy from the ruling class. Thus in the low Roman Empire, the imperial bureaucracy, in a vain effort to prop up the social bases of a declining slave society virtually divested the economically dominant class (the owners of the great slave-worked *latifundia*) of all its political power. In carrying out its function of maintaining the relations of production of slave society and suppressing the exploited classes, the bureaucracy came into direct conflict with the slave-owners, to the point where the latter -- in the process of creating new property relations on its estates based on proto-serfdom (the *colonnate*) -- supported the Germanic invaders who toppled the Empire.

A similar process of autonomization of the state vis-à-vis the ruling class occurred under the absolute monarchies in Western Europe in the 16th - 18th centuries. In the midst of a general crisis of feudal society, and in fulfilling its task of preserving the existing property relations, the state balanced between the competing claims of the landowning classes and the rising bourgeoisie; sometimes favoring the claims of one, sometimes of the other, but always with the overall aim of stabilizing the mode of production based on feudal property. In carrying out this function, the absolute monarchy frequently had to directly clash with the most powerful factions of the nobility, as in England during the reigns of Henry the 8th and Elizabeth the 1st. The despotic inroads which the royal authority made on the power of the Parlements and Estates in France during the 17th century are another example of the often bitter clashes between the absolutist state and the feudal landowners.

However, a considerable degree of autonomy of the state from the ruling class is not limited to the decadent phase of a mode of production, as the example of Bonapartism will make clear. Marx and Engels provided particularly detailed analyses of the phenomenon of Bonapartism in the ascendant phase of capitalism (the 19th century). The Second Empire of Louis Napoleon is the classic example of the Bonapartist state, which in order to

assure the socio-economic power of the bourgeoisie must break its political power:

the individual bourgeois can continue to exploit the other classes...only on condition that their class be condemned along with the other classes to like political nullity; that in order to save its purse, it must forfeit the crown, and the sword that is to safeguard it must at the same time be hung over its own head as a sword of Damocles.

(K. Marx, The Eighteenth Brumaire)

In another text by Marx, the extent to which the Bonapartist state could achieve autonomy vis a vis the economically dominant class was even more starkly presented:

The army is no longer to maintain the rule of one part of the people over another part of the people. The army is to maintain its own rule, personated by its own dynasty, over the French people in general. It is to represent the State in antagonism to the society.

(K. Marx, The Rule Of The Pretorians)

That this was no more than a tendency under the conditions of ascendant capitalism, and a short-lived one at that, was clearly demonstrated by the subsequent evolution of the artist state (which Marx self-charted). In its final decade, the state apparatus, with Louis Napoleon at its head, took on a more "normal" relationship to the French bourgeoisie, ceasing its draconian intervention into the economy, becoming increasingly subject to the direct control of the bourgeois class itself -- all of which indicated the coming transition to a state form more in keeping with the general conditions of a capitalist society at its apogee: the parliamentary republic.

Both the rule of Louis Napoleon and the Bismarkian state in Prussia - Germany are examples of Bonapartism. According to Marx, the Bonapartist state corresponds to a period in ascendant capitalism when the class struggle temporarily balances the power of the contending classes (bourgeoisie and working class), thereby making both necessary and possible the provisional assumption of power by a Bonapartist dictator at the head of the state bureaucracy in order to prevent capitalist society from being torn apart by end-less internecine warfare.*

The examples of a considerable degree of state autonomy from the ruling class in ascendant capitalism even led Engels to raise the question of whether the direct political rule of the bourgeoisie in its own right (in the classic form of a parliamentary republic or a constitutional

monarchy) is the exception and not the rule:

It is becoming clearer to me that the bourgeoisie doesn't have the stuff to rule directly itself, and that therefore where there is no oligarchy as there is here in England...a Bonapartist semi-dictatorship is the normal form; it carries out the big material interests of the bourgeoisie even against the bourgeoisie, but deprives the bourgeoisie of any share in the ruling power itself.

(Engels to Marx, April 13, 1866)

What concerns us in this letter is not the conclusion Engels drew -- which was certainly a great exaggeration, though one produced by the political ineptness of the bourgeoisie on both sides of the Rhine at the time of writing -- but the fact that it clearly demonstrates that the reality of state autonomy from the ruling class was taken for granted by Marx and Engels.

The Tsarist autocracy of the 19th century is another example of state autonomy in the ascendant phase of capitalism. Indeed, in the case of Russia, the Tsarist autocracy itself took the lead in actually creating the social bases for capitalism within the frontiers of Russia, and even breathed life into a bourgeois class that had until then been virtually non-existent on Russian soil. From the liberation of the serfs to at least the outbreak of the revolution in 1905, the Tsarist autocracy balanced between a bourgeoisie too weak to take political power in its own right and a landowning class too powerful to be disciplined in the interests of capitalist development except through a despotic state.

Before concluding our account of the Marxist theory of the state, we must take a look at a mode of production which is incomprehensible to vulgar Marxism with its simplistic concept of the state as nothing but an instrument of the economically dominant class. This is a mode of production in which the state and its bureaucracy does not achieve autonomy from the ruling class, but rather one in which the state and its bureaucracy IS the ruling class. We are speaking of the Asiatic mode of production, based on the payment of tribute -- by the village communities that constitute the economic foundation of this society -- to the

*While we believe that Marx overestimated the weight of the proletariat as a factor in the formation of the Bonapartist state, what is important for our purposes here is Marx's insistence on the autonomy of this state vis a vis the bourgeoisie.

despotic state. In short, a mode of production in which the surplus is extracted from the exploited class directly by the state in the form of tribute. The relevant point here is to show that the existence of a state and its bureaucracy as a ruling class, far from being unthinkable to Marx and Engels, was the very basis of their understanding of Asiatic -type societies (China, India, etc.).

The purpose of this account of the Marxist theory of the state is not to make either the state as ruling class in the Asiatic mode of production or the various examples of state autonomy from the ruling class into a model for state capitalism. While it is true that under state capitalism the state and its bureaucracy is the ruling class, it is so precisely because it has become the personification of CAPITAL, i. e. the capitalist class. State capitalism, unlike the Asiatic mode of production, is not a distinct socio-economic formation with its own laws of motion, but a transformation internal to the capitalist mode of production itself. Similarly, state capitalism is not an example of the autonomy of the state from the ruling class (comparable to the absolutist monarchy or the Bonapartist state) but rather a case where the state and the ruling class are one and the same. However, the origin and development of state capitalism, though having its cause in the permanent crisis of capitalism as a mode of production, proceeds through the ever greater autonomy of the state and its bureaucracy from the bourgeoisie. In sum, it is the tension between the state and the economically dominant class, which is basic to the Marxist theory of the state, that explains the actual genesis of state capitalism as an effort to preserve capitalist relations of production and maintain the proletariat as an exploited class, even against the opposition of the bourgeoisie.

STATE CAPITALISM AND THE LAW OF VALUE

Within the revolutionary movement one of the greatest obstacles to an understanding of state capitalism has been the inability to clearly distinguish between the real social relations of production and the juridical forms in which the actual property relations appear. As a result, the nationalization of the means of production, which is simply one juridical form of capitalist private property, was mistakenly conceived as the abolition of private property itself. The result was that an economy in which the means of production were nationalized was erroneously seen as, by definition, non-capitalist. Once we penetrate beyond the appearance of juridical forms, it becomes clear that the essential capitalist social relations of

production, based on wage labor, are perpetuated under the juridical form of nationalization. Indeed, capitalist private property can exist under a variety of juridical forms: individual private property, the joint stock company, trusts and cartels, state ownership (either de jure or de facto). While a recognition of the fact that nationalization is one form of capitalist private property is a necessary condition for grasping the reality of state capitalism, it is not -- as we shall see -- sufficient. It is equally important to understand the changes in the operation of the capitalist law of value which inexorably produce the nationalization or statification of the means of production as a condition for the very survival of capitalism.

Those revolutionary organizations which recognize state capitalism as a universal tendency in the decadent phase of the capitalist mode of production have seen it exclusively in terms of the necessity for a redivision of a saturated world market or the necessity for the destruction of a mass of overaccumulated capital --- proceeding through inter-imperialist world war and requiring the organization of a war economy. One of the clearest analyses of this causal thread which leads to state capitalism is found in a text by P.L. Tomori (pseudonym for Etienne Balazs) written just after World War 2 :

"What characterizes state capitalism in the final analysis is that it doesn't have recourse to war as an expedient, as an extraordinary and abnormal means to re-establish its regular valorization, but that it is -forced to institute the production of the means of destruction as its normal mode of production; that it can no longer live without a war economy which is both the cause and effect of statification. If for monopoly capitalism war was a reprieve, for state capitalism it is its only chance, the ultima ratio of capitalism. (Qui Succedera Au Capitalisme?) While the constant need to prepare for and to wage inter-imperialist war, to mobilize the mass of the population (and in particular the proletariat), to organize a war economy, as a result of the permanent crisis of capitalism, is a decisive factor in the development of state capitalism, it is not the only one. What even the clearest of revolutionary organizations have failed to grasp is the fact that state capitalism is not the result of a single causal chain --- a view which is characteristic of reductionism and schematism --- but rather the outcome of a meshing of several causal chains. In this connection it is absolutely essential to recognize the no less decisive role played by the epochal change from the formal to the real domination of capital in the development of state capitalism.

Marx's discussion of the formal and the real domination of capital is to be found, for the most part, in the Grundrisse and in the Results of the Immediate Process of Production, texts which remained unpublished until the 1930's (and virtually unknown until the 1960's), though their basic concepts would have been incorporated into the later volumes of Marx's projected Capital had he lived to complete them. The inability of the epigones Kautsky and Bernstein to grasp the importance of these manuscripts and to publish them (itself part and parcel of the degeneration of Marxist theory at the hands of the Second International) meant that the communist left did not have access to an important part of the Marxist conceptual apparatus when its clearest elements and fractions developed their theory of state capitalism. What is inexcusable was the complete failure of organization's like the ICC to grasp the importance of these texts when they finally were published --- particularly since they contained the theoretical bases for overcoming its incomprehensions concerning the phenomenon of reconstruction and the modifications in the operation of the law of value under state capitalism. If those revolutionaries who recognized the universal tendency to state capitalism failed to grasp the importance of the change from the formal to the real domination of capital in the confluence of causal chains producing the statification of capital, those elements who insisted on the significance of these unpublished texts of Marx were themselves incapable of seeing the vital link between the change from the formal to the real domination of capital and the development of state capitalism (or even recognizing the existence of this latter). Within the framework of the present article, we cannot analyze the epochal character of the change from the formal to the real domination of capital, from a form of capitalism based on the extraction of absolute surplus value to one based on the extraction of relative surplus value, or even the inextricable link between this change and the decadence of capitalism, its permanent crisis.* Rather, we will limit ourselves to a survey of those features of the real domination of capital

* The change from the formal to the real domination of capital begins in the ascendant phase of capitalism, though it is only completed in full decadence. Indeed, it is this change from the formal to the real domination of capital, as we will indicate, that results in the permanent crisis of the capitalist mode of production, that renders the contradictions in the capitalist production process insoluble.

and the real subsumption of labor under capital which necessitate the statification of capital. It is only by recognizing the particular features of this specific causal chain, and its interaction with the causal chain which necessitates the butchery of a redivision of the world market, the violent destruction of capital living and dead and its accompanying war economy, that we can grasp the actual course of the social development which both produces state capitalism and perpetuates its barbaric reign until either a proletarian revolution smashes the capitalist state everywhere and begins the transition to communism or decadent capitalism destroys the human species in the orgy of a third inter-imperialist world war.

The change from the formal to the real domination of capital, from the formal to the real subsumption of labor under capital, which Marx traces in the Results of the Immediate Process of Production (hereafter Results), involves the recomposition of the working class, in which "...the real lever of the overall labour process is increasingly not the individual worker" (Results in Capital, volume 1, Penguin Books, p.1039-1040), but "labour - power socially combined" (ibid.), what Marx calls the collective or the "aggregate worker" (ibid.). This collective worker (Gesamtarbeiter) which produces relative surplus - value includes productive activity far removed from manual labor, productive activity strictly dependent on "...the use of science (the general product of social development), in the immediate process of production..." (ibid. p.1024). In contrast to the phase of the formal subsumption of labor, when productive activity is largely confined to a mass of individual workers performing manual labor and in which capital exploits labor - power as it finds it, so to speak, in the phase of the real subsumption of labor, capital must consciously shape and produce its collective worker through the provision and organization of science, education, training, health-care, transportation, leisure, etc., without which the extraction of relative surplus - value cannot take place. This task cannot be left to the free play of the market, to the individual capitalists or even to huge trusts and cartels. It requires the coordinating and centralizing activity of the coercive state apparatus, the personification of the total social capital (on a national scale), which is the complement to the aggregate worker of the real domination of capital.

The extraction of relative surplus value from the collective worker has as its concomitant the dramatic rise in the organic composition of capital. It is not merely the proportion of constant to

variable capital which dramatically rises in the phase of the real domination of capital, but more particularly the fixed component of constant capital (machinery, technology). This ever increasing weight of fixed capital in the production process has a decisive impact on the unfolding of economic crises:

From the moment ... when fixed capital has developed to a certain extent -- and this extent, as we indicated, is the measure of the development of large industry generally -- ... from this instant on, every interruption of the production process acts as a direct reduction of capital itself, of its initial value Hence, the greater the scale on which fixed capital develops ... the more does the continuity of the production process or the constant flow of reproduction become an 'externally compelling condition for the mode of production founded on capital.

(Grundrisse, Penguin Books, p703)

In short, in the phase of the real domination of capital interruptions or shutdowns of the productive process constitute a destruction of the value of capital itself. This phenomenon is heightened further when the growth of fixed capital is accompanied by an ever growing mountain of debt (the inevitable compliment to the real domination of capital), which continues to demand its pound of flesh in the form of interest payments even if the plant and machinery lie idle! This destruction of capital in an economic crisis is, of course, not peculiar to the phase of real domination of capital. But, whereas in the phase of formal domination of capital, with its relatively low organic composition of capital and comparatively small burden of debt, the interruption in the productive process leads to a shakeout of the weakest and least competitive capitals, under the conditions of real domination it would be precisely the most technologically advanced capitals which would be destroyed by a **shutdown** of production. That is why capital, in the phase of real domination, must shun like the plague any deflationary crisis, with its accompanying interruption in the cycle of production, as a means to effect the necessary devalorization or destruction of excess capital. (And when this devalorization becomes unavoidable, it must be deflected onto rival capitalist states through the medium of inter-imperialist world war.) However, only the centralization of capital in the hands of the state, and its draconian intervention into all levels of the productive process (particularly, as we shall see, through the massive creation of fictitious capital), can make possible the avoidance of regular deflationary crises.

In contrast to all pre-capitalist modes of production, capitalism has an inherent tendency to operate as if production were an end in itself, to continually expand the scale of its productive activity in its frenzied quest for surplus value. However, it is only in the phase of the real domination of capital that this tendency is fully actualized:

"Production for production's sake"--- production as an end in itself ---does indeed come on the scene with the formal subsumption of labour under capital. It makes its appearance as soon as the immediate purpose of production is to produce as much surplus-value as possible....But this inherent tendency of capitalist production does not become indispensable, and that also means technologically indispensable --- until the specific mode of capitalist production and hence the real subsumption of labour under capital has become a reality. (Results, p.1037)

This tendency, actualized in the phase of real domination, tendentially clashes with the much more rigid limits of the world market to realize the ever greater masses of surplus value which are spewed forth. Yet the reproduction of the total social capital requires not simply the extraction of surplus value from living labor (and that at an adequate rate and mass of profit), but the realization of this surplus value on the world market, which alone makes possible the capitalization of the greater portion of this surplus value and hence the enlarged reproduction of capital. Only if the effective demand to realize the ever increasing mass of surplus value is present can the circuit of capital be completed. Failing that, a crisis of over-production will ensue, interrupting the cycle of production and in the phase of real domination --- as we have seen --- bringing about the destruction of the most technologically advanced capitals. Thus in its phase of real domination, capital faces the absolute necessity of mobilizing or creating the otherwise deficient effective demand, without which the system will collapse!

Faced with a situation in which production outstrips effective demand, not just periodically, as in the phase of formal domination, but permanently (the quintessential feature of the decadence of capitalism), several responses are open to capital*.

* These response are only palliatives; they can in no way provide a solution to the permanent crisis of capitalism.

Each of them requires that the capitalist state assume an increasing and finally controlling role in the enlarged reproduction of capital, in the circuit of capital.

Through the spoilation of the peasantry, the urban petty-bourgeoisie, and small capitalists, it is possible to mobilize a considerable effective demand with which to temporarily disengage a saturated market. This process of spoilation, however, is only possible through the coercive power of the state, which through taxation, regulation, etc., can effectively expropriate a mass of independent producers and small capitalists who could not be eliminated by the free play of the market itself, and whose savings and holdings can be converted into so much effective demand by the state.

The spoilation of imperialist rivals, their elimination as competitors on the world market, the seizure of their assets and capital can also temporarily relieve the saturation of the world market and mobilize a new source of effective demand. This type of spoilation too --- the outcome of inter-imperialist war --- is only possible through the creation of a war economy under the aegis and complete control of the capitalist state, in short, through state capitalism!

Not even the most throughgoing spoilation of small producers and imperialist rivals --- essential though they are --- can possibly mobilize sufficient effective demand to keep pace with the enormous mass of surplus value which capital in its phase of real domination turns out --- the realization of which is an absolute necessity if the circuit of capital is to be completed. Therefore, capital --- under pain of extinction --- must create a fictitious demand, the counterpart to the creation of an ever growing mass of fictitious capital. This fictitious capital is created through the mechanism of the credit system. While credit and fictitious capital played a role even in the phase of formal domination of capital, it was no more than an ancillary factor in the productive process and did not necessitate the statification of the credit mechanism. In the phase of the real domination of capital, however, fictitious capital becomes the veritable linchpin of the economy, and its creation in the requisite quantities necessitates a vast process of statification of the monetary and credit system. The very character of money is transformed: from asset money (gold and silver) to liability money (the monetization of debt). This process whereby debt is converted into fictitious capital (and thereby into fictitious demand) is only possible when the monetary

and credit system is under the complete control of the capitalist state (on an international scale when this system is under the control of the dominant state), in other words only when capitalism assumes its statified form.

The extent to which the state through its indebtedness is the source of the fictitious demand which alone permits decadent capitalism to survive between orgies of destruction, is patently clear. Whereas in the ascendant phase of capitalism, the state in the advanced industrial societies consumed on an average no more than 3-5% of the global product, at the present time, in full decadence, the state in these same societies consumes 40-50% of the global product directly!*

It is apparent that the development of state capitalism involves profound modifications in the operation of the law of value. However, this does not involve "a restriction in the law of value's field of application" as the ICC has said. Quite the contrary! The phase of the real domination of capital and its corollary, state capitalism, involves not a restriction but a vast expansion of the field of application of the law of value. In the phase of formal domination, production, circulation and consumption were still largely separate spheres, and the law of value was for the most part confined to the first of these, and virtually totally excluded from the last. By contrast, in the phase of real domination, the law of value directly lays hold of each of these spheres, which become one, organized and controlled by the state apparatus. However, this does not mean that the state "commands" the economy. Indeed, the capitalist law of

*Lack of space prevents us from tracing out another causal chain that leads from the real domination of capital to its permanent crisis. The ever higher organic composition of capital as a result of real domination reduces the rate and mass of profit, which can be temporarily counteracted in two basic ways: increasing the rate of surplus-value, i. e. intensifying the exploitation of the working class; redistributing surplus-value from profitable sectors of the economy to those with insufficient surplus-value, but which are vital to the national capital. Both require the statification of capital. The former involves the totalitarian control over the proletariat, particularly through the trade union apparatus by which the state organizes and disciplines the workers. The latter can only be effected by taxation, subsidies and nationalization, i.e. control of the capitalist production process by the state.

value "seizes" the state, and the state apparatus is directly subordinated to the imperatives and logic of the enlarged reproduction of capital. The capitalist state is transformed into the crystallization of the law of value in the phase of real domination. Through the state, the law of value penetrates into every aspect of social and personal life. The abstract rationality of the commodity form spreads from the process of material production to the whole of social being (politics, leisure, family, culture and science), which the capitalist state attempts to organize as a totalitarian whole.

THE CAPITALIST CLASS UNDER STATE CAPITALISM AND THE FATE OF THE BOURGEOISIE

The development of state capitalism involves a recomposition of the capitalist class. This process is one in which the bourgeoisie, as the possessors of individual private property, gives way to a capitalist collective, as the possessor of statified private property. The capitalist class was always defined by Marx as the personification of capital, as the functionaries of capital. These functionaries, this personification, historically takes on diverse forms, corresponding to the successive forms of capitalist private property and to the modifications in the operation of the capitalist law of value. The bourgeoisie is integrally linked to the individual private property or shareholding which prevailed in the ascendant phase of capitalism, in the phase of the formal domination of capital. The bourgeois, inexorably bound to his discrete fraction of the total social capital, whose self expansion is his *raison d'être*, increasingly gives way to the state and its bureaucracy, integrally linked to the total social capital of their state, as the personification and the functionaries of capital. This point may be reached either by the virtually complete expropriation and elimination of the bourgeoisie (sometimes violent), or by the fusion of the bourgeoisie and the state bureaucracy. However, even in this latter case, which characterizes the advanced industrial societies of the American imperialist bloc, it is increasingly the individual's role as a state functionary or manager and not his particular juridical property "titles", that is decisive in his functioning as a capitalist. This outcome is the result of a whole period of intra-class, intra-capitalist, struggle, which depending on the strength or weakness of the particular national capital and the constellation of imperialist blocs can take the form of civil war or of constitutional struggle.

The weaker the national capital, the more violent and brutal this intra-capitalist struggle is likely to be. While in the most powerful capitals (Western Europe, Japan, North America), the incorporation of the most powerful elements of the bourgeoisie into the bureaucracy has more normally followed a peaceful and organic form. (This does not mean that the "traditional" bourgeois bound exclusively to his discrete portion of the total capital, to his company, has ceased to exist in the phase of state capitalism. He continues to exist as a residual social actor in the form of small and medium capital in the West, and even leads a marginal existence in the Stalinist countries.)

That capital, in its phase of real domination, "loses all its individual characteristics" (Results, p) is simply the other side of the coin of the recomposition of the capitalist class in the present epoch of state capitalism, of the change from the bourgeois to the bureaucrat as the functionary of capital. The very social structure, based on value production, which historically gave birth to the bourgeois and his rule, in the course of its inexorable development abolishes him, and confers the function of personifying capital in its decadent phase on the state bureaucrat and manager. To the new form of capitalist private property, statified property, there corresponds a new type of capitalist: the state bureaucrat, the functionary of capital in its phase of decadence.

CONCLUSION

Marxism is based on the indissoluble unity of theory and practice. It rejects any sort of contemplative orientation to social being. In this sense, the aim of this text is to help forge the theoretical weapons which are vital to the struggle of the proletariat to overthrow a decadent capitalist system which has plunged humanity into a long night of barbarism. Without a clear understanding of the organization and mode of survival of capitalism in its phase of permanent crisis, i. e. an understanding of state capitalism, any "intervention" in the class struggle will be at best futile and irrelevant, and at worst an obstacle to the development of the struggle of the proletariat.

The theoretical positions of the revolutionary milieu vis à vis the organization of capitalism in its decadent phase are reminiscent of the preparations of the French general staff in the period between the two World Wars. (Not in terms of any analogy between revolutionary organizations and the general staff of an army, but solely in terms of the inability to grasp the fundamental changes in social reality which had made their cherished

"theories" completely outdated.) Just as the French general staff of the 1930's, with its Maginot Line, was prepared to fight the last war, but hopelessly unprepared for the coming war, so the contemporary revolutionary milieu is "theoretically" prepared to fight the Russian revolution of 1917, but largely ignorant of the basic changes which have

reshaped capitalism in the last 70 years, and therefore completely unprepared to face the state capitalist adversary of today. The inadequacy of the revolutionary milieu's understanding of state capitalism is what makes a thorough and open discussion of this question an urgent task for both revolutionary theory and practice.

MAC INTOSH

THE GCI ON THE HUNT FOR 'STOOL-PIGEONS'

Readers of "LE COMMUNISTE" (publication of the Groupe Communiste Internationaliste) are aware of the political denunciation of our Fraction in number 25 of that review, which calls us "stool-pigeons", "informers" having to make but the slightest "effort" to "get the reward offered by the state". This extreme reaction is due to the fact that we wrote that the GCI is "clandestine" and "militarist" in our article on terrorism in number 2 of our review.

Such an attitude is alien to the revolutionary movement and bears witness to the extent of the political involution of the GCI. The accusation of "stool-pigeon" is an extremely serious one, which must not be made lightly. To take a recent example, remember that even at the time of the "Chenier affair", despite the grave suspicions concerning the actions of that individual, the ICC never publicly accused him of being an active agent of bourgeois repression. The GCI knows full well that we have been the victims of the same "anti-terrorist" repression that it has faced, and that at the time we never failed to demonstrate our solidarity. At that time, the GCI seemed to have no problems speaking with "stool-pigeons".

The only event that has occurred since then is the publication of our article on the anti-terrorist campaigns, in which we said that "it is necessary not merely to denounce the anti-terrorist campaign unleashed by the bourgeoisie, but also the confusions subsisting within certain proletarian groups about terrorism" (IP#2). In that article, we didn't hesitate to make a political critique of groups like the GCI which are the bearers of dangerous confusions on terrorism and which, as a result, strengthen the mystification of the alternative terrorism - anti-terrorism in which the bourgeoisie attempts to take in the workers. Here is the real heart of the issue: the GCI can no longer accept a political critique of its position on terrorism, because it has itself been taken in by this false ideological alternative. Anything which is not exclusively directed against state repression must be, in the eyes of the GCI, a part of state repression. There is no need to deal with political positions: a simple approbation or denunciation is sufficient. For communists, if it is their obligation to demonstrate their solidarity

with proletarian elements who are the victims of repression, it is just as much their obligation not to stick their principles in their pockets, and to make a ruthless criticism of the mistaken conceptions that such elements can have, failing which these mistakes will only grow. In so doing, we sought to take up our basic political responsibilities.

Of all that, the GCI says not a word. It contents itself with fixating on two words in our article, and that is enough to make us worthy of "proletarian" vengeance. We see here the wretched method dear to leftist terrorist gangs and to their Stalinist ancestors. It is obvious that in any polemic formulations which lend themselves to abusive interpretations can slide in. A healthy revolutionary attitude, in a case where such an interpretation can result, consists in making contact with the group in question so as to permit it, if necessary, to publish a rectification. In hurling itself into an accusation like that of "stool-pigeon", the GCI did not even act with a view to its own security, since it could only lend support to the "suspicions" hovering about it.

But let's take a look at the famous incriminating formulations. In the article in IP2 there is a phrase saying: "Thus, the refusal of open political confrontation in public meetings is justified under the pretext of clandestinity." We recognize that this formulation is inadequate, because it could give the impression that a group like the GCI is effectively clandestine. In reality, we spoke of a pretext of clandestinity and in doing so made reference to the fact that a series of groups have regularly manifested their refusal to participate in public meetings under the pretext of security. We rightly spoke of a pretext, because the real problem is their refusal of open political confrontation. If communists had taken refuge behind this argument throughout history in order not to intervene publicly, they would never have done anything (which is not to say that everyone must intervene no matter where, when or how). Political confrontation is a necessity for proletarian organizations; without it, they fall into the vicious circle of their own errors and are threatened with degeneration at an

accelerated speed. We did not insinuate that the GCI is terrorist, nor that it has a clandestine structure; we raised a political problem which the GCI seems to be no longer capable of seeing.

With respect to the characterization of the GCI as "militarist", the only formulation to which that term could be linked is the following phrase: "... certain groups, like the GCI and the ICP,...privilege the military aspect to the detriment of the general role of the organization of revolutionaries." If the GCI sees militarism in this, it should make its own self-criticism. On several occasions and without the least equivocation it has defended its position on this subject. It has gone so far as to affirm: "For our part, we think that the essential lesson of these past ten years of struggle has been the non-assumption of military questions (both "practically" and "theoretically") by the communist fractions" "If there is something for which we do not reproach the armed reformist groups, it is for having tried to take charge of the need for military preparation.... It is now, more, than ever, a question of assuming the military tasks...."(LE COMMUNISTE #19) Is the GCI playing hide and seek with its positions? It carries its idolatry of the military question in itself so far that it "does not reproach" terrorist groups for "trying to take it in charge"... sort of like not reproaching the disciplinary forces of the bourgeoisie for trying to control the working class!

In its response to a letter that we sent to make it aware of our reaction, here is how the GCI justified its attitude: "One does not judge a man --and still less an organization -- on what it says or thinks it does, but on what it really does. It is in this sense that the fact that it was not conscious still puts you objectively in the camp of the stool-pigeons, independently of what you wanted to say or not say in your public review. In this respect you are no better than the ICC." In effect, one judges a man on what he really does. But by "what he does", the GCI understands only "what he says on the problem of violence and repression", since it condemns us on the sole basis of two words written in our review. Behind this incoherence is hidden a completely invalid conception of revolutionary activity, defined first of all by so-called "direct actions" against the state and "active solidarity" against repression, beside which the fundamental elements which are the program of an organization and its intervention in workers struggles count for little.

It is in perfect logic with this conception that, in the same number of LE COMMUNISTE in which we are denounced as "stool-pigeons", the GCI shamelessly capitulates to a Stalino -Maoist armed organization of the worst sort, Shining Path in Peru, to which it has now given its "critical" support: "We have no basis for seeing 'Shining Path' (or the PCP as it calls itself) as a bourgeois

organization in the service of the counter-revolution." " 'Shining Path' appears more and more as the only structure able to give coherence to the ever-growing number of direct actions of the proletariat in the cities and the countryside...."(LE COMMUNISTE #25) The completely capitalist and nationalist program of this organization, the terror and military control that it incarnates, count less for the GCI than the fact that it "acts" in a "direct" way, weapons in hand.

Behind a radical phraseology, the GCI is in the process of abandoning revolutionary Marxism. Instead of winning elements coming from terrorism and from anarchism, it is the GCI which is being won by terrorism and anarchism. The primary obligation of solidarity towards the GCI which is more and more imposed on revolutionaries is to make a critique -- without concessions -- of its political errors, so as to prevent it from being destroyed from within by bourgeois ideology.

LETTER CONTINUED FROM p.29

measures or a joint publication, comes down to purely and simply denying the existence of a political crisis of the milieu (and therefore not posing the question of how to overcome it) and introduces dangerous confusions on the possibility of permanent technical work situated "above", "beyond", "in spite of" programmatic and political divergences; divergences which are sometimes profound, even including opposition on the nature and content of the practical reaction of the several groups to actual events.

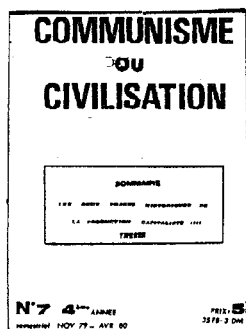
Therefore, there is a fundamental difference in the step of contacting political groups to propose an exchange of information, help in distribution (which we accept!), and that of establishing a formal link without either preliminary discussion or political agreement between the signatory groups; a link involving a commitment to "observe the rules" such as is mentioned in the proposal, and which we rejected.

A basic fraternal attitude cannot be identified with an agreement in principle on tasks, no matter how minimal they are. Thus, it would be difficult to politically sign points the content of which had not first been established and discussed by these very signatories. For example:

- . when you speak of the "authentic forces of communism": who are they, what are the criteria to delimit these forces?
- . when you speak of "observing the rules": who will guarantee them, how will these rules be developed, made more precise, and modified?
- . when you speak of "the elaboration of common means against

CONTINUED ON INNER FRONT COVER

PROPOSAL FROM



DIFFICULTIES IN OVERCOMING THE CRISIS IN THE REVOLUTIONARY MILIEU

This past year quite a few people have taken initiatives to try to overcome the weaknesses of the revolutionary milieu. In 1986, groups from Argentina and Uruguay sent the revolutionary milieu an "international Proposal" on working together. In March 1987, several groups and individuals of the revolutionary milieu in France made a proposal a lot like the previous one but much more limited and restricted in its aims. These two initiatives and the many reactions of different groups to the Argentine Proposal led us to two observations.

- The first is that it cannot be a pure coincidence that we see such similar reactions in the milieu. Although there is no mechanistic link between the development of class struggle, the deepening of proletarian consciousness and the growth of its avant-garde, we can at least hypothesize that the weak revolutionary forces have been shaken up by recent advances in class struggle. Although it was still possible for some groups to live in sclerosis, isolation and general torpor in the years of the general reflux in the 70's, it was no longer possible in the 80's when the growth of struggles would shake up the revolutionary avant-garde. Whole parts of political currents, from bordigism to councilism, have broken up and disappeared because they were unable to face up to the questions raised by the struggle.

- The second observation is that although revolutionary groups have denied the existence of a political crisis in the milieu, the two recent initiatives and the answers they got represent an implicit recognition of a crisis in the milieu. Unfortunately, this recognition is still limited to the effects of the crisis and not its causes. Thus, the two proposals refer only to the isolation and dispersion of revolutionary forces and the sectarian spirit that plagues the milieu.

We would like our Fraction to be able to contribute to identifying the causes as well as the effects and helping to combat this crisis, working towards the regroupment of revolutionaries. We published our answer to the Argentine and Uruguayan groups in I.P.#5 : "What Kind of Revolutionary Regroup-

ment". In the present article, we will try to relate the evolution of discussions around the proposals of the groups in France and try to draw some lessons.

HISTORY

In March, during the public meeting of the Fraction in Paris, a text was handed to us, already co-signed by "Communisme ou Civilisation", "Germano", "Revue Communiste" (the I.B. R.P. of the C.W.O. and Battaglia Comunista) and "Jalons". This text contained two basic points : 1) the statement that the milieu was dispersed and isolated and 2) an attempt to overcome certain weaknesses. "In this sense, several elements of the milieu have come together to make some proposals, aiming to find a minimal terrain of agreement among revolutionaries. In other words, without trying to deny or blur any theoretical, political and tactical divergences, we want to provide ourselves with more unified means of carrying out revolutionary work." (Quote from the Proposal). A whole series of practical proposals followed such as "editing a magazine together as a result of a collaboration between the different elements of the milieu who will nevertheless maintain their political and organizational specificities."

This last point deserves our attention. It showed a desire to overcome isolation but, at the same time, it was a model of how not to go about it. This idea of a common magazine was to take up three discussions and become a part of the partial decantation that followed.

At another meeting in April, the idea of such a common magazine was defended as a) a way to fight against dispersal by assembling texts on current concerns under a common cover, b) a way to favor unity against the "outside" world and c) a way to work towards clarification through texts containing divergences. In other words, the magazine would define the divergences; the magazine would create the debate. Other comrades defended a different perspective. Considering political groups today too "hyper-structured" and out of sync with today's needs, they felt new ones had to be created

and the magazine would help in this dynamic of breaking up and going beyond the old structures.

As we can see, this idea of a magazine covered a whole range of quite different ideas about the reason for the crisis in the milieu and the way to overcome it.

At the third meeting in June, the divergences were more clearly recognized by all. The IBRP admitted that there were strong internal divergences with people from their "Revue Communiste" in France on the question of signing the proposal. The IBRP adopted a very tactical, somewhat unclear position of "no, but...". They refused to sign the proposal while saying they were ready to put it into effect. They did not explain this answer nor did they explain the different opinions in their group on the subject. Most of those who previously signed the proposal retracted their signatures. Some felt the dynamic had been broken; others joined the position of our Fraction. Only Communisme ou Civilisation and Union Proletarienne maintained their proposal, both still wanting the magazine.

The Fraction made two written contributions in addition to its presence at the discussions. We tried to point out what we felt were the completely mistaken conceptions behind the proposal for the magazine and, in a general way, how the Fraction saw the question of regroupment -- not as a "technical" question but as a political one.

THE ERRORS LEADING TO THE DEMISE OF THE PROPOSAL

In our second written contribution, we tried to show the illusions and the dangers behind this idea of a "technical" regroupment without any political clarification, particularly the aberration of suggesting a magazine, not as the result of a process of decantation and political coherence but as a simple "technical assemblage". We said in this letter of June 6th: "The refusal to undertake political confrontation and clarification of political positions in relation to the needs of the period and its 'replacement' by 'technical' arrangements, such as a commitment to publish a magazine together, comes down to a denial of any political crisis in the milieu. It therefore rejects any attempt to overcome this crisis and introduces dangerous confusions about the possibility of permanent 'technical' collaboration 'in spite of', 'besides' or 'above' political and programmatic divergences. In fact, these divergences often produce profound differences in the practical reactions of different groups towards current events.

There is, therefore, a fundamental difference in approach here between the idea of contacting political groups to propose an exchange of information and distribution, which we accept, and the attempt to set up a purely formal link without any preliminary discussion or political agreement among the groups, signing a declaration to the milieu where groups simply agree to "obey the rules" among themselves. This latter approach we reject. An elementary fraternal attitude is not to be confused with a prin-

cipled agreement on tasks no matter how minimal."

We think it is impossible to create any permanent "technical" structures if they are not the product of a process of political clarification, discussion and confrontation of positions. Those who made the proposal claim that the positions of different groups and individuals are known to all and that the only coherence needed for working together is just an agreement on the basics of marxism. But this is much too vague. If we think back to all the work that had to be done so that the International Conference could take place in 1977 at the initiative of Battaglia Comunista and the I.C.C., we realize that there is a lot of discussion needed to clarify and deepen our respective positions and better identify our divergences. That is the only way to proceed if we want to leave any sort of legacy to others in our class. The proposal written in France did not want to "waste time" with such discussions. So it condemned itself to the void before it could even be implemented. This desire to "spare ourselves" the time of political discussion covers a real misunderstanding of the crisis in the revolutionary milieu and thus draws false conclusions on how to overcome the crisis. It was as though, suddenly, what had not been possible for years, what plunged groups into isolation, no longer existed or would magically disappear because some texts would be stapled together under a single cover! We think the crisis that all of the revolutionary milieu is going through is a political one whose roots lie:

- in the revolutionary groups' inability to draw all the lessons from the first revolutionary wave and develop marxist theory;
- in the difficulty in dealing with new questions raised by the present period in the development of the crisis of capitalism, class struggle and class consciousness and the ability to apply this to intervention in the class and the role and constitution of the future party;
- the 50 years of counter-revolution which marked an organic break with the experience of class struggle in the proletariat.

These are some guideposts to try to deal with the problems of the milieu. They are part of an attempt to overcome the dispersion of the milieu by establishing a framework for political confrontation among the different groups. The failure of the third International Conference in 1980 was the expression of the crisis in the milieu and showed that most groups would not even recognize the problem.

WHAT LESSONS

Today, four months after the writing of the first proposal, nothing remains except minimal exchanges among groups defending the same class interests. Elementary solidarity among these groups was "put on the agenda" to break with the isolation of the political milieu. The idea of deeper discussion on certain key subjects of marxist theory was also promised by the groups.

The main lesson to be drawn from these four months is the positive dynamic the proposal represented, the willingness to open up and try to fight against the crisis in the milieu. Some revolutionary groups seem not to have recognized this dynamic.

The I.C.C., for example, just sent a letter but couldn't be bothered to come to a meeting. The F.O.R. also sent its solidarity in terms of closer contact among groups but made no contribution, written or by their presence.

But the lesson would only be half expressed if we didn't realize to what extent the best intentions in the world can be meaningless if there is no recognition of what is needed to concretize them. And unfortunately, as we have seen, this is what happened to those who signed the proposal. That's why today it has no material existence.

Conscious revolutionaries have got to understand the need to deal with the political crisis, recognize it and try to see how we can overcome it rather than denying its existence with "technical" proposals.

In this sense, we can only hope that when participants in the June meeting agreed to come together again to confront political perspectives, they really meant it. It's the only way revolutionaries have to deepen their understanding of the many questions raised by the working class in struggle.

Rose

LETTER OF OUR FRACTION

For several years now the revolutionary milieu has been going through a profound crisis. This crisis is neither the result of a dispersion due to the insufficient (or non-existent) development of the class struggle, nor the result of the "organizational" failure of the existing groups. It is the result of a profound political crisis, the roots of which lie in:

- . the inability of revolutionary groups to go all the way in drawing the lessons of the first revolutionary wave and in developing the theoretical acquisitions of Marxism;
- . the difficulty in responding to the new issues posed by the present period, concerning the development of the crisis of the capitalist system, the development of the class struggle and of class consciousness, as well as drawing all the implications concerning intervention in the class and the role and constitution of the future Party;
- . the 50 years of counter-revolution characterized by an

organic break in the experience of the class struggle of the proletariat.

The existence of this profound crisis and the refusal of certain revolutionary groups to even acknowledge it have led whole sections of the revolutionary milieu, from Bordigism to councilism, into the abyss of sclerosis, then breaking-up, and even total disappearance.

The international conferences which took place at the initiative of Battaglia Comunista and the ICC starting in 1977 constituted a positive effort to overcome the dispersed state of the revolutionary milieu by establishing a permanent framework for political confrontation between the different groups. The failure of the third of these conferences in 1980 was the reflection -- all too striking -- of the crisis in the milieu, and of the inability of most of the groups to see and identify the means to overcome it.

Since then, sectarianism and isolation have reigned supreme, going so far as to eliminate the most elementary solidarity between groups.

However, two recent initiatives have come to our attention, indicative of the vitality of the international working class today: the "international proposal" from groups in Argentina and Uruguay, and a much more modest proposal coming from some groups and elements in the political milieu in France. These two reactions are at one and the same time indicative of a will to react positively to the crisis in the milieu and to its isolation, and of the illusion that it is possible to overcome the prevailing dispersion by constituting a "a working community" with "concrete", "technical tasks".

We attempted to give a clear answer to both of these proposals, at the same time emphasizing the positive dynamic that they contained, and warning against the confusions they conveyed regarding the possibility of a "technical regroupment" without providing the means to simultaneously carry out a real political clarification.

It is the existence of this positive dynamic which led us to actively participate in the meetings of March 7, April 25, and June 6, in Paris, hoping that this dynamic would prime the pump for a real effort to deal with the problems that face us as a revolutionary milieu, and the questions that the present period poses.

Alas, after reading the last letter from Communisme ou Civilisation and Union Proletarienne, it is evident that the weaknesses and confusions that we indicated are alive and well, and have prevailed over the prospects for the beginning of a real political reflection that we had hoped to see arise. We cannot, therefore, associate ourselves to the present proposal as signatories.

The rejection of real political confrontation, of a clarification and decantation of positions vis a vis the necessities of the period, and its unexplained "replacement" by "technical"

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OUR POSITIONS

The external Fraction of the International Communist Current claims a continuity with the programmatic framework developed by the ICC before its degeneration. This programmatic framework is itself based on the successive historical contribution of the Communist League, of the I, II and III Internationals and of the Left Fractions which detached themselves from the latter, in particular the German, Dutch and Italian Left Communists. After being de facto excluded from the ICC following the struggle that it waged against the political and organizational degeneration of that Current, the Fraction now continues its work of developing revolutionary consciousness outside the organizational framework of the ICC.

The Fraction defends the following basic principles, fundamental lessons of the class struggle :

Since World War I, capitalism has been a decadent social system which has nothing to offer the working class and humanity as a whole except cycles of crises, war and reconstruction. Its irreversible historical decay poses a single choice for humanity : either socialism or barbarism.

The working class is the only class able to carry out the communist revolution against capitalism.

The revolutionary struggle of the proletariat must lead to a general confrontation with the capitalist state. Its class violence is carried out in the mass action of revolutionary transformation. The practice of terror and terrorism, which expresses the blind violence of the state and of the desperate petty-bourgeoisie respectively, is alien to the proletariat.

In destroying the capitalist state, the working class must establish the dictatorship of the proletariat on a world scale, as a transition to communist society. The form that this dictatorship will take is the international power of the Workers' Councils.

Communism or socialism means neither "self-management" nor "nationalization". It requires the conscious abolition by the proletariat of capitalist social relations and institutions such as wage-labor, commodity production, national frontiers, class divisions and the state apparatus, and is based on a unified world human community.

The so-called "socialist countries" (Russia, the Eastern bloc, China, Cuba, etc.) are a particular expression of the universal tendency to state capitalism, itself an expression of the decay of capitalism. There are no "socialist countries"; these are just so many capitalist bastions that the proletariat must destroy like any other capitalist state.

In this epoch, the trade unions everywhere are organs of capitalist discipline within the proletariat. Any policy based on working in the unions, whether to preserve or "transform" them, only serves to

subject the working class to the capitalist state and to divert it from its own necessary self-organization.

In decadent capitalism, parliaments and elections are nothing but sources of bourgeois mystification. Any participation in the electoral circus can only strengthen this mystification in the eyes of the workers.

The so-called "workers" parties, "Socialist" and "Communist", as well as their extreme left appendages, are the left face of the political apparatus of capital.

Today all factions of the bourgeoisie are equally reactionary. Any tactics calling for "Popular Fronts", "Anti-Fascist Fronts" or "United Fronts" between the proletariat and any faction of the bourgeoisie can only serve to derail the struggle of the proletariat and disarm it in the face of the class enemy.

So-called "national liberation struggles" are moments in the deadly struggle between imperialist powers large and small to gain control over the world market. The slogan of "support for people in struggle" amounts, in fact, to defending one imperialist power against another under nationalist or "socialist" verbiage.

The victory of the revolution requires the organization of revolutionaries into a party. The role of a party is neither to "organize the working class" nor to "take power in the name of the workers", but through its active intervention to develop the class consciousness of the proletariat.

ACTIVITY OF THE FRACTION

In the present period characterized by a general rise in the class struggle and at the same time by a weakness on the part of revolutionary organizations and the degeneration of the pole of regroupment represented by the ICC, the Fraction has as its task to conscientiously take on the two functions which are basic to revolutionary organizations:

1) The development of revolutionary theory on the basis of the historic acquisitions and experiences of the proletariat, so as to transcend the contradictions of the Communist Lefts and of the present revolutionary milieu, in particular on the questions of class consciousness, the role of the party and the conditions imposed by state capitalism.

2) Intervention in the class struggle on an international scale, so as to be a catalyst in the process which develops in workers' struggles towards consciousness, organization and the generalized revolutionary action of the proletariat.

The capacity to form a real class party in the future depends on the accomplishment of these tasks by the present revolutionary forces. This requires, on their part, the will to undertake a real clarification and open confrontation of communist positions by rejecting all monolithism and sectarianism.