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# PROLETARIAN REVOLUTION

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Re-Create the Fourth International

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# The Death Agony of Stalinism

Political and economic tensions are exploding all over the Soviet bloc. In the last months of 1988, civil war conditions had broken out in the Soviet Caucasus, the Baltic republics were demanding national self-determination, and strikes and mass demonstrations were frequent in several East European countries.

Moreover, it is apparent that significant sections of the Stalinist ruling classes no longer have confidence in their economic system and are searching desperately for some route back to stability. The Gorbachev reform project of *glasnost* and *perestroika* has lent legitimacy to the protests and re-thinking. But it offers no solution: the Stalinist regimes are approaching a crisis of their very existence.

The breakdown of the system confirms the analysis that *Proletarian Revolution* and the League for the Revolutionary Party have long championed: that the Soviet-bloc states are statified capitalist, deformed by the remnants of the working-class gains that were usurped in the Stalinist counterrevolution of the 1930s. Our analysis determines, and we predicted years ago, that the system has an inherent tendency to abandon its superficially centralized economic structure and to adopt traditional capitalist market forms. The bureaucratic rulers' aim is to better exploit the proletariat —

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*Striking Yugoslav steelworkers demonstrate against police terror.*

## Democrats Play Decoy

# Bush Plans Ambush for Workers

The majority of the country chose "None of the above" and didn't much care who won. Working people, blacks above all, stayed away from the polls in droves, disgusted by the candidates' inability to offer anything worthwhile. The chairmanship of world imperialism was given to George Bush by default.

Despite Bush's campaign rhetoric, however, the Reagan years are over. Internationally, the policy of blaming all unrest on the evil "communist" empire but taking vengeance on small countries like Grenada, Libya and Nicaragua has also fallen apart. The tide of rebellion continues to rise in Central America, South Africa and the Middle East, even though disarmament agreements were reached with the Soviets and the powers are striving for a new "peace" settlement.

At home, "Reaganomics" — the combination of

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# U.S., Arafat vs. Intifada

The *intifada* (uprising) of the Palestinian people in the territories occupied by Israel continues into its second year, despite over 300 deaths and thousands of people injured and imprisoned. The uprising is the key to the diplomatic maneuverings that proliferated in the last months of 1988: King Hussein's abandonment of Jordanian claims to the West Bank, the PLO's Algiers declaration of an independent Palestinian state, Secretary of State Shultz's arrogant refusal to allow Yasser Arafat to address the UN in New York — and finally the Administration's decision to talk with the PLO.

The PLO's declaration of independence was touted as a bold move in response to the militant demands of the mass struggle. But that is only one side of the picture. The Algiers meeting also accepted UN resolutions recognizing the legitimacy of racially based Israel. That put the official stamp on the PLO's change of position: no longer standing for self-determination throughout Palestine, it settled for a "mini-state," a bantustan on the South African model.

The initial American reaction to these concessions was official disdain. It spat in the face of world opinion by denying Arafat a visa, thereby barring him from the UN, until he "renounced terrorism." This he did, after formidable pressure by Arab, Swedish and Soviet diplomats. The PLO's chief thereby accepted in effect the imperialist argument that the Palestinian rebellion is based on morally unjustifiable violence.

From the standpoint of the bourgeois nationalist PLO, the outcome is a victory: it now has hopes for getting a country to rule. It is also a victory in a sense

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# STOP THE SLAUGHTER IN IRAN!

The Islamic Republic of Iran is executing thousands of political prisoners: leftists, union leaders and other dissidents. Since the cease-fire in the bloody war with Iran, the regime has turned its full attention against its opponents at home. It is trying to suppress any outbreak of mass discontent.

The British *Independent* newspaper quoted Ayatollah Montazeri, Khomeini's designated successor: "People have complained to me that their relatives, while serving short prison sentences for political offenses, have been executed without any explanation." Among the victims are members of the pro-Moscow Tudeh party, the Fedayeen Majority, Fedayeen Minority and the People's Mujahedin.

By killing every leftist in its grasp the regime is also letting the imperialist powers know that it is ready to deal. And they are listening. According to the *New York Times* (January 2), "American officials and Western diplomats said the executions would not hinder a move toward better relations."

When Iran's Prime Minister Moussavi visited Italy in mid-January, the first high-level trip to the West since the mullahs won power ten years ago, the Italian government called on him to allow a visit by a human rights delegation; Moussavi said he would consider it.

Diplomatic niceties will only serve to conceal the depth of the campaign of murders. Mass protests are necessary by the working class of every country, to bring the outrage to the light of day and put an end to the mullahs' sought-after bloc with imperialism.

**Free All Iranian Political Prisoners!**

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## PROLETARIAN REVOLUTION

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## MRCI's 22 Theses

# How Not to Defend Trotskyism, Part 2

**This article is a continuation of our critique of the "Twenty-two Theses" of the Movement for a Revolutionary Communist International (MRCI) led by the British group, Workers Power.**

### THE FOURTH INTERNATIONAL'S FAILURE

Why did the Fourth International — composed, after all, of the most capable Marxists alive — not adjust its perspectives to take account of the changed reality? According to MRCI's Thesis 22, the International's failure to correct Trotsky's erroneous predictions was the critical factor responsible for its fall.

**"The leaders of the FI — Pablo, Mandel, Healy and Cannon — were unable to correct this perspective and re-elaborate the program to take account of these developments. Instead they revised both. The perspective was turned into a blinkered catastrophism. The program of Trotskyism was liquidated and replaced by a systematic accommodation to Stalinism, social democracy and petty-bourgeois/bourgeois nationalism."**

But MRCI fails to tell us *why* the FI failed to correct its course. It can't simply be the unfortunate objective situation, as the "Twenty-two Theses" says, i.e., the allied victory in the war, the stabilization of capitalism and the expansion of Stalinism. Trotsky also faced such conditions, and MRCI clearly believes it was possible to do better and remain revolutionary. Was the reason perhaps that the leaders capitulated to reformist forces and therefore collapsed into centrism? No, says the "Twenty-two Theses": that was the *consequence*, not the cause, of the leadership's revisionist obliteration of the Trotskyist program.

To find MRCI's answer we have to look at the booklet *The Death Agony of the Fourth International*, issued by Workers Power and the Irish Workers Group in 1983. Here we read that the stabilization of capitalism and the initiation of the Cold War deepened the International's isolation.

**"The proletariat of the principal imperialist powers sank back into reformism, political apathy, economism. New revolutionary recruits became fewer and fewer. Within the thinning ranks of the Trotskyist groups, conservative older workers and petty bourgeois came to predominate. The isolation from the masses sealed the Trotskyists from having to take decisions, yet the social pressure on them was increasingly from a petty-bourgeois milieu and petty-bourgeois movements. It would be merely vulgar materialism and crude workerism that sought to identify the *causes* of the FI's degeneration in either its leaders' petty-bourgeois class origins (the [American] SWP leaders' class credentials were impeccable) or in the class composition of its membership, but given the *political* collapse of the FI into centrism, alien class forces nourished and preserved this."** (p. 90.)

MRCI believes that the FI became centrist because of political errors made by what can only be regarded as an incompetent leadership. Isolation and alien class forces were pressures and consequences — but not causes. That is, MRCI shuns "vulgar materialism" only to wrap itself in vulgar idealism. Idealism in Marxist guise does not appeal to the supernatural, nor does it openly deny the power of objective conditions. But it uses the portrayal of these conditions to justify its rationalistic understanding of the struggle as one at bottom between good ideas and bad, rather than between living classes in motion, fighting over exploitation.

### THE INTERNATIONAL'S CLASS COMPOSITION

The fact is that the FI's "political" collapse *was* a class question. For any authentic Marxist, of course, political ideas are crucial and not tied to objective conditions in a reductionist way. Ideas, however, in the last analysis, inevitably reflect the material world and class relations, not the other way around. Workers Power lampoons calling class composition a cause, and by itself such an explanation *would* be inadequate. But the excessively petty-bourgeois class composition of the FI, in conjunction with the overall balance of class forces and the historical direction of world events, was decisive. Personal traits, inabilities and thought patterns of leaders played a role but *they* are subordinate causes.

*Leon Trotsky. His idealist epigones reject his view that political differences reflect class differences.*

Marxists are not sociologists; our understanding of class is not that of social stratification theory, which marks off a set of classes as discrete income layers. Class is determined by a common relation to the means of production. It has a political-economic and historical dimension: classes interpenetrate as a result of history. There *are* petty-bourgeois layers inside the working class, for example. These developed as a result of the

artisanal origins of the proletariat and the continuing evolution of technology and property relations, which drive former small business people into the working class. There are also sections of the working class that are raised above their fellow workers into a relative aristocracy, as a result of imperialism and the capitalist epoch of decay; the short-run material advantages they have secured from the system blinds them to their underlying material interest in its overthrow.

In Lenin's terms, the middle-class layers within the working class are "tied by a thousand threads" to other layers which hover between the two decisive classes of bourgeois society. Given the dynamic of capitalism, the weight of these middle layers rises and falls. Politically the "middle classes" invariably vacillate; those within the proletariat are especially volatile. They can turn either in a proletarian or in an alien class direction. Crises are the ordeal that makes vacillating elements choose between the decisive classes.

## THE CLASS QUESTION

Any Trotskyist should be familiar with Trotsky's explanation of the Shachtmanite opposition in the SWP. He pointed out, for example, that "Any serious factional fight in a party is always in the final analysis a reflection of the class struggle."[8] His writings record over and over again the fundamental view that any major difference in politics reflected class differences. And as Trotsky noted, the Shachtmanite intellectuals resolved their class ambivalence through their split from the International at the start of World War II.

In the 1950s the anti-Shachtmanite leaders of the FI also made a fundamental break with Trotskyism — both in MRCI's opinion and ours. If MRCI wants to claim Trotsky's mantle the conclusion is unavoidable, yet MRCI steadfastly avoids it: there must be a class difference between the post-1951 FI and authentic Trotskyism. The basic reasons underlying the FI leadership's bad political ideas and its consequent subordination to social democracy, Stalinism, etc., like the Shachtmanites', lay in their petty-bourgeois roots and their loss of confidence in the proletariat.

In fact, the FI was isolated from the most advanced sections of workers because of Stalinism's continued hegemony. As well, the crushing of the workers after the war accelerated the cynicism towards proletarian revolution already rampant among the petty-bourgeois intelligentsia. At the same time, the imperialist boom made possible by the post-war defeats began to expand the middle classes beyond all previous bounds.

The FI's defeatism towards the workers was an ideological reflection of the petty-bourgeois strata. Its adaptation to Stalinism, first in Eastern Europe and later in China and the "third world," followed from its adaptations to social-democracy and Stalinism at home. The North American and West European reformists, previously understood to be counterrevolutionary, had begun to appear as progressive because they could take advantage of imperialism's renewed capacity to offer sops in response to the renewed class struggles.

For MRCI, on the other hand, neither class composition nor the balance of class forces resulting from proletarian defeat is sufficient cause. Their alternative is intellectual incompetence. The FI leaders' break was fundamentally a bad political choice they were drawn to because of the failure of Trotsky's perspective.

MRCI's assessment reveals that it is making the same "mistake": abandoning a working-class Marxist understanding of politics. That is why the "Twenty-two Theses" is superficial in clarifying problems. That is also why the differences between the various epigones — Shachtman/Cliffites, Pabloite/Orthodoxists, MRCI and the left reorganizers of the FI — are not fundamental, i.e., based on class criteria.

To further illustrate their idealist method, MRCI points to the 1951 Congress as the date of the FI's final degeneration into centrism — because that is when it codified and adopted erroneous views. But *practice* is decisive. Marxists do not give up on gains of the working class until they are irradicably destroyed. It was the Bolivian revolution of 1952 that proved that the FI's cynical theories reflected an all-out adaptation to the petty bourgeoisie. The strong Bolivian section played a Menshevik role toward the bourgeois nationalists, and the rest of the FI uttered barely a peep at this betrayal of an actual revolution.[9] *That* proved that the rotting international was no longer capable of playing a proletarian revolutionary role.

Trotsky observed that the Shachtman group, in contrast to the SWP majority, "precisely because of its petty-bourgeois character does not even attempt to look for the social roots of the hostile camp."[10] The fact that MRCI does not even attempt to find the social roots of Pabloism shows *its* petty-bourgeois character. MRCI's understanding of the world reflects its class position. MRCI's feeling is that the FI would not have gone wrong if its leadership had been as intellectually competent as, say, MRCI's.

## 'BLINKERED CATASTROPHISM'?

According to MRCI, the problem with the Fourth International was that it revised Trotsky's program rather than his predictions: it twisted Trotsky's optimism into "blinkered catastrophism." Since no explanation of that term is offered in the "Twenty-two Theses," we again look elsewhere — this time to the concurrent issue of Workers Power's theoretical journal, evidently intended to provide backup material for the Theses.[11]

Mark Hoskisson's article, "The Transitional Programme Fifty Years On," notes that Trotsky's expectation of post-war crises and revolutions was keyed to a notion of the absolute stagnation of the productive forces. On the eve of World War II, Trotsky's analysis of the timing of capitalism's economic crisis was undoubtedly off — for the same reason that most Marxists, including Marx, were often right in tendency but excessively "optimistic" over how soon decisive turns would occur. Nevertheless, as we have seen, Trotsky's error was not only one of timing: it also came from his incomplete analysis of the Stalinist counterrevolution.

Hoskisson says that although revolutions did not break out, the FI leaders tried to maintain "catastrophism" artificially. For example, when the post-war strike wave in the U.S. was contained by the labor bureaucracy, "Cannon simply pushed the pre-war perspective of crisis back, arguing that it was just about to happen." (p. 81.) Likewise, Mandel and Pablo in Europe wrote that "The capitalist system, in decline and decay, and the regime established by the Soviet bureaucracy in

the USSR, accumulate and sharpen their inherent contradictions. They paralyze the development of the productive forces ... ."

This crisis-mongering was sadly at variance with the reality of capitalist stabilization. Castigating it as "fatalistic," Hoskisson calls it the basic cause of the FI's misuse of the Transitional Program, capitulations and collapse as a revolutionary instrument. And there is no doubt that the FI's tortured analysis was a misguided attempt to maintain a sterile Trotskyist orthodoxy in the face of a world that did not fit Trotsky's projections. We would add that the ludicrous attempts to cram the postwar reality of Stalinism into a distortion of Trotsky's temporary category (degenerated *and deformed* workers' states) served the same purpose. Increasingly the imminent capitalist collapse theory became a revolutionary-sounding cover beneath which the FI pushed a contrary line. Pablo's "deep entry" into Stalinist and social-democratic parties — ostensibly "blunt instruments" for revolution — masked the truth: entry into these rightward-moving parties enabled the FI to tail the reformists in stabilizing capitalism. Mandel's "neo-capitalism" and "structural reforms" symbolized the acceptance in fact of capitalism's stability.

Contrary to Workers Power, "blinkered catastrophism" became not an outlandish failure to understand capitalist reality but a practical adaptation to it, including its deceit. It developed into an increasingly rhetorical line used to juice up the ranks; underneath was bitter cynicism. Gerry Healy was only the most obvious practitioner — in the same way that his thundering denunciations of social democracy and Stalinism as counterrevolutionary masked a practical collaboration with social-democratic and Stalinist "progressives."

MRCI takes the FI's "blinkered catastrophism" at face value rather than understanding how it turned into its opposite. It cannot evaluate the FI's fatalism or its cynicism because it is just as fatalist and just as cynical.

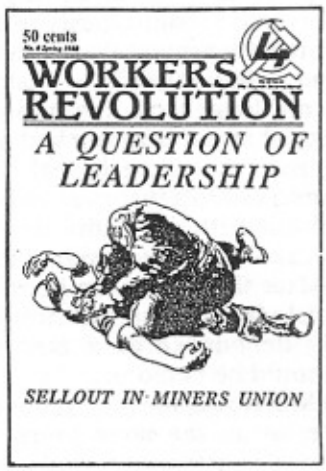
**MRCI AND THE DISSIDENT TROTSKYISTS**

Hoskisson cites dissident currents in and around the FI who did understand that capitalism had stabilized and that proletarian revolution had been postponed. He states that Ted Grant (head of the present-day Militant Tendency buried deeply and ignominiously in the British Labour Party), "correctly argued that a 'democratic counterrevolution' had taken place" — that is, that socialist goals were no longer on the agenda. The Cliffites also understood that stabilization had occurred, but they turned against the Transitional Program, permanent revolution and Lenin's theory of imperialism: "the baby was thrown out with the bathwater."

Hoskisson also favorably cites a dissident faction in the American SWP: "After the war, when Felix Morrow ... pointed out the Trotsky's assertion was proving to be false, he was roundly denounced as a skeptic and a defeatist" (p. 84). (It should be noted that Workers Power does recognize that Morrow came to reactionary conclusions.) In another essay in the same journal, Emile Gallet criticizes Morrow's insistence "that the stabilization of Europe demanded the return to a purely bourgeois-democratic program, and the abandonment of the transitional method in total." (p. 102.)

Nazism's triumph in Germany without a fight by the powerful working class; the degeneration of revolutionary Russia into the chamber of horrors of the great purge trials; the devastation of World War II; the unexpected expansion of Stalinist power; the defeat of workers' uprisings; the revitalization of imperialism; the isolation of the Fourth International — these material conditions clearly provided a rationale for rejecting the revolutionary mission of the proletariat, in fact if not in name, and for finding other forces to win progressive social change. Leaders like Grant, Cliff and Morrow were caught up in this encompassing mood. Shachtman had come to similar conclusions earlier.

Shachtman's theory of bureaucratic collectivism asserted that a new form of class society had replaced the workers' state as the successor to capitalism. The more orthodox were equally cynical: for them, when they finally got around to drawing the consequences of their adaptation to Stalinism in the 1950s, the proletarian dictatorship had been established by non-proletarian elements. Some tried to invent rationalizations: for

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Pablo, it was the working class that was wielding the "blunt instrument" of Stalinism. Others objected for a while; as Cannon said, "If you once begin to play with the idea that the class nature of the state can be changed by manipulations in top circles, you open the door to all kinds of revisions of basic theory."[12] But for the FI as a whole, the epoch of the progressive petty bourgeoisie, the heyday of revolutionary Jacobinism, was back.

It was no accident that Morrow's faction joined the Shachtmanites. And Morrow was not the only FI leader who accepted in practice the "retrogression" theory of the FI's former German section, the IKD: namely, that the post-war world had been hurled back to the ascendant epoch of capitalism so that only bourgeois democratic demands were on the agenda. All these elements adopted theories of Stalinism similar in essence to the cynicism of Shachtman and Cliff — and all of them came openly to abandon communist politics.

The Shachtman-IKD-Morrow-Cliff current, like the increasingly fatalistic intelligentsia in general, came to see Stalinism not as a system determined by social laws but as a demonic consequence of the inherent inability of "real workers" to reach revolutionary consciousness on their own. "The God that Failed" was not only the USSR but the proletariat as well.

When MRCI cites such precedents favorably, it provides itself with a very shaky foundation for a left alternative to Pabloism and orthodoxy. Not only does it mistake the FI leaders' rhetorical optimism for good coin; it also decries their fatalistic objectivism without seeing its own. MRCI's tacit acceptance of Morrow's "non-catastrophic" perspective for capitalism (without any attempt to say how that perspective stands up today) fits in with its habitual strategies: perennial "critical" support to reformist parties regardless of whether they are moving right or left, 'anti-imperialist united fronts,' reduction of revolutionary politics in the trade unions to rank and filism, constant calls for workers' governments in counterposition to workers' states, citation of soviets as a higher form of working-class organization than the revolutionary party. In short, it reflects an idea central to MRCI's outlook: that the grip of reformism on the working class has been — and is to this day — inevitably, fatalistically ordained.

The confrontation between reform and revolution will indeed occur, MRCI believes, but in the far future. Today it is necessary to maintain a left intellectual critique, a rationalist preaching to the workers. Therefore MRCI takes up a position as a left pressure on reformism — and serves in reality as left apologist.

MRCI embraces the perspectives of the dissident FI elements while objecting to their anti-revolutionary conclusions. But this circuit too is not so easily broken. Originally Shachtman, Morrow & Co. accepted the supposed inability of workers to rise above reformist consciousness only for a particular stage of history; they too — once — believed that revolution would come later. But fatalistic objectivism looks back and concludes that because socialist revolution didn't happen, therefore it couldn't have happened. The unfortunate historical conjuncture becomes just a conjunctural excuse.

## FATALISM AND CYNICISM

There is a hoary old fatalist view that tells us that Trotsky's defeat at the hands of Stalin was inevitable because Stalin had the power and the numbers — and, indeed, because he won. This utterly pragmatic idea, held by Isaac Deutscher and many others, concluded that Trotsky's proletarian internationalism was unfortunately a utopia, impossible at the time but a noble goal for the future. Sadly enough, Stalin was progressive, even if in an unnecessarily brutal way, because his course was in fact the only way to develop the USSR.

An opposite conclusion based on a similar assessment of Soviet history infuses the theories of Tony Cliff. For him the degeneration of the USSR into "state capitalism" was equally foreordained. Cliff and Deutscher differ as to whether Stalinism was progressive, but theirs are the only positions that can flow from the initial fatalistic assessment, and both are anti-Marxist. The rejection of Cliff's conclusions without rejecting the fatalistic interpretation of history is no superior method. It can only result in the negation of revolutionary politics. Communist strategy cannot be based on the stagist justification of "what is" as "what must be."

Marxists do not say that revolution is always possible. However, given the nature of the epoch, capitalism's longevity and expansion were by no means assured in the post-war decades. The massive post-war strikes in North America and Western Europe had enormous possibilities, despite the absence of an immediate revolutionary situation; Eastern Europe and Latin America saw numerous potentially revolutionary situations; the colonial revolution was not inescapably confined to nationalist and democratic "anti-imperialist" programs. Fundamentally, it was the masses' aristocratic leaderships that limited their demands to significant progress without socialism. The predicted restriction of the proletariat to democratic, national and reformist goals was a self-fulfilling prophecy.

## DEFEATS ONLY SECONDARY

MRCI makes clear that it shares the pseudo-Trotskyists' centrist cynicism toward the workers. In fact it inverts the question of responsibility for the workers' defeats at the end of the war, transferring the onus from Stalinism and social democracy onto the proletariat itself. According to Hoskisson, "The absence of a mass FI capable of challenging Stalinism and social democracy for leadership in the revolutionary upsurge was a crucial factor in enabling democratic or Stalinist counter-revolution to triumph ... ."(p. 83.)

Likewise, in the booklet on the collapse of the FI previously cited, when MRCI observes that the proletariat "sank back into reformism, political apathy, economism," it is only continuing the same idea: that the decline of the FI reflects in part the "fact" that the working class absented itself.

If the lack of programmatic and intellectual competence is the central cause of the demise of the Fourth International for MRCI, the defeats are a secondary conditioning factor — but the working class is responsible for these in not flocking to the FI. With this understanding, it is no wonder that the question of the post-war working-class defeats does not appear in the Theses, a document purporting to defend the proletariat from Pabloite capitulationism. It is precisely these defeats that spawned the cynicism toward the proletariat that the pseudo-FI's and MRCI reflect today.

MRCI's attitude is a radical version of the Cliffite

notion that hails the "rank and file" workers but blames them for the treachery of misleaderships. The Cliffites, at least, recognize that their conception is at odds with Trotsky's emphasis on the centrality of working-class leadership. MRCI's view is reminiscent of Tony Cliff's theory of "deflected permanent revolution," according to which the proletariat was simply absent after World War II: "Those forces, which should lead to a socialist, workers' revolution according to Trotsky's theory can lead, in the absence of the revolutionary subject, the proletariat, to its opposite, state capitalism."[13]

Here too it is allegedly the failure of the workers to achieve revolutionary consciousness that falsified Trotsky's perspective and saved capitalism. As Cliff sums up, "Once the constantly revolutionary nature of the working class, the central pillar of Trotsky's theory, becomes suspect, the whole structure falls to pieces."

We leave aside Cliff's false equation of Trotsky's (and Marx and Lenin's!) understanding that the proletariat is inherently a revolutionary class with the ludicrous notion of constant revolutionary consciousness. Although their specific arguments differ, the rationale and underlying attitude of Cliff and MRCI are the same: blame the working class, not its Stalinist betrayers, for the failure of the revolutionary perspective. The actual decline in revolutionary working-class activity stemmed from defeat, not inability nor inattention.

In the past, in examining Workers Powers' position on reformism, we noted that as passive fatalists they blamed the misdeeds of reformist leaders on the claim that they reflect "the reformist limitations of the consciousness of these workers."[14] Now in the "Twenty-two Theses" MRCI again stands Marxism on its head.

Fatalists invariably describe the world so as to make the working class an object of history rather than its subject, i.e., a force manipulated by the historical process itself. We have previously noted that MRCI's "Twenty-two Theses" does criticize the FI's transformation of permanent revolution into a fatalistically determined historical process, a concept that serves as a cover for tailing Stalinists, social democrats or other petty-bourgeois nationalists. MRCI's view of the objective conditions does the same, leading inexorably to the inevitability of reformism's grip on the workers.

In examining the FI's erroneous "blinkered catastrophism" interpretation of the post-war world, Hoskisson begins with the workers' struggles in the waning days of the imperialist war:

> **"The revolutionary upsurge took place in the context of Anglo-American imperialism and its ally, the USSR, marching through Europe under the banner of anti-fascism. ... Its goals were limited to the restoration of bourgeois democracy. ...**
>
> **"A new perspective based on these developments would have had to prepare for the impact of an economic upturn (even if a long boom could not have been predicted) in the imperialist countries, for the development of national liberation struggles as the U.S. imposed its will and the British Empire disintegrated, and for revolts against Stalinist rule in the East. In point of fact no section of the FI elaborated such perspectives."** (pp. 83-84.)

That is, according to MRCI the Trotskyists should have seen that the residual strength of capitalism made necessary a wide range of struggles for democratic, not yet strictly proletarian or socialist, objectives. Yet there were struggles that did transcend that level, as in Northern Italy, France, Vietnam and Eastern Europe. Insofar as bourgeois-democratic demands did predominate, this was a consequence of the Stalinist and petty-bourgeois nationalist domination of the leadership of workers' movements during the war. Once again Workers Power blames the workers for the faults of the petty-bourgeois leaders and objectifies their stagism.

Nevertheless, the FI should have been able to adjust to the new terrain. Trotsky and the FI before the war had spoken of stagnation because they saw the coming outbreak as the death-knell of capitalism: the system would not survive, and therefore the economic conditions of depression were all that capitalism had to offer. But when this perspective proved false, what remained? Hoskisson and MRCI do not even try to explain whether the fundamental objective situation had changed. What was the overall state of the productive forces? Were decisive economic crises a thing of the past? In a word, was the world still in the epoch of capitalist decay?

## TROTSKY'S PREDICTIONS

Hoskisson provides MRCI's real interpretation of the failure of Trotsky's predictions: "Trotsky recognized that, in the sphere of political economy, both he and the FI as a whole had an inadequate understanding" (p. 84).

We do not deny that Trotsky made errors in political economy. But what does *MRCI* mean by *its* assertion? Hoskisson first quotes Trotsky in the Transitional Program: "The economic prerequisite for the proletarian revolution has already in general reached the highest point of fruition that can be reached under capitalism. Mankind's productive forces stagnate." He then cites some of Trotsky's comments on the Program:

> **"What is clear is that in the countries involved in the war the [economic] collapse will come in not four or six years, but in six to twelve months, because the capitalist countries are not richer but poorer than in 1914, materially."**

And as for the United States, if it manages to stay out of the war,

> **"In that case the USA will have a postponement of the economic collapse. ... You can say that all these unemployed will be absorbed in the war industry, but that signifies a terrible pump for absorbing all the riches of the nation."**

Hoskisson concludes from this that Trotsky's "prediction was wrong because it seriously underestimated the strength of U.S. imperialism." Specifically:

> **"This is a dangerously one-sided view of the U.S. and other capitalist economies. It fails to recognize that, in certain cases, war can regenerate the profitability of the capitalist economy and not simply act as a drain on it. This was particularly true for the USA, which, as everybody recognized from very early on, would not have to fight the war on its own soil, nor risk the destruction of its industries by bombing raids. Supplying the hard-pressed British war machine as well as its own did not merely absorb riches in the USA, it helped generate them as well. ... In presenting a one-sided characterization of the world economic crisis he tied his followers to a perspective that in important**

**respects proved wrong." (p. 85.)**

But just how does war regenerate capitalist profits? MRCI habitually writes academic articles on economic matters without using the basic Marxist categories that give political economy its scientific and class content.[15] What is overlooked here is that profits are only created out of surplus value, the labor time of workers expropriated by capitalists. If war regenerates profits, it does so out of the hides of the proletariat. The grip of Stalinism on the workers in wartime Europe derailed the underground class struggles into reformist nationalist channels. In America the patriotic efforts of liberal and Stalinist union bureaucrats crippled the burgeoning strike wave during and after the war. These defeats, combined with imperial revival under U.S. hegemony, held high the world rate of exploitation.

With this in mind it is clear that not Trotsky but MRCI offers a dangerously one-sided view. MRCI objectifies capitalism's restorative capacity through war production, as if somehow riches are generated by production without exploitation — production of non-productive war materials, to boot. Again it is reminiscent of the Cliffites' theory of the "permanent arms economy," according to which military spending rescued post-war capitalism from declining profits. Workers Power and MRCI haven't sprouted as far from their Cliffite roots as they would like to imagine.

Although Hoskisson opens his essay by acknowledging the long-term impact of the defeat of the revolutionary upsurge, the rest of his article denies the real significance of the point. When it comes to concrete consequences like accelerated exploitation, he ignores the defeats in order to criticize Trotsky's purported underestimation of capitalist economy.

MRCI's notion that the workers' failure to come to the FI is the actual basis for their defeats dovetails with its view of the inherent reformism of the workers. It also reflects the outlook that treats the capitalist economy as rejuvenated while ignoring the impact of the defeats. MRCI's mention of the defeats serves only to put distance between their analysis of the post-war period and that of the allegedly overoptimistic Pabloites, as well as to underpin their own cynical attitude toward the proletariat. They cannot understand the defeats as stemming from a far more powerful Stalinist enemy, invigorated by its successful counterrevolution in Russia — the key to the stabilization of post-war imperialism. Instead both Trotsky's and the Pabloites' "errors," serious if true, are attributed to surface reasons of intellectual inadequacy.

## THE QUESTION OF THE EPOCH

MRCI's criticism of Trotsky is really based on matters far deeper than erroneous economic views. MRCI conceives of capitalism in this epoch as having far greater inherent capacity for progress, reforms and stabilization than Trotsky — and Lenin — thought. When MRCI writes that Trotsky's optimistic predictions were falsified, it fails to note that his perspectives were conditional. Trotsky knew full well that capitalism could stabilize itself temporarily — but only on a foundation that gives MRCI an enormous headache. Writing in the late 1920s, Trotsky pointed out that:

**"Theoretically, to be sure, even a new chapter of a *general* capitalist progress in the most powerful, ruling, and leading countries is not excluded. But for this, capitalism would first have to overcome barriers of a class as well as of an interstate character. It would have to strangle the proletarian revolution for a long time; it would have to enslave China completely, overthrow the Soviet republic, and so forth. We are still a long way removed from all this."[16]**

This was a far-sighted prognosis — and tragically, what were then only theoretical possibilities that Trotsky vigorously fought against all happened: the strangulation of workers' revolutions, the subordination of China to imperialism, the triumphs of fascism and, crucially, the "overthrow [of] the Soviet republic": the destruction of the Soviet workers' state. Capitalism renewed itself through a series of working-class defeats.

There is a good reason why neither Hoskisson nor MRCI cite this central point in a well-known book by Trotsky: it ties the question of capitalist stabilization to working-class defeats. It also establishes the counter-revolutionary destruction of the USSR as a workers' state as a precondition for that massive a defeat. Here is precisely a can of worms that MRCI fears to open.

*Ernest Mandel, major theorist of pseudo-Trotskyism, said post-war capitalism was not crisis-ridden but structurally reformable.*

But that is only the beginning of MRCI's problems with Trotsky's prophetic analysis. The reason for capitalism's inability to flourish *without* working-class defeats is that its transformation into imperialism had established the system's epoch of decay:

**"The explosive character of this new epoch, with its abrupt changes of the political flows and ebbs, with its constant spasmodic class struggle between fascism and communism, is lodged in the fact that the international capitalist system has already spent itself and is no longer capable of progress *as a whole*. This does not mean to imply that individual branches of industry and individual countries are incapable of growing and will not grow any more, and even at an unprecedented tempo. Nevertheless, this development proceeds and will have to proceed to the detriment of the growth of other branches of industry and of other countries. The expenditures incurred by the productive system of world capitalism devour its world income to an ever increasing degree. And inasmuch as Europe, accustomed to world domination, with the inertia acquired from its rapid, almost uninterrupted growth in the pre-war period, now collides with more sharply than**

**the other continents with the new relation of forces, the new division of the world market, and the contradictions deepened by the war, it is precisely in Europe that the transition from the 'organic' epoch to the revolutionary epoch was particularly precipitous."[17]**

This was the perspective of Marxists at the time of the Bolshevik victory and the founding of the Communist International. It leaves MRCI with a profound problem that cannot be solved by empirical observations about false economic predictions. Was the post-war boom an "organic" expansion of capital characteristic of its former, progressive epoch — or did it reflect the new epoch, with the dominant sections of world economy growing at the expense of others, including the weakened proletariat and colonial peoples? Was the expansion based on a revived capacity to overcome barriers to the productive forces, or was it tied to a mortgaged future built on the creation of fictitious capital? For us it was the latter.[18] MRCI strongly implies the former while declining to face the question openly. Dodging a fundamental question which is the objective basis for all politics is a hallmark of centrism.

The question of the epoch is decisive because the leaders of the Fourth International increasingly adapted to the surface reality of the boom. The FI pronounced as a "fact" that a variety of social forces previously regarded as counterrevolutionary — social democracy, Stalinism, petty-bourgeois nationalism — were in essence anti-capitalist. It treated bourgeois forces as progressive, and therefore, implicitly, the epoch was progressive as well. Capitalism could furnish long-term democracy and reforms, even structural renovations, without socialist revolution. The Trotskyist understanding of the epoch, the Transitional Program designed for the epoch, and the strategy of permanent revolution linked intimately to the epochal analysis were honored in holiday speeches in typical centrist fashion, but abandoned in practice.

MRCI's vacillation on the epoch question and its perception of the workers' role make it unable to come to grips with the FI's abandonment of the cardinal principle of independent proletarian politics. Only with the understanding that this is indeed the epoch of capitalist decay, the epoch in which capitalism *is* imperialism, the epoch of revolution and counterrevolution, the epoch of the transition to socialism, can Marxists stand for the independence of the proletariat and the centrality of the proletarian party.

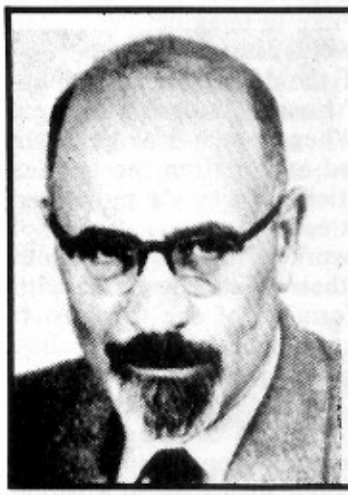
## REVOLUTIONARY OPTIMISM

Trotsky's revolutionary optimism based on the proletariat's inherent capacities was justified, even though the revolutionary wave he thought would end capitalism and its epoch of decay was crushed. He did on occasion in his later years refer to the dilatoriness of the proletariat in taking power. But when giving reasons for this condition he always insisted that the active causal factors were anti-working-class petty-bourgeois misleaderships. Social democracy, Stalinism, and bourgeois nationalism did not result from evil conspiracies or bad ideas but from objective circumstances and the balance of class forces. The enemy class leaderships played upon divisions and deficiencies within the working class but were not simple reflections of them.

In his last days Trotsky presented a gloomy extension of his original prognosis of renewed capitalist stability in the wake of a major proletarian defeat. A new non-capitalist epoch could be born, in which revolutionaries could only fight to defend the rights of the industrial slaves, no longer workers.[19] This perspective was adopted by Shachtman openly with his "bureaucratic collectivism," but the same outlook dominated others who recognized the workers' defeats. The defensists, with their non-proletarian "workers' states," implicitly succumbed to it.

## THE PROLETARIAN PERSPECTIVE

But Trotsky drew the alternative too sharply. Given his theory of Stalinism and his optimism, he did not see the possibility that capitalism could be restored in Russia *without* destroying all the gains of the proletariat and the working class itself. Indeed, even after the counterrevolution, the USSR's economic and military power rested on the nationalized means of production usurped by the Stalinist rulers and used to subject the working class. Contrary to the perspectives of the new-class theorists and the "orthodox" defensists (and to Trotsky's lapse), the revolutionary character of the epoch remained, even when specific conjunctures were rendered non-revolutionary.



*Isaac Deutscher, Trotsky's biographer, was a brilliant champion of fatalism, a disease that ravaged the cynical postwar intelligentsia.*

Unlike pragmatists, dialecticians understand Marx's point that capital itself is created by the workers and, in the hands of the capitalists, is used to further exploit and oppress them. Trotsky stressed the importance of fighting the cancer of cynicism and urged not giving up quickly on the gains of the working class embodied in the USSR. But he did not pose the question of what would happen if those very gains were turned against the workers. If he had, he might then have foreseen how what he thought was a weak and declining Stalinism became strong enough to defeat the workers for a period. With the recognition that the USSR maintained its power because of usurped proletarian gains, the centrality of the working class even in negation can be understood and the basis for cynicism undermined.

To defend the potential of proletarian consciousness is not to counterpose a Pollyanna view of workers to fatalistic cynicism. The picture of the proletariat as always revolutionary was a caricature created by Cliff and others. True, in an ultimate sense the working class has been slow to seize power; it may yet prove unable to

fulfill its historic mission. But engaging in politics with such a perspective inevitably means passivity or cynical maneuverism, approaches that can lead to barbarism, never socialism.

A Marxist study of history demonstrates that the working class can achieve revolutionary consciousness. The proletariat, however, has a variety of limitations, problems, divisions, biases and cultural defects — as a result of its history of oppression and exploitation. The working class can even be defeated, and on a world scale. Nevertheless, it is the only agency for the creation of socialism.

MRCI's differences with the decaying FI are fundamentally disputes over ideas; ours are differences of class. At bottom, programmatic distortion must reflect class distortion. Class analysis is pitted against the middle-class intellectuals' bureaucratic conception that basic errors find their roots in little more than incompetence. MRCI cannot criticize the class basis of the FI's betrayals because it shares its class outlook, summed up in its distrust of the revolutionary capacity of the proletariat. And without that there is no possibility of defending and reviving Trotskyism, the only genuine revolutionary communism of our day.

Elsewhere we have dealt with MRCI's conception that communist politics arise from intellectuals', not workers', consciousness.[20] Shared by the Pabloites and orthodoxists, this is in direct conflict with Trotsky's explicit working class-centered view. It is a declaration of the petty-bourgeois interpretation of history.

## REVOLUTIONARY CONTINUITY

Despite MRCI's corrections to Trotsky's conjunctural views, it is his perspective *for the epoch* that is really in question. That is surely one reason why MRCI equivocates on the question of which revolutionary international to stand for. MRCI does not call for the revival of the Fourth International, and not just because it wishes to show contempt, correctly, for the idea of simply combining the existing rival factions. No, since Trotsky's epochal perspective was so very false, the International built upon it cannot be re-created under today's vastly different conditions. Some in MRCI want a "Fifth International," others are agnostic. Hence their call for a "Leninist-Trotskyist" International: the terminological hesitation reflects their centrist confusion over the character of the revolutionary epoch.

MRCI implicitly accepts a break in the revolutionary epoch, and therefore it cannot handle the question of the continuity of revolutionary politics. It ridicules other left defensists who try to establish a mystical revolutionary continuity back to Trotsky — passing through such disreputable embodiments as the Healyites or Spartacists. Absurd indeed, but all MRCI has to offer instead is its Four-and-a-Half International, which leaves the question unanswered.

In reality, revolutionary continuity was broken by 1952, when *all* sections of the International supported the betrayal in practice of the Bolivian workers in a living revolution. Nevertheless, the FI's program, including the Transitional Program, was not thereby erased. It is still fundamentally our program. Experience has proved that changes are necessary, first but not exclusively over the Russian question. But for Trotskyists such amendments are no obstacle: since it is our program we can correct it.

*Ta Thu Thau, Vietnamese Trotskyist leader murdered by Stalinists. Postwar proletarian revolutions were defeated by unpredicted strength of Stalinism. The disoriented Fourth International fell as a result.*

In contrast, MRCI's attitude towards the Transitional Program is as ambiguous as its attitude towards the epoch. Sometimes they treat it like the Communist Manifesto: an historic document reflecting the strategy of an epoch long passed. Today's communists can learn from its method but its specifics are irrelevant to our times, just as the First International is hardly the organization for today. At other times MRCI raises specific demands of the Program but in a reformist way.

Those who believe that Trotskyism stands for the revolutionary politics of the present epoch have no trouble in counterposing the proletarian content of the original Fourth International to all the pretenders. It would be folly above all to give up the FI at a time when many of the right-centrist pretenders are surrendering even their fig-leaf claim to Trotskyism. Under the impact of rising class struggles, they are diving headlong into a variety of reformist forces they label progressive and even revolutionary. A revived proletarian movement can supply the real antidote to the petty-bourgeois cynicism so rampant today and would go a long way toward disposing of the centrist fakers.

MRCI is not in the same category. Workers Power, for example, keeps one foot in and one foot out of the Labour Party — hopping from one to the other and ambiguously playing with entry. The fact that it hops, hesitating to plunge right in, is a positive sign. That vacillation, not MRCI's centrist theory and Theses, suggests that many members will not be lost to the reawakening proletariat. ■

## NOTES

8. In Defense of Marxism, page 60.
9. For the documents of the one tendency that fought the capitulation, see our pamphlet Bolivia: the Revolution the "Fourth International" Betrayed.
10. In Defense of Marxism, page 60.
11. Permanent Revolution No. 7, Spring 1988.
12. SWP (U.S) Internal Bulletin, October 1949, pages 25-6.
13. "Permanent Revolution," International Socialism No. 12, 1963.
14. See "Workers Power: A Powerless Answer to Reformism," op. cit.
15. For example, "The World Economy in Crisis," Permanent Revolution No. 1, and "Keeping Recession at Bay; But for How Long?", Permanent Revolution No. 5.
16. The Third International After Lenin, p. 81.
17. ibid., pages 80-81.
18. See for example "Karl Marx and the World Crisis," Socialist Voice No. 19.
19. See "The USSR in War," In Defense of Marxism, page 9.
20. "What Has Been Done to 'What Is to Be Done'?," Proletarian Revolution No. 29.

# East Europe

*continued from page 1*
and to exert control over the increasingly independent local officials and industrial managers.

### THE POLISH ECONOMIC DISASTER

The starkest example of the Stalinist crisis is Poland. Through seven years of military rule after the crushing of the independent workers' movement Solidarnosc, the Polish ruling class has found no way to recover from economic disaster. Now, under the instigation of the International Monetary Fund (IMF), imperialism's economic enforcer, it is trying to save its skin by importing openly capitalist methods from the West.

The authorities are endangered by their inability to raise the workers' living standards, which have fallen disastrously in the past decade. This is due partly to the regime's enormous hard currency debt to Western banks and governments, contracted mainly in the 1970s in an attempt to build up Polish industry by importing foreign capital. Given the decentralized and disorganized character of the "planned" economy, however, industrial projects were undertaken without serious attention to expense or need. Many were left unfinished, and others were completed only to produce goods for sale below their cost of production.

The Polish working class remembers the militancy and organization it achieved in 1980-81; it exploded in two major strike waves this year, the first in April and May. The revealing aspect of the spring strikes was the unanimous attitude taken against them by everyone except the workers themselves. Not only Warsaw and Moscow but also the workers' false friends in the Vatican and Washington — plus Solidarnosc's own leaders — all criticized the strikes. They explained in one voice that Poland had no other way out but austerity, bemoaning the fact that the government hadn't succeeded in persuading the unlucky workers of the need for *them* to sacrifice for the good of all. Under this combined pressure the workers retreated back to the factories. (See our previous issue for more detail.)

The August strike wave was biggest since 1981. Interfactory strike committees were formed, modeled after the great achievement of the mass movement of 1980-81. These committees, the MKS's, were in turn an echo of classical proletarian revolutionary examples: the Russian soviets of 1905 and 1917 and the Hungarian workers' councils of 1956.

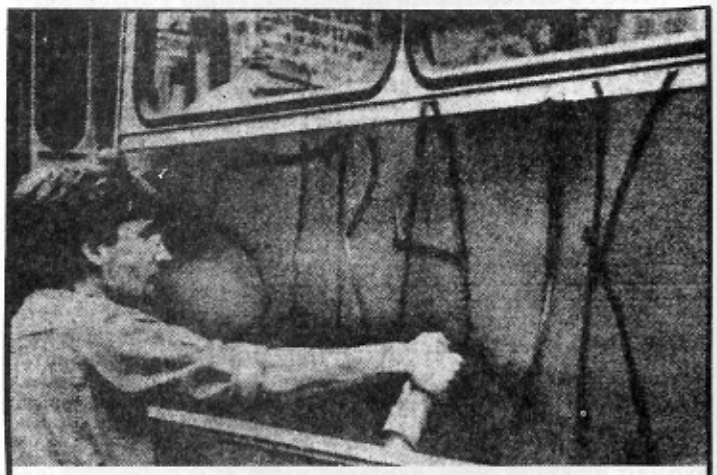
### DESPERATE SOLUTIONS

The workers' main demand in August, ahead even of desperately needed wage increases, was the legalization of their independent union. The explosion was tamed only when Lech Walesa, the most prominent leader of 1980-81, was called in to negotiate with the government. He pledged to suppress strikes in return for legalization of Solidarnosc, but he got no guarantees in exchange. Despite his heroic reputation and Nobel prize — and his government-backed threats — many young workers bitterly held out and resisted his betrayal.

The desperate situation evoked desperate solutions. Stanislaw Handzlik, spokesman for the Nowa Huta steelworkers near Cracow and a veteran Solidarnosc leader, told *International Viewpoint* (October 3) that "the main question in Poland is not who will win but whether we can get out of the crisis as a nation."

> **"The experience of our Western neighbors shows that the market system, the capitalist system, is the most stable and efficient. ... As regards unemployment, I am not afraid of that. The problem is whether unemployed people get decent benefits. ... There must be a labor market, and that means that some people will be temporarily out of work."**

For a workers' leader to talk so tolerantly of unemployment speaks not only of his cynical illusions about life under capitalism but also of despondency over the dire conditions of the East. Such a reaction surrenders all hope of defending the workers' interests and capitulates totally to the wing of the bureaucracy demanding Western-style anti-working class reforms.



*"STRIKE." The handwriting is on the wall for Polish Stalinism.*

### CAPITALIST METHODS

The Polish government resigned in September, admitting the failure of its economic program. The new Prime Minister, Mieczyslaw Rakowski, searched for nearly a week before appointing a cabinet, in the vain hope of finding ministers representing the non-party opposition to collaborate in imposing austerity.

In his economic program Rakowski warned that progress required "the bankruptcy or liquidation of enterprises, thousands of people possibly facing the need of changing jobs, requalifying and even a temporary search for jobs." This is an open call for unemployment. Rakowski further noted that "Profit must be the fundamental index, production must be profitable and economical, and prices must be shaped by market rigors."

Appropriately, Rakowski's government welcomed British prime minister Margaret Thatcher on a state visit to Poland. It thereby signaled its admiration for her success in closing unprofitable coal mines by defeating the year-long miners' strike of 1984-85. With this precedent clear, it announced plans to shut down the Lenin shipyard in Gdansk, Solidarnosc's birthplace, on the grounds that it was losing money. The move was a blow at one of Solidarnosc's most reliably militant bases as well as a signal of commitment to the IMF.

However, the shipyard's director of foreign trade

pointed out that its profitability was impossible to measure accurately since it depends on the state's arbitrary charges for materials, taxes and credit. Other Polish economic experts blamed the yard's managers, who refused to sell or lease unused workshops to other firms. The underlying economic problem for the system is that Stalinist bosses are shielded from the pressures of direct competition — but then pressures build up on the national scale and can no longer be ignored.

Economically "justified" or not, the shipyard closure was a dramatic political act. It breached the forty-year Stalinist policy of conceding to workers their right to a job, making clear to all that capital rules this allegedly "socialist" state.

The class nature of Poland was clarified by Rakowski's new minister of industry, Mieczyslaw Wilczek. This gentleman is a millionaire private factory owner who, according to the admiring British bourgeois *Economist* magazine, "lives in a 'small house in the English style,' with, as you would expect, swimming pool, tennis court and peacocks." Wilczek explained:

**"We now recognize that Western countries have achieved high living standards using certain methods, and it is just a matter of coincidence that these methods are called capitalist."**

No, the methods of firings, unemployment and inflation are called capitalist because they serve to help bosses accumulate capital at the expense of the workers. They achieve high living standards for the few (*very* few, if you expect peacocks) by leaving the vast majority at the mercy of the drive for profits and unstable world markets.

The Polish workers are so fed up with the failures of so-called socialism that they have great illusions in the West. But their new government will soon make sure that they have their fill of undisguised capitalism.

## YUGOSLAV UPHEAVAL

In Yugoslavia, the homeland of reformist Stalinism and "self-management," mass protests were triggered by ever-worsening economic conditions. These included inflation over 200 percent, unemployment over 15 percent nationally and over 50 percent in some regions (not to speak of the 10 percent of workers employed as "guest workers" abroad), plus a 10 percent annual drop in personal income.

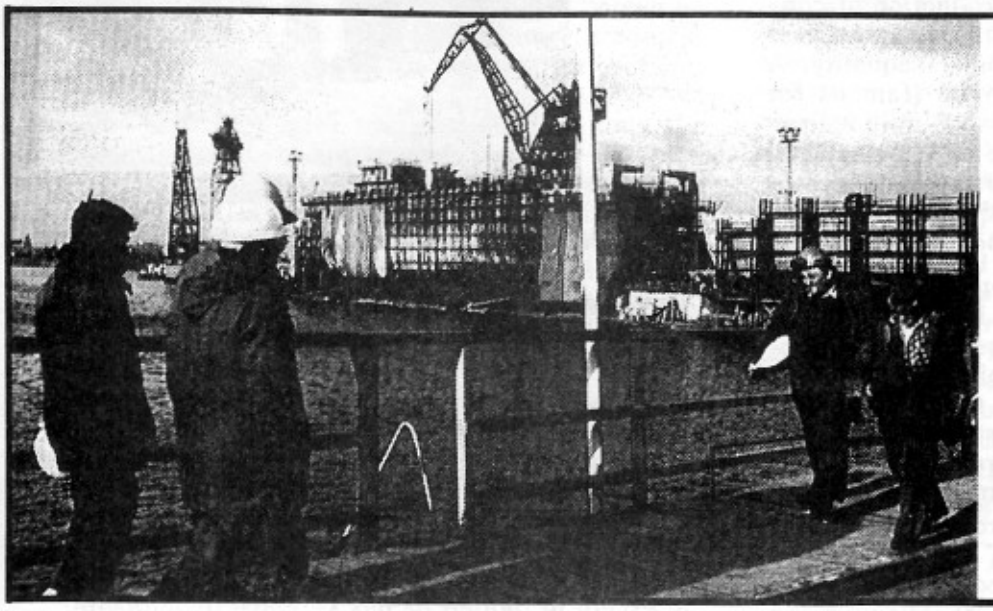
The protests have taken a nationalist and viciously chauvinist form, leading to violent conflicts between the dominant Serbs and the Albanian minority. Insufficiently pro-Serbian provincial officials were forced out under pressure. The racism is designed to quell a powerful working-class sentiment against the rulers. At a 70,000-strong rally in September in the Serbian industrial town of Kraljevo, placards denounced the "socialist bourgeoisie" and a railroad union leader declared:

**"We don't want imposing villas, planes, yachts and private beaches. You are not our comrades because you do not line up at dawn to buy 'people's bread.' You don't share our destiny on the first, second or third shift; you don't go down in the mine shafts; you don't climb high to build bridges. You are not our comrades. Return all you have taken from the working class! You with your privileged pensions, which are bigger than the pay of entire brigades of steelworkers, do you ever blush when you collect them?"**

Even American authorities worried that the Yugoslav government could not contain the unrest. One U.S. official, according to the *New York Times*, said that "if street protests gained momentum and continued to topple political leaders there was no way to say where the unrest would end." Yugoslavia, it was feared, could end up being divided along national lines; or the explosion could take a class form, since even the nationalist outbursts were "70 percent economic."

In the heat of the struggle the Belgrade government came up with the by now customary solution: more bourgeois reforms, for which new constitutional provisions were proposed to the federal parliament. According to a *Washington Post* report,

**"The laws will substantially open Yugoslavia to private foreign investment, remove controls on the private and cooperative sectors and abolish much of the unique system of workers' self-management**



*Lenin shipyard in Gdansk, historic center of Polish workers' uprising, now threatened with closure by profit-minded bosses.*

**and social contracts set up by Tito to run the economy. In its place will be a market economy that will in many ways resemble western capitalism as it is practiced in such welfare states as Austria and Sweden."**

In fact, even if the shell of workers' self-management were kept, the Yugoslav economy would still resemble Western social-democratic capitalism with its "co-determination" and "team concept" schemes. As a decentralizing reform, self-management leads inevitably to the further subordination of the economy to the world market and from there to the suppression of workers' rights.

In an unprecedented move for a Stalinist country, the governing cabinet resigned as a body at the end of December because parliament rejected new austerity measures demanded by the IMF. But that in no way means that Yugoslav legislators were defending socialist principles or the workers' interests: it also gave final approval to the market-economy law described above.

## HUNGARY'S CLOSET CAPITALISM

In Hungary, the reforms of the New Economic Mechanism have been in operation for twenty years. This has meant the effective elimination of central planning: local managers determine the production and prices of their firms themselves, guided by profitability. Workers' incomes likewise depend on the success of the firms they work for.

Despite successes in expanding production of consumer goods, these remained unavailable to all because of the concurrent expansion of income inequality. A significant private sector has grown up (famous for Rubik's Cube) with a small subclass of millionaires. Alongside the private sector there is now a small but symbolic capital market, where traders buy and sell the bonds of over a hundred state firms; the government encourages it by exempting interest income from taxes.

As in Poland, the bureaucracy kept wages up during the crisis of the 1970s by borrowing heavily from the West. Then, when bills came due at the end of the decade (and the USSR's oil selling policy forced East Europe to buy on the world market), the rulers turned to the IMF and austerity. Prime Minister Karoly Grosz was made party head through an internal coup because of the economic crisis, but his program is similar.

Like his Polish counterparts Grosz declared his respect for Thatcher's privatization of Britain's nationalized industries. A 1988 Law on Corporate Association will further free the trading of capital, allowing the formation of limited liability companies (corporations) and even the buying of Hungarian firms by Western companies. As the *Economist* accurately commented,

**"The Hungarians have long been called closet capitalists. They now seem to be taking capitalism out of the closet and onto the statute books."**

## BLOC-WIDE CRISIS

The crisis is deepening in the rest of East Europe as well, although elsewhere it has not broken into the open with the same intensity. In Czechoslovakia, governmental reports warned of the dismal prospects of the present system, even though the current regime is not warm towards Gorbachev-style reformism. The situation is reminiscent of Poland on the eve of 1980, when

*Poland, Hungary illustrate law of Stalinist dialectics: As supplies of consumer goods shorten, the lines for them lengthen.*

the regime's intellectuals also were warning the rulers of the approaching storm.

In Bulgaria, the government appears to be instituting a basket of preventive reforms on the Soviet model, striving to avoid the immediate crisis that has hit other countries. Romania under the Ceausescu regime already has a state of disaster on its hands and knows no way out except to tighten its mock-feudal dictatorship.

East Germany, with the highest degree of industrialization in the Stalinist bloc and extensive economic support from West Germany, has some capacity to resist reforms for a time. In fact, its system of independent industrial "combines" set up in the 1970s already represents a practical decentralization of state authority beyond what Gorbachev has so far achieved. Yet with all its advantages compared to the rest of the bloc, it is still suffering a damaging population drain to the West.

In the Soviet Union the reforms have not moved as far as in Hungary or Yugoslavia. Yet there too nationalist upsurges have resulted — inevitably so, for under the stimulation of the reformist promises, the local leaders of regions with the most profitable firms will seek increased autonomy in order to keep disproportionate

surplus value in their own hands.

In the Baltic republics of Estonia, Latvia and Lithuania, far-reaching nationalist steps have already been taken. Mass organizations of mixed class character, aptly called "popular fronts," have been set up with party approval; within them, politicians call for liberalizing the economies along Hungarian lines, including the establishment of convertible currencies distinct from the Soviet ruble. Some, again using nationalism to detour class hatreds, have also demanded displacing immigrants of Russian nationality, mainly industrial workers.

It is no wonder that Stalinism, based upon the compulsion to preserve national capitals, can no longer keep up any internationalist pretensions. The nationalist responses of oppressed minorities reflect legitimate democratic aspirations, but they are also manipulated by the rulers to divert the underlying proletarian class struggle. But when chauvinist sentiments of the dominant groups are enflamed, the potential for genocide opens up. Russian nationalism is being readied as a reaction to the Baltic movements. Anti-Jewish movements are reviving. Recent racist attacks in China against African students are a sign of what can develop.

## THE END OF STALINIZATION?

Given the USSR's weakening economic grip over its empire, there is a danger that the centrifugal national forces will come under Western imperialist influence. The USSR is being obliged to accept a sort of "creeping Finlandization," whereby it retains military predominance over allied or semi-allied regimes, but without economic domination.

*Proletarian Revolution* has predicted not only the devolution of Stalinism in its drive to intensify exploitation, but also the international realignment of power blocs. The USSR is too weak to stand on its own and will play the role of junior partner for one side or the other as imperialist rivalries intensify.

The devolution of the Stalinist economies is accelerating at a breakneck pace, along with the crisis and the worsening conditions of the working classes. What will the ruling bureaucrats do? The Polish example seems to be the model: attempt to incorporate non-party elements (private capitalists, technocrats, the Church, even independent unions if necessary) into the government so that they can deflect criticism. At the same time the regime will accede to radical economic measures of decentralization and private ownership.

The party's chief concern is that it remain the center of power. Just how that is to be managed while allowing the opposition (which in Poland cannot leave out the rebellious and undefeated working class) a share of authority is a question of great concern and debate.

In the end the rulers' solution may be to try to restore the situation of the 1945-48 period, when Stalinists ruled in collaboration with social democrats and bourgeois forces over "mixed economies." At that time Stalinization had yet to reach full force: all-out nationalization of industry had to await the decapitation and defeat of the working class. The workers had in fact seized factories and set up their own councils in the wake of the defeat of the Nazis. Only when this movement was finally crushed could the new Communist Party rulers oust the weak bourgeoisie and exploit the workers on their own account.

Can the Stalinization of the economy be reversed from above? If so it would constitute a new political revolution. This does not require armed conflict, but it does mean that the workers must be held in check. In contrast to the late 1940s, Stalinism is far weaker materially and ideologically; there is little fat to be distributed to the workers and no grounds for believing that the rulers will ever be able to provide any. The crucial contrast is that the workers' movement today has not been beaten down by the succession of massive defeats suffered under Nazism and the rise of Stalinism.

That leaves the East European rulers few options. One is the sop of Western-style "freedom," but this will chiefly mean allowing private entrepreneurs to exploit labor more freely. Another is to rely on Western economic aid and political support. The latter is already evident, and the former will come too, at the cost of more massive debts and austerity. Some West European capitalists are talking of a new Marshall Plan for East Europe, to get the economies back on their feet and set up the workers for more efficient exploitation. U.S. overtures to Jaruzelski are also growing, in the interest of "stability" — in contrast to Washington's public hostility in 1980-81.

In Poland one possibility is for the bureaucracy to wait for the working class to wear itself out in indecisive, separate strikes. Then Walesa & Co. will have their way, at least temporarily: the bureaucracy can go ahead with its economic experiments at the workers' expense. Solidarnosc adviser Bronislav Geremek told the French newspaper *Le Monde* that the union was prepared to play the role of a safety valve for the militant workers if a suitable deal can be struck:

> **"A legalized Solidarity would not be the same movement, the same union as in 1981. We declare that we are ready to accept, like it or not, the labor laws drafted and adopted under martial law in 1982 as a starting point for the legalization of Solidarity. We also want to relieve Solidarity from certain political pressures. In 1980-81 this union was the only bearer of people's aspirations and hopes. But if pluralism of associations develops, that would be a guarantee that Solidarity will not become again a source of political conflict."**

The blame for the conflict does not lie with the workers, however; the problem is the statified capitalist system itself. The reason for all the reform programs is not that fresh statesmen like Gorbachev are "facing up to economic reality" but that the crisis of Stalinism demands deepening exploitation. The Dengs, Gorbachevs and Jaruzelskis are offering *glasnost*-type concessions as well as creating higher aristocratic layers in the working class to dampen the simmering rebellion.

## TASKS OF THE FOURTH INTERNATIONAL

Under the current explosive circumstances the elaboration of a revolutionary program for the class struggle in the Stalinist countries takes on exceptional importance.

Our work is based on the Transitional Program drafted by Leon Trotsky in the 1930s, which requires updating both because of the important historical changes since that time and the theoretical errors in Trot-

sky's analysis of Stalinism. The frequent mass struggles of the proletariat against Stalinist rule stand as an inspiration for and a test of all programmatic proposals.

## SOCIAL VS. POLITICAL REVOLUTION

First, Trotsky saw the need to overthrow the ruling bureaucracy of the Soviet Union. This was his starting point and ours. Here is how he described the "political revolution" in the Soviet Union in his pioneering work, *The Revolution Betrayed*:

> **"In order better to understand the character of the present [1937] Soviet Union, let us ... assume first that the Soviet bureaucracy is overthrown by a revolutionary policy having all the attributes of the old Bolshevism, enriched moreover by the world experience of the recent period. Such a party would begin with the restoration of democracy in the trade unions and the soviets. It would be able to, and would have to, restore freedom of soviet parties. Together with the masses, and at their head, it would carry out a ruthless purgation of the state apparatus. It would abolish ranks and decorations, all kinds of privileges, and would limit inequality in the payment of labor to the life necessities of the economy and the state apparatus. It would give the youth free opportunity to think independently, learn, criticize and grow. It would introduce profound changes in the distribution of the national income in correspondence with the interests and will of the worker and peasant masses. But so far as concerns property relations, the new power would not have to resort to revolutionary measures. It would retain and further develop the experiment of the planned economy. After the political revolution — that is, the deposing of the bureaucracy — the proletariat would have to introduce in the economy a series of very important reforms, but not another social revolution."**

Today a call for such a political revolution makes little sense. For example, a proletarian revolution would have to not just regenerate the workers' soviets but re-create them — as class-based organs of the proletariat, they were gutted by the Stalinist counterrevolution and officially abolished under the Constitution of 1936. Calling for their regeneration cannot now recall a living heritage within the Soviet working class as it still could in the 1930s — and it strikes no chord at all in the other Stalinist states.

The revolution would also need to smash the officer corps and the secret police, which have nothing in common with the Bolshevik Red Army whose remnants were killed in the purges of 1937-38. Therefore we call for a revolution that is social and not just political: it would have to destroy the Stalinist state and its apparatus, not just reform it.

As Lenin wrote in a polemic against Kautsky, "The point is whether the old state machine (connected by thousands of threads with the bourgeoisie and completely saturated with routine and inertia) shall remain, or be *destroyed* and superseded by a new one." (*State and Revolution.*) With "bourgeoisie" replaced by "bureaucracy," this is what the proletariat has to do.

Nationalized property in the Stalinist states has become a shell concealing an anarchic, decentralized and unplanned structure. (Planlessness has been inherent in Stalinism for decades, long before Gorbachev.) A new proletarian revolution would therefore face the task of transforming the Soviet economy. That means that the planned economy would have to be restored — not "retained and further developed."

Indeed, the reforms planned and carried out by the current crop of Stalinist bureaucrats show that the workers' achievements embodied in the nationalized property forms are already destroyed. Even many of the vestigial forms are on the verge of destruction. The only way to save or recover them is to overthrow the state apparatus that defends nationalized forms only to the extent that they can be used against the proletariat.

The real proof that a political revolution is not on the order of the day has been the actions of the workers themselves in four decades of class struggle against Stalinist capitalism. The workers have fought to create new institutions, independent of the ruling bureaucrats, not to reorganize the old ones. Their actions — not the proclamations of their leaders — have pointed to the smashing of the state apparatus, not its reform or even purgation. They have revolted against exploitation at the point of production, not just against inequalities in distribution. It has been a revolt against domination by the law of value, and that means a social revolution.

Despite serious illusions in the joys of competition, workers in action learn readily that the market is their bosses' weapon, not theirs. Contrary to the reformers who worry about the dangers of the masses' "anarchy," Marxists hold that only through class confrontation can the workers' conservatism, a real danger, be dispelled.

## TRANSITIONAL DEMANDS

Trotsky devoted much effort to elaborating programmatic methods to win masses of working people to the revolutionary cause through a direct connection with their experience. The Transitional Program is built around a system of transitional demands "stemming from today's conditions and from today's consciousness of wide layers of the working class and unalterably leading to one final conclusion: the conquest of power by the proletariat."

We outline here how the method of the Transitional Program applies to the class struggle in the pseudo-socialist countries, in order to show what advanced workers, the embryo of the revolutionary party, could do on the tactical level to build their party.

The problem is rarely addressed. On the one hand, most "state capitalists" deny the applicability of transitional methods to capitalism in general. On the other, workers' state theorists see no need to apply demands written for capitalist states to the Stalinist countries.

Our approach is to show how transitional demands designed for bourgeois countries are applicable to Stalinism. There are other demands in the Transitional Program that we do not discuss here, not because they do not apply to the Stalinist world but only because their application there would be in all fundamentals the same as under traditional capitalism.

## SOVIETS

The question of *soviets* has particular force in the Gorbachev period, especially because the Communist Party Conference of June 1988 adopted a resolution claiming to reconstruct the current soviets as decision-

making bodies. The original revolutionary soviets of 1905 and 1917 were councils of delegates from every stratum of working-class life, reflecting all the struggles of the class. The Stalinist counterrevolution replaced them with fictitiously democratic parliamentary bodies.

Now Gorbachev and his allies see the need to incorporate the working masses, to allow them a say in deciding how to come up with the required economic sacrifices. In fact the slogan "All power to the soviets," an echo of the 1917 revolution, has gained wide appeal because of its democratic ring: it symbolizes an end to the arbitrary power of the ruling Communist Party.

But even the revived soviets as planned will have nothing in common with those of 1917 or the Gdansk MKS. They will at best be outlets for debates between factions of the ruling class with an occasional voice of opposition allowed as a safety valve.

But Soviet workers can take advantage of the opening provided by Gorbachev by raising the call for genuine soviets, soviet congresses and a permanent central soviet. This is a demand not on the ruling bureaucrats but on the workers' leaders. It would present to the working class the need for its political and organizational independence from the rulers. It would also expose the fraud of both Gorbachev's democratization and the localist self-management schemes.

## THE SLIDING SCALE OF WAGES

Because of the inflation that is wracking the Soviet bloc, the demand for a *sliding scale of wages* is important. It was already raised by the Polish workers in their spring 1988 strikes; it means that labor agreements must include an automatic, proportional rise in wages with respect to prices of consumer goods. Since official accounts of price levels are always suspect, all the more so in Stalinist countries where statistics are often treated as state secrets, prices have to be monitored by local committees of unionists and unemployed workers.

The reform programs being instituted in the Stalinist countries demand defence of the workers in the enterprises scheduled to be shut down for lack of profits. The Transitional Program raises a series of demands for such situations. One is the *sliding scale of hours*: all the necessary work would be divided among the available workers in accordance with a standard workweek, without reducing the workers' average wage.

## OPEN THE BOOKS!

The Program also advocates *opening the books* of the corporations through the slogan of *workers' control*. This term might better be understood as "workers' supervision," since it does not mean workers' replacing the bosses in running the enterprises. In Trotsky's words,

> **"The immediate tasks of workers' control should be to explain the debits and credits of society, beginning with individual business undertakings; to determine the actual share of the national income appropriated by individual capitalists and by the exploiters as a whole; to expose the behind-the-scenes deals and swindles of banks and trusts; finally, to reveal to all members of society that unconscionable squandering of human labor which is the result of capitalist anarchy and the naked pursuit of profits."**

*Polish boy scouts present Britain's union-busting Margaret Thatcher with posies as her comrade, Prime Minister Rakowski, beams.*

Anarchy and unconscionable squandering are certainly no less under Stalinism. Is there any reason why this analysis would not apply to the Polish government's shutdown of the Gdansk shipyards? The fact that the Stalinist rulers cannot continue to produce needed ships (they are sold mainly to the USSR) proves that they are governed not by considerations of social need but by ordinary, crass, capitalist value.

The decision to shut down the Gdansk shipyards was opposed by the workers whose jobs were at stake through strikes — and the demand to open the books! The workers were perfectly right to seize on a demand from the Transitional Program. That is, the Transitional Program expresses the logic of the workers' struggle — under capitalism of every form.

As under traditional capitalism, some enterprises will willingly bare their financial souls and "prove" that they are indeed operating at a loss. That requires investigating not just individual enterprises but the economy as a whole. Trotsky therefore added:

**"The workers cannot and do not wish to accommodate the level of their living conditions to the exigencies of individual capitalists, themselves victims of their own regime. The task is one of reorganizing the whole system of production and distribution on a more dignified and workable basis. If the abolition of business secrets is a necessary condition to workers' control, then control is the first step along the road to a socialist guidance of the economy."**

But the Stalinist bosses, like those in the West, may choose to shut down operations whatever the cost to their employees. So the Transitional Program continues:

**"The socialist program of expropriation, i.e., of political overthrow of the bourgeoisie and liquidation of its economic domination, should in no case during the present transitional period hinder us from advancing, when the occasion warrants, the demand for the expropriation of several key branches of industry vital for national existence, or of the most parasitic group of the bourgeoisie."**

The meaning of the *expropriation* demand raised by a mass struggle is to force the capitalist class as a whole, through its state, to take responsibility for the well-being of its working people — despite the inconvenience for profits. There is no contradiction in demanding expropriation by a bourgeois state, as long as revolutionaries openly explain to our fellow workers that this is no lasting solution, and that the demand and its fulfillment are linked with preparing the proletariat for revolution.

In the Stalinist case the equivalent of expropriation is to take the enterprise out of the hands of its bureaucratic managers and make it the direct responsibility of the state. This implies as well canceling the rulers' requirement that individual enterprises be run according to strict profitability criteria. It also may mean re-equipping the workshops with up-to-date machinery to continue production. Further, the fictional structure of costs must be overhauled through close working-class supervision so that much more accurate values of every commodity can be calculated.

In sum, whenever the state demands that workers' sacrifice for the national good, it is proper for workers to demand that they see the books and have the right to control whatever measures the regime takes. The workers' direct intervention into economic management is an excellent exposure of the true operation of a class society, an incitement to fight for their own workers' state, and a preparation for running it.

## PUBLIC WORKS AND WORKERS' MANAGEMENT

In the common-enough case where the enterprise is producing wasteful or dangerous products, it makes little sense to continue operations unchanged. Further transitional demands should be raised — for example, to reemploy workers in rebuilding obsolete enterprises rather than leave them jobless. In a similar context Trotsky called for public works. (Under statified capitalism, of course, almost all works are "public.")

**"Public works can have a continuous and progressive significance for society ... only when they are made part of a general plan, worked out to cover a considerable number of years. Within the framework of this plan, the workers would demand resumption, as public utilities, of work in private businesses closed as a result of the crisis. Workers' control in such cases would be replaced by direct workers' management."**

This reasoning leads to the demand for *workers' management* of enterprises that the ruling bureaucracy proves itself incapable of operating effectively. It is one way to counter the anticipated objection from many workers that expropriation of industry means returning the economy back to pre-reformist bureaucratic rule.

Workers' management, however, cannot be interpreted as the autonomous functioning of factories envisioned by "self-management" schemes (and certainly not as the "team concept" and other arrangements advocated by capitalist bosses to make the workers take part in their own exploitation). Workers' management in our sense only works in the context of society-wide decision-making by the central workers' councils.

It is also necessary to come to grips with workers' conception that the methods of Western bosses are better than Stalinist management. To this end it will be necessary to raise demands covering workers in the growing number of private shops and enterprises. For example, workers hesitate to leave state jobs for fear of losing their pension, housing and other rights attached to the specific job or ministry. The demand for *national responsibility for pensions, housing, etc.* applies to workers in both state and private industries, and would allow them to move without hindrance, should they choose, between jobs in either sector.

## REPUDIATE THE DEBTS!

The most important additional demand not in the Transitional Program is to *renounce the debts* owed to imperialist banks and governments. The Eastern bloc countries, just as much as those of Latin America, Asia and Africa, are subject not only to the imperialist world market in general but also the direct supervision of imperialist institutions like the IMF, because of their massive debts. The Bolsheviks repudiated the debts of the Czars, and a revolutionary workers' state today would do likewise toward their former exploiters. (That principle does not exclude subsequent diplomatic agreements to pay the debts in whole or in part, in return for concessions by the imperialists.)

Debt renunciation means defying capitalist principles and their imperialist enforcers. The depth of the economic crisis in the Stalinist countries and the misery of the working people shows that such action is necessary for economic survival. It would also help resolve workers' illusions in the beneficence of the West.

An avalanche could be loosed if a workers' movement stood up to its rulers and demanded that the bloodsucking payments cease. That would ignite explosions throughout Eastern Europe (and Latin America), and governments' hands would be forced. The result would be both to disrupt the bourgeois world economy and to inspire anti-imperialist and anti-capitalist actions everywhere.

Such a step would in reality only be carried out by genuine workers' states, but it must still be demanded of the Stalinist rulers and third-world nationalist governments. These regimes inevitably choose to honor imperialist obligations (unless they are simply broke) instead of defending the needs of their peoples. The spectacle of "socialist" states lining up at the bank to

hand over cash sweated out of their workers is a standing insult to the memory of the October revolution.

The Jaruzelskis will never repudiate their debts on principle because that would mean attacking the principle of property. It would threaten their national capitalist base in state property just as much as the private property of the West. In the same way the Western powers hesitate to press for denationalization in the East except slowly and under controlled conditions. The reasons are, first, that the West is increasingly interpenetrated with the Eastern bloc and China: in trade, contracts, joint investments, etc.

Second, the bourgeoisie is still frightened of the working classes in unstable periods — even in the homelands of its Stalinist "mortal enemy" — because of their threat to property in general. The West's great red hope is Gorbachev and his like; with luck and loans, they may be able to weather the storm and set the whole Stalinist realm on the road to "freedom" — for trade, investment and profits.

## SOCIALIST FEDERATION OF EUROPE

The debt question, together with the supra-nationality of the crisis of Stalinism, necessitates a further demand: the *socialist united states of Europe*. A similar demand was raised by Trotsky and other revolutionists during the First World War; it was initially supported but later opposed by Lenin on the grounds that it seemed to call for holding back national revolutions in order to await a simultaneous Europe-wide upheaval.

Today, however, national revolutions are held back by the fear that they will remain isolated. On the other hand, the simultaneous crises and simultaneous struggles in East Europe, although at different levels of intensity and consciousness, call for an internationally coordinated movement and demands. The crisis will also intensify in the West, and so will the class struggle; this will also have the beneficial internationalist effect of puncturing illusions among workers of the East.

## THE REVOLUTIONARY PARTY

The intensifying drive for reforms throughout the Soviet bloc and China makes much more of Trotsky's program applicable directly or in closely parallel forms. Our ability to develop a full program is limited, because we have access to few examples of the programs raised by workers in the East. With the Polish struggle as the significant exception, the workers' demands have been suppressed from news reports or distorted.

Transitional demands do not have to mimic the consciousness of the workers, even of those engaged in militant action. But a close connection with their struggles is necessary in order to know how to counter workers' understandable illusions in one or the other rival forms of capitalism.

The Transitional Program can be made understandable as a road to revolution rather than a basket of reforms only if an actual mass proletarian movement is in the offing. The tangible power of the working class proves that the superficially fantastic goals of revolution are real. By the same token it is not a consideration in raising these demands whether the system or its rulers can afford to grant them. Trotsky said it best:

**"If capitalism is incapable of satisfying the demands inevitably arising from the calamities generated by itself, then let it perish. 'Realizability' or 'unrealizability' is in the given instance a question of the relationship of forces, which can be decided only by the struggle. By means of this struggle, no matter what its immediate practical successes may be, the workers will best come to understand the necessity of liquidating capitalist slavery."**

The worsening conditions and intensifying struggles of the Eastern bloc, which make the program all the more urgent, will also make the necessary demands clearer. The absolutely necessary condition for the elaboration of a full transitional program for the Stalinist states would be the creation of the kernel of a revolutionary workers' party in one or more countries of the region. That means the re-creation of the world party of socialist revolution, the Fourth International.

## DEMOCRATIC DEMANDS

For years, the democratic aspirations of workers, intellectuals, women and oppressed nations have been crushed. The proletarian revolution stands for these demands and is the only way to win them. The right to self-determination, freedom for all parties of the working class and oppressed peoples, the right to organize unions, free speech — all the democratic demands are part of the revolutionary program as well.

It is safe to say that the combination of market reforms and pseudo-democracy that the Stalinist reformers are pushing will not succeed. They will not convince workers to sacrifice already minimal living standards for promises of pie in the sky. Sooner or later the bureaucrats will change their line from democracy to discipline. They will move not only to end their own concessions and the emerging workers' institutions, legal and illegal; they will also have to crush the workers' constant daily resistance to intensified exploitation.

The Stalinist rulers, even "nice guys" like Gorbachev, always keep in the background squads of thugs ready to smash workers' and others' movements and protests. They always have a varied array of career military and police operatives to call on. Today some bureaucrats are also encouraging quasi-fascist outfits as a preparation for future use; the rising nationalism fuels these types generously.

Gorbachev has a parallel strategy. His reforms are not all democratic even in appearance. He is also laying the foundations of a creeping Bonapartism, whereby he and some other officials are granted extensive individual powers to bypass state and party structures in carrying out the needs of the ruling class.

In sum, the most workable solution for the Stalinist ruling classes is not democracy but strong-man rule, in either Bonapartist or fascist form. That by no means excludes market mechanisms to discipline the ministries and managers, but it requires harsh regimentation for the working class.

The worldwide capitalist crisis points generally to a future of depression, fascism in several key countries, and world war — if the workers do not find their way through all the capitalist smokescreens to revolution. In the Stalinist world this means that the Western model likely to be settled on is not the social-democracy of Sweden but some form of military fascism. Advocates of reform who do not warn of the repression that lurks beneath it will have much to answer for. ■

## Bush Plans Ambush for Workers

*continued from page 1*

escalating military spending, immense tax handouts to business and slashing social spending — has taken its toll on the majority of Americans whose living standards have suffered. Yet no sooner did Bush win then Wall Street greeted him with tremors in the currency and stock markets, warnings that his inherited pseudo-prosperity is a shambles.

Bush had coined the accurate phrase "voodoo economics" to describe Reagan's proposals during the 1980 campaign, but he swallowed those words loyally since then. Now he has to deal with the consequences.

### THE DEMOCRATS' DILEMMA

The Democrats, now losers in five out of six presidential races, are now barely a viable national party. Their old Roosevelt coalition of trade unionists, blacks and the solid South is dead. Michael Dukakis attempted to shift the party's voting base from the broad working class to the petty bourgeoisie and professional middle class, but failed. The Democrats' liberal wing, mobilized by Jesse Jackson and trying to reconstitute the old New Deal bloc, found itself predictably ignored again.

Despite Dukakis's defeat, liberals on the whole did well. The Democrats increased their lead in both House and Senate seats, an unprecedented insult to a newly elected president. They also won near-record gains in state governorships and legislatures. Liberals did best where they ran populist campaigns, denouncing Reagan's economic policies and the farm closures and plant shutdowns they led to.

Dukakis's own appeal to class issues in the last weeks of the campaign pulled him up in the polls. In fact, with a few hundred thousand more votes he would have captured several Midwestern industrial states plus California. Had he attracted more of the black voters inspired by Jackson, he would have won on electoral votes without a popular majority. But his contradictory campaign was never able to solidify a reliable base.

Jackson had called the shots accurately in the primaries when he appealed to massive dissatisfaction with coddle-the-rich Reaganism. Jackson's crusade collected 7 million votes, nearly 30 percent of the Democratic total (and over 10 percent of the white vote). It reflected a deep dissatisfaction in the country with bipartisan bourgeois politics-as-usual. The fact that a black politician could win substantial white votes soon had the whole Democratic primary pack imitating his strategy. But Dukakis shifted strategy in the fall and turned a big lead into defeat.

The Democrats' mixed results confirm the analysis this magazine has made since 1980 of Ronald Reagan's electoral base: it is not so much conservative as radical, seeking a far-reaching alternative. Reagan's confidence in his opinions, his unwavering promises of prosperity and his alleged opposition to the Eastern establishment looked a lot better than Jimmy Carter's moaning over "malaise" and Walter Mondale's foot-in-the-mouth pledge in 1984 of higher taxes for all.

Why didn't Dukakis wage a populist campaign all along? For most of the campaign he did almost the opposite, promising nothing to the working classes except a vague "good jobs at decent wages." But his politics are not so far from Bush's. He is a "New Age" or "neo-liberal" Democrat like Gary Hart, Bruce Babbitt and Bill Bradley, standing for deregulation, tax cuts and wage concessions for business to make U.S. industry competitive, a "sound defense" based on conventional forces and cutbacks in social spending to pay for it all.

Economic conservatism alone is not enough to stop a candidate from running a populist line. Dukakis, after all, did come around eventually. His real problem was that he had hoped to win without raising expectations too high and making promises that couldn't be fulfilled.

*Giving us the finger: Ron lets George do it now.*

So until the end he avoided all-out appeals to the Democrats' traditional base and denied he was ever a liberal, i.e., a supporter of social programs that benefit blacks and Latinos. No wonder the black turnout at the polls was so low.

Dukakis went out of his way to make clear his contempt for working-class interests. He nominated Lloyd Bentsen for vice-president, a notoriously pro-industry "Texas Tory" who once demanded $10,000 per head from business lobbyists for the privilege of having breakfast with him. (He is also a *contra* supporter, and he once called for the nuclear bombing of North Korea — by no coincidence, a country whose people are not white.) Dukakis shunted the Jackson forces to the side in the campaign, public promises at the Atlanta convention notwithstanding. He likewise chose to turn the other cheek to Bush's deliberately racist television ads.

### ECONOMIC PRESSURES

The underlying reason for Dukakis's disdain for the needs of working people is that American capitalism

cannot afford today to yield any sops to those it exploits. The clamor on the left demanding that Dukakis live up to his "deal" with Jackson and aim the campaign at the dispossessed, was a call for an outright lie.

When Dukakis turned to populism, Bush denounced this talk as irresponsible class-struggle mongering, failing only to point out that Democratic program, and Dukakis's own record as governor of Massachusetts, were as pro-capitalist as his own.

Bush got the message before he settled in for his victory honeymoon. The dollar fell by 10 percent and the stock market suffered the biggest post-election drop in forty years — echoes of the enormous collapse of fictitious capital last October that forbode a new worldwide depression. Bush had promised to balance the deficit-ridden budget on the basis of no new taxes, no military cuts and a "flexible freeze" on spending. But this was an impossible combination.

## THE DISASTER OF REAGANOMICS

For the financiers Bush's promises were almost as dangerous as Dukakis's; they worried that he had given away too much to the Republicans' petty-bourgeois supporters. The financial turmoil was in effect a demand by the bourgeoisie that the new administration get its act together and organize the austerity program that it needs. A "kinder, gentler America" (tell that one to the third world if you believe it) just won't do.

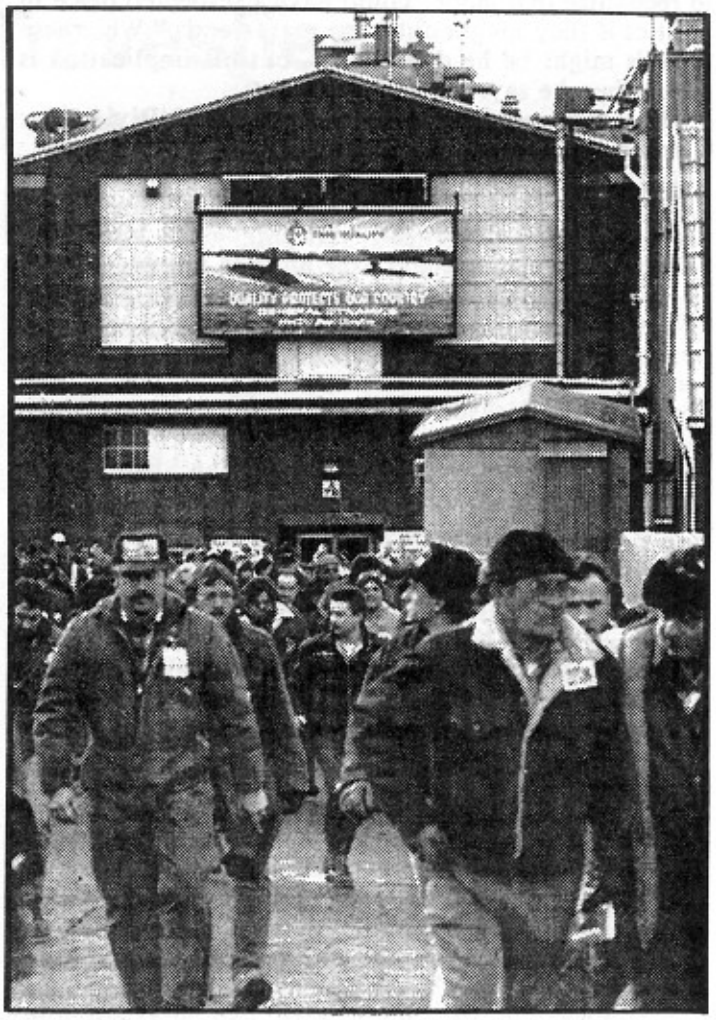
Richard Darman, Bush's nominee for federal budget director, immediately hinted that Medicare might be in for a slashing. This was a reversal of Bush's electoral promise to open up the program to the 37 million Americans who have no health insurance at all.

No Republican and few Democrats would say so in the campaign, but Reaganomics has left the national economy in disastrous shape, even from a bourgeois point of view. According to the post-election report of the Comptroller General (a Reagan appointee), one third of all savings and loan banks are insolvent, public housing needs an immediate $20 billion fix, and it will cost an equal amount to clean up toxic wastes dumped by Defense Department enterprises. Even Reagan's favored military industries are hurting because of poor management and lack of modernization.

On the working-class side, things are worse. Average hourly wages (under $9.00) and average weekly wages ($312.50) are at their lowest levels in a quarter century, down more than 11 and 16 percent from their peaks. Manufacturing jobs with higher than average pay are down by nearly two million, while 84 percent of new jobs are in the low-paying retail trade and personal and health service sectors. Poverty rates have increased enormously, especially for single parent families consisting of a mother and young children (5 million children under six now live in poverty, a 47 percent increase in the Reagan years).

The reason for the economic crisis is not Reagan's policies, which only exacerbated it, but the underlying weakness of world capitalism. (For specifics, see "After the Crash," in *Proletarian Revolution* No. 31.)

As to what the new administration will do, a key signal to watch is the report due this fall from the "National Economic Commission," an outfit created by the two bourgeois parties to lay out the program the capitalists need but their candidates can't mention in public. Felix Rohatyn and Robert Strauss, two of the Democrats' main behind-the-scenes players, suggested that Social Security and Medicare would both have to be slashed. Other experts argued that taxes would surely have to go up. Both Bush and Dukakis denied any link to the Commission, but that was just pre-election talk. That's the way "democracy" works in this country: you get to vote, but you're blindfolded first.



*Electric Boat plant in Connecticut. U.S. workers grow more bitter by the day.*

## THE DEMOCRATS AND THE LEFT

Now that the voting is over and it is clear that Dukakis ran a terrible campaign, the argument is being made on the left that there is still hope in the Democratic Party for progressive politics. That is plain wrong. True, there is plenty of room in the Democratic Party for the *squelching* of working-class interests — the party is designed to incorporate, absorb and paralyze any mass movement that threatens capitalist power.

The "reform the Democrats" argument comes as no surprise from perennial lesser-evilists like the Communist Party, the Democratic Socialists or the *Guardian* newspaper. A parallel line has also been drawn by Kim Moody, a leader of the leftist "Solidarity" organization.

In a post-election analysis in the *Labor Notes* newsletter, Moody accurately distinguishes neo-liberal Democrats like Dukakis from their New Deal predecessors. But he suggests that the Democratic Party also contains a different breed. Moody calls on the AFL-CIO leaders

to recognize that labor "could have a respected place in politics if they sought out some real friends." Who these friends might be he doesn't say, but his implication is clear when he says who they are not:

**"The vast majority of this neo-liberal/Dixiecrat axis are post-Watergate Democrats with no ties to labor or to the social program of the New Deal or Great Society. ... With a handful of exceptions they are PAC-rats, financed with far more business money than labor could ever hope to provide."**

This suggests that old-style Democrats dedicated to "New Deal" or "Great Society" slogans and who had ties to labor — that is, Franklin Roosevelt and Lyndon Johnson — have done better. Today, it means that populists like Jackson and Texas Democrat Jim Hightower have something to offer to the working class.

Moody continues to contrast the new, bad Democrats with the good old ones:

**"The Democrats cannot declare class war when they practice class partnership. They cannot stand with the lathe operator against the Wall Street operator for more than a 30-second TV bite, when they are shills for corporate competitiveness."**

The suggestion is that the old-stylers *did* have programs representing class war and *could* stand with ordinary working people against Wall Street.

We doubt that Moody actually believes such nonsense, but in *Labor Notes* he is writing to an audience of left union officials who enlisted in the Jackson campaign, and he's not about to break his ties with them. He goes on:

**"The debate on political strategy that follows this election must go beyond a critique of campaign rhetoric and tactics. Progressive labor activists need to take a second look at this 'party of the common man.' Efforts to change this party have ... failed.**

**"The 1988 Jackson campaign showed that millions of voters, Black and white, will respond to a populist message of social solidarity. The Democratic Party, in 1988 as in 1984, showed it wasn't interested."**

But, as Moody knows under his "socialist" if not his labor hat, the Democratic Party was *never* the party of the common people, although once it pretended to be. Ever since Roosevelt it has been the graveyard of social movements, not their champion. Moody tries to cover his left wing with talk of "taking a second look" at the Democrats. This coy language stops short of calling for a labor party, but even such a party in Moody's vision would have the capitalist program of the New Deal or Jesse Jackson.

The Solidarity group in fact stated in its pamphlet on Jackson that "our quarrel is not with the spirit and message of the Rainbow. It is with the Democratic Party." Accordingly, it called on Jackson and his Rainbow Coalition to break with the Democrats and run an independent campaign, as a step toward building a "radical third party alternative" in the U.S.

This was a pipe dream. Jackson shelved the Rainbow for the duration of the campaign in deference to Dukakis, and he made it absolutely clear from 1984 to 1988 that he has no sympathy with third-party efforts.

Nor does such a call expose Jackson's pro-capitalist convictions — the real Rainbow message — to his followers, as Solidarity hopes. The only way to do that is to attack Jackson's *politics*, not promote the myth that he really stands for "social solidarity."

Jackson's message to the striking workers and dispossessed farmers he addressed during the campaign was hardly the class war Moody pretends to want. It was precisely the opposite: class peace, to be demanded from the bosses and bureaucrats. Typical was his role in the Hormel meatpackers stike in 1986. He sang "We Shall Overcome" with jailed unionists — but he also met with company officials and the cops, who praised his intervention. That's because he didn't call for victory to the strike but instead urged non-violence and offered his services as mediator.

BUT STILL AT THE BACK OF THE BUS

Likewise, when the stock market crashed in October 1987, Jackson was quick to preach the class partnership Moody thinks is confined to the neo-liberals:

**"We are all in the economic trenches now, even if, on Wall Street, the trenches are mahogany-lined. Layoffs, farm foreclosures, bank failures, rising debt and falling wealth are our common ground. Wall Street and LaSalle Street cannot escape Main Street and Rural Route 3. We are one."**

Sorry, Jesse, some of us are in the economic trenches because others of "us" dumped us there. The truth is that the only "social solidarity" Jackson knows is not the class solidarity of the exploited and oppressed, but the brotherhood of banker and farmer, boss and worker. That may be religion, but it's not the truth.

In the developing crisis working people will desperately need to organize class solidarity in many essential ways. The starting point could be a general strike against the capitalist attacks on living standards; a vital step is the formation of a revolutionary working-class party to fight for socialism.

This means a break with not only the Democrats but with all electoralist strategies that rely on the good offices of pro-capitalist brokers. The most advanced workers, those who will lead the class struggle and the developing political consciousness of the class as a whole, will also have to break cleanly with pseudo-socialists who can't tell the difference between class peace and class war. ■

# Trotskyist Travesties

## Old Theory, New Name

In issue No. 28 in 1987, introducing an article on the British-based Socialist Organiser group led by Sean Matgamna, we wrote as follows about their theory of the Stalinist states:

**"This work demonstrates that the Matgamnaite version of the 'degenerate and deformed workers' state' theory was in reality a variation on third-camp bureaucratic collectivism."**

And so it was. Now, in the November 17 issue of their paper, the Matgamnaites say:

**"At our Annual General Meeting of Socialist Organiser supporters ... we decided formally and finally to drop our description of the USSR and other Eastern Bloc countries as 'workers' states'."**

We knew before they did that they really had a third-system theory. We determined this from their specific views. But their position only carries out the logic of *all* deformed workers' state theories, which credit the counterrevolutionary Stalinist parties and other petty-bourgeois forces with the making of socialist revolutions.

These states are allegedly more progressive than capitalism yet are frozen halfway between capitalism and genuine socialism. Now that reality itself — the disintegration of Stalinist economies, Gorbachev's desperate reformism — is amply disproving Stalinism's progressiveness, the pseudo-Trotskyist theorists are in a quandary, and the Matgamnaites are trying to escape.

But they have not gone very far. They have decided only what the Stalinist states are *not*, not what they are. A substantial minority "agreed that they are not workers' states but stopped short of defining the overlord bureaucracies as *ruling classes*." As for the majority, it calls them "state-monopoly societies" but gives no hint as to what kind of ruling class they have.

The SO group faces the perennial problem of third-camp theorists, starting with Max Shachtman in the 1940s. They call the working class a proletariat but forget that for Marx capital is a relation between *two* classes, proletarians and capitalists. If social relations are not capitalist but "totalitarian" or some other evasion, then there is no inherent revolutionary solution to the class struggle. As we noted in *PR* 28, the Matgamnaites' anti-Stalinism

**"reflected not the revolutionary proletarian abhorrence of the USSR's degeneration and counterrevolution but instead the consequence of that decay, an extreme cynicism toward the revolutionary capacity of the working class and a maneuveristic view of the world."**

Indeed, not only has Socialist Organiser adapted to the reformism of the British and Australian Labour Parties, as we pointed out then. It has also accommodated itself to imperialist pressures, warming up to Zionism and to the British presence in Ireland. In sum, their rejection of the outdated "workers' state" theory of Stalinism was a move to the right, not the left.

## Rehabilitate Trotsky?

Inspired by the liberalization policies of the present Soviet government, many on the left, including self-styled Trotskyist organizations, are demanding that the ruling bureaucracy rehabilitate Leon Trotsky.

In the USSR it is already possible to discuss Trotsky's historical role as a founder of the revolutionary Soviet state in the press — without labeling him a criminal, terrorist, fascist and imperialist spy. Those are the charges under which he was convicted *in absentia* in the Moscow trials and then murdered on Stalin's orders.

But his supporters want more, including not only the posthumous restoration of his Soviet citizenship but also his readmission into the Soviet Communist Party. They forget that in 1933 Trotsky concluded that the Communist International, including the Soviet party, had proved to be no longer revolutionary: it allowed fascism to gain power in Germany without resistance. He then set about building the Fourth International. It is no favor to his memory to beg his admission to a ruling party he had dedicated his life to overthrowing.

In 1961, his widow Natalia Sedova Trotsky replied to an article in the bourgeois press that had attributed to her the hope of witnessing Trotsky's "rehabilitation by world communism." She wrote:

**"Stalin's police terror and slanders are only the political aspect of a struggle to the death against the revolution waged by the bureaucracy. We can expect to re-establish the truth only through the annihilation of this bureaucracy by the working class which it has reduced to slavery. Any de-Stalinization would be guaranteed to be a snare if it did not achieve the taking of power by the proletariat and the dissolution of the police, political, military and economic institutions, the bases of the counterrevolution that established Stalinist state capitalism."** ■

# LRP Confronts BT on Stalinism

The League for the Revolutionary Party faced the Bolshevik Tendency (BT) in a debate on the class nature of the Soviet bloc, held in New York December 10. The BT, represented by speakers from Toronto and New York, argued that the Stalinist states are degenerated and deformed workers' states against the LRP's analysis that they are statified capitalist.

It is safe to report that most of the audience, even those who do not share our position, agreed that the LRP won the debate. Above all, the BT could not defend its anti-working class positions on the origins of Stalinism and the Polish workers' movement of 1981.

The BT maintains, in effect, that socialist revolutions after World War II were made by forces other than the working class itself — a clear violation of Marxist fundamentals in general and Trotsky's theory of permanent revolution in particular. Like the Spartacist tendency that it came out of, the BT also says that the Stalinist countries, before property was fully nationalized, were indeterminate states with no precise class character — another breach of Marxist principle.

### THE CLASS LINE IN POLAND

Also like the Spartacists, the BT insists on crossing the class line in Poland, applauding the Stalinists' suppression of Solidarnosc on the grounds that it stood for the restoration of private property. But as LRPers pointed out, Solidarnosc's "self-management" program is little different from the regime's. The BT insisted that in the end the Stalinists will defend nationalized property but the misled working class won't.

However, when the Polish regime announced its plan to close the Gdansk shipyard where Solidarnosc was born — in deference to Western creditors' demands for financial austerity — workers took strike action. They thereby defied both the regime and Solidarnosc leader Lech Walesa, who had promised to squelch wildcat strikes. When the crunch came it was the regime that gave up nationalized property and the workers that defended it, along with their livelihoods.

### THE CRISIS OF STALINISM

The BT offered no alternative to the LRP's explanation for the mounting crisis of the Stalinist economies: the laws of motion of capitalism discovered by Marx. BTers repeatedly complained that we gave no reason for calling the Stalinist system capitalist — not recognizing that when the working class is exploited through wage labor and surplus value, that means capitalism, even if in a severely distorted form.

The Soviet regime is now trying to cope with the immense contradictions deriving from its origins in the counterrevolution of the 1930s. Not only does it face the usual barriers of capitalism in its epoch of decay, but it also is burdened by proletarian forms it usurped from the workers' state. Gorbachev's reforms, like measures already introduced in Yugoslavia, China, Hungary and Poland, exemplify the central bureaucracy's need for openly capitalist weapons. Unemployment, inflation and strict profit accounting are necessary responses to underlying systemic laws and serve to discipline both workers and local and sectoral officials.

The debate revealed that the BT's position amounts to yet another "third-camp" notion of states that are neither bourgeois nor proletarian. That is their view of East Europe before full nationalization; it is also the implication of claiming that the Stalinists, not the workers, ultimately are rooted in statified property. In fact, theirs is not a theory at all, one that can account for events and foresee their direction. Lacking both a theory and the larger numbers of their rival Spartacists, the BT is an accidental tendency with no future. This is particularly sad, since the BT has shed much of the Spartacists' taste for Byzantine bureaucracy and their overt capitulations to U.S. imperialism.


*Popular Russian version of "Monopoly" game. Training in capitalist techniques can't start too soon.*

### A CHALLENGE TO DEBATE

Over the years the LRP has debated many political groups. We are always eager to defend our positions on issues important to the working-class movement. The analysis of the "socialist" states is critical: it affects both the future that communists fight for and our understanding of momentous events in the world today.

We especially challenge organizations that regard themselves as Trotskyist. The "orthodox Trotskyist" conceptions held by Soviet defensists not only subvert Trotskyism but also contributed to the demise of the Fourth International after the war. Our theory of Stalinism is a clear alternative that succeeds where others fail, as a guide to revolutionary action. If you don't believe us, take us on, in print or in public.

You have nothing to lose but your chains. ■

# El Salvador

*continued from page 32*

others who might publicize the threats are being pressured to get out of the country.

### ELECTORAL FARCE

The current government is headed by President Jose Napoleon Duarte. His Christian Democrats are the puppets of U.S. imperialism, installed as a reformist facade for the Pentagon's preferred "low-intensity warfare" strategy: bombing the hell out of the countryside where the international media won't notice, plus selective repression and massive surveillance in the cities.

The Christian Democrats are hopelessly split. Their pitiful reforms and monumental corruption have disillusioned the workers and peasants. As well, their failure to stop either the rising tide of strikes and other workers' struggles or the guerrilla war in the countryside has cost them the bourgeoisie's tolerance.

The other electoral opposition is the Democratic Convergence, a coalition of three midly left-wing middle class parties; two of these are also in the Revolutionary Democratic Front (FDR), which is in an increasingly strained alliance with the radical nationalist guerrilla organizations in the FMLN.

The Democratic Convergence knows it can't win the vote — and that the election will be a fraud in any case. Nevertheless, it offers no alternative to the masses but the strategy of pressuring the bourgeoisie to open a "national dialogue." Its last forlorn hope is that the U.S. will rein in its increasingly rabid military clients, contrary to all common sense and history. There have been two previous military-backed massacres in Salvadorean history, once in the 1930s and recently in the late 1970s and early 1980s. In both cases tens of thousands were slaughtered while U.S. authorities wrung their hands and urged "restraint."

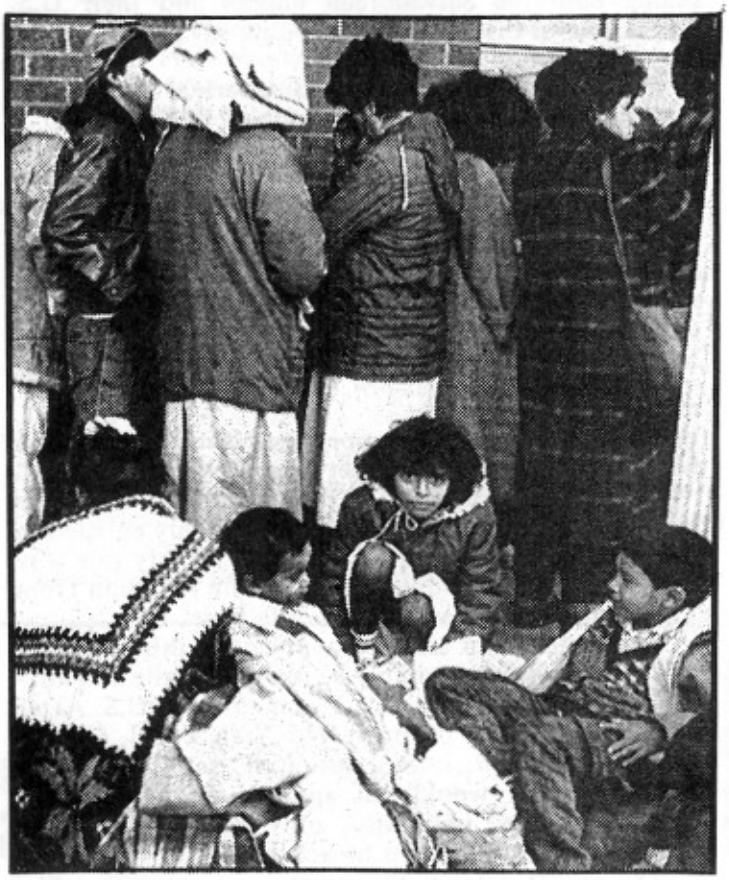
Any political observer with open eyes should understand the role of the United States, with its huge presence in El Salvador, military and civilian, public and secret. For the Democratic Convergence to spread illusions in U.S. benevolence is a betrayal of the masses — all the more tragic since its leaders will be among the first victims, as they well know.

### GUERRILLAS GAINING STRENGTH

Most politically conscious workers and peasants still look to the FMLN for leadership. Indeed, the FMLN seems to be in a stronger position than ever before. It claims a militia of 40,000 "part-time" soldiers, who work in the fields and factories by day and fight by night. Its troops range over much of the country and coordinate simultaneous attacks; the military is unable to dislodge them from positions just outside the San Salvador city limits, and it has units inside the capital itself.

As well, the working-class and peasant organizations led by FMLN sympathizers are very strong. The masses have largely recovered from the last wave of massacres and have militantly fought the bosses and armed forces to win gains. Within the military itself, many enlisted men oppose their officers and provide information or other support to the guerrillas: when the FMLN attacks a garrison, they often meet little resistance and know where arms and supplies are kept. It would not appear impossible to raid government arsenals for arms to distribute to the workers and peasants.

But the petty-bourgeois FMLN is not interested in working-class power. On the contrary, it has done everything possible to keep the masses passive. The "national government of broad participation" that it



*Central American refugees camp outside U.S. immigration office in Texas as threat of right-wing bloodbath mounts in El Salvador.*

demands is the same goal the Democratic Convergence wants. The moment when the FMLN is strongest and the bourgeoisie is least disposed to negotiate — and when the mass movement faces its greatest danger — is also when the guerrilla leaders place their hopes in electoralism and diplomatic maneuvers with reactionary neighboring regimes.

In this period the FMLN has also explicitly dropped its call for socialism, even for the remote future. In the name of realism it has given the most thoroughgoing assurances to the bourgeoisie and the U.S. The radical rebels think they can run Salvadorean capitalism better than the bourgoisie can alone, and a mass uprising would not help them convince the capitalists of this.

### SOLIDARITY OR BETRAYAL?

In the U.S., the FMLN's apologists in the Central America "solidarity movement," led by the CISPES organization, have long been tied to the liberal wing of the Democratic party. They have abandoned mass protest demonstrations is favor of alliances with religious

figures and politicians. They support the disastrous, reformist strategy of electoralism in El Salvador just as they do here. They all backed the Democrat-sponsored Arias "peace plan" designed to undermine the remaining gains of the Nicaraguan revolution and solidify the masses' illusions in bourgeois democracy throughout Central America. And, as we reported in our last issue, most of them committed open betrayal by endorsing the Democrats' package of aid for the *contras*. These outfits share responsibility for the widespread unpreparedness, among both the Salvadorean masses and their U.S. supporters, in the face of impending savagery.

**U.S. Out of Central America!**
**Arm the Workers and Peasants of El Salvador!**

*Guillermo Ungo and Ruben Zamora, leaders of leftist FDR, prattle about U.S. restraint as U.S. allies prepare massacre.*

## U.S., Arafat vs. Intifada

*continued from page 2*

for the *intifada*, since the uprising created a breach in the imperialist partnership between the U.S. and Israel.

But the real meaning of the diplomatic dealing is that the Palestinian leadership is now openly enlisted in a bloc to contain the popular militancy. Only this way can the imperialists hope to prevent the rebellion from engulfing the entire volatile Middle East.

Any Palestinian state created under this wheeling and dealing would inevitably be diplomatically and militarily subordinate to Israel, Jordan and the U.S. After the celebrating had begun in the Arab world, George Bush made clear *his* interpretation of "self-determination." The U.S. would not approve an independent Palestinian state; implicitly, only a version of the "Jordanian option" would be acceptable.

The Soviet role in the present events is notable: Mikhail Gorbachev, driven by the Stalinist system's deepening crisis, has embarked on a campaign to resolve all outstanding conflicts with the West, even when this means deeper betrayals of liberation movements that the USSR claims to support. It too fears the "destabilizing effect of mass movements.

### ISRAELI INTRANSIGENCE

The Israeli government, which refused to recognize the PLO as a political organization, has suffered a setback. Israel cannot afford anything that looks like a concession to the Palestinians. To do so would encourage the struggle for self-determination — and genuine self-determination for the more than 5 million Palestinians dispersed throughout the Middle East and beyond would encompass the entire Palestinian territory, including what is now Israel and Jordan.

For that reason, Israel's very existence as the "state of the Jews" (as opposed to the state of the people who live in Palestine regardless of race or religion) would be undermined by granting the slightest right of self-determination to a Palestinian nation, or even admitting that such a nation exists. Its "Law of Return" grants automatic citizenship to Jews anywhere in the world, including those who have never lived there, while denying it to the hundreds of thousands of Palestinian Arabs driven from their country since the war of 1948. Accordingly, Israeli authorities have long been financially and militarily encouraging Jewish settlers in the West Bank and the Gaza Strip, while depriving Palestinian residents of their rights and property.

In the debate over "who is a Jew?" — which stymied the formation of a new government for months — all sides, from liberals to religious zealots, defended this racist law. The PLO's implicit support for the "Labour" party in the Israeli elections was a futile gesture of accommodation. Meanwhile the Israeli armed forces continue to kill and maim Palestinians on the West Bank and in Gaza, both militants and civilians, in order to make conclusively clear that they will stop at nothing to maintain their control.

### NO CAPITALIST SOLUTION

The cause of the Middle East crisis is that imperialism needs a junior partner to share the burden of policing this economically vital region. Thus, although Arab countries like Egypt, Jordan and Saudi Arabia are U.S. "allies," Israel has a special role: it is subsidized, not exploited, by imperialism. Consequently, in any armed conflict between Israel and the Arab states, the working class must stand on the side of the oppressed nations against sub-imperialist Israel.

We defend the *right* of the Palestinians to their own state, even a mini-state, if that is their choice. But we also defend their right to determine the future of all Palestine. This does not mean a "binational" state, in which the Jewish minority would automatically be entitled to a share of governmental posts (as with the Christian minority in Lebanon). A "democratic secular" state, the PLO's traditional demand, would also be unworkable: it means the continuation of capitalist rule and, therefore, of imperial domination.

The only road forward is for the Palestinian working class in both Israel and the occupied territories to fight for a socialist revolution: a workers' Palestine and a socialist federation of the Middle East. ■

## Transit Union Campaign

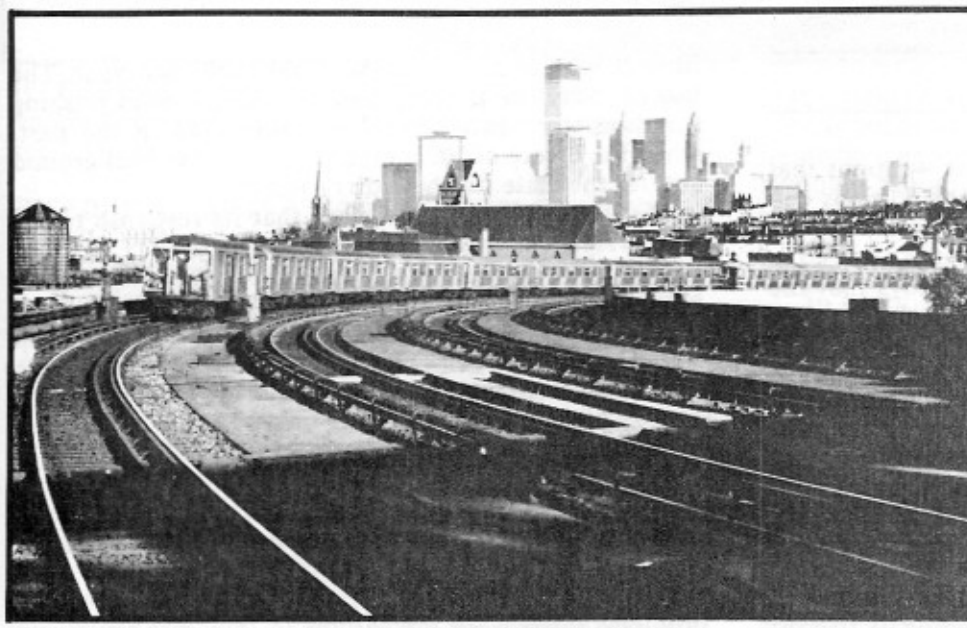
# Reformists No Answer to Bureaucrats

After a two-and-a-half month campaign, Local 100 of the Transit Workers Union (New York City subway and bus workers) counted the ballots for local and divisional elections in December. With less than half of the 36,000 members voting, incumbent President Sonny Hall's slate won all but a handful of Executive Board seats with an overall 3 to 1 margin. In the Train Operators division, however, the opposition New Directions slate won all three posts.

In the Track Division alone members had a chance to vote for a candidate running openly as a revolutionary. A long-time shop steward who supports the program of the League for the Revolutionary Party (LRP), Eric Josephson won nearly 17 percent of the votes. Although a good showing for a communist candidate, it disappointed many younger workers fed up with the pro-management, anti-strike strategy of the Hall bureaucracy. Over 200 workers had signed nominating petitions to get Josephson on the ballot.

### THE BUREAUCRATS' BITTER LEGACY

A long string of defeats, engineered without a fight by the TWU leaders since the 1980 strike, has left the membership bitter and atomized — and in the absence of an alternative leadership, demoralized and passive.



*Transit workers have the power to shut down New York City and ignite a general strike.*

Although the 1980 walkout won substantial wage and benefit gains, it was abandoned by the bureaucrats under John Lawe (later the TWU international's head) and crushed by the heavy fines imposed under New York's Taylor Law forbidding public employee strikes.

It was no wonder then that the members endorsed a 1988 contract with substantial givebacks, including a near-minimum wage scale for new hires and a 3-year postponement of contractual raises for some workers. Hall kept the workers unmobilized, and everyone knew that the bureaucrats would sabotage a strike even if they called one. The TWU leaders betrayed not only their own members: a well-conducted transit strike could shut down the city (as in the past) and could trigger the mass action that city workers need to halt the public and private bosses' across-the-board cutbacks.

As Josephson said in a campaign leaflet:

**"Hall, like other union leaders, tries to convince workers we don't have enough power to fight the bosses. Hall wants us to believe that strikes and militant actions don't work anymore. Instead of fighting the bosses, Hall's strategy is to work with them.**

**"But the reason strikes are isolated and fail is because of leaders like Hall. The solution is not Hall's policy of *no* strikes and every union for itself. Rather, we must mobilize the membership in each and every division to fight back. Only then can we launch a solid strike to win back what the bosses have taken away and show the way forward to the rest of the city workers by raising the call for a *general strike*."**

Josephson also ran on a 5-point action program, dealing with defending workers' rights on the job, union democracy, union independence from the bosses and the capitalist political parties and defense of workers and oppressed people against violence. In response to recent assaults on clerks and other transit workers (including one murder), as well as to the wave of racist and police violence against black and Latino people in New York, Josephson demanded: "Union defense of token booth clerks' right to bear arms; Double staffing of booths; Union-organized defense against racist attacks!" Readers interested in seeing Eric Josephson's campaign literature should write to *Proletarian Revolution*.

### NOT SO NEW DIRECTIONS

The New Directions slate was organized for the election largely by Hell on Wheels, a long-time oppositional caucus/newsletter backed by the "socialist"


*TWU rally. Bureaucrats have derailed historic trade union tradition of "No contract, no work."*

Solidarity organization and others. New Directions' program was a list of proposals like those commonly put forward by moderate union reformers, a list noticeably more tepid than usual. It has been traditional, for example, for New York government union militants to oppose the viciously anti-union Taylor Law. New Directions, however, stood for "reform of the Taylor Law" rather than mass action to abolish it.

In the same spirit, New Directions endorsed local job actions but not a unified strike. Hell on Wheels also failed the test of the recent contract when they called for a "No" vote without a strike as the only answer to Hall's concessions. That's why the LRP did not support the New Directions campaign: despite its sometimes militant rhetoric, it was no alternative to Hall.

The slate advocated electoral support to "groups like the Rainbow Coalition," the framework built by Jesse Jackson for his Democratic primary campaign. The TWU bureaucrats also supported Jackson; passive electoral diversion is the standard line of union misleaderships today. Jackson's campaign for the capitalist Democratic Party and Dukakis was a trap for workers, only the latest evidence of what a disaster such a strategy is. When socialists fail to stand up clearly against capitalist politicians, they are stabbing the workers in the back.

The method behind the New Directions campaign is "rank and filism," the strategy that tells militant workers what they already know and makes no attempt to transform their passive or capitalist political consciousness by openly and honestly stating the truth. Eric Josephson worked hard to break through this common leftist fog of deception. *Proletarian Revolution* congratulates him on a job well done. ■

## South Africa

*continued from page 32*

tails the right to strike and gives the state weapons that allow it to virtually ban strikes altogether. Unions can be sued for damages for striking; solidarity strikes will be illegal; and unions will be unable to strike over the same issue twice in 15 months. COSATU says that the law aims to stop its drive toward "one industry, one union" by favoring minority unions in the factories.

The bill is designed not to smash the unions but to turn them into instruments of control over the workers. At present the South African labor bureaucracy is relatively weak and unable to keep workers in line. The new law would pressure union leaders to curb strikes, while giving them the cover that they have to preserve the unions in the face of repressive penalties. And if today the ruling class wants to use unions to discipline the workers, tomorrow it will discard and crush them as soon as they are no longer needed.

The strategy of coopting the unions appears to be working. National Union of Mineworkers general secretary Cyril Ramaphosa stated that if employers joined in the fight against the Labor Act, unions would curb members' actions. (*Workers Press* [London], August 20.)

This jibes with COSATU's initial response to the Bill: to try to convince employers to oppose it. Unlike in past struggles, COSATU failed to mobilize workers to take action against the employers supporting the Bill. Instead it has relied on appeals like Ramaphosa's — in spite of the fact that the act is enthusiastically supported by all wings of the bourgeoisie, including the so-called liberals who met publicly with the ANC last year. The bosses today are playing a more active role in pushing for repressive anti-labor legislation than in the past, when they were often content to stay in the background and let the state do their dirty work.

Only when it became clear that its response to the Labor Act was going nowhere did COSATU shift its strategy. It reversed its opposition to joint action with NACTU (National Council of Trade Unions), the second largest labor federation, with close ties to the black consciousness movement. This paved the way for the united front that produced the three-day June strike, a display of working class power.

### BEHIND COSATU'S VACILLATION

As the strikes continue unabated, the glaring weaknesses of COSATU have been exposed. According to an article in the May 1988 issue of *COSATU News* on a leadership discussion on the state of the union, major problems cited were the failure to integrate structures of merged unions, the weakness of almost all member unions, poor union participation in COSATU, failure to implement and build campaigns, isolation of workers in

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struggles from the strength of the federation, divisions and factionalism, and failure to respond to repressive tactics by the bosses. These internal criticisms are consistent with COSATU's failure to provide a coordinated, united response to the State of Emergency.

COSATU has treated its weakness as an organizational problem. But in fact the crisis shows that the unions cannot operate in the old way, separating economic struggle from politics. Organizational unity in action must be cemented by a clear program and strategy. Lacking this, the federation is immobilized, and workers' struggles erupt in the factories in isolated and uncoordinated fashion.


*Bitter over ANC-Communist Party sellout of black workers' struggle, big Catering Workers Union proclaimed "Down with Stalinism" at its 1988 Conference.*

**FREEDOM CHARTER VS. WORKERS' CHARTER**

This is the context of the political disputes within COSATU, which center on the union's relationship to the broader anti-apartheid movement dominated by the petty-bourgeois nationalist African National Congress (ANC). Underlying the debate over the Freedom Charter versus the Workers' Charter (discussed in our last issue) is the question of what role the working class and its unions will play in the anti-apartheid revolution.

On the one hand, the COSATU leadership supports the ANC's Freedom Charter as part of its effort to confine the workers struggle within the framework of trade unionism, leaving political leadership with the ANC. While the ANC played almost no role in building the union movement (indeed, the ANC and the Stalinist Communist Party within it correctly perceived the unions as a threat to their leadership), ANC supporters sought to take control following the creation of COSATU in December 1985.

On the other hand, opponents of the Freedom Charter put forward the Workers' Charter as a working-class alternative to the nationalist strategy. The fight for the Workers' Charter, despite its half-hearted and conciliatory character, reflects the class explosion from below. The Workers' Charter illustrates the growing consciousness of workers of the need for a working-class alternative here and now, not in some distant future.

Not only did the leadership attempt to impose the ANC platform on COSATU; it also attempted to use the Freedom Charter as a loyalty test within the union movement. It made slanderous and underhanded efforts to oust the heads of the CCAWUSA in order to impose a pro-Freedom Charter leadership on that union.

As well, COSATU shunned proposals for a united front with NACTU because of the latter's refusal to endorse the Freedom Charter. A resolution sponsored by the metalworkers' union NUMSA and others, calling for "a broad front of all working class organizations and organizations of the oppressed and exploited masses committed to working actively and unreservedly for the immediate end of apartheid," was defeated at a Special National Congress held in May in response to the growing repression. (*Azania Frontline*, July 1988.)

**COSATU AND THE ANC/UDF**

In adopting the Freedom Charter and shunning the united front with the black consciousness unions, COSATU moved toward a closer and subordinate relationship with the UDF. The UDF has announced its shift from a "front" to a "more cohesive organization," according to an interview cited by *Azania Worker* (February 1988). The plan is to place local COSATU groups under the UDF's control, in an attempt to gain more direct influence over the unions.

At the 1987 COSATU convention, the NUM, which sponsored the Freedom Charter in the federation, opposed an amendment stating that COSATU was ultimately committed to building socialism. This flew in the face of the NUM's own banners proclaiming that "Socialism is Freedom." In fact, reports of the Congress indicate that Freedom Charter supporters attacked all attempts to refer to socialism in COSATU's program.

COSATU's movement toward the ANC and UDF has been undercut by the growing repression, especially the banning of the UDF. Despite COSATU's opposition to united action with NACTU, within weeks after the May Special Session it had to reverse itself, leading to the united front and the June 6-8 strike. But there is no guarantee that tomorrow the COSATU leaders will not turn around and reject mass union action in favor of

deals with the liberal reformists.

## COMPROMISING THE WORKERS' CHARTER

Our previous articles on the debate over the Freedom Charter vs. the Workers Charter inside COSATU were somewhat in error. It has become more and more clear that at the July 1987 Congress, NUMSA capitulated and failed to *counterpose* the Workers' Charter to the ANC platform. Its motion accepted the Freedom Charter as a minimum program; the Workers' Charter was reduced to a statement indicating COSATU's ultimate commitment to socialism. According to *Azania Worker*, NUMSA's strategy alienated not only Freedom Charter supporters but also left-wing delegates who saw it as a capitulation to petty-bourgeois nationalism. As a result, NUMSA's motion failed to get a second.

One explanation for NUMSA's compromising strategy is that this union was created through a recent merger of unions that had political differences. One of these (MAWU) was the base of Moses Mayekiso, the union and township leader under trial for his life by the regime (see *Proletarian Revolution* No. 31); another (GAWU) was UDF-affiliated and pro-Freedom Charter. As a result NUMSA's leadership felt great pressure to compromise or risk a split. The split threat appears to be a widely used tactic inside COSATU to force unions to accept the Freedom Charter.

NUMSA's capitulation represents a serious political error. Despite the limitations of the Workers' Charter as a socialist program, it nonetheless clearly poses the question of a working-class alternative and class independence. NUMSA's compromise meant caving into the pressure from pro-ANC forces and thus sacrificing proletarian independence and leadership in the struggle.

As a result, rather than a program of action, the Workers' Charter became an abstract propaganda statement of principles for the future. Unless it is fought for *in counterposition to* the Freedom Charter, the Workers' Charter is in danger of becoming a "maximum" program like that of the old reformist social democracy, a socialist cover to hide the subordination of the unions to petty-bourgeois nationalist forces.

While much of this analysis appears in *Proletarian Revolution* No. 32, we were unaware that NUMSA was not the left wing in COSATU. Now it is clear that it played a centrist role. Others not only refused to endorse the Freedom Charter, but one union, CCAWUSA, wanted to raise a "socialist program of action." It was prevented from doing so when the COSATU leadership split the union and denied its representatives speaking rights at the Congress.

More importantly, we now realize that our understanding of the balance of forces in the South African working class was mistaken. While COSATU is certainly the dominant force, it is not synonymous with the organized working class as, for example, was the case with Solidarity in Poland. NACTU, which emerged from the union of CUSA and AZACTU, is a sizeable and serious force. Figures for COSATU range from 700,000 to 900,000 while the NACTU has 400,000. COSATU's strength is largely based on its location in strategic industries — mining, metals, chemicals, textiles, auto, transportation and food processing. Despite its ties to AZAPO (the Azanian People's Organization) and other black consciousness groups, NACTU claims to be non-partisan and refuses to adopt either the Freedom Charter or the Azanian Manifesto of AZAPO.

Some COSATU unions, including CCAWUSA and NUMSA, have advocated a united front, if not unity, with NACTU. (One of the charges levelled against the CCAWUSA leaders to justify the attempt to remove them was that they were disloyal to COSATU and supporters of NACTU.)

A metalworkers' strike in August cut across federation lines and included NUMSA and three unions affiliated to NACTU; all four belong to the International Metalworkers Union. As NUMSA and the CCAWUSA are among the largest unions in COSATU, their orientation to working with NACTU indicates that the balance of forces is less one-sided than it might appear.

## FOR A WORKERS' PARTY!

As we argued in our last issue, the central task in South Africa is to build the revolutionary party. Without a party, the call for a Workers' Charter or any working-class program will go nowhere. Those who favor a working-class alternative will be overwhelmed by pro-ANC forces, who alone at present have the political vehicle to take leadership of the anti-apartheid struggle.

## Corrections

**AUSTRALIA**

Last issue, in the article "Australia: Class Struggle in the Lucky Country," the second to last paragraph on page 12 was typed incorrectly. It should have read:

**"By August 1981, communications workers and then truckers won big pay rises through determined industrial action, despite open sabotage from the ALP State Premiers of Tasmania and New South Wales. The Indexation system had to be formally scrapped, as both the Commission and the government admitted it was clearly achieving nothing."**

**NICARAGUA**

We wrote in "Left Yields in Central America" (last issue, page 31) that the ruling Sandinistas "find themselves caught in a balancing act between the workers and peasants on one hand and the imperialists and the Nicaraguan bourgeoisie on the other." This was a very brief summary of the analysis this magazine has made since of the Nicaraguan revolution since 1979.

But we then concluded that with the arrival of the Arias "peace plan" and the opening of negotiations with the contras, "The balancing act had to end, and the Sandinistas have now fallen with a loud thud on the side of the bourgeoisie and the imperialists."

This assessment was badly one-sided. The Sandinistas are Bonapartists, the Marxist term for "heroes on white horses" who try to preserve collapsing bourgeois power by balancing between the contending classes. The balancing act necessarily includes speaking in the name of the oppressed masses and delivering modest gains while using their control of state power to prevent social upheavals and, above all, revolution.

If the Sandinistas really were to stop balancing and come down clearly on the bourgeois side of the fence, that would end the masses' illusions in their benificence. Indeed, the "peace" plan helped stir working-class unrest against the contra-supporting capitalists. So they still are compelled, from time to time, to act against elements of the bourgeoisie and imperialism. Only the Sandinistas' pretense of being on the side of the masses prevents the workers and peasants from getting rid of the bourgeoisie and landowners once and for all.

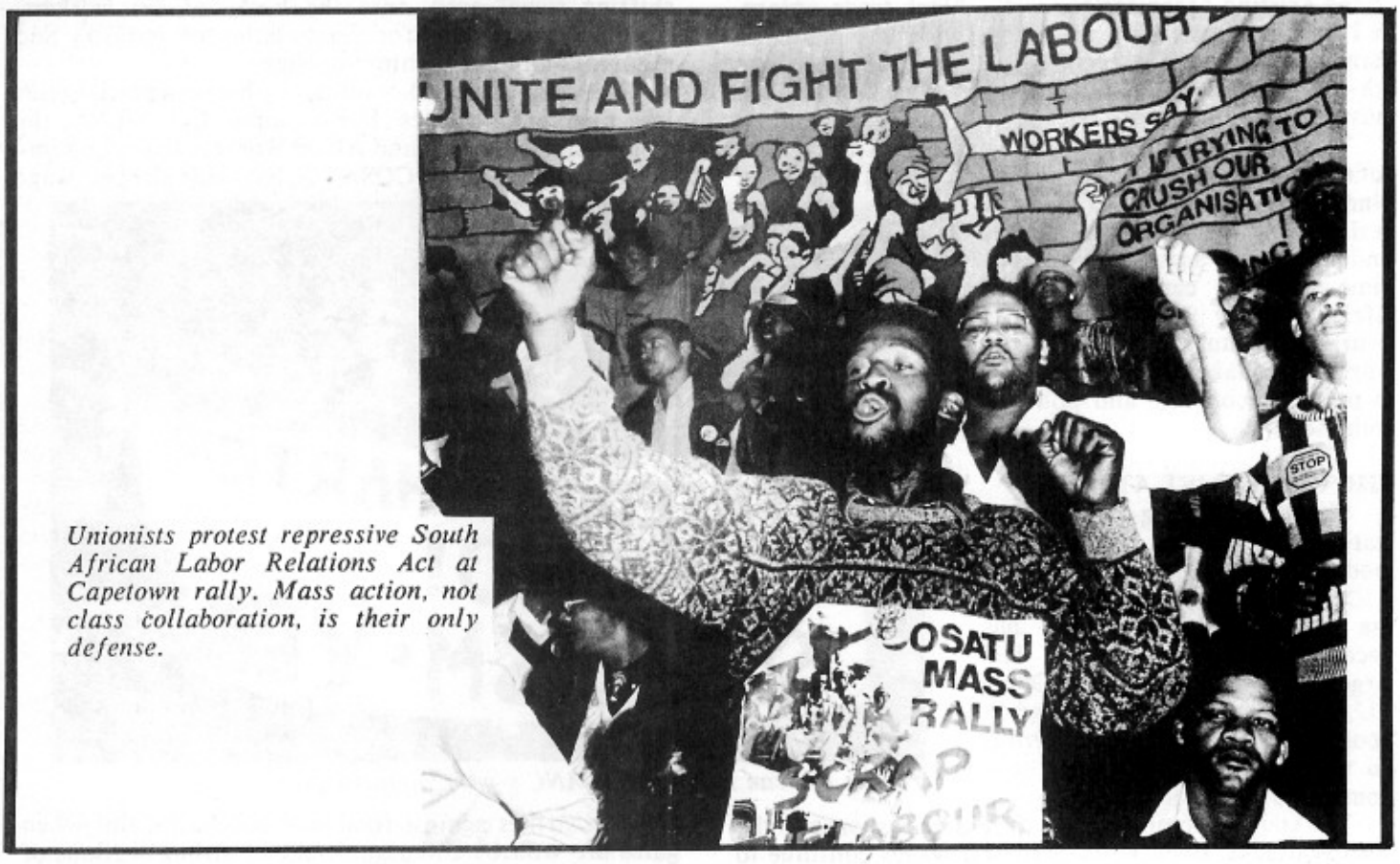
Strikes and mass actions like the June movement show that the masses are desperately seeking a working-class leadership to lead the struggle. The fight for a Workers' Charter is a programmatic statement of this explosion from below. Clearly, the timidity which those inside COSATU displayed in advancing the Workers' Charter shows that the masses are way ahead of their leadership. The workers keep knocking on the door but no leadership has stepped forward to give an answer.

Under these conditions, revolutionaries can pose the need for unity around a political program by advocating **a workers party based on the unions.** This is not a way to avoid fighting for the revolutionary party but a means to do so. It poses the need to break with ANC/UDF control of COSATU and focuses the struggles within the unions over program and perspectives. It would also force the left elements to get off the fence. If they are serious about the Workers' Charter they should fight for it. This means a fight for a workers' party — not in the future, but now.

Our call for a workers' party does not signify a radical change in line on the question of the general strike, but we must recognize the need for greater precision and more tactical use of the general strike slogan. Clearly our slogan means going beyond the June protest action. But there is a danger in the current situation. South African workers have carried out a heroic struggle in the face of repression and hardships; every strike faces mass dismissals, beatings and murders. While the resiliency of the workers has been tremendous, it has its limits. Workers cannot go from strike to strike indefinitely. Without a conscious political struggle led by a revolutionary party, the current explosion will collapse from sheer exhaustion if nothing else.

South Africa is not in a revolutionary crisis but a pre-revolutionary one. The regime is not about to collapse. But conditions can change quickly, even in a matter of months. The struggle continues to grow far more rapidly than developments leading to a revolutionary party. The working class needs a way forward; our proposal is a strategy that helps show the need for a revolutionary party.

In calling for a workers' party we warn against illusions that a peaceful stage of electoral politics is on the agenda. On the contrary, the creation of a workers' party would lead to a violent reaction from the South African capitalists. The campaign for a workers' party must be accompanied by a call for **armed workers' defense organizations.** This is an immediate issue, given the murderous attacks by supporters of the fascistic Inkatha organization against the working class. Clearly unarmed defense will not stop vigilante thugs.




*Unionists protest repressive South African Labor Relations Act at Capetown rally. Mass action, not class collaboration, is their only defense.*

COSATU supporters have been murdered and hundreds detained by the police, who look the other way in the face of Inkatha violence. *COSATU News* reports that in Pietermaritzburg the federation has organized permanent workers' defense guards to protect its headquarters as a result of Inkatha attacks. As well, armed defense is essential to defend strikes and black communities from direct state attacks.

The dangers facing the South African proletariat cannot be minimized. But the advanced character of the struggle is revealed through mass actions and the debate within the trade unions. The South African black workers today are in the vanguard of the world proletarian struggle. Their efforts and debates are followed closely by working-class revolutionaries everywhere. ■

PROLETARIAN REVOLUTION
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# S. African Workers Debate Socialism

Despite the State of Emergency declared in 1986, South African workers have maintained their unprecedented level of strike action. Repression has channeled the struggle of the black masses into the most powerful of the existing organizations — the black trade unions. In 1987 five times more work days were lost in strikes than in 1986, itself a record year. In 1988, the June 6th-8th general strike by 3 million workers was the most massive in South African history.

The impressive display of worker militancy does not mean, however, that the unions are on the offensive. Underlying the strikes is the reality that the working class is under a brutal assault by the regime and the capitalists. South Africa's crisis means that the bourgeoisie must beat down the workers and take back recent gains to prevent economic and political collapse.

*South African union fights ANC's pro-capitalist path.*

### THE CAPITALIST ATTACKS

Since the banning of 17 organizations in February, including the moderate United Democratic Front (UDF), the unions' leadership in the anti-apartheid struggle has become even more evident. The largest union federation, COSATU, was ordered not to engage in "political campaigns." But there is no wall separating workers' economic and political struggles.

The strikes are primarily a *defensive* response to the bosses' attacks. Even with increases, wages continue to lag way behind inflation, and unemployment is at record levels. An immense reserve army of labor allows the employers to beat down workers' struggles. And the unemployed army is growing: in response to last year's miners' strike, the Anglo-American corporation plans to increase mechanization and thereby reduce its workforce by 40 to 50 percent in its new mines.

The state too is tightening the screws on the working class through its Reagan/Thatcher-style program. This involves privatization throughout the public sector to impose cuts in already inadequate services while shifting social costs onto the backs of the workers. There are also plans for deregulation of industry and elimination of the minimum wage.

Nevertheless, worker militancy has won partial gains in a number of strikes. For example, CCAWUSA, the Commercial Catering and Allied Workers Union, an important component of COSATU, has made sizeable wage gains in strikes against food-market chains. But when gains are won by the organized and strong sections of the working class, the danger is that the bosses will drive a wedge between them and the more oppressed.

### THE LABOR RELATIONS ACT

The government adopted a Labor Relations Act in September to put an end to the strike movement. It cur-

*continued on page 28*

# Massacre Looming in El Salvador

The future looks grim indeed for the workers and peasants of El Salvador. In the past year the military's death squads have stepped up the rate of disappearances and murders. Almost the entire bourgeoisie is now backing the death-squad party, ARENA, while officers have openly declared that they mean to kill 100,000 "subversives" to end the threat of revolution once and for all.

ARENA currently has a majority in the National Assembly and it is expected to win the presidential elections scheduled for March. At the same time, the officer corps is being taken over by the "Tandona" layer of military academy graduates, a group dedicated to the "total war" strategy of assassinating anyone in city or countryside deemed dissatisfied with untrammeled capitalist rule.

These forces are preparing for a bloodbath to begin after the elections. Repression is already being stepped up — while UN observers, leftist foreign journalists and

*continued on page 25*