

Journal of the
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Ten years since the financial crash:

The Sign of Things to Come

**Fight Capitalism
Not its Symptoms**

The "Spartacus" Revolt

**Alliance for Workers' Liberty:
Part of Capitalism's Left Wing**

**Nikolai Bukharin on
*Anarchy and Scientific Communism***

Revolutionary Perspectives

Magazine of the Communist Workers' Organisation

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Fight Capitalism Not its Symptoms

The leading article in this issue, “A Decade On from the Financial Crash” focuses on both the state of the world economy and the dangerous ways in which the capitalist world order proposes to deal with it in 2019. It is not just the analysis of revolutionaries that predicts trouble ahead. The UK’s former chief banking regulator, Howard Davies, recently wrote in the *Guardian* that “... reasons to stay awake at night are multiplying”. And in relatively stable Germany even *Der Spiegel* is lamenting about “damn uncertainties” ahead. As we argue in this issue, with real profits low and debts at unprecedented historic highs, a new financial shock is on the cards. In any event, the world is certainly not going to be a safer place.

Bankers like Davies congratulate themselves that they “saved the system” after the 2007-8 financial crash. What they “saved” was the fortunes of the very people whose financial gambling had triggered the crash in the first place. States took on the financial debt around the world and then imposed austerity on the rest of us to pay for it. But the working class had been paying for it for 30 years before that financial crash.

In Britain the portion of GDP going to wages fell from a peak of 64% in the mid-1970s to a low of 52% by the mid-1990s. Since 2008 hourly wages have fallen in real terms by a further 3.7%. No surprise then that workers now work longer hours than they used to. Likewise, the record number of people “in work” is due to financial necessity only exacerbated by the state policy of increasing the retirement age alongside constant harassment and intimidation of people without jobs (including the severely disabled) to force them into taking whatever rubbish work is presented to them.

Massive state cutbacks in just about every aspect of social and welfare spending, have reached scandalous proportions. The UK is one of the richest countries in the world yet, according to the latest UN report, 14 million people – one in five of the population – live in poverty and of these 1.5 million are destitute (live on less than £70 a week and/or go without essentials). At least 320,000 people are homeless in the UK and 8,000 of these sleep rough on the streets. Last year 600 of them died on those streets whilst local councils faced a shortfall of £100 million for provision for the homeless. According to the Trussell Trust, the largest food bank provider in the UK, the introduction of Universal Credit has led to a 13% rise in people’s need for support (now estimated at almost 1 million families). No

wonder, given that the DWP expects people to live on fresh air for 5-12 weeks.

The injustice of all this is striking more and more people. And many get even more angry when they read stories such as that of top civil servant, Sir Robert Devereux. He planned the raising of the state pension age for everyone yet retired this year at 61 with a pension pot worth £1.8 million. Even more outrageous is the fact that Fred Goodwin, the man who brought down RBS, still enjoys a pension worth over £400,000 a year. These are not isolated tales and the story is not limited to the UK. Inequality is rising everywhere. In the year to March 2017 82% of the new wealth created went to the top 1% of the population whilst half the world (3.7 billion people) saw almost nothing of this wealth (which they played a great part in producing).

But a growing gulf between the 'haves' and 'have-nots' is in itself only a symptom of the disease. The real problem is that capitalism in crisis has nothing left to offer but increasing misery for the mass of the population. And 2019 will be no different. Many campaigners still don't get it. They focus on either "kick the Tories out", "end austerity" or scrap neo-liberalism but they forget that these policies have been adopted by all governments whatever their supposed political ideology. It's like asking for aspirin to cure cancer.

All the struggles to fight austerity, pension cuts and precarious working conditions need to be linked to something much more realistic than the fantasy that bankrupt capitalism which threatens us with never-ending war and ecological devastation can provide us with a better future. As we recently wrote

We need to link immediate demands to the historical programme – communism. For that a global organisation which provides a political compass to rally around is necessary. Not to reform the system, to tinker around the edges, but to put an end to wage labour, money and the state, the source of our misery. Our aim is to contribute to the formation of such an organisation, and we call on others to join us.

We not only have a world to win but a human species to save. Socialism or barbarism – there is no third way.

A Decade Since the Financial Crash

The world economy is in poor shape and the American economy is in even worse condition. The 2008 crisis has not been resolved and many analysts fear a new financial explosion. Capital continues to stay clear of investment in production and is trying to recover without running up more debts. Company returns are low, profit rates are decreasing. Capital is moving more and more into speculation. It is the same old situation, except that the rescue costs of the previous crisis cannot be repeated in the next crisis. The sound of war can be heard in the distance, accompanied by the rising threat of a new, catastrophic barbarism.

Today the world is still dominated by the same elements that led to the crisis of almost a decade ago, with the USA playing a key role. This is where the speculative bubble burst in 2007, when so-called sub-prime securities were devalued by 60 to 100%. These financial 'assets', which had been shrewdly and prolifically distributed throughout the banks and speculative funds of the rest of the world, ended up triggering the worst financial crash of the post-war period. We described then how the bursting of the speculative bubble created a financial crisis for the main American credit institutions and then cascaded down to engulf global financial markets. We have also explained previously that the origin of this crisis is not in the financial sphere, which is only an off-shoot, but in the real economy. Despite productivity increases, upswings and downswings, the profitability of investments in the US, as in all the most advanced capitalist sectors, has been declining for decades.¹

With profit rates steadily declining, more and more capital is abandoning the "real" economy – the one that produces goods and services and which creates new value through the exploitation of labour power – in order to chase the mirage of easy profits offered by speculation. An attempt, in other words, to somehow replace the profits capitalism lost in the productive sector with speculative gains. This capital flight has only helped to depress "real" production and magnify a parasitic mechanism that began with the financialisation of the crisis itself. This process involved the growth of fictitious capital, or easy credit, given the low cost of borrowing. As a result the US economy was flooded by an ocean of debt – from the State, to companies and even families. When the Federal Reserve increased interest rates the bubble burst with the global consequences we have all seen. The explosion not only hit the financial apparatus – the banks which had to be saved at any cost (too big to fail) – it also impacted heavily on the fragile productive fabric which had originally generated it, bringing lower wage rates and worse

conditions of exploitation for the international proletariat.

Today, on the verge of 2019, the situation has not only not improved, but has changed for the worse. In Italy official figures, released by the current government, speak of the end of the crisis and of a strong and long-term recovery. They claim that GDP will start to go up again to around a 2.5% increase per year, unemployment will disappear whilst productive investment and profits will rise to, if not surpass, the period 2008-2017. Nothing could be further from the truth. Meanwhile, economic forecasts for the UK vary, especially with the uncertain prospect of Brexit, but most commentators concur with the OECD's 2018 *Economic Outlook* that *growth is projected to keep slowing*.²

As for the US, "growth" – where GDP is projected to reach 3% in the coming year – has been announced to the whole world as an economic miracle. However, this forecast fails to mention either the enormous balance of payments deficit or the accompanying quagmire of a huge increase in public and private debt, including companies and financial institutions. Overall the combined federal and individual states' debt has reached a record of almost 390% of GDP. (US GDP is approx. \$20.66tn, CWO note). The only real success is that some sectors of production now have higher returns thanks to Trump's reduction in the corporate tax rate. (From 35% to 21%.) This tax reduction will be paid for by the state, even using money from taxes paid by workers and employees and adding to the approximately \$10tn that the state paid out in 2008 alone to save what is salvageable in the productive sector. (Meanwhile the economist Stiglitz reckons that the Federal Reserve has paid out \$20tn to cushion the debts of banks, and especially companies.)

On the other hand, the use of Quantitative Easing to staunch the financial haemorrhage means that a gift of over \$12tn was given to the banks alone (beyond Stiglitz' \$20tn mentioned above). The millions of jobs that Trump waves like a flag, as evidence of the alleged economic recovery, have actually materialised in the shape of some hundreds of thousands of jobs, but with ultra-precarious contracts, sometimes even for one week, underpaid without any health or trade union coverage. Meanwhile, "the debt economy" progressively expands to a worrying degree. In one year, from 2016 to 2017, the debt of non-financial corporations (companies) grew by 11.1%, the public debt increased by 6.7%, household debt grew 12.5% and the financial sector debt grew by 11.3%.

The Debt Mountain

The great recession of 2007-8 and the subsequent long depression which still continues, have weakened the overall economic framework. The global capitalist economy remains stagnant, with a low rate of productivity growth. Trade

flows are slowing down and, above all, the profitability of productive capital has not improved. Meanwhile cooperation has been replaced by increasingly cruel competition (see Trump's tariff policy). According to World Bank economists' projections, world economic growth is expected to fall to 2.9% by 2020 and, therefore, the long depression that began in 2008 not only has not ended but will continue with its dangerous toll of trade wars, economic wars and increasingly violent and widespread wars of plunder.

In the USA, the public debt that in 2007 was about \$9tn (75% of GDP) had reached \$19.2tn by 2016, 105% of GDP.³ In recent years, under Trump, this has only increased and in future it will be even worse. With the acceleration of Trump's policies, it may already have reached 130%. According to the Treasury, the budget deficit for 2018 has risen by 17% and is the highest since 2012. Revenue increased by 0.4% while expenses exceeded 3.2%. The Congressional Budget Office projection for 2019 is that the budget deficit will reach a trillion dollars (\$1tn, or one thousand billion). Trump's policies anticipate extraordinary outlays, including \$700bn for defence, 31% tax cuts for businesses (against, it must be said, an increase in private taxation of 6.1%). In all the Federal deficit will increase by an additional \$214bn "thanks" to these tax cuts and increased military spending which will also increase the interest that has to be paid on the debt.

In the meantime, the federal debt has skyrocketed to \$22tn compared with about \$18tn in revenue. The budgets of more than half of the states in the United States have to be supported by the deficit policy of the US federal government. In addition, student debt has reached \$1.5tn; credit card debt equals \$1.6tn; \$1.22tn for cars and \$11.8tn of corporate debts. On top of these there is a huge, but unspecified, amount of debt incurred through the purchase of real estate, as well as another unspecified amount for the total debt of the individual states. The most worrying figure, however, is company debt.

If it is true that in the first quarter of 2018, the top 500 US companies achieved a 26% increase in earnings per share, it is also true that this was exclusively due to the enormous tax reduction proposed and implemented by the Trump administration (30%). If the profits of the entire corporate sector had been calculated without the tax cuts, then in the first quarter of 2018 there would have been not a gain but a fall of -0.6%, immediately preceded by an initial decline in the fourth quarter of 2017 of -0.1%. With the tax reductions, profits have increased by 6%. Meanwhile, however, profitability is low. The average profitability of plants in America and the G7 economies remains well below pre-crisis levels, even after ten years of alleged recovery and despite the powerful capital injections of the Federal Reserve as well as the other central banks of the major industrialised countries. The real obstacle to overcoming the crisis is the low rate of valorisation of capital. The fear now is that the next crisis, widely predicted by the same

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American analysts, will occur from the explosive combination of manufacturing companies' debt in the US as well as in all G7 economies, and the overall mass of debts.

For example, in 2017 the debt of US non-financial companies reached a "post-crisis" peak of \$14.5tn, equal to 72% of GDP. In this sector – i.e. companies producing goods and services, the debt was \$810bn higher than the previous year, with 60% of the increase due to more debts contracted with banks and other financial institutions. At present, bond loans represent 43% of outstanding debt with an average maturity of 15 years compared to the previous maturity period of 2.1 years, again for loans to American companies. Which implies that approximately \$3.8tn will go to annual repayments for the loan contract. There can only be so many avenues for repayment of loans in such an avalanche of debts, even if interest rates are low at present. In any case, the overall picture that emerges is the following:

...all companies, both productive and speculative, have significantly increased their use of financial leverage. Some companies have contracted debts not in order to invest productively but to finance repurchases of stocks, bonds and government bonds, creating a large cash flow and cash reserves. In essence, the lack of profitability of manufacturing and industrial companies has forced them not only to become progressively more indebted, but to orientate themselves more towards speculation than towards production. (See 'The profits crisis behind the financialisation of the economy' in Prometeo 2, Series VII November, 2009).⁴

This is especially true for large companies, while small and medium ones do not even have this option, unless they are ready to run the big risk of going bust. So they remain at the mercy of a market which is likely to eliminate them. This is the same pattern of financialisation of the crisis which preceded the bursting of the "sub-prime" bubble. Much of the debt is rated BBB, bonds with the lowest investment grade. This means they are just a hair above junk. Their fate is linked to even a minimum increase in interest rates which increases the cost of servicing the debt and therefore increases the costs of production. The number of BBB-rated companies has increased by 50% since 2009 and does not seem to stop. The real situation of the American economy that has "exited" the crisis is to be found in Government debt, the federal deficit, the balance of payments deficit, and the debts of half of all the American states. On top of all this public debt there is the pile of private and business debt. This mountain of debt and deficits would make the US economy the most precarious in the world were it not for the hegemonic role of the dollar and the strength of its army, ready to intervene in the four corners of the world whenever there is the slightest risk of interference with its strategic aims and financial interests.

But as Roberts says in ***The Long Depression***, “the big risk is the combination of declining profitability and increasingly high debt in the corporate sector, not just the American, but across the G7. If profits continue to slide, while the cost of servicing debt increases with the rise in interest rates, then this would be a dangerous recipe for a chain of corporate bankruptcies and a new, devastating debt crisis. Global debt, in particular corporate debt, is at historic highs”. We would add that the fuse is lit, so when is it going to explode?

Even at the periphery of capitalism, in the so-called emerging countries, the situation is replicated. Most manufacturing and financial companies in the “emerging” countries have heavily borrowed in dollars, since interest rates on the dollar, then (before the crisis), and now are relatively low. The Federal Reserve Bank has deliberately kept the interest rate on the “greenback” at almost nil. Much of the enormous flow of capital that has moved into emerging economies was not intended for productive investment but has been directed towards loans and bonds for speculative activities. Meanwhile, long-term capital flows towards emerging economies for productive investments (FDIs) have been in rapid decline for at least a decade, or since the beginning of the “sub-prime” crisis. The consequences are apparent: every country affected by the financial crisis has raised interest rates on their government bonds.

This is the picture of the devaluations we have seen recently:

Government Bonds:

In Turkey, the interest rate that the State must pay to public sector underwriters has gone up from 12% to 20%, in Argentina from 6% to 26.2%, in Russia from 4% to 8%, in Indonesia from 3% to 9%, in Brazil from 10% to 267% in Lebanon from 20% to 281%, in South Africa from 12% to 112% (i.e. three out of five BRICS).

Depreciation of the currency, or loss of purchasing power:

Argentina peso -46%
Turkey lira -45%
South Africa rand -22%
Brazil real -21%
Russia rouble -19%
Japan yen -5.5%

It’s like a movie we’ve seen before, a horror movie full of economic and social devastation. When the god *Profit* loses its supreme role in the production of surplus value, it makes capital run away from productive investment towards speculation,

towards the creation of a massive amount of fictitious capital. Debt now “governs” the US economy. All the fundamental data of the American economic system are in the red. Debt is suffocating productive activity, including enterprises themselves, threatening their survival on the domestic market, and obliging them to mimic the large concentrations of speculative capital in the hope of surviving the decline in profit rates.

It is to protect companies such as these – the ones overwhelmed by debt and devoid of profitable investment opportunities (half of which have a BBB rating, just above junk) – that Trump’s short-term thinking brought him to raise tariffs against half the world, in particular China. He didn’t stop to consider how China, with its very low cost goods, has so far allowed the over 80 million Americans living below the poverty line to feed themselves. Nor did he take on board the inevitable reaction from those parts of the world which are now facing a wall of customs duties against their more competitive goods.

In reality (as we’ve already said, by the way⁵) China is a fully-emerged new power, even if it has its own enormous budget problems (China also has a huge public deficit). Apart from the Trump sanctions China could potentially be the main trading partner of the US. But it is adopting a completely different policy, i.e. one oriented towards developing the new “Silk Road” and to creating a direct channel of communication and transfer of goods and capital to the West via the old Eastern Soviet republics; and also via Africa, by land and by sea with the aim of reaching the Mediterranean after getting commercial control of the Greek port of Piraeus. This is a route where trade is no longer in dollars but in renminbi. It is a clear act of “war” on the part of China, not only against US tariff policy, but as an attempt to make its own currency a serious competitor to the dollar on world markets in order to rake off a share in the foreign capital and surplus value that they contain. Should this happen there will be a “new”, more sophisticated imperialist battleground, but no less unsettling than any of the current rivalries.⁶

Friction with Russia has also grown. A point of contention is the possibility of trading natural gas, and perhaps oil, in roubles, following the fierce struggle over the last few years in which Russia and Saudi Arabia have been trying to knock out US shale oil, which is much more expensive to produce than Saudi oil⁷. The renewal of sanctions and the policy of duties against Russia falls within the logic of “defending” American interests on at least three fundamental grounds:

- 1) In the wake of Russia’s rescue of Assad’s regime in Syria, to prevent it having a permanent base in the Mediterranean.
- 2) Detach Europe from its energy dependence on Moscow by building a series of pipelines to replace existing and planned Russian ones.
- 3) Obstruct every opportunity for Moscow to commercialise its Siberian “energy

treasures" by stepping up its trade in roubles, given the threat of replacing the dollar that is coming from China and Maduro's Venezuela.

On top of these scenarios, which are already so tense that they are on the edge of "direct confrontation", the US has imposed duties against Iran and North Korea, against Venezuela and Canada, and now threatens increased taxes on trade with Germany and Italy. In the case of Venezuela, Trump's trade policy has two objectives: the first is to destabilise the Maduro government which is already badly hit by the devastating economic crisis throughout the country, at the same time as politically favouring and funding the right-wing opposition. The second, as already mentioned, consists in preventing Maduro from selling oil with a new crypto-currency (the petro) that would replace the dollar, at least in the Latin American region.

The US policy of imposing import duties dates back to August 1971 when America first experienced a trade deficit of \$2.5m (today it is \$556bn). The USA, which had literally flooded the world with its goods after the Second World War, less than thirty years later found itself a net importer of goods and services. The deficit itself was not high, but it revealed the reduced competitiveness of American goods and signalled a dangerous turn-round in relations with Europe (Germany) and Japan.

The then president Nixon was forced to take three historic measures in an attempt to save American companies from fierce foreign competition: 1) increase taxes on imports by 12%; 2) simultaneously devalue the dollar by another 8.5% (from \$35 to \$38 per ounce of gold) – thus, in one fell swoop, creating a 20% trade margin over the rest of the world – and 3) declare the incontrovertibility of the dollar against gold. In other words, we are liberals so long as we dominate the commercial market; when we lose this domination we impose taxes and duties on imports without any regard for the free trade treaties which we have previously always endorsed. The same law goes for the dollar. Its 8.5% competitive devaluation temporarily increased US industry's survival margins and that was enough.⁸

The announcement on de-linking the dollar from gold had a twofold impact. On the one hand, the declining gold reserves in American coffers were unable to match the enormous mass of dollars circulating on the international market, a mass that is constantly expanding. On the other hand, with the dollar devalued and released from the gold standard, those who lost money were the speculators, the savers and all the international banks which previously had invested in the dollar as a safe asset. Nevertheless, successive US administrations have made sure they continue to make the dollar – even if unhooked from gold – the universal currency of world trade, the refuge of last resort *par excellence*, a commodity whose wholesale cost is close to zero, a monetary instrument for all speculations, and the means by which enormous flows of capital are channelled

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to the US economy. But a strong dollar inevitably penalises the competitiveness of American goods by opening up a trade deficit chasm as the years go by. Still, the various Administrations have done everything to strengthen the dollar, even while trying to offset the commercial damage. The priority has been to keep the dollar's dominant position in the international money markets so that rivers of financial capital could be drawn into the American economy to finance the various deficits, while what remained could be exported as capital to invest in countries where the cost of labour power was far below that of the American proletariat. This key role for the dollar is so important that ever since the oil crises of the early Seventies successive US administrations have not hesitated to engineer wars, both to get their hands on energy raw materials, and to ensure that oil and gas producers do not dare to deal with anything other than the dollar. Today, so-called oil (or pipeline) wars, and the "perennial" issue of the supremacy of the dollar, are still as significant as in the Seventies, only their geographical framework has changed and widened in intensity and ferocity.

The Trump administration seems to be trying to square the circle, i.e. to continue to have a strong dollar and a balance of payments which, if not in positive territory, at least is an acceptable deficit. The policy of tariffs, in addition to its political value of imperialist opposition with sworn enemies and commercial opponents, is precisely a reflection of this "have your cake and eat it" policy – i.e. a strong dollar and balance of payments which does not reflect the constant undercutting of what is produced in the States.

In short, specific national tariffs and occasionally wars generated by economic crises – beyond the fact that they destroy capital values which need to be rebuilt – are capitalism's daily bread.

Coupled with armed force, they achieve the economic and strategic objectives which diplomacy and "normal" competition are unable to accomplish.

Permanent War

This is how wars, which have never stopped since 1945, reflect the growing tension between the US and the other imperialist powers. Today competition is increasing on all fronts – manufacturing and industrial, commercial, monetary, and strategic – and is turning into open military confrontation. The motor force is still the economic/financial crisis. The crisis of profitability, which brings lower returns on manufacturing investment, generates more and more speculation. This in its turn has generated an immense mound of financial liabilities which bring the additional danger that an increase in US interest rates will spark an irreparable debt crisis and provoke another, much worse, world crisis than the one which the

optimists define as already a thing of the past.

A nominal and real rise in 10 year yields on US Treasury Securities (3.25% and 1%, respectively over the highs of 2011) was enough to create ructions on New York financial markets on October 10, 2018. The combined fears of a further increase in Treasury yields and the risk of a trade war with China caused the Dow Jones to drop 832 points and the S&P500 to lose 95 points (-3.29%) by the close of the day. This was the worst fall since February 8th when the Dow dropped over 1000 points. This contraction of the markets and the sell-off that hit securities in the technology sector (Nasdaq) were also connected to the import duties imposed on China. But the most powerful detonator was the fear that higher interest rates will magnify the indebtedness of entire productive sectors, including technology ones. Securities of Facebook, Twitter and Netflix lost 20% of their value in an instant. Even Trump has blamed what he called the “mad” Fed policy of a third consecutive interest rate rise so far in 2018. All this is an undeniable sign of a permanent crisis for capital which appears on the surface in the shape of financial collapses and, more fundamentally, in the now endemic lack of returns in the world of the real economy. It is the latter which is driving capital to flee investment in favour of the ‘useless’, albeit riskier, road of speculation.

Here then is the only way capital can try to get out of the economic and financial crisis in the short term: competitive devaluations, speculation, import duties, more intense exploitation of the workforce, dismantling of the welfare state. In the long run, however, only a substantial destruction of capital values can resolve the crisis in the profitability of capital. It is no accident that in the Second World War it was the productive sectors which were most devastated. Afterwards this allowed US imperialism to invest productively in renewed infrastructures and reconstruction of European industrial plants located mainly in Italy, France, Germany and even Japan. Moreover, the US was able to export its surplus financial capital to key economic sectors of the defeated countries. Thus, a huge opening was created for both the victors and defeated to begin a new cycle of accumulation. But the end of the Second World War did not bring an end to the fury of imperialism, either American or Russian. In their different strategic ways, they continued to confront each other. Not because the second world tragedy had not caused enough destruction, but because, in addition to destroying in order to rebuild, imperialism needs to export capital, to invest abroad, to control and exploit territories with important raw materials and, last but not least, to exploit energy resources and manage their trade routes and get a share, possibly in monopolistic terms, of the revenues.

In the aftermath of the Second World War, a long series of proxy “cold” wars was to begin between the two victorious power houses of imperialism. Amongst them was the conflict in China in the period 1937-48 where a Chinese Communist

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Party siding with the Russians faced a pro-American Kuomintang. The outcome after 1949 was that China was divided into two parts, the continental one, which fell under the influence of Russia, and the island of Taiwan which came into the US orbit. Only a year later the conflict moved to Korea (1950-53). The Vietnam war followed (1962-75) and the bellicose events that bloodied Central America, in Honduras and in Nicaragua, for and against the Sandinistas. As usual, on one side was Russian imperialism defending its “new colonies”, on the other the US which used the services of the Panamanian narco-trafficker Noriega to defeat the Sandinistas. (The latter character, who took tons of drugs from Colombian Cartels into the United States, even returned loaded with arms supplied by the CIA to be distributed to the Contras in Central America.) We could continue showing how the clash between the USSR and the USA defined the nationalist quarrel between Israel and the Palestinians, the missile crisis in Cuba, the Panama *affair* and US marines landing etc. Suffice it to say, all of these represented conflicts in an endless war interrupted, not by peaceful solutions, but only when one of the contenders was obliged to abandon it.

Then the USSR imploded. An implosion which was the outcome of decreasing competitiveness, of a disproportionate increase in investment in capital goods whilst labour productivity either declined or remained stagnant, thus bringing a change in the organic composition of capital and an inexorable fall in profit rates. Despite their low productivity and profitability, the huge investments in constant capital that were made largely benefited the powerful State oligarchy, which derived its “five-year” bribe from the financial allocations to industry and agriculture. The more the state invested in constant capital, even if it was not very productive, the more the Russian oligarchy had the chance to divert a portion of capital into their own pockets. Once again, the US played its part in promoting the economic crisis of the Soviet system by focussing on the competition between the two for military technological innovations and the arms race. The USSR was forced to borrow heavily to pay for armaments. USSR defence spending accounted for 23% of GDP, against the 7-8% of its GDP that the US was spending. This enormous disparity led to a disproportionate deficit in the coffers of the Russian state which opened up the first breaches in the Soviet state capitalist economic system – a system already undermined by the scourge of a steadily falling rate of profit, and growing weakness at the periphery of its empire.

It was the experience of Solidarność in Poland – thanks in part to the CIA and Vatican – that would annul the “fleeting” experience of a fake socialism that had come out of the defeat of the October Revolution (the first and only historical example of proletarian revolution to have occurred as yet).

The collapse of the USSR was effectively followed by 10 years of US mono-imperialism which gave successive Administrations free rein on the international

scene. It was the era of the “first” oil wars, where the US extended its control over associated aspects of the industry, such as the construction of pipe lines, storage centres and refineries. These obviously had to get into the hands of the American oil companies and other specialised companies linked to oil, including engineering and logistic issues, all of them participating in the exploitation of the oil revenue itself. This was the period when American imperialism came out in the open: in the 1990-91 war in Iraq, in Afghanistan and then the second war in Iraq in 2003. A whole decade was interspersed with “minor” but strategically important wars, like those in the Sahel in Africa and the one that destroyed Yugoslavia, the last European bulwark of fake socialism in Titoist guise. Meanwhile, post-Soviet Russia, thanks to Siberian oil and gas fields, regained a position in the ranks of international imperialism and repositioned itself, with China, as a counterpart to the American superpower, giving rise to a *de facto* second cold war. At this point (2011) after the explosion of the “Arab Spring” the conflict moved to Syria and Libya.

In Syria, Russia is supporting Bashar el’Assad in order to defend its interests in the Mediterranean, with the maintenance of the military and commercial ports of Tartus and Latakia. The alliance with Assad’s Syrian Armed Forces, provides Russia a bulwark in the Middle East against Saudi Arabia, Israel and their US imperialist mentor. Here there is already a generalised war taking place before our eyes, a war orchestrated by all the most powerful imperialist centres in the area. On the field we find Russia and the US with their corresponding allies. Alongside Russia is Iran, Iraq, and the Lebanese Hezbollah. This is the Shiite axis of the Middle East. Lining up alongside the US are Saudi Arabia, the Emirates, Qatar⁹, which constitute the Sunni axis – loyal but not so much – to Trump’s ambitions.

Machinations are taking place inside Libya where France, Italy, the UK and the USA are all manoeuvring. France and the UK, backed by omnipresent US imperialism, were behind the military expedition against Gaddafi. Here the double aim was to take away ENI’s (Italian state oil company) control of 40% of Libyan oil (France’s goal) and prevent Gaddafi from selling its oil in euros, roubles or yuan.

In Syria we have seen the massive presence of all the major culprits for the carnage. With their diverse, often conflicting interests, new alliances have been formed and old ones dissolved, in a series of episodes that have brought the ruin of an entire country with two million dead and over four million refugees. Turkey, Russia, Iran and the Shiite axis on one side. The US, Israel and the Sunni axis on the other. Each has its own interests to defend, whilst in the middle the various Kurdish nationalisms have become the military instrument of one imperialism and thus the target of attack for others, even though they are part of the same coalition. Given the number of powers involved, their areas of influence, their active engagement in the war, we can only conclude that we are already in the midst of a

“bizarre” world war where, apart from a few exceptions, notably China, the major imperialist antagonists are already colliding in one of the world’s most important strategic zones. It is no figment of the imagination to think that the next financial crash, driven by increased interest rates, will lead to an even worse economic situation worldwide and bring with it the danger of more generalised war through an intensification of current wars or the outbreak of new ones.

From a political perspective, beyond the need to analyse what is going on in the world, it must be firmly stated that the crisis is not an accident, an inevitable natural disaster or some sort of divine curse. It is the product of the existing mode of production, of a global capitalism which is in a deep economic crisis from which it cannot escape; which is generating a mountain of financial ‘paper wealth’ 12-14 times the world gross domestic product¹⁰; which is fleeing from production to devote itself to the palliative of speculation because profit margins in the real economy are no longer sufficient for productive investments. In short, it is the fall in the rate of profit which accelerates capitalist competition and the clash between imperialisms.

In this context the tendency to war is not a warning, but the concrete reality of all international relations and a state of affairs which involves all the main imperialist powers of the planet in various places in the world.

It is a situation that can only be resolved by going to the heart of the contradiction that underlies the entire capitalist edifice, that is, the relationship between capital and labour. In no way can the problem be solved in terms of redistribution, as the more or less radical reformists always suppose, but only by building a position of strength in the struggle between classes and therefore of political leadership in the form of the class political party. Such a party will call for a break in the contradiction of capitalism itself in order to lay the political and economic foundations for the construction of a new society, a society that is no longer based on the labour capital ratio, not aimed at maximising profit, without the wars that create destruction in order to rebuild, without the existence of classes which presuppose the economic and political dominance of one over the other. In other words, a society of associated producers who work and build for collective needs, where everyone contributes according to their particular skills and abilities. Otherwise it will still be barbarism, destruction and death for millions of proletarians; victims, first of exploitation, then of the war that must recreate the conditions for the production of profit itself. There is no other solution. Either the world proletariat will succeed in escaping from the cages of nationalism, from the thousand triggers for war that imperialism sets every day, or a bursting of one of the many speculative bubbles – possibly stemming from the Federal Reserve putting up interest rates – will be enough to intensify and generalise the tragedy of existing wars and turn the world into a gigantic cemetery.

Either war or revolution

Either war, with its heavy burden of death, destruction and barbarism, or the revolution where the proletariat takes on the task of giving life to a new equitable, communal and human social frame. But for this to happen a strong international party is required to remove wage workers from the dominant thought of the ruling class, stuffed as it is with provincialism, nationalism, racism: as if these trappings of bourgeois ideology were, in any case, the pole star for the whole humanity. It is vital to undermine and demolish the dominant ideology of the ruling class, to begin to pose the question of a class-to-class frontal clash, to present an alternative to this system which can only exploit, produce crises, devastate the eco-system, bring disastrous wars which only herald worse imperialist conflicts that will allow for the destruction of enough capital value to rebuild, to create the conditions for a new cycle of accumulation. This in turn would inevitably have the same problems as before, but with an even greater capacity to destroy the world along with a proletariat unable to find the strength to prevent yet another barbarism. For our part, we are doing everything we can to stop this from ever happening.

The “dualism” of war or revolution is not an invention of the god Mars or the rebellious Prometheus in chains. There is no historical course that necessarily leads to war or revolution. The world will go towards war or revolution, not because history is already written in the Great Book, but only as the result of the balance of power between the ruling class and the subordinate class. And this is not written anywhere except in the consciousness of those who work in one direction or another. There are no historical courses leading to one side or the other. The only valid yardstick is to evaluate the balance of power between the classes, the economic underpinning that conditions their existence, the ideologies which dominate them, and the signals that come from one class or the other. If we were to venture a hypothesis today, on the basis of current elements, we should say that the war “solution” is the most probable. This is because in the current state of affairs the balance of power is on the side of the various imperialist bourgeoisies. Each of them attacks their proletariat by means of greater exploitation, by punishing job contracts, by increasing relative and absolute poverty. They make and break the most absurd governments by supporting them or letting them fall according to their own contingent interests. Abroad, that is, outside of their economic market, under the pressure of the crisis, they set up theatres of war, mostly fought by proletarians in the area under contention. It does not matter whether the proletarians are Kurds or Arabs, Shiites or Sunnis. The important thing is that they are being dragged into the ideological mechanisms of this or that imperialism and that they act as cannon fodder for the sole benefit of the interests of the imperialism that has ideologically subjugated them.

As regards the proletariat, the opposite is true. They rarely oppose the economic attacks and the increasingly humiliating conditions of life that their respective bourgeoisies force upon them. We live in a period when the crisis is so deep that the margins for successful demands which once characterised the daily struggle are narrowed. Today workers struggle not so much for a wage increase, but for the most elementary social rights, such as housing and better conditions of life and improved services. When workers take to demonstrating in the streets, they do so to defend themselves from the attacks of the bourgeoisie. They do so to keep their jobs, to stop their factory being displaced by some other service or from being moved abroad, where another army of desperate people is ready to be exploited under worse conditions. This is the picture, the snapshot that makes us say that the current balance of power between the classes inclines us to consider the possibility of an even worse war in terms of intensity of destruction and the involvement of the international proletarian masses. But things do not always go as the snapshot of the moment suggests. Over a longer time frame, it is not the instant picture but an ongoing movie that could change the story. In other words, the balance of power between the classes can change during the course of events.

Let us not forget the October revolution which had the strength to express itself in the middle of the First World War. Then too there was a world economic crisis, the various European proletariats were under the banners of their respective imperialisms, nationalism was raging worldwide, yet the Russian proletariat raised its head, opposed the carnage of war, fought for the revolution against the barbarism of imperialism behind and with its party, its tactics and its communist strategy.

Then came isolation from other revolutionary experiences in Europe and the enormous economic retreat encouraged the forces of the counter-revolution, even within the Bolshevik party itself.

So the revolutionaries do not simply have the task of analysing how things are going, whether by a pre-determined destiny or by a whim of the gods, but of studying the economic and social situation as the capitalist crisis unfurled. Revolutionary communists have the task of creating the subjective conditions for the revolution, not in opposition to the balance of power between the classes, but in harmony with any sudden, unexpected changes in those same power relations which could signal a change of direction. Amongst the subjective goals that revolutionaries must aim for is the building of the international communist party without which any change of course in the relationship between classes, any resumption of the class struggle would end up with no day-to-day tactic or strategy for achieving an alternative to capitalism. The proletariat would still be stuck ploughing the same tragic capitalist furrow, that generator of all crises

and wars. Here too the October revolution taught us a great lesson. Without the Bolshevik party, tens of millions of peasants and millions of workers would have turned away from any revolutionary solution and would have been re-absorbed into the mystical nationalistic climate. What followed is part of another aspect of history that we could call “revolution and counter-revolution”. Today we are faced with “war or revolution”, learning the lessons from the past which led to the victory of the Russian proletariat and identifying the adverse conditions and consequent errors that accelerated its defeat.

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November 2018

Notes

1. See (among many others): <http://www.leftcom.org/en/articles/2008-06-01/the-economic-crisis-is-structural-deep-seated-and-world-wide>, <http://www.leftcom.org/en/articles/2007-11-20/capitalist-financial-crisis-the-worst-is-still-to-come>, <http://www.leftcom.org/en/articles/2009-11-24/the-fall-in-the-average-rate-of-profit-the-crisis-and-its-consequences>
2. <http://www.oecd.org/eco/outlook/economic-forecast-summary-united-kingdom-oecd-economic-outlook>
The OECD predicts a UK GDP growth rate of 1.14% by 2020; other estimates vary between 1.3% and 1.9%.
3. According to J Rickards, <https://dailyreckoning.com/the-united-states-is-going-broke> by November 2018 the United States debt had reached roughly **\$21.6 trillion**. However, this figure can oscillate widely according to changing estimates of individual states’ pension fund obligations and their projected stock market valuations!
4. <http://www.leftcom.org/it/articles/2009-11-26/la-crisi-dei-profitti-alla-base-della-finanziarizzazione-dell-economia>
5. See <http://www.leftcom.org/en/articles/2017-11-04/china-openly-declares-its-imperialist-ambitions> and <http://www.leftcom.org/en/articles/2018-02-13china-long-held-us-fears-becoming-reality>
6. For more on the increasingly intense rivalry between the US and China, see ‘US Power and the New Course Towards War’ in *Revolutionary Perspectives* 12 [2018].
7. <http://www.leftcom.org/en/articles/2015-02-05oil-and-the-shifting-sands-of-imperialism>
8. And just to increase that advantage by a further 10% the price of an ounce of gold was decreed equivalent to \$44.2 in February 1973.
9. Qatar, in pursuit of its own imperialist interests in Egypt and elsewhere, fell foul of the Saudi Sunni godfathers who organised sanctions against it in 2017 and it has since also exited OPEC. Turkish troops are now stationed there against possible Saudi aggression – a threat which seems to have diminished with the latest invitation of the Qataris to attend a summit in Riyadh.
10. According to the Bank for International Settlements (BIS), in 2013 global financial activity generated \$993tn, compared to the estimated \$75tn value of global GDP. “... of this \$993tn only \$283tn can be classified as ‘primary’ finance such as shares, bank credit, etc. The remaining \$710tn are derivative products, exchanged outside of the regular markets with only a very small fraction of these transactions having any link to the real economy.” Report by Marco Panara, ‘Finanza, un trilione di dollari che soffoca l’economia reale’ in *La Repubblica*, 27 October, 2014.

The “Spartacus” Revolt

In early January 1919, just days after the formation of the *Kommunistische Partei Deutschlands* (the Communist Party of Germany, KPD), the new, supposedly socialist German government sacked the head of the Berlin Police, Eichhorn, who was popular among the genuine socialists. The KPD joined in the calls for a demonstration against this act, which was just the latest in a series of provocations against the workers of Berlin. This demonstration succeeded in preventing Eichhorn’s successor from taking office. Against the votes of the KPD, who correctly believed a revolutionary uprising was premature, the “revolutionary shop stewards” and left wing of the centrist Independent Social Democratic Party now formed a revolutionary committee to overthrow the government.

A general strike was declared and ten days of street fighting ensued. In the course of the fight part of the revolutionary committee split to enter negotiations with the government, thus paving the way for its eventual victory. The day after the fighting was over, Karl Liebknecht and Rosa Luxemburg, leaders of the KPD, were murdered by government troops along with the hundreds of workers who had already been cut down.

Background: The Sozialdemokratische Partei Deutschlands

To understand the background of these events, we first have to look at the Social Democratic Party of Germany (SPD). This was founded as the Sozialistische Arbeiterpartei Deutschlands — Socialist Workers’ Party of Germany — in 1875, as the merging of the Sozialdemokratische Arbeiter-Partei (SDAP, “our people”, according to Marx and Engels) and the larger Allgemeiner Deutscher Arbeiterverein (ADAV, General German Workers’ Union, who were, roughly speaking, Lasalleans).¹

Despite the ADAV being over 60% larger than the SDAP, Marx and Engels judged the merger as ill-advised and were extremely unhappy about the unification programme, yet eventually Marxist views triumphed in the new party. However, this came about after a long struggle under conditions where the party was subject to suppression, under Bismarck’s Anti-Socialist law, passed in 1878 after the SDAP demonstrated that they had significant electoral support.

Indeed, the victory of Marxism was aided by state repression which made the Lasallean idea of collaboration with the state as a socialist programme look faintly ridiculous. Not only that, but the party itself grew while operating in illegality. There were several reasons for this. Firstly, parliamentary representatives were

exempt from the suppression (they had to stand for election as individuals). Secondly, the Party was very successful in organising despite its illegality. Thirdly, Bismarck also tried to steal the Party's clothes by passing social reforms. The latter tactic backfired by being too transparent, and the Party got the credit for the reforms. A final factor, probably the most decisive, was the enormous growth of capitalist industry in Germany in the period of the Party's illegality.

By the time Bismarck was sacked and the Anti-Socialist Law abandoned in 1890, the Party, which soon changed its name to the SPD, had not only grown, but had laid down the basis for uninterrupted further growth in membership and electoral success for over a decade and a half.

The pre-WWI SPD was famous for dominating an alternative world to official Germany, with many aspects of working-class life being under its sway, from sports and cultural activities to, of course, politics. Hundreds of newspapers were published by the Party across Germany. All this made it difficult to imagine political life on the left outside its orbit. But the health of the Party was only apparent. Despite Marxism being officially triumphant, it was so in name only.

Imperialist War

In the years leading up to WWI, the SPD was eaten away from within by nationalism. Some of its leaders, especially David and Legien (who headed the union apparatus), were out and out imperialists and racists. They were opposed by many on the left of the Party who were formally committed to resisting war. However, the identification of the Party mainstream with the German state, that is, to their own bourgeoisie, was an overriding factor.

This contradiction was very evident in the days leading up to the outbreak of world war. As late as 25 July 1914, the SPD called for an anti-war demonstration. Three days later, 10,000 workers were on the streets of Berlin. Yet, on 4 August, the SPD representatives in the Reichstag voted² for war credits which enabled the German Empire to finance the war. Its right wing leaders had secretly agreed to do just that a month before the war broke out.

The 4 August was correctly seen by the left as a betrayal of the class by the SPD, with Luxemburg being particularly devastated. However, it neither led to a split, nor to what may have been better, preparations for a split in order to bring the maximum numbers out of the SPD.³

Although the left of the SPD was shocked by the Party's betrayal, they were not completely paralysed by it. They began to organise against the war, with Liebknecht being the first to vote against war credits when they were extended

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in December 1914. Amongst other successes, there was an anti-war demonstration organised by Karl Liebknecht, which brought 10,000 people onto Potsdamer Platz, Berlin, on May Day 1916. Even though Liebknecht was arrested for high treason after speaking at this demonstration, the number attending shows that there was scope for gathering up opposition to the war into organisations consistently opposed to it and therefore to the SPD.

Nevertheless, the central plank of the left's conception of their activity was to win back the SPD to the "true path".

*Only by pouring merciless scorn on all our half-measures and weaknesses", on our own moral collapse since August 4, and on the liquidation of our entire system of tactics employed since August 4 can the **reconstruction of the International** begin. Rosa Luxemburg⁴*

Thus the task was seen as reconquering the old Second International and its parties, not as opposing them as agents of the bourgeoisie, its system and that system's wars.

By contrast, the betrayal was treated as exactly that by Lenin along with a large swathe of the Russian Bolsheviks. Social Democracy for them was henceforth a bourgeois party and the Second International would have to be replaced by another, communist International. Lenin's view was reflected in those organisations in Germany who operated against the war outside the SPD, like the *Internationale Sozialisten Deutschlands* (International Socialists of Germany, ISD) and the group around the *Lichtstrahlen* (Shafts of Light) publication.

In their attempt to re-conquer the SPD, Luxemburg and Liebknecht formed a group inside the Party, the *Spartakusbund* (Spartacus League), which signed up to the centrist Manifesto written by Karl Kautsky, even though it was far from representing their own politics. In time, the SPD reacted by expelling its centrist and left wings, who then founded the *Unabhaengiger Sozialdemokratischer Partei Deutschlands* (Independent Social Democratic Party of Germany, USPD), on the basis of the centrists' politics, with the *Spartakusbund*, but *without* the ISD and *Lichtstrahlen*. This lack of a clear break with the politics of social democracy, evidenced by the *Spartakusbund* joining with the centrists in the USPD, was to cost the proletariat dear.

The Problem

The October Revolution in Russia saw a massive transfer of power to the proletariat organised in the form of Soviets. This revolution was understood by Lenin and many of the Bolsheviks at the time as merely the first step in a world revolution. Moreover, without further steps on the road to a global seizure of power by

the working class, the Russian step was bound to be reversed. Or, as he put it in March 1918, "Without a German Revolution we are doomed".

And as Luxemburg put it:

In this sense theirs [the Bolsheviks'] is the immortal historical service of having marched at the head of the international proletariat with the conquest of political power and the practical placing of the problem of the realisation of socialism, and of having advanced mightily the settlement of the score between capital and labour in the entire world. In Russia, the problem [our stress] could only be posed. It could not be solved in Russia.⁵

Failing to Answer

On 30 October 1918, reacting to the German Admiralty's demands that they sacrifice their lives in a pointless battle for "honour", the sailors on two battleships in Kiel mutinied, but then surrendered in the face of threats of being torpedoed. 400 mutineers were taken prisoner.

A mass assembly of sailors demanded the release of the prisoners, and the authorities responded by banning further assemblies and sent out armed patrols. In the face of this action by the state, the sailors did not back down but instead began disarming the patrols. One of the larger patrols opened fire on the sailors and, against this backdrop of mounting tensions, the sailors organised themselves into the first sailors' council of the German revolution.

At the request of the local governor (the representative of the Kaiser's state) Gustav Noske, a leading member of the SPD, was sent to Kiel to negotiate with the mutineers on its behalf. Finding this impossible, as the movement had already gone too far to meekly surrender, he instead used his "socialist" credentials to put himself at the head of the movement in order to lead it along paths compatible with the continuation of bourgeois rule.

Meanwhile, the revolution begun at Kiel spread to other towns and the SPD continued to act to derail the movement onto "safe" ground. The SPD also brought the USPD into the game, partly to contain the latter, and partly to use its greater proletarian credibility to disguise the nature of its tactics. By mid-December, the revolution had set up workers' and soldiers' councils across Germany. However, the situation had been stabilised by the SPD and USPD's efforts to steer the councils away from the political demand of "all power to the soviets" and to limit the councils' efforts to arm themselves.

In effect, the revolution had come to a standstill. A congress of German workers' and soldiers' councils was held 16-21 December, but it was dominated by the

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SPD and the non-Spartakist part of the USPD. Instead of claiming political and economic power for the councils – i.e. the working class as a whole – it relegated itself to having a supervisory role over the government, in effect acknowledging the bourgeoisie's right to rule.

In the wake of the councils' congress, the "International Communists" (*Spartakusbund*, IKD, *Lichtstrahlen* and others) held a conference, and under the urging of Radek, a representative of the Bolsheviks, overcame the reluctance of the *Spartakusbund* to leave the USPD,⁶ and decided to hold the founding Congress of a new party, the KPD, from 29 December 1918 to 1 January 1919.

Ever since the SPD's support for the war had revealed its total opposition to the interests of the international working class, there had been a crying need for a political force capable of showing that a revolution was needed in Germany: not to secure the legal rights of the bourgeoisie but to sweep away the capitalist system itself. Any German revolution had to be part of a wider, world proletarian one to overturn the power the bourgeoisie and its forms of rule, introduce a socialist economy and the dictatorship of the proletariat.

From the Russian October Revolution onwards, the rule of the councils over the whole of society had to be emphasised as the necessary form of that proletarian dictatorship. In other words, the idea that councils were either a temporary measure, to fill in while bourgeois rule was indisposed, or simply a supervisory device, to organise the working class in support of a revived bourgeois state.

Providing political clarity is the primary task of a revolutionary proletarian organisation. Beyond the day-to-day technical tasks of a revolution, such as organisation and military activity, where revolutionaries participate just as part of the proletariat, the political party has to clarify the ends to which these technical tasks are devoted.

The German revolution was marked by a lack of clarity about the roles of the political actors on the scene, what the interests of the proletariat actually were and what the tasks of the revolution were, at least on the side of the proletariat itself. By contrast the SPD already had enormous organisational control over the working class and it was extremely skilful in using the existing apparatus to steer the proletariat away from where it needed to go.

The Revolt

In military terms, the bourgeoisie was still unsure of which parts of its army were reliable, and which would go over to the revolution, so it supplemented its forces by using the *Freikorps*, proto-fascist forces comprised of supposedly demobilised

army personnel (mainly ex-officers) who had access to military hardware superior to that possessed by the proletarian forces, and which had a clear view of the class allegiance of their social democrat bosses. **They** knew that the SPD was on their side, as, via Noske they obeyed that party's orders. Even while the congress of German workers' and soldiers' councils sat, workers were being murdered in other parts of the country as part of the testing of the waters for an attempt to crush the revolutionary forces militarily. These murders weren't the only provocations.

On New Year's Day, the government disarmed the 75th Infantry Regiment in Bremen, a regiment deemed to be "untrustworthy" (i.e., likely to defend the proletariat). 22 strikers were killed in Upper Silesia on 3 January. Eichhorn, a left USPDer who was trying to run a "revolutionary" police force (despite this being a contradiction in terms, especially before the overthrow of the old regime, he was nevertheless popular among workers) was sacked, in what was a clear provocation.

The USPD, the *revolutionaere Obleute* (revolutionary shop stewards) and the KPD met, and, against the KPD's warnings, voted to establish a revolutionary committee to coordinate the overthrow of the government. Despite the fact that the Spartakists were against this endeavour, the coming events were to be known as the "Spartakus" uprising, partially because the KPD stood by the vote out of proletarian solidarity but largely because the SPD wanted to blame them and destroy them. "Kill Liebknecht" posters were soon appearing on walls across Berlin.⁷

The KPD's reluctance was based on a sober assessment that the conditions for a successful revolt had not yet matured. A sign of this immaturity was the trust that the many revolutionary proletarians still had in the USPD. But the USPD was itself divided between those close to the SPD and the more proletarian elements. As a result it could, and did, sway from enthusiasm for action to switching to negotiation; and, as Rosa Luxemburg noted in *Rote Fahne*, was incapable of any clarity about the purpose of revolt. The tragedy was that the KPD had been formed too late and lacked both the preparation and the influence necessary to hold back the revolt.

Even as the committee was being formed, workers were spontaneously taking action, occupying the offices of reactionary newspapers. The first action of the committee was to call for a general strike, a struggle for power and a mass demonstration on 6 January.

Street fighting broke out, and, true to form, the leaders of the USPD entered negotiations with the government, deserting the workers they had called on to fight. The government handed arbitrary power to Noske, the army units they had feared to trust turned out to be loyal or neutral and the revolt was crushed over the next

week or so, with the *Freikorps* doing the final mopping up. There were about 3000 deaths, principally on the revolutionary side. Luxemburg and Liebknecht were murdered the day after fighting stopped, 14 January.

Apart from Bremen, Bremerhaven and Düsseldorf, where Council Republics were declared, solidarity action from outside Berlin failed to make much impact. The extreme localism of the German revolutionary movement was another factor which hampered its success. Even the Spartakists were prone to it and Luxemburg in her final writings was calling upon other cities to rise alongside Berlin.

Continuing to Fail

Such localism played into the hands of the SPD (which had a national organisation) and in the wake of the failed Berlin uprising, there were a series of other proletarian revolts, all of which were put down by the *Freikorps*, by troops loyal to the government or by a combination of both. The most noteworthy example was the Munich Soviet, which lasted for a couple of months, defeating the regular army before being overwhelmed by the *Freikorps*.

In many places, as in Berlin itself, workers' uprisings were in response to the government's provocations, so that the government was able to choose when and where to fight, an enormous advantage as it was able to deploy its initially weak forces in a concentrated fashion. In this way, the government could achieve victory, despite its vulnerability to a co-ordinated revolutionary assault in the early days of the revolution.

While the SPD government was stabilising the military situation to its advantage, two political developments were occurring. Firstly, the political forces behind the *Freikorps* were deciding that the SPD was so dependent upon it that *they* might as well rule in the place of the SPD. Secondly, the left of the USPD split and joined the KPD, under the name *Vereinigte Kommunistische Partei Deutschlands* (VKPD, unified KPD), which was soon replaced in practice by the old name, KPD. This merger with the very unclear left USPDers added to the incoherence of the KPD.

Both of these developments were made apparent in the Kapp Putsch, which was launched on 13 March 1920. The eponymous Kapp was a member of the right-wing *Deutschnationaler Volkspartei*, and was supported in his attempt to become Chancellor of Germany through armed force by parts of the state's military apparatus, as well as by the *Freikorps*. The SPD called a general strike, which was initially opposed by the KPD, regardless of the fact that the correct course was clearly to support the strike, despite the proletarian blood on SPD hands, and to push it to go further. Moreover, the KPD called on workers to lay down arms. This call was ignored, and the workers in the Ruhr, and elsewhere, formed Red Armies.

Under pressure from the Communist International, the KPD reversed its position, and the Putsch collapsed after an effective general strike and under the threat of the Red Armies. The KPD's newly reinforced reformism was not finished, however. It met with the government, and, in exchange for the SPD's promise not to use the *Freikorps* against workers again, it called on the Red Armies to lay down their arms. The SPD simply dissolved the *Freikorps* into the regular army and used that to unleash White Terror in the Ruhr.

Against this background, some of the opposition currents in the KPD split to form the *Kommunistischer Arbeiterpartei Deutschlands* (KAPD). Although it was clear that the revolutionary crisis in Germany was not going to last forever, the formation of the KAPD was carried out in an overhasty fashion, incorporating elements which had no place in a proletarian organisation, such as the National Bolsheviks around Laufenberg and Wolffheim. The result was that the new organisation had to have **two** founding Congresses, the second without the more dubious elements. More time had been wasted in a classic case of more haste, less speed. The KAPD was riven by localism, councilism and syndicalism and did not long survive.

For its part the KPD, shorn of its most experienced leaders like Luxemburg, Liebknecht, Jogiches and Leviné oscillated between opportunism, adventurism and even ended up supporting "national bolshevism" itself in 1923. By this time though it was increasingly the tool of a Communist International which was dominated by the need to defend the USSR not to extending the world revolution. By the time Stalin was promoting the idea of "socialism in one country" the revolutionary cause was already lost.

Lessons

The failure of the "Spartakus" uprising was the first episode of the bitter lessons to be drawn from the inability of the old SPD left to break from that party after its great betrayal of its supposed principles and, more importantly, of the working class.

If there had been a clean break at the moment that the SPD had shown its internal rottenness by supporting imperialist war; or, perhaps more realistically, a prepared separation of all the revolutionary elements after some months, at most, a couple of years; when the war ended (in no small part due to Russian October) the new party's exposure of the SPD as part of the bourgeois political apparatus would have had time to undermine that party's fake socialist credentials. This may not have entirely prevented the SPD from putting itself at the head of workers' movements in order to corral them into support for a 'democratic' capitalist state, but it would have weakened that strategy, and made it obvious

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where it was carried out.

Obviously, carrying out propaganda against the SPD during the state's tight war-time domestic security would not have been an easy task, but the left did manage to propagandise against the war itself, so the biggest additional difficulty was realising that this task was a *necessary starting point for posing the way forward to a socialist future*.

In addition, if the KPD had broken earlier, it might have had sufficient influence to prevent workers responding to local provocations designed to draw them into battles they could not win, and save their strength for a serious assault on state power.

Finally, the German revolution was in desperate need of clarity about what the councils were **for** – i.e. the organisation of a proletarian dictatorship against the bourgeois, of society in its transition to socialism and the seed of the forms of administration of socialism itself.

The USPD acted to obscure the role of the workers' councils – they were often in favour of them, but not as the fundamental basis of a new society, just as temporary organisers while proper bourgeois government was in trouble. At most, the USPD settled for the councils as technical supervisors of the real business of government: the exploitation of the working class. These "centrists" might have been won over to a more revolutionary vision of the role of workers councils by a German Communist Party, had this been founded in time to be able to build on the success of October in Russia.

EDL

Notes

1. Ferdinand Lasalle was an ideologist of an alliance between the aristocracy and the proletariat against the bourgeoisie, and pushed all sorts of rubbish like a class-independent "Free State".
2. Traditionally, the SPD voted as a block in the Reichstag. In its representatives' internal meeting, the vote for approving the war credits was 78 to 14, showing that a significant minority was at least there to be won to anti-war activity, even in the parliamentary party
3. The SPD was not the only Party of the Second International (which grouped like-minded parties across the world) to make this betrayal. Indeed, the whole group, apart from honourable, but small, exceptions like the Serbian Party, left the terrain of the working class
4. Quoted in *Lenin's Struggle for a Revolutionary International*, Monad Press, 1984, p.95.
5. *The Russian Revolution*, Rosa Luxemburg, 1918.
6. Especially as the USPD left the SPD-USPD government under pressure from its rank and file, on 29 December.
7. For further details: <http://www.leftcom.org/en/articles/2018-11-09/a-hundred-years-on-lessons-of-the-german-revolution>

The Alliance for Workers' Liberty: Part of Capitalism's Left Wing

In 1992 the editors of *Socialist Organiser*, the newspaper of the Socialist Campaign for a Labour Victory, launched an organisation under the name of Alliance for Workers' Liberty (AWL). The particular brand of Trotskyism with which the AWL identifies is strongly influenced by its leader Sean Matgamna, who has been active on the Trotskyist left since the sixties. The founding document of this tendency, *What We Are And What We Must Become*,¹ was published in 1966 as a critique of the Revolutionary Socialist League (Militant), the political ancestors of the Socialist Party of England and Wales (SPEW) and a number of other smaller Trotskyist groups. We will return to that document later as we examine "What they have become".

Since that time, Matgamna has been a key player in defending his group throughout the myriad splits and fusions that have marked the Trotskyist milieu. Prior to the formation of the AWL, Matgamna's followers were organised in the Labour Party under the banner of a succession of newspapers: *Workers' Fight* and subsequently *Workers' Action* preceding *Socialist Organiser*. Alongside those journals aimed at participation in the Labour Party Matgamna was the leading figure in groups that openly acted within the Trotskyist constellation. During the 1970s and 1980s that role was played by the International-Communist League followed by a merger with Alan Thornett's Workers Socialist League whose name was retained by the combined organisation.

Over time Matgamna's tendency has abandoned orthodox Trotskyism in favour of Third Camp Trotskyism.² What has remained a consistent theme is the peddling of illusions in the Labour Movement as a vehicle for social change on behalf of the working class.

Leftism in Action

The AWL's core justification for that immersion in the "Labour Movement" – that is, the Labour Party and the trade unions – is that their supporters must organisationally be "where the class is at". The focus of the AWL can be roughly divided into four categories:

Electoral activity. The AWL was part of the Socialist Alliance in the 2001 election³ and the Socialist Green Unity Coalition in the 2005 election.⁴ Within these it worked in coalition with organisations such as the Socialist Workers' Party (SWP), Socialist Party of England and Wales (SPEW) and the Communist

Party of Great Britain (CPGB-PCC). At times it has put up its own candidates (in safe Labour seats). All this while still campaigning for a Labour victory.

Participation in the Labour Party. The AWL is an affiliate of the Labour Representation Committee (2004). It re-founded the Socialist Campaign for a Labour Victory ahead of the 2015 general election. Later that year, with the emergence of Corbyn, the AWL instructed all its members to join the Labour Party. Its members are also expected to be active within Momentum.

Reformist activism. The AWL has set up, or been highly involved in, campaigns such as the Welfare State Network (1994), No Sweat (2001), Education not for Sale (2005), Feminist Fightback (2006), Workers' Climate Action (2008), the National Campaign Against Fees and Cuts (2010) and Another Europe Is Possible (2016). Within these anti-cuts campaigns and the student movement, it pushes a pro-Labour line.

Union organising. The AWL is active in trade unions (to the point of serving on their executive committees), particularly those affiliated to the TUC and the Labour Party. On the London Underground, Southern Rail and in Sheffield, the AWL produces its own bulletins, *Tubeworker*, *Off The Rails* and *On Guard*. These reinforce trade-unionist and Labourist perspectives.

Unlike most other Trotskyist groups however, the AWL has a reputation for a culture of openness and discussion which is one of the reasons that it attracts young militants. At the height of the UK student movement it tended to present itself as a more "libertarian" alternative to the main Trotskyist organisations on the British left (in its constitution, the AWL does state for example that "the emancipation of the working class must be the task of the working class itself"). Ever since 2015 however, the AWL has been successfully riding the wave of Corbynism, promoting the idea that a Labour government could prevent or reverse measures that have been taken (and not just by the Tories) to attack the living standards of the working class, such as privatisation of public services, cuts to the NHS, welfare cuts, introduction of student fees and loans, etc. It is because the AWL appears to attract a number of genuine young militants who are seeking change that we have decided to examine here the politics and activity of the AWL.

Trotskyists and the Labour Movement Seeing "through a glass, darkly"

The AWL's fundamental approach to the Labour Party and the Trade Unions is neither novel nor unique. The Trotskyist DNA is stamped through with a need to find shortcuts, to be loyal cheerleaders for, or active participants in, "progressive" movements. This manifests in its support for "national liberation" movements or integration into the trade unions and social democratic parties, twin pillars of

capitalist order.

That poisonous mix of confusion and blurred class lines has deep roots in the political origins which Trotskyists take as their political starting point.⁵ Trotsky's presence within the Soviet Communist Party and the CPSU during its degeneration has never been re-evaluated by those who claim to be his followers. This means that the twists and turns which began with the 3rd and 4th Congresses (1921-22) of the Comintern lie at the very centre of their efforts to relate to the capitalist order which has continued to assert its global hegemony since then. The "turn to the masses" and accommodation with the pro-capitalist social democracy translates very readily into "being with the class" in shouting hurrah for Corbyn and electing left-sounding windbags to positions in the trade unions.

The Trotskyist movement has remained in a constant grisly performance attempting to apply the decayed method developed during Trotsky's life to the world which emerged after the Second World War. Rather than developing an independent proletarian revolutionary nucleus with a clear understanding, Trotsky preferred factional alliances with other forces in the Soviet Communist Party in the 1920s and "entryism" into Social Democracy in the 1930s.

Since 1945 the Trotskyist movement internationally has split many times and this has also been reflected in Great Britain. These splits have often appeared as factional rivalries but are invariably rooted in questions of how best to implement the tactics and politics of 1920s and 1930s Trotskyism. That is the background to the AWL's previous history and current positions.

The AWL's vision of "Socialism"

The AWL proudly claims to be a "revolutionary socialist organisation". And at first glance, their positions as set out in the section "Where we stand" in their weekly paper *Solidarity* might give some credence to this idea, especially to those who are first exploring revolutionary politics.

After all, the AWL claims that it *"is an organisation fighting as part of the Labour movement for a socialist alternative to capitalism and Stalinism, based on common ownership and democracy."* And that it is for the *"social ownership of the banks and industry," as well as "taxing the rich."*

To achieve this, the AWL wants to see an *"independent working class representation in politics"*⁶ and *"a workers' government, based on and accountable to the Labour Movement"* together with *"a workers' charter of trade union rights"* and *"Democracy at every level of society, from the smallest workplace or community to global social organisation."* There should be, they say, *"maximum left unity in action and*

openness in debate."

On an international level, the AWL wants *"open borders"* and *"global solidarity against global capital"* – workers everywhere have more in common with each other than with their capitalist or Stalinist rulers. There should be *"equal rights for all nations, against imperialists and predators big and small,"* they say.

What does this vision of "socialism" really amount to? Nothing more than the long peddled leftist mystification that state control of capital is equivalent to socialism. To nationalise the banks and bring industry under state control simply increases state control over capitalism, it does not get rid of capitalism. This is not socialism since wage labour, commodity production and the law of value all still exist. "Taxing the rich" is presumably supposed to pay for the public services that the AWL imagines comprise socialism. But in real socialism the rich will not exist since money will have been abolished and the property of the capitalists expropriated. Following such a revolution, production will be for human need and not profit, the working class will have transformed society and in the process transformed itself. The AWL's vision of *"a workers' charter of trade union rights"* and *"democracy at every level of society"* simply amounts to the working class participating in and voting for their own exploitation.

The AWL peddles the illusion that the capitalists will be forced to go along with this reformist agenda but we know from history that they will either undermine it through international economic pressure (capital withdrawal), or – as has happened so many times across the world – the "radical agenda" will be gradually watered down and then abandoned. We can already see this happening with Corbyn's Labour as John McDonald tries to appease "small businesses" – and they are not even in power.

In fact, communism can only be built once the proletariat has overthrown the bourgeois state worldwide. This is the precondition for building real socialism – a global society of freely associated producers. It is quite true to say that *"workers everywhere have more in common with each other than with their capitalist or Stalinist rulers"*, although we would make no distinction between types of capitalist state, since all states in the world today are capitalist. And this means that the enemy of the world working class is the capitalist system in whatever form the capitalist state takes anywhere around the world.

Although it would come as a surprise to the AWL, given their Trotskyist lineage, their recipe for socialism amounts to "socialism in one country". This in itself is an aberrational idea which came out of the Stalinist counter-revolution in Russia; and is no more than state capitalism with workers control or "socialism in one country" without Stalin. Before the revolutionary wave that started in 1917 ebbed away

the Marxist movement never talked of socialism in one country. It was always understood that it had to be achieved on an international level. Therefore under communism, to talk of "open borders" is a nonsense since in a socialist world nation states will have ceased to exist, and there will be no borders. But to say there should be "equal rights for all nations, against imperialists and predators big and small" is to insult the intelligence. When has there ever been "equal rights for all nations"? Who is going to look after the interests of the small capitalist states in the AWL's vision? Capitalism by its very nature is predatory. And imperialism would not cease to exist even if all capitalist nations in the world were to adopt the AWL's state capitalist "socialist" veneer.

As supposed "Leninists", the AWL ought to recognise that the capitalist system entered its imperialist phase by the beginning of the twentieth century. The First World War was definitive proof of this. It is part of capitalism's very nature for the larger imperialist states to prey on the smaller capitalist states and for the large imperialisms to compete with one another for control of world markets, sources of raw materials and cheap labour. In this scenario, there can be no "equal rights for all nations". This is why to give support to national liberation movements is to give support not just to a local bourgeois clique but also to whichever imperialist power is sponsoring them. In an imperialist world no nation's struggle for independence can ever be independent. There can be no independent, democratic "third camp" national movement, as the AWL would have it. The working class have always paid dearly for aligning themselves with their "own" bourgeoisie in such struggles.

Underlying everything of course is the capitalist crisis. Capitalism has been in open crisis since the law of the tendency of the rate of profit to fall brought about an end to the post-war boom and caused the re-emergence of the crisis at the end of the Sixties. In order to really solve its ever-deepening crisis, capitalism needs a large-scale devaluation of capital. This has been achieved in the past through world war. Short of this, the capitalists are forced to adopt the short-term measure of squeezing more surplus value out of the working class. This can be achieved by productivity increases, by reductions in workers' living standards (wage cuts) or simply moving production to countries where labour power is cheaper. The problems the system faces are internal to capitalism itself and would not be altered by nationalisation of capital or workers' control of production.

Governments of the left as well as the right are obliged to manage a capitalist system which takes a greater share of the surplus value produced by the working class, both by increasing the rate of exploitation in the workplace and by reducing the social wage, pensions, benefits, etc. Faced with the need to 'manage' the crisis all talk of reforming capitalism is utopian.

Supporting the Labour Party

And how is the AWL's distorted vision of socialism to be achieved? It is, no less, by trying to make the capitalist Labour Party act in the interests of the working class! A party which has loyally performed the role, when needed, of managing British capitalism at the expense of the working class for more than a century. Whether it is support for the First and Second World Wars, the breaking up of strikes by the Attlee government, or the development of the British atomic bomb, the Labour Party, even at its most social-democratic, has always been on the side of the bosses.⁷ At this time, it is horribly ironic that the Labourists decrying "austerity" want to elect the Party that introduced "austerity" as an economic principle during the Attlee government.

In 1997, during a period when the Blair leadership had made the Labour Party into a difficult terrain for Trotskyists, the AWL described the Labour Party as "a bourgeois party, a bourgeois workers' party".⁸ Since then, because of the factional machinations at the centre of the Labour Party, the AWL restarted its strategy of "entryism". In practice, that strategy means they encourage their members to join the Labour Party and Momentum in order to try to radicalise it by pushing for more "left wing" leaders and the adoption of more "left wing" policies through an increase in local democracy in local Labour Party constituencies. It is unclear whether the long-term goal is to transform the Labour Party into a real workers' party, or cause a split that could initiate the formation of such a party, in the meantime pushing Labour "to the left". But the key to the politics and activity of the AWL is that Labour must be revitalised and made more attractive to the working class.

This was, in fact, the thrust of Channel Four's *Dispatches* programme of the 19th of September 2016 prior to the Labour leadership contest which Corbyn ultimately won. While, no doubt, *Dispatches* was trying to influence the outcome of the leadership election in favour of Owen Smith by suggesting that the AWL and their ilk are trying to take over the Labour Party, the AWL's denunciation of the programme as a "witch hunt" demonstrates that the programme's makers had touched a nerve. In fact, the AWL's robust defence of the policy of "entryism" leaves no doubt where they stand on this issue; and that is to rally workers, and especially young people who are increasingly dissatisfied with the status quo, around the defence of bourgeois democracy and the idea that the Labour Party can somehow be made to defend the interests of the working class.

An AWL Lewisham Momentum organiser eloquently defends the AWL against the *Dispatches* programme's charges in a video on the AWL website,⁹ and in doing so, demonstrates how the AWL are helping to breathe new life into a Labour

Party that most working class people had dismissed as being Tory Lite. He says that the AWL are trying to democratise the Labour Party and make its MPs more accountable to the party's members ... and to make it easier for local parties to choose their candidates freely without restrictions. This is important, he says, so that MPs represent the interests of their members and fight for policies that support working people rather than for their own selfish interests and those of the rich and powerful. He says those behind the programme are frightened of the "socialist" ideas that the AWL are advocating; such as taking public ownership of the banks, taxing the rich, rebuilding decent public services, providing decent jobs and homes for everyone, and scrapping Trident. He finishes by saying that making Labour MPs accountable is the way in which these policies can be implemented. This combination of "democracy" and "socialism", he says, is what the programme makers are really bothered about.

But even in their own terms the AWL have failed here. They and their fellow leftists have not even been able to democratise Momentum, let alone the Labour Party. In 2017, in an effective coup led by Momentum's founder Jon Lansman and his allies, the newly formed National Coordinating Group arrogated to itself the main responsibility for the governing of Momentum and can essentially block any decisions it does not like without consultation with the membership.¹⁰ Contrary to what the AWL have promised, Momentum will be more top-down than ever before. A number of AWL members have faced expulsions from the Labour Party (and by extension from Momentum). But these setbacks have not deterred the AWL from continuing to sow illusions in the Labour Party and bourgeois democracy.

Bourgeois democracy is a powerful mystifying force and has served the bourgeoisie very well over the years. The Labour Party has played the role of reconciling workers with capitalism ever since it was first created. After all, it was originally set up to divert workers' anger into safe channels. So we have to reassert this basic truth that the AWL, as cheerleaders for the Labour Party and Corbyn, have long since given up defending. Far from warning young workers who are looking for a completely different kind of society, the Trotskyists and the rest of the left of capital try to encourage those who would listen that voting Labour is the path to a better future. The AWL and their fellow leftists proclaim the need for a further push for more "young people and workers" to be drawn into the next Parliamentary exercise.

That endemic leftist mystification illustrates precisely how the organisations that operate as part of the left wing of capitalism have long been lost as potential parts of the proletarian revolutionary movement. If capitalism is to be overthrown – the only road to a sustainable human future – then the essential first step is that the working class becomes **conscious** that capitalism is beyond reform. This

consciousness has to be fought for openly and honestly. This is the exact opposite of “entryism” which tries to take over one capitalist instrument in order to force change from within. Real change and real socialism can only come about when the proletariat itself takes control of society through its own autonomous organisation and activity. That model will be based on mass working class involvement in assemblies and organisations such as Workers’ Councils or “Soviets”. The politics of left reformism/Corbynism are separated from that perspective by at least two vast gulfs.

Firstly, assemblies and structures based on open participation with all representatives being accountable and recallable are totally different from bourgeois electoral structures. The former are expressions of proletarian democracy, whereas the latter is bourgeois democracy which amounts to atomised individuals voting in their secret ballots for institutions which are all designed to help the bosses’ system of power and control to keep running.

Secondly, the critical process by which the working class achieves its potential as “the gravedigger of capitalism” depends on the maturation of our class-consciousness from “a class in itself” to “a class for itself”. That process crucially depends on the material reality of class struggle and the uneven manner by which sections of the class reflect on the process, absorb lessons from it and develop analysis. It is crystal clear that the AWL and other leftists who encourage illusions in the nature of the bourgeois state and the usefulness of reformist strategies serve to block and divert the necessary steps towards that clarity.

Parliament is not the state

There is another seriously harmful dimension to the AWL’s encouragement of participation in elections, whether in favour of Labour or their own groups or coalitions. The pretence that the election of more well-intentioned politicians could actually lead to the end of the capitalist system is part of the mystification circulated by, and on behalf of, the ruling class. The AWL leadership is fully aware that elected representation up to and including the “Executive” (Prime Minister and their Cabinet) is only the window-dressing. The state in modern society actually exists to maintain the domination of the ruling class.

Beyond the layers of elected representatives lies the real power vested in entities such as the civil service, the armed forces, the police and the secret and semi-secret state and not least the controllers of the majority of the national capital. These are replicated beyond national boundaries in the kaleidoscope of transnational institutions including the United Nations, International Monetary Fund, the Bank of International Settlements, World Trade Organisation, military alliances such as NATO and, of course, the European Union and other regional trade

organisations such as NAFTA. That whole range of state institutions would still exist and exercise overwhelming power even if the UK population were to elect 650 Corbyn clones.

Leftist organisations such as the AWL, in their inner circles, very probably understand that full well. Similarly they understand that the state and its various organs exist to maintain control over every aspect of our lives which flows from the means of production being owned by firms, trusts, companies and conglomerates, and in some cases by states themselves.

The pretence that electing left MPs can counter those interests is a cruel deception. In most cases it only serves to help strengthen the grip of bourgeois ideology. In other cases such as Chile in the 1970s it meant death, imprisonment and torture for those working class people who had been persuaded that there was a parliamentary road to socialism.

We recognise that revolutionaries have a duty to engage with those taken in by the false promises of reformism, from either the left wing or right wing of capitalism. Therefore we will not condone, let alone join with, those who encourage the belief in false perspectives and build hope and expectation that will only end in disillusion and confusion. Being “where the class is at” for the leftists involves sowing and encouraging illusions, falsehoods and confusions that prevent the awareness of the need and possibility of the working-class overthrowing the state and taking power organised in our own class organs. The revolutionary reconstitution of society is the only viable path available to put an end to a system that is very evidently breeding war, misery, famine and ecological destruction across the entire planet. That path does not start by voting for, much less joining, the Labour Party.

Internationally, Corbynumism has other parallels which clearly demonstrate where support for a parliamentary left party gets you. In Greece the financial implosion brought a supposedly very left new party (Syriza) to power in opposition to austerity imposed by the IMF and the EU. Rank and file Syriza members at the time claimed they were in control of Tsipras and not the other way around, just as Corbyn supporters do now. The result is that Syriza has “managed” the introduction of the very policies they were elected to oppose. This has been, and remains, the function of the capitalist and reformist left everywhere.

The logic of the defective political method of the pro-capitalist left in Britain comes out when they line up against each other in favour of this or that capitalist option. For example, despite their position that referendums “*work against, rather than for, informed debate and accountability*”,¹¹ the AWL has supported a “No” vote in the Alternative Vote referendum (2011), a “No” vote in the Scottish

independence referendum (2014) and a “Remain” vote in the EU membership referendum (2016). Their politics of “lesser evilism” do not end there – while wars and massacres spread across the world the left chooses which side to cheer on.

The same applies when we look at historic atrocities such as the bloody breakup of the Yugoslav state (1991-2001), the current suffering caused by the struggle between the Ukraine and Russia and its supporters (2014-present), or even the war in Syria (2011-present), called the “*worst man-made disaster since World War II*” by the UN human rights chief. In each of these conflicts the AWL has taken the side of one ethnic group or another, of one state or another, by supporting the self-determination of Kosovo, Ukraine, and the Kurds. Wherever decaying capitalism generates conflict and misery, the leftists cannot resist choosing sides while the workers on all sides bear the cost.

Matgamna’s Trotskyists – What they were and what they have become

We mentioned the 1997 document above (see footnote 7) where the AWL refer to the Labour Party as “*a bourgeois party, a bourgeois workers’ party*”. In the interests of supposed theoretical continuity they claim that such a dual description originated in their founding document of 1966 (see footnote 1). In fact, as we commented in *Revolutionary Perspectives (RP) 10*, the 1966 version of Matgamna and his followers had a sharper and more precise description of the class nature of the Labour Party. As we quoted, they wrote that “*Judged politically it is not a workers’ party with deformations, inadequacies (its ‘inadequacies’ amount to a qualitative difference), but a bourgeois party with the special function of containing the workers – actually it is a special section of the bourgeois state political organisation. The Labour Party is the main instrument of capitalist control of the workers is now the means of integrating the drives and aspirations of the workers with the capitalist state machine. It is an active canaliser of the class - against itself, against the proletariat’s own interest*”.¹²

Even in 2009, the fully evolved AWL recognised “*In history, the Labour Party’s policies have always moved in line with bourgeois thinking. The first (minority) Labour governments, 1924 and 1929-31, were old-style Liberal in economics and politics. The 1945-51 and 1964-70 governments were in line with the new Keynesian bourgeois consensus*”. (see footnote 7) In other words Governments of the Labour Party have always been capitalist governments. So how do these rogues square that understanding with their day-to-day practice of encouraging their followers into capitalist structures?

Again, we dealt with it in *RP10* (Summer 2017) where we looked at the AWL, now 100% returned to “entryism”, “*.... they were only focussed on attracting new layers*

who would help build, join and vote for the Labour Party. The doublethink is as clear as it is sickening. While the 'cognoscenti' may understand the world, they deliberately and consciously avoid explaining the nature of reformism and parliamentarianism to their followers. Only the organisation, or perhaps its core, are allowed to understand while the Corbyn cult followers are treated as gullible vote fodder left in a state of abject confusion and false hopes."

Dealing out deception to better build their position in the capitalist order has evidently become a habit.

In 1975 Matgamna's followers (then Workers' Fight) were able to resist the temptation to fall into either of the camps of capitalism arguing for a "Yes" or "No" vote in a referendum on British membership of the Common Market (now EU). They argued for abstention and saw it as a badge of honour, issuing material with Slogans such as *"Bosses' market, Bosses' Britain, No choice! Don't Vote!"* and *"In or out the fight goes on"*. Indeed, at a large demonstration of leftist anti-Common Marketers (political ancestors of the 2016 Lexiters) they issued a leaflet explaining *"Why we are not marching"* and their arguments for abstention.

40 years on, now firmly encamped in the left wing of the Remain camp, they offer no justification for their 1975 position or explanation of their subsequent position. In their own selective history, published in 2009,¹³ they simply make no mention of the episode. Stretching generosity to its limits, perhaps a case could be made that it was overlooked as in 2009 the bourgeois arguments about UK membership of the EU was "on the back burner". To try and apply such an argument in 2018 is beyond credibility, so instead of ignoring his own history, Matgamna brings out the airbrush.

Published in September of this year,¹⁴ Matgamna wrote a history of "the life and times" of the AWL and its predecessors as part of an introduction to the republication of writings by Max Shachtman. In that history, Matgamna devotes more than a page (pp 35-6) to "The left and the EU in the 1970s". He deliberately misleads his readers in a way that echoes the most mendacious Stalinist lie mongers. The key paragraph is *"There were two possible left and socialist responses. To accept the progress made in its own way and with its own limitations by the bourgeoisie and to build working-class unity across Europe inside the EU, aiming to fully democratise and transform the bureaucracy clogged EU. Or to advocate "Brexit", on the plea of those bourgeois limitations but for varying, not always respect-worthy, "real" reasons"*.

In fact, since 2016 those committed to proletarian revolution have had to consistently explain the option to refuse to be drawn into the camps supporting either of the "two possible responses". By whatever quirk of political development the 1975 Matgamna was able to advocate the abstentionist "third camp". Not so the

2016-18 version! Sucked into the whirlpool of the politics of left-wing capitalism, Matgamna projects backwards so that in his imagined past only today's capitalist choices were available. The reality that he once advocated independence from the bourgeoisie, even in a situation of an **electoral exercise**, is a guilty secret to be hidden from the current generation of Labour Movement activists. No explanation, no justification, pure denial and deceit.

Towards a revolutionary Party No more Labouring in Vain

Communists will not be part of exercises in deceit. A more left Labour Party, with Corbyn as its leader or not, is not a new alternative but just a return to the same old programme of the past. For the present, we will continue to explain that there is no quick fix to capitalist exploitation and austerity. On the contrary, the road to a better future lies through the working class rediscovering its confidence and combativity. This can only be achieved when workers on the ground actively shape and expand their own resistance to the thousand and one attacks which amount to a historical reversal and decline in living standards as the crisis of capitalism grinds on, whichever party is in government. This is qualitatively different from the headless chicken activism for activism's sake or the short-term perspective of "getting the Tories out".

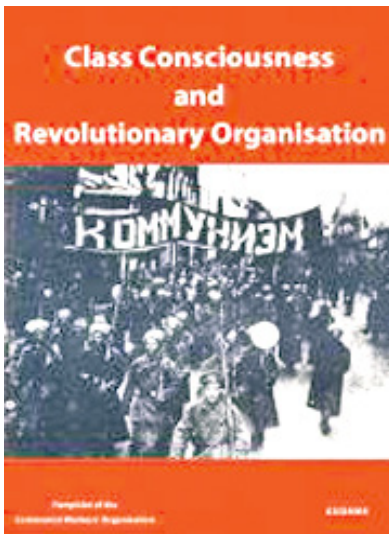
There is a way for would-be revolutionary militants to help build up workers' resistance to capitalism. It lies, not in promoting a particular personality or faction inside any of the established parties, but in helping to promote the long-term movement of resistance to capitalism and ultimately an international political organisation of the world working class. The CWO and our comrades in the Internationalist Communist Tendency are organised to maintain and spread that theory and practice. We invite all those who share our understanding to discuss with us and join in the struggle for a truly human, classless and stateless future. The AWL and other leftists represent one of the barriers to that perspective.

Ergosum
December 2018

Notes

1. <http://archive.workersliberty.org/publications/wwaawwmb/index.htm>
2. The Third camp was a group of left wing writers (largely based in USA) and their followers who broke away from certain positions of the "official" Trotskyists during the 1940s and 1950s. Two of the most prominent figures were Max Shachtman (1904-72) and Hal Draper (1940-90). Shachtman developed a theory that the degeneration of the Soviet Union had resulted in the creation of a new form of class society, "bureaucratic

- collectivism". In common with other Trotskyist splinters such as those around CLR James, Raya Dunayavskaya and Tony Cliff, the Third Camp did not qualitatively break with the Trotskyist method of relating to "progressive left wing" movements. We published a critique of the Third camp and its adoption by AWL in 1999. The article can now be found at <http://www.leftcom.org/en/articles/1999-03-01/the-lost-marxism-of-critical-trotskyists>
3. <https://www.workersliberty.org/socialistalliance>
 4. <https://www.workersliberty.org/socialist-green-unity-coalition>
 5. For further background on the roots of the efforts by Trotsky and his contemporary and later followers to reinsert themselves into the left wing of capitalism see CWO Pamphlet *Trotsky Trotskyism Trotskyists: From Revolution to Reformism*.
 6. The need to involve themselves with the Labour Party and bourgeois electoral politics means that the AWL's view of "independent working class politics" involves an "independence" entirely circumscribed by the need to satisfy ruling class rules. In 2010 AWL registered with the British state's Electoral Commission to allow them to stand candidates in their own name. In 2015 with the Blair/Brown leadership being replaced by Corbyn they deregistered to attempt to remove an obstacle to their followers being members of the Labour Party.
 7. <https://libcom.org/library/labouring-vain>
 8. <https://www.workersliberty.org/story/2009/05/20/unions-labour-awl-and-crisis-debate>
 9. <https://www.workersliberty.org/story/2017-07-26/dispatches-attacks-workers-liberty>
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Introduction to Bukharin's "Anarchy and Scientific Communism"

The following translation comes from *Kommunist* #2 and was written in March/April 1918. There are two existing versions on marxists.org and libcom.org but looking at the original we realised that these are incomplete. They both appear to have been translated from an Italian version which was put out as a twelve page pamphlet by the Communist Party of Italy in the early 1920s. It seems that some of the more difficult Italian passages were avoided in that translation¹. As previously, our translation is taken from *La Revue Kommuniste* (Smolny Press) which was based on the Russian original.

The article is itself a polemic and thus suffers all the weaknesses of that form of argument. In fact it is possible that this rather labored piece against the anarchists is as much motivated by Bukharin's desire to distance himself from them since they, together with the Left Socialist Revolutionaries, had shared the left communist critique of the Treaty of Brest-Litovsk.²

Nevertheless, the document is interesting in itself as it reflects a turning point, not only in the Russian Revolution, but also in the thinking of Bukharin himself. This introduction puts those issues into historical context.

In the first paragraph of the article Bukharin hints at the "liquidation" of certain Muscovite groups. In the third part he expands on this.

We have CONSCIOUSLY made a point not to criticize anarchists as criminals, bandits ... But ... we can understand why it is mainly anarchist groups that degrade themselves by carrying out their "expropriation", why the underworld "creeps in" among anarchists. Everywhere and always there are elements that use the revolution for their own personal benefit.

What is this all about? During 1917 many anarchists had worked alongside Bolsheviks in the struggle to establish soviet power. Indeed many anarchists regarded Lenin's *April Theses* as his adoption of key anarchist ideas³. In June 1917, when the Provisional Government tried to shut down the anarchist communal base in the Durnovo Villa in Petrograd, Bolshevik workers from the nearby Vyborg Side were amongst those who came to their assistance. Alongside the Left Socialist Revolutionaries, who actually joined the Bolsheviks in government from December 1917 to June 1918, the majority of anarchists formed the minor party in an uneasy and undeclared coalition to fight for soviet power.

Many anarchists thus supported the October Revolution even though they were deeply critical of the fact that the Provisional Government was replaced, not by the Executive Committee elected by the Second All-Russian Soviet Congress, but by a new Council of People's Commissars (Sovnarkom). Sovnarkom was nominally responsible to the Soviet Executive but, in practice, the latter had less and less control of affairs as time went on. Various anarchists recalled that Bakunin and Kropotkin had warned that the "dictatorship of the proletariat" would really be a dictatorship of the Social Democratic Party and the Bolsheviks were only the most radical version of Social Democracy.

They might have been re-assured had they read Lenin's *State and Revolution* in which he talked of a "semi-state" that would only exist until the capitalist class was overcome. However, as that would not be published until the middle of 1918, by which time soviet reality was already beginning to contrast with Lenin's theory, they could only judge by events.

Up until March 1918 the worst fears of the anarchists were not realised. The revolution was undergoing what one Left Communist of the time called its "*heroic period*". Not only did the number of Soviets increase but a whole raft of social and economic changes were implemented. The Bolsheviks, by virtue of their massive support in the working class, may have stood at the apex of the system but the revolution had plenty of life of its own with communes, cooperative and committees being formed ad hoc to deal with all the social issues confronting the working class⁴. The Bolsheviks had led the overthrow of the Provisional Government as the first step in what they hoped would be a world revolution. They had no master plan for how the working class would change society inside Russia⁵. At this point Lenin could be seen as the leader of the left inside the Bolshevik Party. He constantly encouraged worker initiative.

*Creative activity at the grassroots is the basic factor of the new public life. Let the workers' control at their factories. Let them supply the villages with manufactures in exchange for grain... Socialism cannot be decreed from above. Its spirit rejects the mechanical bureaucratic approach: living creative socialism is the product of the masses themselves.*⁶

Whilst addressing the Third Congress of Soviets in January 1918 (a few days after the dissolution of the Constituent Assembly) he stated,

*Anarchist ideas now assume living forms in this epoch of the radical demolition of bourgeois society. However it is still necessary, first of all, in order to overthrow bourgeois society, to establish the strong revolutionary power of the toiling classes, the power of the revolutionary State ... The new tendencies of anarchism are definitely on the side of the Soviets.*⁷

So what is behind Bukharin's polemic? As a careful study of the article shows, it was written at a time of acute tension between some in the anarchist camp and the Bolshevik Party. We have to remember that *Kommunist* was the brainchild of the Moscow Bolsheviks and it was there that the Cheka had just engaged in a gun battle with the Moscow anarchists on account of the "expropriations" that the latter had been carrying out since the October Revolution.

A historian of anarchism, Paul Avrich, fills in the background:

During the spring of 1918, local anarchist groups began to form armed detachments of Black Guards which sometimes carried out "expropriations", that is, held up banks, shops and private homes. Most of their comrades – especially the 'Soviet Anarchists' – condemned such acts as parodies of the libertarian ideal, which wasted precious lives, demoralized the movement's true adherents and discredited anarchism in the eyes of the general public.

After the bitter opposition of the anarchists to the treaty of Brest-Litovsk, their formation of armed guards and occasional underworld excursions led the Bolsheviks to act against them. On the night of 11-12 April 1918, the Cheka raided twenty-six anarchist centres in Moscow, killing or wounding some forty anarchists and taking more than five hundred prisoners.⁸

The presence of a criminal element, who were simply engaging in self-aggrandisement under the cover of anarchism, obviously played into the hands of the Cheka. The raids on anarchist premises could clearly be justified as mere police actions although, since the anarchists were also well armed (their arms included machine guns), over 50 died in the fighting (about 40 of them anarchists). Despite the bloodshed, many of the 500 arrested who could demonstrate they really were "political" anarchists, were released, and only the criminal elements detained. After this episode anarchist publications were still allowed to appear but were increasingly harassed and even "soviet anarchists" (those who accepted soviet power and worked within the soviets to turn them to anarchist ideas) like Iuda Roshchin, were sometimes arrested. The response to the April events came first as denunciations in the anarchist press that:

We have reached the limit! The Bolsheviks have lost their senses. They have betrayed the proletariat and attacked the anarchists. They have joined the Black Hundred generals and the counter-revolutionary bourgeoisie. They have declared war on revolutionary anarchism.⁹

This was followed by more violence on the anarchist side. Avrich again tells us

The campaign of terrorism continued for many months, reaching a climax in September 1919 when a group of "underground anarchists", in league with the

Left SRs, bombed the Moscow headquarters of the Communist Party, killing or wounding sixty-seven people. This only led to greater repression ...¹⁰

Despite all this, despite the actions of the Cheka in April 1918, many anarchists carried on fighting for the soviet system (as Bukharin recognises but only in a back-handed way as evidence of their “inconsistency”!) and fought bravely for it in the civil war. Others did not. Many later gathered around Nestor Makhno’s army in the Ukraine. The latter often fought alongside the Reds but when victory over the Whites was secured in 1920 the Bolsheviks (as Makhno had anticipated) turned on their erstwhile ally and drove him into exile. This was not simply an error. It demonstrated just how far the revolution and the Bolshevik Party had degenerated during the civil war.

Bukharin’s powerful polemic on the class basis of the individualist anarchists and their criminal cohorts is well made. However, his marking of all anarchists with the same label was reminiscent of his own complaint at the beginning of the article that anarchists accuse all Marxists of being statist on the basis of what various Social Democrats have done to “radically disfigure” Marx’s ideas. As Avrich tells us, there were many different kinds of anarchist in Russia in 1917-21. He identifies three broad groups, the anarcho-syndicalists, the anarcho-communists and the individualistic anarchists who looked to the theories of Max Stirner (we’ll leave aside the Christian-pacifist followers of Tolstoy). It was the individualist anarchists who were most susceptible to infiltration by criminal and lumpen elements and it is really these who Bukharin is largely inveighing against at the beginning of the article and in section 3.

Bukharin’s indignation against those Social Democrats who deformed Marx is also understandable. It was people like himself (such as Anton Pannekoek in a polemic against Kautsky)¹¹ who had first raised the issue of what the Marxist theory of the state was, both before and during the First World War. Indeed in his *“Toward a Theory of the Imperialist State”* he had already written (but in much more scientific and vastly superior form) the main outline of the polemic we have translated here.

Thus, the society of the future is a society without a state organization. Despite what many people say, the difference between Marxists and anarchists is not that the Marxists are statist whereas the anarchists are anti-statist. The real difference in views of the future structure is that the socialists see a social economy resulting from the tendencies of concentration and centralization, the inevitable companions of development of the productive forces, whereas the economic utopia of the decentralist-anarchists carries us back to pre-capitalist forms. The socialists expect the economy to become centralized and technologically perfected; the anarchists would make any economic progress whatever impossible. The form of state power is retained only in the transitional moment of

*the dictatorship of the proletariat, a form of class domination in which the ruling class is the proletariat. With the disappearance of the proletarian dictatorship, the final form of the state's existence disappears as well.*¹²

He wrote this in 1916 but Lenin (who was then still in the process of escaping from the Kautsky version of Marxism) refused to publish it as he regarded the treatment of the state as “decidedly incorrect”.¹³ However he was soon doing his own research into the question of the state and making notes for what would become *The State and Revolution*. When Bukharin arrived back in Russia in May 1917 Lenin’s wife, Nadezhda Krupskaya, greeted him with the words “V.I. asked me to tell you that he no longer disagrees with you on the question of the state”.¹⁴ In fact Lenin went further in *The State and Revolution* to talk of the dictatorship of the proletariat as a “semi-state” or “not a state in the true sense of the word”.

However, taking back on board Marx’s recognition of the need for the state to “wither away” still leaves us with the issue of how to organise production in the new society. This Bukharin identifies as the real distinction between “anarchy” and “scientific communism”. His intentions here are good. He wants to reduce “necessary working time” and thus in the conditions of 1918 he argues that “large scale organized and planned production” is necessary. He sees the alternative to “centralization” as a reactionary desire to return to a pre-capitalist, petty bourgeois form of production which could not satisfy the needs of the whole of society. However, he does not spell out what “centralization” of production means. Looked at from the standpoint of today it has a Fordist ring to it – which stands in sharp contrast to the writings of other Left Communists in *Kommunist*, like Ossinsky who defended workers’ initiative against one-man management and the reintroduction of specialists.¹⁵

When you add to this Bukharin’s stress on the need for “a workers’ state” (in this article he never once equates the dictatorship of the proletariat specifically with the soviets) we can see that we have arrived at a critical point in both Bukharin’s political thinking and in the revolution itself. The motivation behind this change of thinking is divulged in the document.

The Russian economy in general, industry and agriculture, is deteriorating and disintegrating terribly. The cause of these terrible difficulties is not only the immediate destruction of productive forces, but also the colossal disorganization of the entire economic system.

In fact it is difficult to overestimate the economic crisis in Russia in the late spring of 1918. The collapse of war production led to mass unemployment. This, combined with continued grain shortages inherited from the Provisional Government, meant hundreds of thousands of workers were forced to abandon

the cities in search of food. To address this Bukharin argues:

This is why, more than ever, workers must be concerned about the inventory and strict control of all means of production, expropriated houses, requisitioned consumer products, and so on. Such control is possible only when expropriation is exercised by the organs of workers' power and not by individuals and private groups.

As a critique of anarchist individualism Bukharin's point is correct but it just so happened that it was precisely at this point that the "organs of workers power" were beginning to lose their independent character. The civil war, which would erupt within a few weeks of the publication of this article, was to see the rise of state organs, like the Red Army and the Cheka, outside the control of the class-wide bodies. And the link which held it all together was the Bolshevik Party which increasingly looked to itself rather than the class as whole to establish "the dictatorship of the proletariat".

Bukharin was to epitomize this decline in his own writings. Once the civil war started he, and others like Radek, abandoned their Left Communism and even accepted that their former attacks on the Treaty of Brest-Litovsk had been wrong.

His 1919 work on the *ABC of Communism* (written with E. Preobrazhensky) is more aspiration than an accurate depiction of the reality of Russia at the time. It contains positive ideas about workers' running society and interesting debating points about the transition from capitalism to communism, including the idea that:

Two or three generations of persons will have to grow up under the new conditions before the need will pass for laws and punishments and for the use of repression by the workers' state.

This already suggests that the withering away of the "workers state" would be postponed to the indefinite future.

And by 1920 in his *Economics of the Transition Period* he accepted the reality that the militarization of labor was part of the process of building the "workers' state". Whilst it was true that the "imperialist war" – as he correctly designated the fight against the Whites who were backed at various times by different Western states – forced the Bolsheviks to take a path they might not have otherwise taken, Bukharin here does not decry this as a necessary evil but instead makes a virtue of necessity. And at this point he makes no mention of the fact that the Bolshevik Party and not the class-wide organs have come to dominate every aspect of life. It would be left to others amongst the left communists to continue the fight for real soviet power but in the face of the continuing international isolation of the Russian working class it was to be a losing battle.

Anarchy and Scientific Communism

IF DISORGANISATION OF PRODUCTION and the decomposition of a genuine proletarian mentality give rise to a deviation such as a dissolution of proletarian demands into general aspirations of "the people", meaning mainly peasants, and if these same conditions render the proletariat lumpen and whole groups of industrial workers into declassed "individuals" not connected with the proletariat as a whole through relations of work and common mass struggle – all of this creates fertile ground for the anarchist state of mind. Some high-sounding interventions by anarchists and bourgeois newspapers in their furor (see the young newspaper *Vperyod*)¹⁶ around the famous liquidation of known Muscovite groups (such as *The Trumpet*, *Hurricane*, etc., whose names are all the more poetic as their "politics" is not), lead us to draw the line between Marx's scientific communism and anarchist theories. This is all the more necessary as the social democrats have radically disfigured and "trivialized" Marx's ideas; they betrayed them to make them bourgeois, just as they betrayed the proletariat in practice and failed to deal with the problem of anarchism, so that we will have to examine it in addition to the opinions of the social-traitors on anarchism to clear Marx's thought of the muck thrown there by Messieurs Plekhanov, Renner,¹⁷ Guesde¹⁸ and other advocates of the "state concept" the names of whom God only knows.

I

LET US BEGIN WITH THE "FINAL GOAL", ours and that of the anarchists. On this point, the usual position is simply that communism and socialism are favorable to maintaining the state, whereas "anarchy" abolishes it. "Statists" and "anti-statists" – this is how the vulgum profanum emphasizes "the difference" between Marxists and anarchists.

One must bear in mind that not only anarchists, but social democrats themselves have contributed to this different characterization. All the talk about the "future state", the "people's state" (*Volkstaat*) has taken a prominent place in the ideological construct of social democracy¹⁹. Some social democratic parties have always stressed their "state" character. "We are the real bearers of the idea of State" ("die wahren Träger des Staatsidee") – the Austrian Social Democrats have declared verbatim. These opinions were widespread, beyond the Austrian party; in a way, they were internationally (and still are in part because the old social democracy is not yet definitively rotten). Unfortunately, this "state wisdom" has nothing to do with Marx's revolutionary communist ideas.

Scientific communism considers the state as the organization of the ruling

classes, an instrument of oppression and violence. It is only natural that it cannot then speak of a future state. In this future, there will be no classes, no class oppression, therefore no instrument of this oppression and no state power. The "classless state" in which the social democrats are getting lost is a contradiction in itself, an absurdity, baloney, "dry water".²⁰ And the fact that the ideological seepage from this "dry water" constitutes the intellectual nectar of social democracy is by no means the fault of the great revolutionaries Marx and Engels.

Communist society is stateless. But if true – and most certainly it is – what really is the difference between anarchists and Marxist communists? Does this difference no longer exist, at least on the question of the future society and the "ultimate goal"?

Of course it exists, but is altogether different. It can be briefly defined as the difference between large centralized production and small decentralized production.

We communists on the other hand believe that the future society must not only rid us of the exploitation of man by man, but also allow man more independence from nature by reducing "necessary working time" and maximizing socialized productive forces and the productivity of socialized labor. That is why our ideal is large-scale centralized, organized and planned production, tending towards the organization of the entire world economy. Anarchists, on the other hand, prefer a wholly different type of organization: their ideal is small communes – unsuited to large-scale production by the very nature of their structure – which conclude "agreements" between themselves and are connected in a network of voluntary contractual relationships. Clearly such a production scheme is reactionary from an economic standpoint. It will not and cannot give space to the development of productive forces; from an economic standpoint, it is more like the communes of the Middle Ages than the society that will replace capitalism. This scheme is not only reactionary but utopian par excellence. Future society will not be born of "nothing", will not be delivered from the sky by a stork. It grows within the old world and the relationships created by the giant machinery of financial capital. It is clear that the future development of productive forces (any future society is only viable and possible if it develops the productive forces of the already outdated society) can only be achieved by continuing the tendency towards the centralization of the production process, and the improved organization of the "direction of things" replacing the former "direction of men".

But anarchists will reply that the essence of the state is precisely centralization; *"By maintaining centralization of production, you will thus maintain the state apparatus, its power, violence"*, and *"authoritarian relations"*. This fallacious argument is based on a purely childish and unscientific notion of the state. As with capital, the state is not "a thing", but a relationship between

individuals – between classes to be more precise. It is a relationship of class, domination and oppression – that’s the essence of the state. Otherwise the state does not exist. To consider centralization as the characteristic and main feature of the state is like considering capital as a means of production. The means of production becomes capital only when monopolized by one class and used for the wage exploitation of another, i.e. when these means of production express the social relations of class oppression and class economic exploitation. On the other hand, they are a good thing in themselves – the instrument of man’s struggle against nature. That is why they will not disappear in future society and will have a deserved a place there.

There was a period in the history of the working class when the latter did not know how to distinguish between the machine as a means of production and the machine as a means of oppression. Back then, the worker did not seek to abolish private ownership of machines, but sought to destroy the machines themselves, to return to primitive manual devices.²¹

So it is for “conscious” anarchists with regard to centralization of production. They see that in capitalist society this centralization serves as an instrument of oppression, and naively protest against centralization in general, in childish confusion between the essence of the question with its social and historical envelope.

So as far as the future society is concerned, the differences between us, communists and anarchists, is not whether we are for or against the State, but that we are for centralized production towards the maximum development of productive forces, while they are for small decentralized production that, rather than develop the level of productive forces, reduces it.

II

THE SECOND MAIN DISTINCTION between communists and anarchists is in their attitude towards the dictatorship of the proletariat. Between capitalism and “future society” lies a whole period of class struggle, of fending off the attacks of a battered, but still insurgent, bourgeoisie on the class. Experience of the October Revolution shows that the bourgeoisie, though “beaten to the ground”, still retains the remnants of its forces for the struggle, armed or not, against the workers, and that it all ultimately depends on international reaction – as permanent victory will only be possible when the proletariat clears all the capitalist muck and “eventually stifles” the bourgeoisie everywhere.

It is natural therefore that the proletariat needs an organization to lead this struggle. The wider, stronger and firmer this organization is, the swifter the final victory. This provisional organization is the proletarian State, the power of the

workers, their dictatorship.

Like all power, proletarian power participates in the organization of violence. Like any state, the proletarian state is an instrument of oppression. But the problem of violence must not be raised in such a formal way. That would be the standpoint of a good Christian, a Tolstoyan, not a revolutionary. The problem of violence can be solved in a positive or negative sense, depending on who the violence is used against. Revolution and counter-revolution are also acts of violence. But it would be absurd to renounce the revolution for that reason.

Likewise, there is the problem of the dictatorship of the proletariat. This power is an instrument of oppression, but directed against the bourgeoisie. It provides for a system of repression directed essentially against the bourgeoisie. In the class struggle, at times of extreme tensions in the civil war, we must not speak of individual freedoms, but about the need to put an end to the various exploiting classes.

We have two choices: either the proletariat finishes off the defeated bourgeoisie and defends itself against its international allies, or it doesn't. If it does, it must do so in an organized and coherent way, by spreading its struggle wherever its forces are able. And, in this case, it needs an organized power, whatever the cost. This power is the power of the proletarian state.

Class differences cannot be crossed out with a stroke of a pen. The bourgeoisie does not disappear as a class after losing political power. The proletariat itself remains as such after its victory. But it became the ruling class. Should it persist as such, or dissolve immediately into the surrounding enemy mass? This is how the question is historically posed. And there are no two answers. There is only one: the proletariat as the motor-force of the revolution must absolutely remain master of the situation until it transforms the other classes through its example. Then, and only then, will the proletariat dissolve its state organization and the state "die".

With regard to this transitional period, the anarchists have another viewpoint and here our divergence is confirmed: for or against the proletarian commune-state, for or against the dictatorship of the proletariat.

Any power, whatever the circumstances, is unacceptable to anarchists because it oppresses. For this reason, workers' power is unacceptable to them in that it oppresses the bourgeoisie. Thus, at this phase of the revolution, anarchists thunder against proletarian power in unison with the bourgeoisie and the conciliating parties. In protesting against workers' power, anarchists are no longer "left", no longer "extreme" as they usually claim. They are just bad

revolutionaries, since they do not want to declare organized, consistent and mass war against the bourgeoisie. By renouncing the dictatorship of the proletariat, they abandon the strongest instrument of the struggle; by opposing the dictatorship, they disorganize the forces of the proletariat and by lowering the rifle of the proletariat, they objectively help the bourgeoisie and its social-traitors.

It is not hard to follow the general idea expressed in the anarchist position on the future society and on the dictatorship of the proletariat. It is their aversion in principle to organized, coherent and mass methods of action.

In our situation, the way anarchists ask the question is extremely dangerous. A coherent anarchist must oppose Soviet power and aspire to destroy it. However, given the obvious absurdity of this point of view for workers and peasants, few dare to draw this conclusion from their own premises; some anarchists sit well in the highest legislative and executive body of state power of the proletariat, and therefore of the Central Executive Committee of the Soviets. This is an obvious inconsistency and the renunciation of a pure anarchist position. And yet of course, the anarchist must not overly appreciate the soviets and at best only "use" them while always being ready to disorganize them. Quite naturally then, we should expect here an extremely strong practical divergence because at present we see our main task in the enlargement, strengthening and organization of the power of mass proletarian unions (the councils of workers' deputies) while the anarchists must consciously hinder this construction.

Similarly, our paths strongly diverge in the field of economic practice in the era of the dictatorship of the proletariat. The main condition for the economic elimination of capitalism is not to allow "the expropriation of the expropriators" to degenerate into sharing, even into egalitarian sharing. Any sharing gives rise to small landowners, and from small property flows great capitalist property. This is why sharing the wealth of the rich leads inevitably and once again to the formation of the same class of "rich" people. The task of the working class is not petty-bourgeois and lumpen-proletarian sharing, but the social and fraternal, coherent and organized use of the expropriated means of production.²²

However, this is only possible if the very act of expropriation is exercised in an organized manner, under the control of the workers' institutions. Otherwise "expropriation" takes on an overtly disorganizing character and easily degenerates into mere "appropriation" by individuals of socialized property.

The Russian economy in general, industry and agriculture, is deteriorating and disintegrating terribly. The cause of these terrible difficulties is not only the immediate destruction of productive forces, but also the colossal disorganization of the entire economic system. This is why, more than ever, workers

must be concerned about the inventory and strict control of all means of production, expropriated houses, requisitioned consumer products, and so on. Such control is possible only when expropriation is exercised by the organs of workers' power and not by individuals and private groups.

III

We have CONSCIOUSLY made a point not to criticize anarchists as criminals, bandits, etc. For the workers, it is important to understand the dangerous aspects of their theory that give rise to such an equally dangerous practice.

The argument should not be centered on a superficial polemic. But after what we said above, we can understand why it is mainly anarchist groups that degrade themselves by carrying out their "expropriation", why the underworld "creeps in" among anarchists. Everywhere and always there are elements that use the revolution for their own personal benefit. But it is more difficult to "fish in troubled waters" where the expropriation of expropriators is put under control of mass organizations.

On the other hand, the refusal in principle of organized mass actions to favour "demonstrations" of "free", "self-determined", "autonomous" and "independent" groups, serves as a perfect cover for such "expropriations" which are not distinguished from the exploits of underworld heroes.

The dangerous aspect of expropriations, individual requisitions, etc. is that not only do such acts prevent the construction of a coherent apparatus of production, distribution and leadership, but they also demoralize and disorganize those who commit them and divert them from a common and fraternal cause, from the constitution of a collective will, and replace them with the arbitrariness of an isolated group or even of a "free individual".

Workers revolution has two sides: destructive and constructive. The destructive side is expressed primarily by the disappearance of the bourgeois state, although social democratic opportunists claim that the proletariat's conquest of power does not mean the destruction of the capitalist state at all. But such a "conquest" exists only in the minds of these individuals. In reality, the workers' conquest of power is exercised through the destruction of the power of the bourgeoisie.

And in this destruction of the bourgeois state, anarchists can play a positive role. But they are absolutely incapable of building a "new world". Also, after the conquest of power by the proletariat, when the construction of socialism becomes the most important cause, they play an almost negative role in obstructing its construction with their wild and disorganizing diatribes.

History

Communism and the communist revolution are the proletarian cause of the productive class united by the mechanism of great production. All other poor strata can act as agents of the communist revolution as long as they follow the proletariat.

Anarchism is not the ideology of the proletariat, but that of declassed, unproductive groups, uprooted from all productive work, from the lumpen-proletariat recruited from the proletariat, of ruined petty bourgeois, declassed intellectuals, peasants fallen into ruin, in a word, beggars who cannot and are no longer even able to create something new, to produce new value and who are only able to consume the objects stolen during the "requisitions" – that's the social base of anarchism. Anarchism is the product of the decomposition of capitalist society. The characteristic feature of this decomposition is the disintegration of social relations, the transformation of the former members of certain classes into atomized "individuals", independent of all existing classes "by themselves", not working for or obeying any organization in the name of their own existence – human dust generated by the barbarism of capital.

This is why a healthy working class cannot be poisoned by anarchism. Only under conditions of the decomposition of the working class, itself, does anarchism appear at one of its poles as a symptom of the disease. The working class must struggle not only against its economic decomposition, but also against its ideological decomposition of which anarchism is the product.

N. Bukharin

Notes

1. The English translation was then published by a South African anarcho-sindicalist organisation, Zabalaza. As we have been unable to find a copy of the Italian (as the re-edition of it in 2009 alongside a criticism by the anarcho-communist Luigi Fabbri is now out of print) we don't know if the cuts were made in the Italian or in the English translations. That version can be found at <http://libcom.org/library/anarchy-scientific-communism>
2. As Bukharin had done with the Left SRs in his attack on Trutovsky in *Kommunist* #1. See <http://www.leftcom.org/en/articles/2018-09-27/two-articles-from-kommunist-april-1918>
3. Paul Avrich, *Anarchists in the Russian Revolution* (New York 1973) p.14.
4. See, for example, R. Stites, *Revolutionary Dreams* OUP 1989.
5. And contrary to various ignorant anarchist analyses Bolshevik thinking was not affected by *What is to be Done*, a document last referred to in 1907 by Lenin as "belonging to a now past epoch". See Lars T. Lih *Lenin Rediscovered* (p.32) for the origins of this slander in bourgeois historiography. According to Lih Bukharin (who was much younger than Lenin) never referred to the document once despite the fact he was given the task of summing up Bolshevik thinking in such works as *The ABC of Communism*.
6. V.I. Lenin, *Collected Works Vol. 26* p.288.
7. This speech is in V. I. Lenin, *Collected Works Volume 26* p. 475 but the better translation here is by Peter Sedgwick in V. Serge, *Year One of the Russian Revolution* p.197.

8. From *The Anarchists in the Russian Revolution* (New York 1973) p.112.
9. *Burevestnik [Hurricane]* (Petrograd 13 April 1918, quoted in P. Avrich, *The Anarchists in the Russian Revolution* (New York 1973) p.113.
10. From *The Anarchists in the Russian Revolution* (New York 1973) p. 114. One of those severely wounded was Bukharin himself.
11. In *Marxist Theory and Revolutionary Tactics* (1912) <https://www.marxists.org/archive/pannekoef/1912/tactics.htm>
12. <https://www.marxists.org/archive/bukharin/works/1915/state.htm>.
13. Stephen F. Cohen, *Bukharin and the Bolshevik Revolution* p.39.
14. The information is in an appendix to *Toward a Theory of the Imperialist State* (footnote 8 above).
15. <http://www.leftcom.org/en/articles/2017-09-08/n-ossinsky%E2%80%99s-critique-of-state-capitalism-in-russia>
16. *Vyperod (Forward)* was actually a Menshevik newspaper at this point.
17. Karl RENNEN (1879-1950): Austrian social democrat, member of the SDAP (Sozialdemokratische Arbeiterpartei) since 1896, he was elected deputy in 1907 and remained very much on the right in the social democracy before 1914. After the collapse of the Austrian Empire, he became chancellor (1918-1920) and then a member of parliament, eventually holding the presidency (1931-1933). After the defeat of the Nazis, he was elected President of the Republic of Austria.
18. Jules GUESDE (1845-1922): French socialist, founder of the Workers' Party in 1882, he joined the ranks of the Sacred Union in support of the imperialist war in 1914.
19. This idea of a "people's state" or "free state", particularly supported by the Lasalleans, is reflected in the programme adopted at the Gotha Unification Congress between the SDAP (Sozialdemokratische Arbeiterpartei) and the ADAV (Allgemeiner Deutscher Arbeiterverein) in 1875. Marx refutes this notion in his *Critique of the Gotha Program* (1875).
20. Idiomatic expression to show the absurdity of something. (Editor's note)
21. This a reference to the Luddite movement which was a revolt of artisanal workers against mechanisation but Bukharin could have made this point better. Such mechanisation reduced the wages of those workers by at least 75% thus giving them a profound material reason for resisting mechanisation and the prospect of entering the factory to be at the beck and call of an overseer was equally daunting. Under capitalism mechanisation is always at the expense of the workers in some way or another (unemployment, increased exploitation etc). Only under a mode of production where production is for need and not profit can new technology be part of the process of setting humanity free from drudgery.

About Us

The Communist Workers' Organisation is part of the Internationalist Communist Tendency which was inspired by the Internationalist Communist Party (*Battaglia Comunista*). Formed during the Second World War in 1943, the PCInt. condemned both sides as imperialist. Its roots go back to the Italian Communist Left which had fought the degeneration of the Communist International and the Stalinisation imposed on all its member parties. Today there are ICT affiliates in several countries.

We are internationalists. We believe that the interests of the exploited are the same all over the world, and that communism cannot be achieved in one country, a myth peddled by Stalinism. Stalinism was never communism but a particular form of capitalism, state capitalism. After 1917 the economic blockade of the Soviet Union and the failure of the world revolution in the West meant that the revolution was transformed into its opposite, eventually becoming an imperialist bloc that would collapse after only seventy years. We are opposed to all (Trotskyists, Maoists) claims that state capitalism in whatever form is socialism.

We aim to be a political reference point for the working class, first of all for those who are tired of the unions, all unions. This does not mean giving up on the fight to defend immediate interests (wages, hours, work rates, etc.). But the unions are now a tool to control the class struggle and manage the labour force on behalf of capital. Today, any 'self-organised struggle', has to go outside of and against the unions. However, rank and file unions are a blunt instrument for workers. Even when they win a particular battle if they settle into a permanent existence they must accept the legal and economic framework imposed by the state. Any attempt to maintain a permanent body to defend workers' immediate economic interests will fail.



The only permanent body the working class can establish today is the political organisation, which is not only possible but essential. The starting point for this must be recognising that the general interest of the class lies in getting rid of capitalism. This is only possible through a revolution, i.e. the overthrow of the existing state and establishment of a new form of political power by the proletariat. The road to revolution does not mean the futile attempt to win control of the existing state via elections to parliaments or local governments which are means for the capitalist class to exercise its rule. History has shown us that the forum of our "democracy", the bodies

of power of the revolution, will be the workers' councils, (or soviets) – mass meetings in which delegates will be entrusted with specific mandates and will be recallable at any time. But these potentially revolutionary organisations will be undermined by capitalist forces from within if they do not have a clear programme aimed at the abolition of exploitation and, therefore, the elimination of classes, for a society of “freely associated producers” who work together to directly meet human needs.

The programme is not the creation of any single theorist or one organisation. It is the outcome of the key lessons learned from past and present struggles and as such defines the practical way forward for the working class as a whole. Without a clear political compass the working class movement will be prey to all kinds of capitalist tricks and illusions. Thus political clarification and reorganisation today are vital for a revolutionary party to come into being which is in a position to win over the working class to the revolutionary programme. This is not a party of government that would replace the class and its class-wide organs of power, but a party of agitation and political guidance on the basis of that programme.

We are for the party, but we are not that party or its only embryo. Our task is to participate in its construction, trying to link immediate demands to the historical programme; communism.

Join us! Support the Internationalist Communist Tendency

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The Internationalist Communist Tendency

Britain

The Communist Workers' Organisation which produces *Revolutionary Perspectives* (a six monthly magazine) and *Aurora* (an agitational paper)

BM CWO, London WC1N 3XX

Italy

Il Partito Comunista Internazionalista

which produces *Battaglia Comunista* (a monthly paper) and *Prometeo* (a quarterly theoretical journal)

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IWG, P.O . Box 14485, Madison, WI 53708

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