

The Leninist

Communist Theoretical Journal — Without revolutionary theory there can be no revolutionary movement



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The **Leninist**

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EDITORIAL STATEMENT

After the Congress

The 37th Congress recently held in the Camden Centre is an opportunity to look more closely at the situation within our Party, especially since it is facing the worst threat to its existence since its foundation. To put it simply, the Party is in crisis. Many comrades in the pre-congress debate and in the Congress itself presented the most apparent problems, namely the declining membership and falling readership of the *Morning Star*, as the essence of the Party's crisis, and thus proposed solutions to reverse both these trends as the main priority. Certain comrades on the left of the Party also pointed to the rampant opportunism of all types, which now dominates the Party, but linked this *directly* to the Party's decline. *The Leninist* considers these views inaccurate, which only help to distract attention from the real crisis and the task of Leninists in the Party.

Opportunism by definition, is the pursuit of short term or sectional interests within the labour movement, to the detriment of the general revolutionary tasks of the working class as a whole; consequently, opportunism is able to recruit mass support as a transitory phenomenon, being 'a more immediate and simpler solution' to grasp, than the long term revolutionary answers posed by Marxism-Leninism.

For example, the Italian Communist Party with two million members has gone much further than our own Party in dismantling its communist heritage. The plight of our opportunists in the CPGB is that a far more established and practised vehicle for opportunism is attracting the masses; the magnetism of Benn and left Social Democracy is becoming irresistible, even to many of our own comrades. It is possible, given different historical traditions, that our Party could be growing and expanding its influence, yet it would still suffer from the same inner crisis.

As the capitalist crisis develops further into a cauldron of intensifying class struggle, so opportunism breeds and multiplies in form in response to the demand by the masses for political answers. Unfortunately this is also happening inside our own Party, with a score of opportunist trends vying with each other as 'the way forward' for the Party and the 'class as a whole'. The Communist Party, which by Marxist definition is the only organisation capable of uniting the working class and other oppressed sections in the struggle for the only *real* solution, has been brought to the situation where it is anything but united itself. This is the crisis of our Party: an inability to carry out its tasks for socialist revolution, as it disintegrates into a seething mass of competing opportunist tendencies. Opportunism can never solve the capitalist crisis because it is part of that crisis; its effective role is to weaken the forces inside the working class, which strive for socialism through class struggle.

The three main ideological tendencies within the Party have different class bases, which are partly described in letters to the Pre-congress Discussion Journal. Comrade Brian Filling writes;

"Eurocommunism is a petty-bourgeois trend whose political expression is often radical, embracing the latest rebellions and fashions." He then goes on to describe what he calls 'The Opportunist' trend; "This trend, unlike their uneasy Eurocommunist allies, is well grounded in reality — that of the British working class and especially its upper stratum which is steeped in reformist ideas." (*Discussion 37* No 2 pp.10-11)

Apart from using the term 'The Opportunists' to describe a trend which is only one form of opportunism, we agree in essence with this analysis by comrade Brian Filling. Its implications are that the Communist Party is no longer confined to the political tasks of the working class vanguard, and the growth of opportunism largely reflects the pursuit of *alien sectional interests* inside the ranks of our Party.

Comrade Jeff Sawtell in his letter also describes inner-party divisions, but includes a description of the third major trend on the left of the Party;

"They do not wish to lose their identity as a working class party for transitory gains amongst middle class radicals. This is not to suggest that we can ignore any section of the people or not work amongst them but that we should not elevate them above the leading class whether they be men, women, black or white. They also wish to remain part of the international communist movement..." (*Discussion 37* No.2 p.21)

The left of the Party rests upon the militant communist tradition inside the working class vanguard and seeks to resist the changes brought about by the other two opportunist trends. As such, the left of the Party attempts to defend the ideological principles and gains of world communism. This is the only class base upon which a Communist Party can be built, and if communist organisation and ideas are to continue in Britain, then this section of the Party must re-assert itself as the *only political class force* inside our Party.

What is the balance of forces between these three tendencies? This is impossible to answer exactly, as it is in constant flux, but an indication can be gained by looking at the forces represented inside the 37th Congress. The important indices are those votes which most clearly polarised any one trend against the other two, as well as the election results to the Executive Committee published in *Comment* (December 5 1981). For example, let us look at the debate and vote on Afghanistan. The petty-bourgeois Eurocommunist trend united with the right opportunist trend, to denounce the Soviet fraternal assistance to the Afghan Revolution. The issue at stake, clearly stated by comrade Tom Durkin in his defence of the Soviet military intervention, was *Proletarian Internationalism*. All the forces represented at the Congress capable of defending this communist principle against the opportunists' attempt to ingratiate themselves with imperialism, voted for composite amendment 26. The result was 115 for and 157 against out of a total of 285 delegates. This vote of 115 i.e. 40% must be taken as the broadest definition of all forces on the left of the Party; but if we want a more consistent estimate, then the election to the EC indicated it to be closer to a hundred.

Comrades who openly stood on the left, and for one reason or another, gained maximum votes from the left, were Dan Thea (101), Mary Davis (97) and Tom Durkin (87). On evidence from non-voting for candidates on the recommended list, the Eurocommunists Martin Jacques and Pete Carter received 185 and 186 respectively, again leaving a hundred votes for the consistent left.

Estimates for the 'purely' Eurocommunist vote are more difficult, as this trend united with the other main opportunist trend on all major issues; even their differences over the *Morning Star* Resolution were papered over with compromised support by the leadership for composite amendment 31A. Most

of the Eurocommunist candidates for the EC were on the recommended list; but if there was one candidate who would gather all Eurocommunist votes without official support, it must be Monty Johnstone with 53. This is also confirmed if we take candidates to the EC, who received support from both the right opportunist leadership and the left, due to their high standing in the broad labour movement. Both Kevin Halpin and Tess Gill gained the highest vote of 232, leaving 53 delegates who didn't vote for them; it is impossible to say whether this represented a hard negative vote, but these 53 were more likely to represent the Eurocommunist trend than any other.

The remaining 135 delegates (minus the 100 left and 50 Eurocommunists), would represent support mainly for the official right opportunist leadership. Within both the right opportunist and left trends, we can further differentiate between the hard core and the softer fringes. Within the right opportunist trend, there is a mass of delegates who tend simply vote for the official recommendation. There was, however, an occasion when delegates closely associated with the right opportunist Party leadership voted against their own recommended list. Ex-National Organiser Dave Cook was manoeuvred onto the recommended list, but due to differences on the EC prior to the Congress, only received 130 votes. When compared to other Eurocommunist candidates with full backing from the leadership like Martin Jacques, it seems about 55 of the right opportunist trend consciously voted against Cook. These 55 delegates are probably an indication of the 'hard' right opportunist centre around Gordon McLennan and the Party machine.

Within the left of the Party, the main 'hard' tendency was responsible for composite amendments 10 and 11, in which it pushed for affiliation to the Labour Party and a restriction of communist candidates standing against Labour in elections. There was no count taken during these votes, but an estimate would be between 50 and 60 in favour. This tendency, which is associated with *Straight Left*, attracted votes from the rest of the left, as was shown in the EC elections, with some leading comrades receiving 60 to 80 votes; but a hard core estimate from the EC election is closer to 40.

Historically, the right opportunist and revisionist trends have been advancing at the expense of the traditional base on the left of the Party. So what are the reasons for these gains by the opportunists?

(1) Right opportunism has drawn strength by opening up the Party to opportunist influences from the labour movement as a whole. The right opportunist leadership has consciously conciliated the Party and its vanguard role with the bourgeois labour leaders in the Trade Unions and the Labour Party, for the sake of a hollow 'unity' of the working class. Consequently, the right opportunist leadership relies upon a base inside the Party, whose politics are gained more from outside the Party and most of whom have become an inactive, deadweight majority. (2) The strength of the petty-bourgeois Eurocommunist trend stems from its character as a form of opportunism which revises Marxist theory. Its base amongst petty-bourgeois academics allows it to retain the ideological initiative on all issues, and it now controls *Marxism Today* for the purpose. Increasingly, the right opportunist leadership has become dependent upon the revisionists for theoretical justification when retreating from communist principle — as is the case with Poland.

We must ask, however, why the left of the party cannot counter the numerical dominance of the opportunists, whether active or inactive, and why they are unable to take the ideological initiative from opportunism. (The first is actually related to the second). The result has been a failure to draw new revolutionary forces into the Party around the struggle for communist principles, and a failure to even unite the left of the Party on a common platform for action. These have become ever increasing problems, especially since Sid French split the

left opposition in 1977, and more so with the collapse of an important recruitment and training ground for the left inside the YCL.

The root cause of the left's dilemma is an ideological one. The majority of comrades on the left of the Party believe they can renew the Party by conciliating and forming an alliance with right opportunism against the Eurocommunist tendency; they justify this by falsely calling the right opportunists 'Pro-Party Mensheviks', thus isolating the Eurocommunists as the only real liquidationist force. What these comrades fail to see, is that liquidationism is the advanced stage of a process to which *all forms of opportunism ultimately lead*. If Gordon McLennan and the right opportunists are really trying to save the Communist Party (and not just their jobs), why do they consistently attack every principle and gain of world communism, and why do they unite with all all other opportunisms inside and outside the Party for that very purpose? By the same criteria, Santiago Carrillo and Enrico Berlinguer are also 'Pro-Party'.

The logic of our comrades overtures for conciliation with right opportunism leads them to the contradictory position expressed by comrade Jeff Sawtell;

"It is therefore the task of the 37th National Congress to take the necessary measures to stop the decline in the Party and the *Star* by recognising what it is that is holding us back and lay the basis for unity. This cannot be an artificial unity, an unprincipled cohesion. It must be based upon a recognition of differences unite (divide? Ed) us and the over-riding necessity to save the Party as an necessary component for the struggle for socialism in Britain. In that way all future disagreement and discussion will be within the bounds of comradely discussion and not the sparring of potential enemies." (*Discussion 37 No 2 p.27*)

We ask comrade Sawtell: is opportunism the enemy of Leninists or not? Does opportunism act to liquidate the Party or not? If the answers to both these questions are yes, then how does the comrade expect to have a principled unity on the basis of merely recognising differences? This is a recipe for tying the revolutionary forces inside the Party to the forces of liquidationism. Comrade Noah Tucker further develops the idea of winning the 'Pro-Party Mensheviks';

"Our leadership... should learn from mistakes, and accept that only a principled, fighting, Leninist type of Party can win the workers for socialism." (*Discussion 37 No 2 p.22*)

This not only confuses the whole nature of opportunism by reducing it down to a series of 'mistakes', but it also fails to recognise that the fight for Leninism *is the task of Leninists*. This cannot be and must not be posed as something that opportunists can carry out. Leninism and the Leninist Party are a result of the struggle *against* opportunism and not conciliation with it. We agree with comrade Brian Filling's conclusion, when he says of the opportunists;

"These two trends, both revisionist, are utterly incompatible as a guide to action. They point up different blind alleys. They will, however, unite to anathematise and exclude anyone who fights to bring our Party back into the main current of the International Communist Movement. Good at little else they have so far succeeded in holding on so tight to leadership of the Party that they are choking it nearly to death." (*Discussion 37 No 2 p.12*)

A second barrier which is raised by comrades on the left against an open struggle against all forms of opportunism, is their mechanical approach to democratic centralism, which is the means by which the Communist Party brings maximum unity and discipline in action, for the purpose of carrying out *its revolutionary tasks*. If a Party is dominated by opportunism, which ours is, then the fundamental condition on which democratic centralism exists, has been removed, i.e. ideological unity around the revolutionary tasks of communism. To achieve that unity and to re-establish the basis for democratic centralism, requires an open ideological struggle to break from all forms of opportunism. A mechanical adherence to

'democratic centralism' in the present situation, means it is transformed into a straitjacket for the left of the Party. i.e. bureaucratic centralism, while the opportunists continue to act freely.

This has already brought about certain distortions in the way comrades on the left conduct their politics. Both the Sid French tendency (when he was in the Party) and the comrades around *Straight Left* superficially support democratic centralism, yet resort to secret plotting and sterile factionalism *instead* of ideological struggle. This is expressed by the theoretical poverty of the NCP and of *Straight Left*. The latter is pursuing a very dangerous road by spreading confusion and conciliationism. It poses as a tendency inside the Labour Party, supports communist affiliation and is 'pro-soviet' to boot. Yet it fails to clarify what revolutionary tasks communists should carry out inside the Labour Party, propagating instead, support for a future 'left Labour Government' as a means to achieve socialism. This is the same position in essence as the right opportunists inside the Party, and is designed to create a common platform for both them and the left of the Party. Other tendencies within the left of the Party are not opposed to conciliation with the so-called 'Pro-Party Mensheviks', so long as it is confined to the Party — yet even they see the dangers of affiliating to the Labour Party under the present opportunist leadership. The logic of the 'Straight Leftists' is based upon a fundamental misconception about the Labour Party; they call it 'the mass party or the federal party of the working class', in which a 'division of labour' provides social democracy with a legitimate role of representing the working class in Parliament. *The Leninist* considers this position dangerously incorrect, and counter to Lenin's definition of the Labour Party as the 'bourgeois party of the working class (see comrade McGeehan's review in this issue of *The Leninist*).

We see therefore on all issues, both national and international, the main block to the revolutionary forces in the party, is the conciliation of the left of the Party with opportunism. *The Leninist* argues that the only way to break with opportunism and to lay the basis for genuine ideological unity of communists, is through open ideological struggle. The 37th Congress was a further step on the road towards liquidation, and a further deepening of the differences between the major ideological tendencies. The Communist Party can never be re-claimed as a revolutionary organisation through secretive plotting, in order to win mechanical majorities on branches, districts and national congresses, although we don't reject the possibility of winning a majority through ideological struggle. Leninism makes an open call to all latent revolutionary forces within the working class vanguard to enter the Party and fight on its side. The opportunists have their road, and we must find ours. Those who pose the tasks of communism and proceed to carry them out, whether they can be in a majority or not, must eventually become the Communist Party.

Lenin insisted on *tactical communist affiliation to the Labour party, in order to win the masses away from social democracy and for revolution, by exposing its leaders in practice — especially the 'left variety'*. *Straight Left* makes no mention of these tasks and by calling for right opportunism to take the Party into the Labour Party, is aiding the forces of liquidation. However, we totally disagree with the left opportunist position of comrade Paul Fauvet, who says;

"But I, and a good many other comrades, are not interested in any sort of affiliation — be it tomorrow or in two hundred years time... I don't see much sense in joining one party if you really want to be inside a different one. Affiliation is either the same thing as liquidation, or it is just a dishonest political tactic (as it was when Lenin recommended it)." (*Discussion 37 No 2 p.40*)

Comrade Fauvet dismissed the Leninist tactic of working in mass organisations to win the masses — yet he is quite correct in wanting to replace the Labour Party as the dominant class force. This in our view, is a fundamental condition for a successful socialist revolution.

Many comrades may protest at our criticism of the left of the Party, by pointing to an issue where they never seemingly compromise with right opportunism — and that is defense of the Socialist countries and revolution throughout the world. Proletarian Internationalism is essential for communists to break with opportunism. The left of the Party quite correctly stood in the Congress against counter-revolution in Poland and Afghanistan. Yet we ask these comrades: where was your open criticism of opportunism in Poland which was clearly visible 10 years ago, and has now turned the support of the working class from the PUWP to a bunch of catholic nationalist reactionaries? Forewarned is to be forearmed. As every new leader replaced the old bankrupt ones, so our comrades gave their uncritical support, until they too ran out of credibility. There is no attempt by the left of the Party to ask whether General Jaruzelski is really the answer, or merely another step on the slippery slope. This issue of *The Leninist* carries a major article by comrade James Marshall, who poses the tasks for communists inside and outside Poland, as the struggle for Leninism, being the only way to win the working class back to the PUWP and away from counter-revolutionary leaders.

Recognising mistakes of the past is always easier than criticising the mistakes of the present — *before* they give rise to tragedy. In this sense, comrades may come to recognise now, what should have been done years ago in Poland — yet the same trap is being laid in Afghanistan. We unconditionally support the Afghan Revolution and the Soviet economic and military aid, which is a necessary condition for the success of that revolution, especially in such a backward, feudalistic society. In order for the National Democratic Revolution led by the proletariat to begin, a communist party had to be built and trained to carry out that task. The People's Democratic Party of Afghanistan is an admirable example of a revolutionary organisation, which drew on the sparse resources of the working class and intelligentsia and carried out a daring revolutionary struggle. Part of its preparations was the struggle against opportunism in its own ranks, hence the split between the opportunist Parcham wing and the revolutionary Marxist Khalq. Our article on Afghanistan puts the Leninist position that the killing of Hafizullah Amin and the 97 Khalq leaders was a grave injustice, which must ultimately weaken the internal forces for revolution. Amin's replacement by the opportunist Babrak Karmal is leading to an ideological retreat and disintegration within the ranks of the Afghan communists. The prospects for the future are as dangerous as those revealed in Poland — *despite* the supportive role of the Soviet Union in both countries. Again our comrades repeat lame arguments to defend opportunists like Karmal, as comrade Steve Howell did, when he accused Amin of being a CIA agent, with no *real* proof. Genuine Proletarian Internationalism means supporting proletarian revolutions and revolutionaries in the long term, and voicing *honest Leninist criticism*, before the harvest of opportunism is reaped. Comrades on the left of the Party have dug themselves into a trench over Poland and Afghanistan, by defending principle in a dead, conservative manner, and not posing tasks for themselves and the World Communist Movement. Their position is riddled with inconsistencies, mistakes and falsities, which becomes vulnerable as events expose it as incorrect. Proletarian Internationalism must become a revolutionary weapon, through which opportunism can be cornered, broken with and defeated world-wide. ■

The Polish Crisis

The Role of Imperialism and the Fight for Proletarian Internationalism

James Marshall

PREFACE

Which side are we on?

How could Lech Walesa, a self-proclaimed reactionary, whose politics have striking similarities with the Cold War 'Nuke the Commies' trade union bosses in the United States, lead the working class of a country which has experienced over three decades of socialist construction?

How after this period could a socialist state find itself ruled by a Military Council for National Salvation, consisting of twelve generals, five colonels and an admiral? Why was the leading role of the PUWP fought over in court rooms? And why was the party forced to what amounts to giving up its leading role to the army?

These questions must be answered, by communists, in Poland and throughout the world. Answers *must be found*, no matter how painful, no matter how many old icons have to be smashed. Communists, basing themselves on the method of Marxism-Leninism, must not flinch from this task.

The centrists are unwilling to grip the thorny problems raised; it is true they defend the gains of socialism, but they are incapable of dealing theoretically with the far-reaching ramifications. They are unwilling to remove the blinkers that encase their world view, for they are aware that if they did their entire political edifice would come crashing down. They therefore stand rooted in 'principle' unable to move — their fate sealed, the signs of fossilisation already only too evident.

Conversely, some right opportunist tendencies are ready to admit, at least superficially, the depth of the Polish crisis, but proclaim that the 'Polish people should be allowed to find the solution to the crisis through their own forces' and that 'counter-revolution is not a threat' and thus outside 'interference would be unjustified'. This view epitomises the rejection of proletarian internationalism; it is the result of 'blurred vision produced by becoming intoxicated on bourgeois liberal illusions. The main danger being, that these tendencies, in their blind stupor, not only produce theory that is totally lacking in Marxism-Leninism, but also they inadvertent despite 'good' intentions, pass to the other side of the barricades, which they insist on maintaining exist only in our minds — 'figments of the sectarians'.

Thus the political physiognomy of both right-opportunist and centrist tendencies are revealed in the cauldron of the crisis in Poland. In their diverse fashions, they both attempt to cling to the notion that

the crisis is in a real sense peculiar to Poland.

The fact that Poland's problems are *not unique*, but have affected, and do affect, other socialist states, was attested by comrade Gus Hall in his article in *Political Affairs* October 1980 (see *The Leninist* number one). This was dramatically confirmed by the startling news from Romania, that the government was imposing food rationing to combat shortages and panic buying, and that hoarding "of more than a months supply of food is a crime punishable by up to five years in gaol" (*Financial Times*, October 13, 1981). Echoing the earlier Polish experience, the Romanians also admitted that their foreign debt was becoming increasingly burdensome. In November 1981, the Czech government announced that the country faced serious food shortages, and that hard currency could not be made available to boost falling supplies. Later in that same month comrade Brezhnev told the Soviet peoples of the difficulties in agriculture, and how these and inefficiency in industry would have serious consequences.

To consider any socialist country automatically invulnerable to the 'Polish disease' would be asinine, unworthy of Marxist-Leninists.

We contend, and hope to prove, that the Polish crisis, while involving economic difficulties, is above all *political*. As such the solutions are *political*, and unless the right solutions are found, the end result can only be the slow but remorseless slide of the country into the flames of counter-revolution and black anti-communist terror, the likes of which have not been witnessed in Poland since the Nazi conquest.

Our view of Poland, or for that matter of any socialist country, is determined by the idea that the victory of socialism is not a victory for the working class of that country alone, but a victory for *all workers throughout the world* irrespective of country. We all have a duty towards socialism in Poland, because socialism is *our* property, the property of the world proletariat.

Communists must decide which side of the barricades they will be on in the fight against counter-revolution. The decision, and how it is arrived at, is symptomatic of the views about the coming revolution in Britain itself. The fight for revolution in Britain is *inseparable* from the world-wide struggle. National and international issues are nothing but two sides of the same coin. The choice is brutally simple *everywhere*, revolution or counter-revolution; there is no 'third' or 'middle' course. The tendencies in our party have to make their decision, have to decide in the words of the old American trade union song "Which side are you on? Which side are you on?"

No amount of puerile liberalism, jabbering legalism and moralism against 'outside interference' can be allowed to obscure that vital question.

SECTION ONE

The Polish Road to Socialism

Poland emerged as a state following the turmoil of the First Imperialist World War, and the storm of social revolution that came in its wake. Although the country had an important industrial sector, especially coal mining, it was an overwhelmingly agricultural country. The working class existed in a sea of rural backwardness, much as did the workers in Russia. The difference was that the revolutionary party of the working class, the Social Democracy of the Kingdom of Poland and Lithuania (SPKPL), was unable to gain hegemony over

the working class itself never dislodging the Polish Mensheviks, the Polish Socialist Party (PSP). Linked up with that, it could never exert leadership over the peasantry. They remained under the domination of the conservative anti-Semitic, Piast Party and the radical petty-bourgeois Wyzwolenia Party.

In 1926 a leader of the PSP, Pilsudski, staged a coup d'etat with the help of the army, installing one of his sidekicks as President. Pilsudski and his venal cabal, which had pursued a social-patriotic position, created a fascistic dictatorship which dominated the country until the Nazi invasion in 1939.

The Communist Party of Poland was liquidated in 1938, and the Polish Workers' Party, its replacement, was only formed in 1942. Its membership consisted of the remnants of the Communist Party, and was numbered only in the hundreds; even in 1944 the figure only reached 8,000.

It was the liberation of Poland by the Soviet Army which created extremely favourable conditions for the PWP. Its struggle against the reactionary parties was akin to a boxing match in which one fighter was able to conceal a horseshoe in his boxing glove, not merely with the referee turning a blind eye to that fact, but in this case with the referee himself supplying the horseshoe. The result of the fight, while not being one hundred per cent certain, could be considered predictable.

Thus the conditions for the building of socialism in Poland relied *more* on the strength of the Soviet Army than on the native revolutionary movement itself. This meant that it was all too easy for Poland to *mechanically* follow the model of socialism built in the USSR, rather than rely on their own creativity. The victory of socialism in Poland did not fundamentally rest on the power and dynamism of the masses, as it did in Russia in October 1917, when Soviets became not merely organs of workers' power but also state institutions. In Poland, power was formally enshrined in the Sejm (Parliament), where a Popular Front type alliance was constituted. But it was in the Polish United Workers Party (PUWP) where real power lay. The party was formed as a result of the merger between the PWP and PSP; its total membership on formation in 1948 was around one and a half million, two thirds from the PWP, the other third from the PSP.

While there can be no question that the majority of membership of the PUWP are dedicated to the cause of socialism, the fact that the party itself has tended to merge into state institutions, inevitably meant that careerists and bureaucrats have entered the party purely for their own betterment. It is officially estimated that the party has the direct role of appointing over 100,000 officials, the so-called Nomenklatura; this consists of positions as diverse as: the rector, vice-rector, institute directors and scientific workers at the Academy of Social Sciences; the Presidents of the

Supreme Court; members of the secretariat of the artisan organisations; the President of the Society of Polish Journalists; head of the Army General Staff; all generals; the editors of all monthly, weekly and daily papers and magazines; the first secretary and secretaries of the PUWP in various districts, towns and neighbourhoods; District public prosecutors; the directors of regional museums; and the branch directors of the National Bank of Poland. The list is vast and far-ranging, indicating that the practice of appointment instead of election was far too widespread. It was a system which by its very nature would encourage careerism, bureaucracy and corruption, the existence of which has now been well documented by the PUWP itself, as the party sought to expose the thick layer of rotten elements that had wormed their way into the party's ranks over the years.

Because of its history, the majority of party members tended to be in a real sense inexperienced. From top to bottom, they were not moulded in the heat of revolution, steeled in the struggle for state power, nor did they lead the workers through periods of both reaction and upsurge. Its theory was not tempered as a result of class struggle and ideological battles were not conducted in front of the masses. Education of party members tended to be vacuous and bookish, the approach pedagogical. What applies to the party is a thousand times true of the workers themselves; it is not simply a question that many of them, or their fathers and mothers, came from the peasant countryside, but more that the workers did not have to learn about false prophets who claim to speak in the interests of the 'workers and the nation'. All these factors have meant that today's problems have been compounded, for as a crisis develops, all past sins and indiscretions tend to be sucked into the vortex.

The Polish Crisis

Poland has, it seems, been gripped by one crisis after another; like some terrible recurring disease, crisis emerges and then is depressed, only to come back in a more virulent form. The latest outburst like previous crises expresses the deep alienation felt by the working class and other strata with the way socialism was being built in the country and the fact that the relationship between the government, the party and the masses was characterised by an undemocratic bureaucratic approach.

With every recurrence of crisis, the party leadership has declared earnestly that it has learnt the lessons, and, with hand on heart, it faithfully promises to take its medicine and not 'misbehave' in the future. But, after a year or two, it turns round as if nothing untoward had happened, and readopts its old approaches, thus repeating its past mistakes.

In 1956 workers in the ZISPO factory in Posnan struck, demanding improved wages and political reforms. While marching through the city they clashed with the authorities, resulting in fifty workers dead and hundreds wounded. The ferment which the resulting discontent caused, saw workers establishing factory councils around the country, in order to break the control of the official trade union structure, the CRZZ, over workers' actions. As discontent mounted, the party sought to placate the masses by replacing the now discredited General Secretary Bierut, with Gomulka. Gomulka had previously held the position of General Secretary until he was sacked in 1948. Although he

returned to the position on a wave of mass enthusiasm promising sweeping change, his second term as party leader marked a return in essence to the methods and practices of the preceding period. The years 1956 to 1970 saw a retreat in the countryside, where collectivisation was abandoned in order to placate the peasantry, thus not only reinforcing the conservatism innate in the class, but also strengthening the social basis of the Catholic Church in the process.

Old, purely organisational methods in dealing with differences reasserted themselves as standard practice. As well as this, spurious 'ideological' campaigns were waged against Zionism, under the leadership of General Mieczyslaw Moczar, Minister of the Interior. He made himself a reputation by crushing discontent in universities in 1968, through the expulsion of hundreds of students and sacking lecturers. The anti-Zionist campaign in his hands became dangerously anti-Semitic, tens of thousands, the remnants of the country's once thriving Jewish community, those who had survived the holocaust, flocked out of the country. The campaign even affected many loyal party members who because of their being Jewish found themselves accused by Moczar of being 'pro-Zionist'. Such 'anti-Zionist' campaigns not only fed Zionism, but led to socialism itself being discredited in the eyes of workers in Poland and for that matter throughout the world.

Gomulka's second period as party leader came to justifiably ignominious end in 1970. While workers were suffering from stagnating living standards, the government, without debate, ideological leadership of full explanation, proposed to substantially increase the price of food, especially meat, which it was announced would be hiked by 30%. This was, if you will forgive the pun, a case of the chickens coming home to roost, for the retreat on the question of collectivisation in 1956 meant that the state was forced to pay out increasingly massive subsidies to the small-scale and inefficient peasant farmers. As the scissors between retail prices paid by workers for food and the amount paid by the state to the peasants grew ever wider the burden became ever heavier and thus ever more difficult to manage.

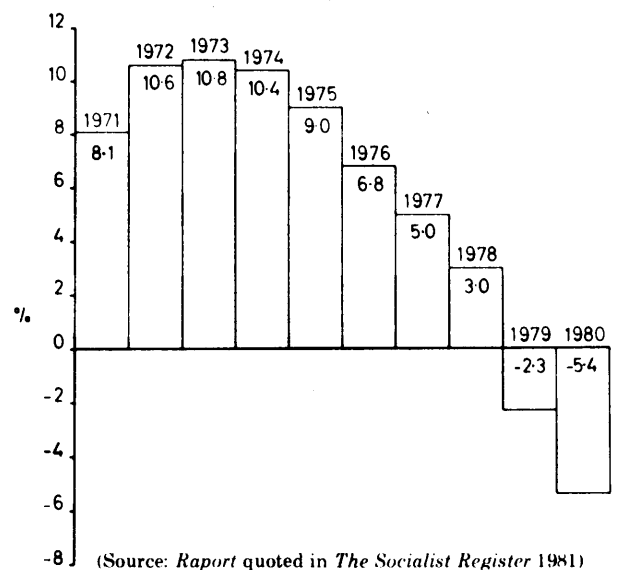
With the announcement of the food price increases, just as the masses were looking forward to the Christmas festivities, the workers of the Baltic region, most notably the shipyard workers, took to the streets in protest. According to the authorities, forty-five were killed by the militia. Another chilling twist in Poland's seemingly permanent and bloody state of crisis.

Edward Gierek replaced the discredited Gomulka in December 1970. He personally visited the Baltic area and persuaded the workers that 'this time things will be different'. The workers were granted a 25% wage increase and the price increases were rescinded.

Gierek launched an adventurous and, as it proved, disastrous course of massive industrial growth. This was to be financed on the basis of borrowing on the capital market of the West, the loans to be repaid by substantial exports to the advanced capitalist world. On paper the results were impressive; industrial production compared with 1939 had risen 31 times by 1979, and compared with 1970, 2.1 times; and between 1970 and 1977 real incomes are estimated to have risen by over 88% (see figure 1).

But this growth was powered by a massively growing foreign debt, and while initially this led to almost frantic growth, it eventually began to act as a dead weight, in the end paralysing growth. For not only was the growth financed by the capital borrowed from abroad, but this form of economic growth was considered directly as an alternative to internal change

Figure 1
NATIONAL INCOME PRODUCED
(percentage increase with respect to previous years at constant prices)



in the structure and organisation of the Polish economy. But the real flaw in the scheme became startlingly obvious within a matter of a few years, for not only were world oil prices hiked dramatically in the early 'seventies, but also this coincided with the whole capitalist world being gripped by the first convulsions of their economic crisis. This was ironic — for this was the market on which the planners had been banking to pay off the massive debt (see figure 2). This market was now becoming increasingly competitive and physically contracted; the demand for goods produced by Poland's new industrial base was drying up, often before they came on stream, as can be seen in figure 3.

Figure 2
EXTERNAL DEBT AND TRADE PROTECTIONS
1971 1972 1973 1974 1975 1976 1977 1978 1979 1980

Long & medium term debt with advanced capitalist countries at end of year \$ bn.	1.2	1.5	2.8	4.8	7.6	11.2	14.3	16.9	20.5	23.0
Increase in debt from year to year \$ bn.	x	0.3	1.3	2.0	2.8	3.6	3.1	2.6	3.8	2.5
Export receipts from advanced capitalist countries \$ bn.	2.3	2.6	3.4	5.1	5.7	6.1	6.8	7.4	8.4	9.9
Debt service amortisation & interest \$ bn.	0.4	0.4	0.5	1.0	1.5	2.1	3.1	4.5	6.3	8.1
Percentage ratio between debt service & export of goods services	12.4	15.4	14.7	19.6	26.3	34.4	45.6	60.8	75.0	81.8
Import outlays for goods & services from advanced capitalist countries \$ bn.	2.0	2.7	4.8	7.2	8.7	8.9	8.6	8.9	10.3	10.3
Trade balance \$ bn.	0.3	-0.1	-1.4	-2.1	-3.0	-2.8	-1.8	-1.5	-1.9	-0.4

(Source: Report quoted in *The Socialist Register* 1981)

Figure 3
GROWTH OF IMPORTS AND EXPORTS 1971-1980
(percentage change with respect to previous years at constant prices)

Exports	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
	6.2	15.5	11.6	12.3	8.3	4.4	8.0	5.7	6.8	-4.2
Imports	14.0	21.8	22.8	14.9	4.4	9.6	-0.1	1.5	-0.9	-1.7

(Source: Report quoted in *The Socialist Register* 1981)

The reaction by the party was to attempt to change direction in 1976, to carry out a reorganisation of the country's price structure, as attempted by Gomulka six years earlier. The workers reacted with the same ferocity to Gierk's proposed 60% increase in food prices as they did to Gomulka's 30% increase. Within days the price rises were rescinded. But the crisis remained — chronic.

By 1980 the foreign debt hanging around the Polish economy's neck, a dead weight, but also like an albatross, reached the dizzy height of over \$20 billion, and as repayments became ever more burdensome, the assertive Western bankers pressed ever harder for the economy to be restructured, and for the cost of the repayments to be placed on the shoulders of the working class, through the imposition of food price increases. The government relented, no doubt reluctantly, no doubt stupidly, no doubt bureaucratically; a 30% rise in food prices was announced.

The response from the working class was swift and decisive; strikes and occupations swept the entire length and breadth of the country. The leaders of the party and government while initially denying the existence of the strikes, were forced to recognise reality, and admit the existence of 'work stoppages', and then, as the workers remained adamant in their demands, to enter into negotiations with them and their newly-emerged leaders. The price increases were rescinded, and large wage increases promised. But this time round these firebrigade tactics proved too little too late. Workers at the Lenin shipyard in Gdansk, who were promptly joined by the mass of working class, demanded 'Independent' trade unions, as well as other far-reaching changes.

The workers had lost confidence in the old trade union structure, the CRZZ, because it had failed to *defend* the interests of the working class. Instead, it had blindly followed government and party directives issuing them to the workers as trade union policy, thus not unnaturally being regarded by the workers as an instrument of the government and not of the workers themselves. The demand for 'Independent' trade unions was the sad *result* of this incorrect handling of relations between the workers' party, the state and the working class itself.

As the crisis deepened and continued its tortuous course, history seemingly repeated itself in a never ending cycle of black comedy; Gierk suffered a sudden diplomatic 'illness' and as a result it was reported that he, with the agreement of the party, had decided to 'step down' from the post of party leader.

His replacement, Kania, while not being greeted with anything like enthusiasm, won some support for his advocacy of 'renewal'. The PUWP engaged in some self-criticism, removing overtly corrupt elements from important positions, and attempting to develop the functioning of democracy in both the party itself and in society as a whole. As well as this, the new trade union structure Solidarity (Solidarnosc) was legally recognised by the state, as was its peasant parallel Rural Solidarity; and party and state leaders entered into negotiations with both Solidarity and the Catholic Church. But these negotiations marked the continuous retreat of the party and the forces of socialism in the face of the growing power of counter-revolution which dominated both Solidarity and the Church.

Under Kania, the party membership was not mobilised to win back the loyalty of the mass of working class, and was rent with division; the end result being that to date 400,000 party members have handed in their cards. Given the lack of clear ideological Leninist

leadership the development of groupings inside the party was *inevitable*, as was the party's retreat in the face of reaction.

In order to maintain 'law and order' the population was constantly warned of the 'danger to national independence' — a clear reference to the possibility of a Soviet intervention. Coming from some reactionary, diatribes about the Soviet 'threat' are no surprise. But from a communist leadership?

As the party retreated, increasing emphasis was placed on the forces of the state, particularly the army, as the only element that displayed stability. This led to General Wojciech Jaruzelski, the Minister of Defence, first being appointed Prime Minister and then, in a move unprecedented in the socialist world, to the position of party leader. The latest permutation in the kaleidoscopic changes in leadership *represent the party's long term weakness*. For although Jaruzelski's initial period as party leader was marked by a continuation of Kania's policies of 'reconciliation', martial law was imposed on the country and a Military Council for National Salvation took over the running of the country. The old government was replaced by twelve generals, five colonels and an admiral.

Although the imposition of martial law marked a *set-back for the forces of reaction*, it was also at the same time *major retreat* for the PUWP, moving it into the wings of politics of the country and substituting it, in many senses, by the army, which in the eyes of many Poles represents the 'nation', not least for the reactionaries, brought up on the history of Poland's pre-World War Two dictator, Marshall Pilsudski.

SECTION TWO

Economics and Politics

Liberals, social democrats, reactionaries of all varieties, all look upon the Polish crisis and its endless permutations as 'proof' that socialism has failed ubiquitously. We would totally reject such a contention. Our view is that there was been a failure, but that this is a failure of a *political and ideological nature*, which in no way reflects a failure of the socialist system itself.

Capitalism is an anarchic system of production no matter how many 'plans' its governments of whatever shade dream up, no matter how carefully the giant corporations plan their futures — the basic anarchy of the system inexorably forces itself to the surface.

This is because capitalism is a system of production of commodities for the purpose not of their use-value, but for profit. It is the drive for profit which forces capitalism, like some crazed drug addict, to accumulate ever greater amounts of capital. Failure by an individual capitalist to follow this course of action only results in them being crushed underfoot by competitors. There can be no choice — accumulate, accumulate or extinction.

This inherent drive in capitalism's nature leads to the tendency for the rate of profit to fall. This is because in order to continue accumulation, as part of the very process of accumulation and inter-capitalist competition, ever greater amounts of constant capital are employed in relation to living, or variable, capital. Because labour power is the source all new value, the increase in labour productivity through the use of greater amounts of constant capital leads to the fall in the rate of profit. This process is fundamental to the development of crisis in capitalism; the more technology employed in order to realise increased profit, the more the falling rate of profit asserts itself, resulting in

the productive cycle becoming like the labour of Sisyphus in Greek mythology; he was banished to Hades, where he was tortured by the task of rolling a tremendous stone up a hill, an endless job, since every time it reached the top it rolled down again.

Capitalism plunges into crisis when the rate of profit is no longer sufficient to allow continued accumulation. Accumulation is only resumed when the conditions are restored which provide for an adequate rate of profit. In the period of crisis inefficient capital is destroyed, ejected, only the most efficient capital surviving to share in the profits in the upturn out of crisis conditions. (See K. Marx *Capital*, Vol 3, part III, pp.211-31 for a full explanation of the tendency for the rate of profit to fall and its counteracting tendencies. Also, article by Frank Grafton in *The Leninist* number one, where the law is dealt with).

The laws that operate under capitalism are *independent of the will of human beings*; they can be observed and analysed, but not negated. Only through revolution and the construction of socialism through the dictatorship of the proletariat can this come about.

Socialism is a system of production based on human need, not profit, but it is a society where production is limited; thus socialism is based on the maxim, "from each according to his ability, to each according to work done". As such, socialism is a system that while representing a break with capitalism is not yet able to operate according to the maxim of the higher phase of communism, that is "from each according to his ability, to each according to his needs".

Socialism or the lower phase of communism should not be analysed as *a thing in itself*, but as a society in *transition*. As such its forms tend to be fluid, to be constantly waxing and waning as it goes through the painful metamorphosis to a higher system.

"...defects are inevitable in the first phase of communist society, after the enslaving subordination of the individual to the division of labour, and therewith also the antithesis between mental and physical labour, has vanished; after labour has become not only a means of life but life's prime want; after productive forces have also increased with the all-round development of the individual, and all the springs of co-operative wealth flow more abundantly — only then can the narrow horizon of bourgeois right be crossed in its entirety and society inscribe on its banners: From each according to his ability, to each according to his needs!" (K. Marx, *Critique of the Gotha Programme*, Marx and Engels, *Selected Works*, London 1968, pp.324-5)

Socialism represents a fundamental break with capitalism, and as such a fundamental break with anarchy and crisis in production inherent in capitalism. Socialism has economic 'laws' but they are of an *entirely different nature* to those uncontrollable forces operating under capitalism. The economic 'laws' under socialism are controllable through the mechanism of planning; they can be used for the benefit of society if they are mastered, in the same way a person can manage to master the internal combustion engine when they learn to drive a car. In the words of Engels:

"In proportion as anarchy in social production vanishes, the political authority of the state dies out. Man, at last the master of his own form of social organisation, becomes at the same time the lord over nature, his own master-free." (F. Engels, *Anti-Duhring*, London, 1969, p.338)

It is thus that the central 'law' of socialism is *planning*. It is through *planning*, the application of conscious decisions, that equilibrium and growth are ensured. It is possible for society to consciously allow the economy to 'freewheel', to plan how much influence

the world market will be allowed to exert, as well as to what degree the old mechanisms of capitalist society should be allowed to endure. All the result of conscious decisions, based on political, theoretical and economic factors and judgements.

The result is that in some socialist countries the 'market mechanism' is allowed full range to determine the development and direction of much of the economy. Yugoslavia is a classical example of this: there, 'commodity production', 'the law of value' and 'money' operate in a capitalist fashion. Conversely as socialism *develops* these economic mechanisms of capitalism become a shell, only retaining the outer appearance, the substance disappearing. This does not mean that with developed socialism planners can do as they like; in the same way that in driving a car there are definite rules to follow — if they are broken the likelihood of ruining the car's engine or gearbox are great, the likelihood of a crash almost guaranteed.

Engels was crystal clear on the question; socialist society:

"... will have to arrange its plan of production in accordance with its means of production, which include, in particular, its labour power. The useful effects of the various articles of consumption, compared with one another and with the quantities of labour required for their production, will in the end determine the plan. People will be able to manage everything very simply, without the intervention of much vaunted 'value'." (F. Engels, *Anti-Duhring*, p.367, Part III on Socialism)

So when Yugoslavia suffers from inflation, mass unemployment and extreme uneven development; when Poland has a foreign debt spiralling on towards \$30 billion, a black market for hard currency which is endemic and agriculture wallowing in primitive backwardness; even when Stalin wrote about the operation of the 'law of value' and 'commodity production' in the USSR in 1952 (see J.V. Stalin, *Economic Problems of Socialism in the USSR, The Essential Stalin*, London 1973, pp.445-63); this is an indication of the *lack of development* of socialism; they are not factors innate in socialism, but carry-overs from capitalism, or features of transition.

A baby emerges from the womb with an umbilical cord, the remnants of which it will carry even as an adult, socialism also carries features of its past, of capitalism. Only when it becomes *full socialism* do these features cease having an effect, remaining as the navel a thing long since necessary.

Planning and democracy

During the Extraordinary Congress of the PUWP in July 1981, the question of democracy both in the party and in society itself became a burning central issue of debate. Rightly, past violations were roundly castigated, and it was determined that a process of 'renewal' should take place, in the hope of correcting past distortions and stemming the growing power and mass influence of counter-revolution.

The draft programme of the party stated that: "profound perturbations were undoubtedly caused by the incompetent steering of the development process by economic managements at various levels, especially the top level, who had been arbitrarily selected in violation of democratic principles and the professional criteria." (*Morning Star*, July 14, 1981)

It was also reported at the Congress that 12,000 party members had been found guilty of abuse of power and corruption, including leaders at the highest level of the party, some of whom would offer visiting commu

nists the 'delights' of 'Polski' striptease and the use of prostitutes. The reaction to this state of affairs from the masses was a sense of alienation towards socialism. A not untypical reaction being:

"Inequality and injustice are everywhere. There are hospitals that are so poorly supplied they do not even have cotton, and our relatives die in the corridors; but other hospitals are equipped with private rooms and full medical care for each room. We pay fines for traffic violations, but some people commit highway manslaughter while drunk and are let off with impunity. In some places there are better shops and superior vacation houses, with huge fenced-in grounds that ordinary people cannot enter. People see all this, and they know that high-ranking officials drive luxurious cars... People cannot excuse the injustices associated with anyone these days in Poland who has any connections with power." (quoted in *Poland — The State of the Republic*, pp.62-3, London 1981)

The very nature of socialism, a system in which planning plays a central role, means that if democracy is violated, or destroyed, then inevitably the planning of social production is undermined. Attempting to plan under socialism when democracy is distorted is like driving a car with one eye firmly shut; if democracy is totally lacking the effect would be similar to driving the car with both eyes shut. Planning and democracy must never be regarded as incompatible; *democracy is no extra luxury*, it is an integral component part of planning and thus of socialism itself. Of course, drivers using both eyes are on occasion unfortunate enough to make false judgements, or even to be the victim of other drivers or factors beyond their control, such as the weather. In the same way, socialism, however well planned, can have difficulties; only those who base their ideas of socialism on a religious messianic dogma could entertain the notion that socialism will never and can never have any imperfections or difficulties.

The *extension of democracy*, of popular participation and control in the running of society, is part of the very process of the development of socialism itself.

It is not for nothing that comrade L.I. Brezhnev in his report to the 26th Congress of the CPSU said: "The genuinely democratic nature of the Soviet system... is an important guarantee of the successful fulfilment of our plans." (*Documents and Resolutions* p.48 Moscow 1981)

In April 1918 Lenin wrote:

"We must work unremittingly to develop the organisation of the Soviets and of the Soviet government. There is a petty-bourgeois tendency to transform the members of the Soviets into 'parliamentarians', or else into bureaucrats. We must combat this by drawing *all* the members of the Soviets into the practical work of administration... Our aim is to ensure that every toiler having finished his eight hours 'task' in productive labour, shall perform state duties *without pay*; the transition to this is particularly difficult, but this transition alone can guarantee the final consolidation of socialism." (V.I. Lenin *The Immediate Tasks of the Soviet Government, The development of Soviet organisation* CW Vol.27 pp.272-3).

And the extension of popular participation in the running of socialism, is at the same time part and parcel of the work of building communism materially and socially; every step in the development of democracy is a step in the abolition of democracy, in the withering away of the state. This was explained by Lenin in his classic work *State and Revolution*:

"The more complete the democracy, the nearer the moment when it becomes unnecessary. The more democratic the 'state' which consists of the armed workers, and which is 'no longer a state in the proper sense of the word', the more rapidly every form of state begins to wither away." (V.I. CW vol.25, p.479)

Poland's crisis was in no sense of the word simply a

mistake in planning, it was the result of a number of factors, *not the least important being the distortions, and lack of democratic participation in the running of the state*

Leninists do not retreat from this vital question that because opportunists constantly whimper about the 'need for more democracy' in socialist countries; their pious concern reflects above all their utter capitulation to the myths of bourgeois democracy — a model which they recommend as being ideal not only for the transition to socialism in the advanced capitalist countries, but also vital for the socialist states. The Leninist understanding of democracy has nothing to do with the right-opportunists' spinelessness. Our view is diametrically opposed to them and their 'democracy'; we stand for *socialist democracy*, exercised through the dictatorship of the proletariat.

The Polish crisis and loan capital

The existence of a massive foreign debt is *not* the cause of the country's economic crisis, although it has been the *agent* through which the poor performance of the entire economy, industry and agriculture, has been dramatically underlined. In the first half of the 'seventies, investment rose rapidly, 7% in 1971, 23% in 1972, 25% in 1973, 23% in 1974 and 14% in 1975. The problem was that the return on these investments, financed by loan capital from the West, proved slow, as inefficiency was widespread, as is made clear in fig 4.

Figure 4
ECONOMIC EFFICIENCY 1971-1980
(percentage change compared with previous years)

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Fixed capital per man.	4.9	4.6	5.9	7.1	9.4	10.6	9.7	9.5	8.9	8.0
Productivity of Fixed Capital income produced per unit	1.8	3.8	3.0	1.0	-1.1	-2.6	-4.3	-5.6	-9.6	-11
Productivity of Labour (in share of material production)	6.9	8.6	9.0	8.2	8.3	7.7	5.0	3.3	-1.5	-4

(Source: *Raport* quoted in *The Socialist Register* 1981)

It was therefore decided in 1976 to cut back on investment, to put emphasis on completing projects that were behind schedule, and overcoming the bottlenecks that had developed during the five years of rapid growth between 1970 and 1975.

The inefficiency of the industrialisation programme, the unwillingness to carry out dramatic agricultural changes, and the economic depression in the World Market, all merged in the mid-'seventies to plunge Poland into a crisis which culminated in a fall of industrial production by 5.4% in 1980. This meant that the foreign debt, *manageable with healthy growth rates*, became a problem of crisis proportions, forcing the Polish government to renegotiate repayments, thus in the process increasing the net amount of the debt, as more was borrowed to pay off the existing total. (See fig. 5)

The massive size of the Polish debt, and its coincidence with a fall in industrial production, raises

Figure 5
POLAND'S 1981 FOREIGN BORROWING PROGRAMME
FROM THE WEST

The funds required	\$bn	how they will be supplied	\$ bn.
Current account payments deficit	3.4	New export credits	3.4
Of which: net interest payments on foreign debt	2.6	Rescheduling of credits from banks	3.1
Trade deficit	0.8 (note a)	Rescheduling of official debt	4.4
Debt repayments falling due	7.5		
TOTAL	10.9		10.9

note a: Of which repayment due in 1981 of export credits contracted in 1980: \$0.8 bn.

(Source: *Financial Times*, March 6, 1981)

the whole question of the role, function, and influence of loan capital on the Polish economy.

First we have to answer the question: what is loan capital? This was dealt with by Marx in *Capital* Vol.III part V. Marx said that interest bearing capital is capital which is used not only by the owner, but also by others for the purpose of producing surplus value. It is not relinquished by the owner, but returns after a specific time as realised capital.

"... loaned capital flows back in two ways. In the process of reproduction it returns to a functioning capitalist, and then its return repeats itself once more as transfer to the lender, the money-capitalist, as return payment to the real owner, its legal point of departure." (K.Marx, *Capital* Vol, III p.344 Moscow 1971)

Poland is not a capitalist society, but through the massive influx of loan capital and its inefficiency the economy is forced to function *in line* with the interests of money capitalists. Marx's formula for capitalist production was:

M-C-M'

This applies in an extended form when loan capital is involved.

Its formula is:

M-M-C-M'-M'

(M equals Money C equals Commodity)

As such, a portion of the product of Poland's economy is syphoned off, to pay for the use of the loan capital. In other words, workers in Poland are in an *indirect* way exploited by the capitalist world.

The Polish state is forced to play *the role of agent* in exploiting the workers. This is a fact; to dismiss it and the effect interest must have on major economic decisions would be cretinous. We are perfectly aware that given high growth rates, this would have little impact on the direction of the economy.

It has been reported, and we have no reason to doubt, that Lenin was prepared to give American and

European capitalists huge concessions in Siberia, over a long time span, if they would grant substantial credits to the young Soviet Republic. He reasoned that this would strengthen socialism in Russia, and that it was only a matter of time before *revolution in the West* would lead to the destruction of the debts. So we do not oppose socialist countries borrowing on a large scale from money capitalists. But it does have dangers.

Appearance is often in reverse to reality. The Earth, for example, appears to be the centre of the universe, the Sun and stars orbiting it, but as we know, it is the Earth which orbits the Sun. The same is true of capitalism and interest. Superficially one would assume that it was in times of downturn that the demand for loan capital decreases and thus interest rates fall in response to lack of demand. This is not only untrue, but the reverse is the case. As we see in Britain and the rest of the capitalist world today, it is when an economy approaches crisis that interest rates are hiked, in response to increased demand for credit.

As well as this it is important to understand the difference between interest, its properties and origin, as compared with what Marx called *Unternehmergeinn*, or profit of enterprise. Interest is derived from the process of capitalist production and exploitation in an *indirect* way. As such, in 'normal' times (i.e. in non-crisis times), interest receives a portion of the gross profits. But, at the same time, the portion it receives is determined not by the rate of profit, but by supply and demand. This means that "there is no 'natural' rate of interest." (K.Marx, *Capital*, Vol.III p.356). In other words, in a developing crisis, the rate of interest does not simply rise, taking a larger percentage of the profit, but can outstrip the general rate of profit, thus becoming *usury*. Loan capital, being the most abstract, and therefore the most 'pure' form of capital, therefore the rate of interest tends to be determined above all by international markets and conditions, more so than the rate of profit, which even today is more influenced by national factors. This means that the rate of interest, which is rising internationally because of the world capitalist crisis, can in the case of Poland, which itself is in crisis, reach the point of usury.

SECTION THREE

Imperialism and the crisis

The aim of imperialism has been *and always will be* the destruction of the world socialism system, but this is a long term aim, which can only be achieved over a sustained period. Central to the imperialist strategy is weakening the ties between the *world's revolutionary centre*, the Soviet Union, and the other socialist states. Through this strategy, the other socialist states can be picked off one by one. *The Times* Editorial on the Polish crisis says that the West "has a long-term political and military interest in weakening the Soviet hold over eastern Europe" and therefore:

"In the present situation the West should explore this historical chance to offer more substantial aid to Poland. The offer would have to be tied to IMF-type conditions and it would have to be made in consultation with the Russians. It would require the Poles to put together a more convincing package of reforms than they have produced so far. It would require the agreement of Solidarity and the acceptance of a considerable degree of Western supervision. It would not be impossible to draw up a plan, based on something like the Hungarian model, which would provide adequate stimulus to efficiency without demanding wholly unacceptable changes in the fundamentals of the system." (*The Times*, Editorial, September 23, 1981).

There are those whose political analysis of Poland and its crisis is based on 'diplomatic Internationalism' and 'James Bondism'. They trace everything back to the CIA, the FBI, or MI5 or even the Vatican! We do not deny the activities of imperialist secret agents, but we refuse to use their activities as an excuse to divert attention from the necessity of a scientific analysis. Those in the Communist movement whose minds are cluttered with plots and spies not only reveal their political outlook on their own struggle, but above all their fear to confront the fundamental question: which side is stronger in the world today, socialism or capitalism?

We are perfectly aware of the stupendous progress made by the socialist countries, above all the Soviet Union, but this does not alter the fact, that today capitalism remains *the strongest force* in the world. This fact is *vital* in understanding the Polish crisis in particular, and some of the problems in other socialist countries in general.

It is for this reason that *The Times* can talk of the West imposing its will on Poland through granting more loans, and tying this to "IMF-type conditions". Significantly, Poland applied to join the IMF in November 1981, following Romania, which joined in 1972, and was itself followed by the Hungarian application for membership. The real question is not whether Poland should or should not join the IMF; the moot point is, what conditions will the IMF impose for the cheap loans, to Poland's ailing economy?

The IMF will not demand the end of socialism, it cannot; but it will press for 'Market Socialism' where the economy is motivated by profit and above all, where it is tied in and subordinated to, the capitalist market. This will mean that workers in Poland will suffer from unemployment; inflation will plague the country; private agriculture, small-scale production and service industry will be encouraged. Even before Poland applied to join the IMF, this prospect was made clear in a document drawn up by the Polish authorities for Western bankers, as a basis for discussion about rescheduling of the countries debt. It stated that the national income would only recover to 1980 levels by 1985, and that the foreign debt would continue to rise until the end of 1985 when it will amount to \$34 billion. Nine hundred projects, mainly big and medium, will be suspended between 1981 and 1983, national income will fall 9% in 1981 and that "We have to realise that a certain number of people will not be able to find new jobs", and to pay off the debt, "More incentives will be given to plants that produce for export. Enterprises selling goods abroad in return for hard currency will be able to create their own foreign currency funds." (*The Times*, April 16, 1981).

It is through the subordination of Poland to the world capitalist economy that the West hopes to carry through the ground-work of counter-revolution; the final blow to be delivered by counter-revolutionaries such as Kuron's new party or the ultramondist Polish League for Independence backed by the forces in the country longing for capitalist restoration, such as the Catholic Church. While the conditions for counter-revolution are invariably prepared peacefully, the final act is bloody and violent. Counter-revolution in Poland, as in any other country, *can only be carried through by launching terror* in the attempt to impose black reaction.

Which road?

In the process of laying the political conditions for

counter-revolution, the forces of restorationism will certainly look towards tendencies and elements *in the PUWP* itself, in order to facilitate the opening up of fissures which can be exploited by reaction. These forces in the party feel themselves pulled as by a magnet to reaction which has attracted mass support, using slogans about 'reform' and 'the nation'. Given the party's isolation because of its past incompetence and corruption, there are many in the party, who in the search for popular backing, are drawn away from the cause of the working class.

Such was the case in the past; the tragedies in Hungary and Czechoslovakia instantly spring to mind. It could not be otherwise in the PUWP, given its position as the ruling party, its own and the country's history, it must contain within it forces which are not only influenced by strata other than the working class, but elements who consider they could gain mass support if Polish nationalism was promoted and 'foreign' Marxism-Leninism discarded.

A battle in the party is something that must happen if counter-revolution is to be defeated. If the party refuses to lead the fight back or contents itself with taking a back seat, the forces of reaction and the hold it exercises over the masses will be immensely strengthened. The tragedy is that the party has betrayed the confidence of the masses so often in the past, that today, it cannot even exercise a leading role over the mass of the working class. This and the fact that the party leadership lack an advanced theoretical position steeled in struggle, means that even in the most optimistic light, the struggle for reasserting the party's leadership will be desperate and bitter, the chances of success less than certain.

What is desperately needed, in Poland, in every corner of the world, is for communists to develop their *theoretical understanding* of the causes of the Polish crisis. The result, no matter how bitter the polemic, however deep the disagreement, can only be positive. For unless theory is developed to equip ourselves for the coming battle against the forces of counter-revolution, the chances of it triumphing are enhanced many fold. We must not avoid this course for the sake of artificial 'unity'. For only through the road of theoretical understanding of the crisis and its background can *longterm* solutions be found.

Fire brigade actions are necessary when a building is on fire, but there is no real substitute for taking preventative measures in the first place. The two are not incompatible, but it is prevention that should have priority.

This point was made very firmly in the letter to the Central Committee of the PUWP, from the Central Committee of the Communist Party of the Soviet Union: *stating their criticisms openly*, they declared:

"We believe that a possibility of avoiding a national catastrophe still exists. Inside the Polish party there are many honest and firm communists ready to fight for the ideals of Marxism-Leninism and for an independent Poland. There are numerous persons in the working class who are devoted to the cause of socialism and have not been lured by the lies and machinations of enemies and who will follow the party and reflect its views.

"It is now necessary to mobilise all healthy forces in society to confront the class enemy and fight the counter-revolution. This calls first of all for revolutionary will in the party and among its militants and leadership. Yes its leadership!" (*The Times* June 11, 1981).

At the time of writing (December 1981) there are few signs, to say the least, of the party mobilising the working class. As in the past, the leadership seems

incapable of presenting an ideological lead. Indeed, on December 13, martial law was imposed, a Military Council for National Salvation took power, all trade union activity was banned; and following this over the next few days 3,500 people were arrested, including, it was reported, two PUWP Politburo members, Jan Labecki the former secretary at the Lenin shipyards, and Hieronim Kubiak. Strikes and occupations by protesting workers were broken by the military and police, many workers were badly injured during the process. As well as this, seven miners in Silesia were shot by the police while resisting attempts to break their occupation.

The party increasingly took a backseat. On taking power for the military, General Jaruzelski said: "I address you as a soldier and leader of the Polish state." (*Morning Star*, December 14 1981). The *Financial Times* reported:

"The Communist Party is being kept out of sight. The Politburo has not met since the military takeover and it is more than likely that the decision to bring in the army was taken by General Jaruzelski in consultation with only a few of the party leadership." (*Financial Times*, December 18 1981).

The party had shown all the signs of being influenced by centrism, defending the gains of socialism, but in the most *deadening conservative fashion*, attempting to stem the flood tide of counter-revolution through purely administrative measures. It has used the forces of the state—the police, the law courts, the militia and the army, in preference to, or because of its inability, to *mobilise the working class* through the ideological power of the party, fearing the uncertainty and disruption this road would inevitably engender.

The party in Poland has about three million members. Of these, 46.6% are workers, over a quarter of them employed in the largest 168 factories. It is these forces that are the core of any *decisive movement* against counter-revolution. Appeals from the army about 'law and order' and the sanctity of the 'nation' will not fire them into action. Only the ideology of Leninism can weld them into a steered force capable for smashing counter-revolution from whatever quarter it comes.

The approach adopted in the past by the party leadership on the 'leading role' of the party must be rejected. To reduce its leading role to a constitutional legal point, fought over by dry lawyers, barren pedants who have no understanding of the class struggle, as was the case with the statutes of Solidarity, is symptomatic of a centrist approach, and is alien to the spirit of Leninism. Leninists fight for the party to be the leadership of the working class through *winning the vanguard* of the working class into its ranks. The party *has to win its leading position*, and having done so, has to *rewin* that position *at every* turn of events. The leading role of the party can only be fought for in the factories, offices, mines and shipyards, *wherever the working class is*, never in the stale isolated atmosphere of the court room.

The fruits of the centrist approach are epitomised by the fact that between 8 to 10 million workers joined Solidarity, and the fact that Solidarity papers and publications enjoyed a very wide readership. The party leadership displayed a schizophrenic attitude towards Solidarity; on the one hand negotiating with it, on the other refusing to fight for leadership in it. This in no way implies advocacy of alliances with the so-called 'moderates' of Solidarity against the 'extremist' elements; *all sections* of Solidarity's leadership were reactionary. But communists always fight for the leadership of the working class where the workers are.

This means working in reactionary trade unions, even in fascist unions, as was the case in fascist Italy, Germany and Spain where communists struggled underground in order to win the working class and turn the 'official' trade union structure on its head in the process.

Trade unions

Solidarity was the result of the sins of the party, but also it was unquestionably a Yellow trade union, *servicing the interests of reaction* at home and abroad. Its programme advocated a radical retreat of socialism:

- * Enterprises to be 'self-managing' and 'self-financing'.
- * Central Planning should be run down and eventually abolished.
- * Private agriculture and small-scale industry should be encouraged.
- * Inter-enterprise competition in certain areas of production.
- * Unprofitable enterprises should be allowed to close.

This transitional programme towards capitalism led to the bourgeoisie and their agents rushing forward to offer support, both moral and material. The American AFL-CIO, renowned for its reactionary position in the United States, raised over \$200,000 for Solidarity; it was joined by others in the labour movement of the 'free world' as well as the petty bourgeois left. All united in a rhapsodic chorus of praise of Poland's 'Independent' trade union, all looking upon the creation of Solidarity as something that would lead to the weakening of the party and the splitting from it of the workers.

This was something that threatened to develop in the early years of the Soviet Republic. A sharp ideological struggle developed around the danger. Lenin wrote:

"Clearly, in a country which is experiencing the dictatorship of the proletariat, a split in the ranks of the proletariat, or between the proletarian party and the masses, is not only dangerous, but extremely dangerous, particularly if in that country the proletariat constitutes a small minority of the population. And a split in the trade union movement (...) means precisely a split among the masses of the proletariat." (V.I. Lenin, *Once Again on the Trade Unions. The Present Situation and the Mistakes of Comrades Trotsky and Bukharin. The Political Danger of Splits in the TU Movement*, CW Vol.32, p.75).

Lenin's position was developed in the fight with those in the party, most notably Trotsky, who wanted to 'militarise the trade unions'. Coming from Trotsky such a view was not surprising. He was a founder and leader of the Red Army, which had emerged as victor against the 14 interventionist powers and had successfully turned the tide against the Whites in the Civil War; his experience of organising strategically important industries directly under the control of the Red Army was something that he advocated for the post-Civil War; his experience of organising strategically important industries directly under the control of the Red Army was something that he advocated for the post-Civil War reconstruction of the economy. He thus developed what can only be described as a contemptuous attitude towards the trade unions, leading him to advance bureaucratic solutions to political problems — that is to 'militarise the trade unions!' (The evolution of these views can be seen in *Terrorism and Communism*, L. Trotsky, Chap. VIII pp.140-183, London, 1975).

Opposing these dangerous ideas, Lenin wrote:

"... our state is a workers' state with bureaucratic distortions... Our present state is such that the entire organised proletariat must protect itself, and we must utilise these workers' organisations for the purpose of protecting the workers from their own state and in order that the workers may

protect our state. Both forms of protection are achieved by means of the peculiar interweaving of our state measures with our agreement, our coalescence with our trade unions." (V.I. Lenin, *The Trade Unions, The Present Situation and the Mistakes of Comrade Trotsky*, CW, Vol 32 pp.24-5).

This should have been the position of the Polish Party in the years before the strikes of August 1980, when it was made abundantly clear, that it had lost the confidence of the working class. The party regarded the trade unions as being in a sense, state unions, designed only to promote the policies of the state, not in any sense as organisations of the working class to protect it from its own state.

It is now no easy matter to win back the working class; you cannot, to paraphrase Bertolt Brecht, in the case of the workers losing confidence in the party have the party getting itself a new working class. Despite the difficulties that lie ahead it is vital that Leninists in Poland make their central task the shifting of political activity *towards the masses* themselves, making them the centre of activity. Only by this taking place can the masses, and in particular the working class be won to the banner of the party, and through this be launched into action against the forces of reaction.

If this fails to materialise, or proves impossible to carry through, then socialism in Poland, hanging by a thread at present, will become paralysed and will be prey to the rabid creatures of counter-revolution, *its only* salvation being from outside.

SECTION FOUR

Proletarian Internationalism

The development of capitalism itself gave birth to the necessity for workers to fight for their own emancipation internationally. In order to achieve this it was vital to develop proletarian internationalism, which idea is central to Marxist-Leninist theory. Proletarian internationalism means seeing the struggle in your own country as part of, and subordinate to, the general fight on a world scale. This does *not mean* that revolutionary struggle in one's own country is contradictory to the international struggle. Lenin defined internationalism as:

"There is one, and only one kind of internationalism and that is working whole-heartedly for the development of the revolutionary movement and the revolutionary struggle in *one's own* country, and supporting (by propaganda, sympathy and materials aid) *this struggle*, this and *only this* line in every country without exception." (V.I. Lenin CW Vol.24 p.74).

What does it mean in today's world and in relationship to the Polish crisis?

"The highest reflection of the principles of proletarian internationalism is the attitude towards the Soviet Union and other socialist countries... Living socialism is 'the embodiment of victory over capitalism on an international scale'. For this reason, the attitude towards the Soviet Union and other socialist countries is the *main criterion* of proletarian internationalism...

"Thus in daily life proletarian internationalism, in 'simple language', is defence of the Soviet Union and the other socialist countries against every attack, as the apple of one's eye." (R.Yürükoğlu, *Proletarian Internationalism*, 1979, p.21)

It is in this light that Leninists view the crisis in Poland; for us socialism in Poland is as much the property of workers in Britain as it is the property of the Polish workers themselves. That is why *we voice our criticisms openly*, simultaneously fighting for the defence of socialism in Poland as 'the apple of our eye'.

Defeat in Poland for the forces of socialism would be a defeat for all workers in the world, not just for those in Poland itself. Thus we have little sympathy for those in the communist movement who preach against what they call 'interference'; this is something which we consider can objectively only aid the forces of counter-revolution.

It is the right-opportunists who are most zealously outspoken on the question of 'non-interference'. They base their view on a world outlook which is dominated by legalisms and a rose-tinted view of bourgeois democracy. Leninists will not compromise on the fundamental tenets of proletarian internationalism for 'unity' with these right-opportunists; the gains of the world's workers are at stake — false unity can only endanger the necessity of the defence of socialism by communists.

The position taken by the *Morning Star* on the Polish crisis has all the sickening hypocrisy of some defender of 'women's rights' who, on witnessing a rape attempt, refuses to intervene and fend off the attacker on the grounds that such an act would be 'male chauvinism' and thus a 'violation of the rights of women'.

We profoundly disagree with the vapid view that "only the Polish people can solve the problems they face, difficult as they may be." (*Morning Star*, Editorial, September 21, 1981) This is diametrically opposed to proletarian internationalism; for example, the October Revolution in Russia in 1917 was no simple act of the Russian 'people'; it was an achievement of the world proletariat. The survival of the vulnerable young Soviet state rested not only on the heroic fight conducted by the Russian working class against the Whites and the 14 interventionist powers, but at the same time on *workers' actions throughout the world*. We in Britain have every reason to remember proudly the Hands Off Russia campaign and its contribution to the defence of the workers' Republic; its lessons for today are in no way diminished by the fact that socialism now exists in a number of countries.

Workers in all countries have the responsibility for solving the problems in Poland, even through the use of workers power in a state form: including the intervention of the first and most powerful socialist state — the Soviet Union. To reject this course, because of loyalty to the dubious doctrine of 'non-interference' is to isolate the working class into hermetically sealed tombs where reaction can devour them at leisure; it is to reject proletarian internationalism, substituting narrow national roadism in its place. Polish workers, above all communists, have a special responsibility, they are in a sense the custodians of socialism in Poland, *but that's all*. Socialism in Poland or in any other country is in no way some pinnacle of nationalism; it is its negation, and the foundations for world communism, when there will be peoples but no states.

The doctrine of 'non-interference' not only leads to a dangerous isolation of the forces of socialism in times when counter-revolution threatens to raise its ugly head; but also in general it is a doctrine that inevitably favours the forces of opportunism. Opportunism developing in any party is something that is, and should be, the concern of all communists. But the development of opportunism in a socialist country is immensely more dangerous, as it jeopardises not just the ability of the workers to fight for revolution and have a political position independent of the ruling class, but threatens the material gains of the world's proletariat: the existence and development of socialism.

Thus when the military took over the government of

Poland, the *Morning Star* was not merely content with constantly warning of the incorrectness of any 'interference', it backed a political position that plays directly into the hands of opportunism, and therefore indirectly aids the forces of reaction. Its Editorial statement made correct observations as to some of the causes of the crisis, but negated this by advocating 'non-interference' and "political partnership between the party (and) Solidarity", urging "that negotiations... be pursued by all concerned in a spirit of responsibility and compromise." (*Morning Star*, Editorial, December 14, 1981).

What is needed in Poland is *not more compromises* with the forces of reaction, yet alone political partnership with it. No, the working class needs to be mobilised in confrontation with reaction and for the advance of socialism — this can only be done under the banner of Leninism. The opportunist road, easy yes, but slippery and leading to further retreat of socialism in the face of reaction, eventually plummets it into the flames of bloody counter-revolution.

Leninists are not among those who follow every zig and every zag of particular policies of the governments in the socialist countries. This position in no way whatsoever contradicts our unconditional defence of the socialist countries against the forces of reaction. For example, we would differ with many of the policies and ideological positions of Khrushchev, but such differences would in no way deflect Leninists in unconditionally defending the Soviet Union against the forces of reaction.

Tendencies in the communist movement which refuse to defend socialism unconditionally are invariably right-opportunist. But those which insist on loudly proclaiming every policy of particular governments in the socialist countries as 'gospel', which are incapable of developing an independent ideological position themselves, adopt centrism.

Such is the case with the New Communist Party (NCP); their paper *The New Worker* greeted with sickening sycophancy the successive changes in the leadership of the Afghan state and party. First 'Comrade' Tarakki, then 'Comrade' Amin and finally to date 'Comrade' Karmal. The record achieved on Poland is equally consistent and unprincipled.

"We're full-quare behind comrade Gierek ... Kania ... er... Jaruzelski?" they say somewhat uncertainly. now punch-drunk at the speed of events and the resulting changes. For like some piece of drift wood in an expansive violent ocean they find themselves tossed this way and that by the course of events. As they have no solid basis in Marxist-Leninist theory, they seek to attach themselves parasitically to bodies that appear to have the strength they are so patently aware they are lacking.

It would be no surprise if the NCP leadership pray in their hearts for an armed Soviet intervention in Poland. Then posing as paragons of virtue, they will be seen as the 'true defenders of socialism', thus reversing their declining fortunes.

Despite this, we would defend the NCP when it is attacked by the bourgeoisie, as it was in November 1981 by *The Guardian*. It attacked the NCP for defending socialism in Poland, and used this to attack socialism in general. For however clumsily it does it, in its ham-fisted fashion the NCP attempts to defend the gains of socialism.

This said, we Leninists can only look with contempt on the addle-headed 'defence' mounted by the NCP of the gains of socialism. Unable to take a principled independent position on problems in socialist countries,

their 'defence' is as useful in promoting socialism as a eunuch is at producing children.

Thus *The New Worker* was able to dismiss the economic crisis that was clearly developing in Poland in early 1980 with the following supercilious remarks: "hardly ... an economy on its knees" and that if "British workers" experienced Poland's austerity it would "more than satisfy them." (*The New Worker*, February 15, 1980) Following the strikes at the Gdansk shipyards *The New Worker* sagaciously led with the front-page headline: "No Concessions, No Compromise... Communists Slam Gdansk Wreckers" and in concluding the following article, one in the hack 'fifties 'B' style politics which the NCP wants to make its own, it was stated that: "The Polish United Workers' Party has the programme and the politics to sort out the present problems. The wreckers trying to whip up the difficulties only have plans to aid the boss-class worldwide." (*The New Worker*, August 22, 1980).

Continuing as they began, the muddle heads of the NCP then produced the following gem by *The New Worker* Editor: "...such problems as are faced by the economy are problems of boom, of an economy which is frankly 'over-heated'." and that "The scale of ... loans should not however be exaggerated." (*The New Worker*, August 19, 1980). The gallant Editor, skull so thick that facts are clearly unable to penetrate and influence the pea that excuses itself for a brain, proceeds to put his foot in his mouth, and then, unsatisfied with his previous clangers, his other foot, because amazingly, while the 'lying' bosses press was full of stories about the collapse of CRZZ and the whirlwind progress of Solidarity, *The New Worker* led with the following nonsense: "Poland: No new unions, but changes in the old ones". This was followed by the assurance, to what must have been an increasingly perturbed readership: "There will not, repeat not, be more than one trade union structure in Poland." (*The New Worker*, September 5, 1980).

The latest offering on the Polish crisis by the NCP is *Quo Vadis Poland?*, written by Jo Mutterge, of Luxembourg. This opuscle is a piece of eclectic nonsense, its appalling translation reflects its political level. Reading like a turgid episode of the BBC's 'Borgias', plots and agents abound. Unquestionably the NCP epigones have plumbed new depths in distributing such trash in the name of 'defending socialism'.

The NCP is not the only representative of centrism to venture into print; it has been joined by the incondite *Straight Left*. Their position is virtually indistinguishable from that of the NCP, their 'defence' of socialism in Poland as deadening, attempting to belittle the major, deep-rooted problems in Poland with silly remarks, like: "If British workers went on strike every time the price of meat was raised then it certainly would not have been ten years since the last strike here, as it was in Poland." (*Straight Left*, October 1980). Coming from the same stable as the NCP the Straight Leftists also retreat to merely singing paeans of praise of socialism whatever the problems, and to 'James Bondism': "It should be no surprise (sic) that for years after a revolution there continues to be people, including workers who are hostile to socialism". (Like the 8 to 10 million members of Solidarity—JM) "Moreover, enough is now known about CIA 'de-stabilisation' methods in Jamaica, Cuba, Portugal, Czechoslovakia, Angola, Chile and elsewhere for us to assume that they had a hand in the Polish events." (*Straight Left*, January 1981).

While these centrists attempt to defend the gains of socialism, their attempts are only caricatures of proletarian internationalism, in whose name they all claim to speak. The baneful conservatism of the

centrists is of little use in defending socialism, its hack attempts to justify mistakes in the socialist countries, on 'principle', in no way helps to rectify them or to prevent their repetition. The centrists' bungling lead to disillusionment amongst the militants, driving them into the arms of the right-opportunists or into the wilderness of cynical despair, where so many eventually find themselves — disillusioned, impotent, and conceitedly self-justifying.

It is for these reasons that Leninists stand against the 'diplomatic internationalism' practised by the centrists. For unlike the right-opportunists, the centrists stand as 'revolutionaries, defenders of socialism'; as such they are able to organise a significant section of the most energetic, most politically conscious and most progressive section of the working class (the vanguard); but at the same time using slogans about 'workers' unity' tying them to the right-opportunist and even the overtly bourgeois section in the workers' movement. That is why centrism represents such a danger for revolutionaries and *has to be fought and ideologically defeated* by the Leninists.

Leninists and the Polish crisis

Leninists regard it as their basic duty to *defend unconditionally every socialist country* against the forces of counter-revolution. This in no way should imply an unthinking, rose-tinted attitude to mistakes, that would be 'head in the sandism'. We will voice our views *openly* in this spirit of comradeship, in the tradition of Leninism.

We totally oppose all those who have rushed to support Solidarity, especially those in the Labour movement, who in order to ingratiate themselves with the bourgeoisie have pinned a Solidarity badge to their lapel. These elements range from the petty-bourgeois left, IMG and SWP; through the ranks of social-democracy, from Eric Heffer to Denis Healey; an unholy alliance against socialism, injecting anti-socialism, anti-communism, and anti-Sovietism into the labour movement, using motions supporting Solidarity as a Trojan horse.

In the days leading up to the Polish Solidarity Campaign's demonstration in London on December 20, 1981, the bourgeois press, radio and TV were full of free publicity, the likes of which has not been witnessed since the so-called 'Peace People' were launched on the population of the Six Counties in 1976. The fact that 'on the spot' BBC radio reporters had to whine on about the 'Siberian weather' to excuse the numbers being in 'hundreds rather than thousands' is a fitting tribute to Terry Duffy and his call for a massive trade union turn out. The fact that the December 20 demonstration attracted such 'disappointing' numbers, despite traitors in the labour movement and the support of Shirley Williams, the Liberals and Polish Nationalists, should in no way make us complacent. We must fight not only for the exposure of Solidarity, but also the anti-socialist leaders in the labour movement from the petty-bourgeois left to the rabid right. It is vital to turn *defence into offence*, defence of socialism into offence against all those who stand on the side of counter-revolution. For those who in the name of 'Internationalism' support Solidarity are unquestionably backing a Yellow trade union and counter-revolution, and as such, oppose the interests of workers world-wide, not least those in Poland and in Britain.

Leninists must use this political struggle to advance the understanding of proletarian internationalism *in the vanguard of the working class* in Britain. We must

win them to recognise that socialism in Poland is their gain. They would rightly resist attacks on trade union or other workers' organisations by the bosses, no matter what problems, even corruption, had existed. They would fight tooth and nail, on the other hand, to smash a Yellow trade union, paid for from company funds. Even rank and file trade unionists would support the destruction of such an organisation, no matter how many workers belonged to it.

Above all Leninists are only too aware that *our main contribution* to advancing socialism in Poland is to fight for *revolution in Britain* itself. For until the balance of world power is *decisively and irreversibly shifted* away from capitalism, then the danger to existing socialism is constantly present. This threat can only be finally removed by the victory of revolution in the *advanced capitalist countries*, which will allow the *full flowering of socialism* and the emergence of communism.

December 22 1981

POSTSCRIPT

February 28 1982

The first meeting of the PUWP Central Committee since the declaration of martial law was held between the 24th and 25th of February. It gives us an opportunity to deal with the various trends in the PUWP and the role of the armed forces in running the country, which we have not done in the main article.

The meeting endorsed the declaration of martial law and legitimised the military government. Although it was recognised that the party needed to be rebuilt in order to reassume its 'leading role', the crucial question of when this would happen was avoided. In his speech to the CC meeting, General Jaruzelski declared that "Socialism can be reformed", and promised that the policy of 'liberalising the economy' decided at the special party congress last Summer, would be carried out. Proposals for a new, reformed, trade union movement were outlined. They included the proposition that strikes would be legal, but they would only be allowed as a 'last resort' and that the trade union movement should not 'interfere in politics'.

'The trends

The crisis in the party remains unquestionably deep. Membership continues its downward spiral: its militants increasingly disorientated and restless about the substitution of the party by the army.

The main ideological tendencies in the PUWP have united around Jaruzelski, not only as party General Secretary, but also as the General commanding the armed forces, and therefore head of the country's government. But this 'unity' can only be temporary: behind the facade of unanimous votes, there lies major differences over the role of the party, its future, and the course of development socialism must take.

The overtly liquidationist *revisionist* wing of the party suffered a setback, having three of its supporters removed from the CC. It was the section of the party, that maintained close links with Solidarity, and was if anything, the Solidarity wing of the party. It favoured concessions to the forces of reaction, and advocated the liquidation of the PUWP into a 'broader' party. Given the army intervention and suspension of trade union activity, it has been weakened, but despite this it remains a far from spent force.

The *right-opportunist* section of the party, epitomised by the Deputy Prime Minister, Mieczslaw Rakowski,

The Leninist

backs the army and Jaruzelski for two main reasons: the declaration of martial law blocked the slide of the country into 'anarchy', and they also hope that with the help of the army, the economic reforms they advocate will now be enacted. They see the future of Poland being tied to its ability to become integrated into the capitalist market. They therefore tend to conciliate internally with reaction, although they are unwilling to go as far as the revisionists — fearing that too many concessions would endanger socialism itself.

The mainstream *centrists*, which include Jaruzelski and the majority of the party leadership, defend socialism, but in the most deadening conservative fashion. For them, the alliance with the Soviet Union is vital. But despite their need for Soviet backing, they are not averse to using the threat of a Soviet intervention, in order to whip the party and country back into line. As a result of their narrowness and lack of a firm base, they tend to be an unstable tendency capable of being pulled to the right. They saw no alternative to martial law, except Soviet intervention, being incapable of defending socialism through mobilisation of the masses.

The section, which we would characterise as *left-centrist*, organises the best elements in the party. This is the left of the party. It has been instrumental in establishing bodies, such as the Katowice Forum. They recognise the necessity of both ideological struggle and mass mobilisation of the working class. Its struggle has even on occasions included actions deemed by the authorities as illegal, with several of its militants being arrested for putting up posters. Despite this, it has no clearly developed ideological position; in many senses it is conservative, which is something it must either break from or be broken by.

Only if the left-wing of the party is mobilised on the basis of *smashing the forces of reaction* through the power of the working class, fighting to *win the masses* to the banner of the party, struggling to *eliminate* the country's thick bureaucratic strata, *only then* can socialism in Poland be dynamised. This will entail a fierce ideological struggle in the party, open in front of the masses, through which the party can be won away from centrism and bureaucratic methods.

The Army

The substitution of the PUWP by the armed forces was a monumental event for both Poland and the world socialist system. Never before has such a thing happened in a socialist country. It was a desperate act determined by the fact that the majority of the population, including the working class, had become influenced by the forces of reaction because of the mistakes of the party.

Military governments are common enough in capitalist countries. In underdeveloped countries, the army is often the only stable, modern, centralised institution capable of running society. In a number of medium developed countries where a revolutionary

situation has existed, the army has intervened, because of the weakness of the bourgeoisie, and imposed fascism. Such was the case in Spain in 1936, Chile in 1973, and Turkey in 1980.

These regimes, in common with all governments of capitalism, are anti-popular; they are the dictatorship of the bourgeoisie. But socialism in its essence, is the rule of the mass of the people, led by the proletariat. The intervention of the army therefore presents profound problems:

Armies under socialism are necessary, especially with the existence of powerful imperialist powers. Socialism, according to Marx and Lenin, should be a state where *the people as a whole* are armed; the army should be *at one* with the people, an adjunct to popular power, subordinated to it through the leadership of the working class via its party.

By their very nature, function, and tradition, armies are undemocratic, even authoritarian institutions; this is true under capitalism and socialism. The army in Poland is an organ of the state, and not a trade union or a party organisation. It was able to intervene in order to save socialism from being drowned by a slide towards counter-revolution, because due to the nature of the Polish model of socialism, the army was isolated from the population, and therefore from infection by counter-revolutionary ideas. It was because of the isolation of the rank and file soldiers, not their ideological commitment that enabled them to deliver a blow against counter-revolution.

This isolation could never have been guaranteed in the medium term anyway, as the soldiers have friends and relations in the general population. Its isolation has now been reduced because of the operation of martial law. Without the party reasserting its role as executive of the dictatorship of the proletariat (despite past distortions and contortions) *the army* can even *come to present a danger*. It certainly can not offer a positive resolution of Poland's crisis itself. The army is only able to play its present role because its leaders are party members, who are committed to the defence of the existing order, and the country's international alliances, especially with the Soviet Union.

Socialism in Poland was suffering from *deformations* before the intervention of the army; these have now assumed *excruciating proportions*. It is economically crippled, ideologically blinded, morally bankrupt; democracy and popular participation are almost totally absent, and therefore further retreat in the face of reaction is still a great danger.

Poland is *still* socialist, despite the intervention of the army. We therefore must defend it unconditionally in the face of reaction. Defeat for socialism in Poland would have awesome consequences for the world socialist system, and therefore all workers. But because of our commitment to proletarian internationalism we can only take a position which is *extremely critical* of the party leadership, and today that means the Military Council for National Salvation as well. ■

This is an edited version of the article we submitted to the Editorial Board of *Marxism Today* in response to the January 1982 issue, which contained an article on Poland by Monty Johnstone and Andreas Westphal. The main areas we deal with are; the counter-revolutionary danger and the opportunism of our party leadership since the military intervention.

Our intention is not merely to reply to the Johnstone Westphal article; events have moved with such speed since they committed their thoughts to paper, that to confine ourselves to this would have little value. We

therefore also look at the subsequent actions and statements of our party leadership. Their views and those of Johnstone and Westphal on Poland are in

essence identical and can therefore be treated as a unity.

One great question hangs over the events in Poland: was it threatened by counter-revolution? Gerry Pocock, head of the International Department asserts, "To date no serious evidence to prove the claim of an *imminent* counter-revolutionary coup has been produced" (*Morning Star*, January 12 1982).

In the most general sense, Poland, as with *all socialist countries*, is threatened with counter-revolution. This threat can only be removed by *successful revolution* in the major imperialist countries, which will allow the *full flowering of socialism* and a relatively painless transition to communism.

In Poland, the socialist boat did not only have to contend with sailing through a violent sea of capitalist hostility but because of incorrect captaincy by the PUWP, numerous leaks had developed. Who can doubt this? Industrial production declined by 15% in 1981, while the debt to the West soared towards \$30 billion; the working class had deserted en masse the existing trade union structure for a new organisation, Solidarity, which was led by self-declared reactionaries; the membership of the PUWP was decimated by resignations, especially from workers, and the army stepped in to act as a substitute for the party.

These conditions are no momentary wobble, they are the flames of counter-revolution.

Imagine if we could uproot Poland, transfer it to the middle of the Pacific Ocean. Isolated from its allies, how long would socialism survive? Days or hours? In the real world counter-revolution has grown like a cancer, eating socialism from within, forcing it to retreat. Thus comrade Pocock's little word "*imminent*" is used as a fig leaf to cover his disgraceful opportunism, so the question of counter-revolution can be conveniently dropped, and swept under the carpet.

One does not need to produce arms caches, or detailed plans for a reactionary uprising, to see the growing danger of counter-revolution in Poland. But those who, because of their opportunism, wish to ingratiate themselves with the bourgeoisie could never admit to such a contention; they insist on burying their heads in syrup liberalism.

No one could deny, unless they were confined to a mad house, that Lech Walesa and all his fellow leaders of Solidarity were permeated with reactionary ideas. They were fanatically religious, against the emancipation of women, anti-Soviet, and above all worshippers of Polish nationalism. Surely there is no doubt about this — even our opportunists could bring themselves to admit it. But they advocate the dangerous doctrine of uniting with the lesser evil; in their minds, they slice away at the enemy, reducing its size, until it becomes minute and the 'progressive' camp gigantic. In order to achieve this feat, our magicians only have to cast aside principle.

In Poland, by calling for unity with the 'less' reactionary leaders of Solidarity — the so-called 'moderates', the tasks for communists are reduced merely to defeating the 'extremists'! Of course there were different trends in the reactionary camp, it could not be otherwise. In every organisation, especially mass ones, different trends emerge. This was true of the Nazi Party in Germany, yet who would advocate uniting with its 'moderate' trend? The Tory party visibly has different trends, but who advocates uniting with its 'moderates'? Well yes, the opportunists!

The task in Poland is to win the working class to the banner of the party; this can never be achieved by a "Historical Compromise" with reaction. Using the science of Marxism-Leninism as a guide, reaction must

be Historically Decimated.

The Road to Revisionism

It is through the grip of opportunism, and the abandonment of Marxism-Leninism as a guide to action, that the party step by step goes towards a revisionist position. In peaceful times, this development can proceed at a pace so slow it is hardly detectable. Come a dramatic upheaval, the previous snails' pace is transformed into lightening speed. Poland is such an upheaval, and with it, all the right-opportunist forces in the world communist movement have taken another fateful step along the road of revisionism.

The leader of the Communist Party of Italy, Enrico Berlinguer, says that the Polish events mean that the system born through the October Revolution is now obsolete, and that the socialist countries of Eastern Europe have "exhausted any capacity for renewal of their political life". *The Economist* reported that this has led to Christian Democrats hailing the party's position on Poland, "as removing the last obstacle to their being accepted as a democratic party which could one day take its place in government." (January 9-15 1982).

Likewise our party, *still in the world communist movement, still a workers' party*, has because of the domination of opportunism, taken very dangerous steps towards revisionism.

The Executive Committee's call for "the labour and democratic movement to oppose military rule" in Poland plays directly into the hands of the bourgeoisie. This can be seen by the fact that the bourgeois media has given such prominence to the party's position on the question.

The fact that party members participated in the Polish Solidarity Campaign demonstration on December 20 1981 is an insult to the name of communism. That three party banners were there, which could be seen along with others calling for 'Death to Communism' and 'Jaruzelski equals Pinochet', can only be described as criminal. That the petty-bourgeois left and social democrats march with fascists against a government in a socialist country must be exposed, but those party members that did the same have *no place* in the ranks of communism — they must be purged.

The "sizeable minority" vote at the party congress, cast against the leadership's capitulation on Poland, while not representing a hard anti-opportunist tendency, must be seen as healthy. It is an indication that there exist many in the party who could be moulded into a force, who could carry out a *concerted offensive* against opportunism.

We must *emulate and extend* the example offered by the healthy majority of party comrades on the North London District Committee of the AUEW. They refused to bow before reaction. Out of nineteen delegates, thirteen were party members; when confronted by a motion from a supporter of the petty-bourgeois left SWP (backing the PSC December 20 demonstrations and four other demands which he explained were identical to the line of the *Morning Star*), nine party members on principle refused to vote for this betrayal of socialism. The fact that the remaining four party members capitulated in the face of reaction meant that the motion was, unfortunately, carried by one vote.

The lesson this teaches, and the example it sets, fully reflects the position of *The Leninist*, that *there can be no democratic centralism while the leadership is dominated by opportunism*. Democratic centralism and party unity *can only* be built on the basis of *unity around Leninism*. ■

The Paradox of Afghanistan

James Marshall

While the question of the correctness of Soviet intervention dominated the debate on Afghanistan at the 1981 Party Congress, the nature of the Afghan revolution and the ideological differences in its leadership were buried beneath a thick layer of mythology. As a result of the left of the Congress unreservedly accepting the rather limp concoctions concerning the government of Hafizullah Amin (an acceptance based on their quite understandable desire to defend the Soviet Union against the defamations of the right-opportunists) they found themselves in the paradoxical situation *where it was they*, not our 'home grown' right-opportunists, who lauded right-opportunism in Afghanistan.

The left of the Congress gained 115 votes for their amendment, to the Executive's 157, or 42% of the vote. The fact that they perpetrated the myth that Amin's leadership of the People's Democratic Party of Afghanistan (PDPA) was 'tyrannical' and that the PDPA launched a wave of 'terrorism' against the people, and even that Amin himself was a 'CIA agent', meant that the left found themselves trapped in the deadly pit of centrism.

We Leninists *fully support* aid from the Soviet Union to the Afghan Revolution, both economic and military. Without the existence of the Soviet Union the revolution in Afghanistan would either have never taken place or its life would be countable in months, if not weeks. This said, local dynamism is however *essential*, thus we consider the killing of Amin and 97 other PDPA leaders as representing the extinguishing of the flame of the revolution; this was not only a crime, but also deforms the development of the country. While the presence of large numbers of Soviet Army units can secure it from the clutches of imperialism, the threat of counter-revolution welling up from the depths of society is, in the long term, a constant danger, much in the manner experienced in Poland in the last three decades.

It is because of our adherence to proletarian internationalism that we insist on 'opening up old wounds', for we say that unless the wound is thoroughly cleansed, it will fester, gangrene will develop and the revolution will either have to suffer major amputations or face death.

Afghan Bolshevism and Menshevism

Until 1973 Afghanistan was ruled by a feudal clique; tribalism, illiteracy, and barbarity gripped the countryside; women were treated as chattel, and barred from education. But despite this, because of geopolitical considerations, good relations were maintained with the country's giant northern neighbour — the Soviet Union.

When in 1973 the King's cousin and brother-in-law Daoud launched a coup and established a Republic, there was a great deal of rhetoric about reform, but this was nothing but demagoguery. The coup was the result of the revolutionary pressure of the masses, but the regime, which rested on an alliance of the weak bourgeoisie and the feudal aristocracy, was in essence

fundamentally opposed to inroads into the existing property relations. Thus the great task of land reform continued to haunt the country's politics. It could not be otherwise in a backward country, where 85% of the population derived their livelihood from the land, but where 5% owned 80% of the agricultural land. So despite a bourgeois 'revolution' the *tasks* of the bourgeois revolution still remained to be carried out. Despite its tiny size, it was the working class that stepped forward, because of its power internationally. Through its party, the PDPA, which was leading other oppressed sections *such as* the peasants, the urban petty-bourgeoisie, the minority nationalities — and championing the rights of women, it thus established hegemony over the national democratic revolution.

The PDPA was founded in January 1965. The first Congress of the party elected Nur Muhammad Tarakki as General Secretary, and also appointed a Central Committee of 9, including Babrak Karmal, and 10 associate members, one of whom was Hafizullah Amin.

The crucial question that confronted it and every movement of the masses, throughout history, was what approach to adopt to the existing state and social system. The different answers have rent asunder all workers' movements in our century, forming one wing that tended to align and even join with reaction, and another which despite difficulties refused to compromise. Reform or Revolution, Girondin or Jacobin, Menshevik or Bolshevik, Independent or Spartacist, Social-Democrat or Communist; Afghanistan was no different — Parcham or Khalq.

The PDPA split in June 1967, Parcham was led by Karmal, and advocated cooperating with the 'left' in the feudal regime; Khalq, under the leadership of Tarakki (despite his desire to conciliate with Parcham) pursued a consistent principled position, mainly as a result of the efforts of Amin.

The tailist policies of Parcham were fully exposed by the Daoud coup, when 4 Parcham Ministers were appointed to placate the masses and to provide a 'left' cover. But once the revolutionary pressure of the masses had been temporarily depressed, they were discarded. Although Khalq had vacillated in their attitude towards Daoud, they quickly determined never to follow the disastrous course of not only Parcham, but also that of communists in Sudan, India, or Egypt, i.e. tailing the bourgeoisie. Khalq advocated the revolutionary overthrow of the feudal/bourgeois regime and its replacement by a popular alliance led by the workers which would eventually lead the country to socialism. They fully conformed with Lenin's view that:

"To attempt by means of this (bourgeois — J.M.) state apparatus, to carry out such reforms as the abolition of the landowners' property... is the greatest illusion, the greatest self-deception of the people. This apparatus can serve a republican bourgeoisie, creating a republic in the shape of a 'monarchy without a monarch', ... but carrying out reforms seriously undermining or limiting the rights of capital, the rights of 'sacred private property', not to speak of abolishing them — such a state apparatus is absolutely incapable. This is why we have all sorts of 'coalition' Cabinets with the participation of 'Socialists', the phenomenon that these Socialists, even where individual persons among them are

absolutely sincere, in reality prove to be a useless ornament or a screen for the bourgeois government, a lightning rod to divert the peoples' indignation from that government, to deceive the masses... this was the case with the Chernovs and Tseretelis in 1917; and will be so long as the bourgeois system persists and as long as the old bourgeois, bureaucratic state apparatus remains intact." (V.I. Lenin, *CW*, Vol. 25, p. 373, from *One of the fundamental Questions of the Revolution* September 27, 1917)

The Revolution

The two factions of the PDPA reunited in July 1977, after two years of difficult negotiations. Despite a 50-50 division of the Central Committee, Khalq insisted (because of Amin) on keeping its organisation in the Armed Forces separate. This organisation was headed by Amin, and since his becoming leader in 1975, had been steadily growing in size, effectiveness and dynamism. For Amin it represented a central part of his entire strategic plan for revolution in the country. The Armed Forces, consisting mainly of peasants and staffed by the urban petty-bourgeoisie, could — with the intervention of the PDPA — be split, and a large section won to the side of revolution. Amin's work in the army was therefore central in building the revolutionary alliance of the masses, under the leadership of the working class, through its party — the PDPA.

The revolutionary pressure which had been diverted in 1973 by the Daoud coup reasserted itself, reaching a crescendo early in 1978. Hand in hand with these developments, the Daoud regime became increasingly repressive, and resorted to terror in order to maintain itself. In April 1978 it struck at the party; some leaders were assassinated, others — including Tarakki, Karmal and Amin were imprisoned, but not before Amin had given instructions to the Khalq followers in the Armed Forces to launch an uprising. The revolution succeeded, a government dominated by PDPA members was installed, and the task of transforming society was commenced.

Although many insisted on labelling the April Revolution a 'coup', there can be no question that it was a social revolution. When Daoud took power there were only a few changes of top personnel; 50 army officers were encouraged to retire but the system remained intact. With the coming to power of the PDPA only one army General was maintained (a party member), the other 60 were either killed or sacked and the state bureaucracy was likewise thoroughly cleansed. As well as this, far-reaching reforms were announced; the state took a 51% share in all major industries; there was sweeping land reform along with the cancellation of the peasants indebtedness; the practice of selling women was abolished; and education was made universal and compulsory, and despite objections, this included females.

These reforms were met with outrage by the feudal reactionaries, who immediately began organising armed counter-revolution. At the same time, many leaders of the Parcham looked upon the scale of the proposed changes and the reaction from tribal leaders with horror. Karmal and the other Parchamists had opposed the April Revolution, wanting to support "Daoud and the 'lefts' around him" (*The New Worker*, January 11, 1981). It was therefore almost inevitable that, as the forces of counter-revolution began to plunge the country into Civil War, they would become increasingly uneasy, shrilly demanding retreat and a new government in alliance with the 'progressive' bourgeoisie. The result of this right-opportunism was

that Karmal and four other Parcham leaders were sent to positions abroad, and later removed from the Central Committee.

It was universally recognised that although Tarakki was the country's President and the leader of the PDPA, it was Amin — the Foreign Minister — and later the Prime Minister, who was the driving force behind the changes. He insisted on maintaining an uncompromising position towards the danger of right-opportunism, and meeting counter-revolutionary terror with Red Terror. He was instrumental in setting up the Afghan Cheka — the Aqsa, and proposed the establishment of an Afghan Red Army, through building up a militia which would replace the old army.

That some in the World Communist Movement have rounded upon Amin for supporting 'terror' is a disgrace. All genuine revolutions, when faced with the threat of counter-revolution, have resorted to terror as a legitimate tactic. The Great French Revolution of 1789, the Paris Commune of 1871 (which Marx criticised for not crushing its opponents vigorously enough) and above all the October Revolution of 1917. "To the white terror of the enemies of the Workers' and Peasants' government the workers and peasants will reply by a mass terror against the bourgeoisie and its agents." (Communist Party Resolution — September 2, 1918, quoted in E.H. Carr — *The Bolshevik Revolution*, Vol 1, p.176)

The Soviet Role

From the earliest days of the Revolution the Soviet Union supplied large amounts of material aid, including military advisers. This aid was *vital* for the revolution to *survive and develop*. But despite this aid the forces of counter-revolution grew ever stronger, due to the power of reaction exercised through tribal links in the countryside and the bases supplied to armed counter-revolutionary groups by Pakistan and Iran (both dominated by black reaction). This led to first the Tarakki government, and then that of Amin, requesting large-scale Soviet military assistance. In fact 14 such requests, under the Afghan-Soviet Friendship Treaty, were made. None of them were met.

In September 1979 Tarakki returned from the Non-Aligned Conference in Havana, via Moscow, where he had still undisclosed discussions. What we do know is that after his return on September 16, Tarakki and Amin fell out and that later Amin announced the death of Tarakki. It is generally agreed that Tarakki wanted to retreat, and conciliate with the forces of reaction, which Amin refused to do.

Amin's assumption to the position of PDPA General Secretary in September, did *not mark any major change* of direction in party or state policy. The task of completing the bourgeois revolution remained, and "the goal of having a society without the exploitation of man by man" was emphasised (*Khalq* September 17 1979, English language edition). And despite current myth, Amin had no intention of destroying Muslim beliefs with terror. In an interview with the *Financial Times*, he declared "We sincerely have a profound respect for Islam. There are many Muslims in socialist countries and they are practising their faith." (October 16 1979)

The Soviet support for the overthrow of Amin, and his killing along with 97 other PDPA leaders, was the result of their fear of an imperialist-backed counter-revolutionary state being established on their borders. No doubt it was considered that Tarakki, and especially Amin, were pursuing a course which would only

encourage such a development. The Soviet leaders, like Karmal, seemed to believe that if the regime retreated, this would lessen the fury of black counter-revolution. This idea has, over the past 2 years, been proven to be erroneous; the counter-revolutionary forces have continued to take a heavy toll on the Afghan Army, and now the Soviet Army itself.

The description of Amin by Karmal as a "satanic operative and tyrant" who "upon the advice of US imperialists, massacred true Muslims" and who was himself a "CIA agent" (*White Book*, Information Dept, Kabul, pp.4-5) has no basis in truth. Karmal used this characterisation of the Khalq leadership in order to attempt an accommodation with counter-revolution. "In the name of God, the Compassionate, the Merciful" (*Ibid*, p.37) he wrote to that reactionary butcher Ayatollah Imam Khomeini; "In accordance with the clear text of the Koranic verse, by relying on God Almighty" he appealed to "Distinguished Afghan scholars and clergy" (*Ibid*, pp.60, 68). But to no good, counter-revolution continued its murderous course. Its armed bands and supporters now contend, not with the terror of the Aqsa and its replacement the KAM, but that of the helicopter gun-ships of the 'godless' Soviet Union on which Karmal increasingly depends.

Party Divisions

The installation of Karmal as leader of PDPA *has in no way solved* the problems plaguing the revolution. Counter-revolution poses a constant threat, despite retreats, and even a 'watering down' of the government

by the inclusion of non-party nationalists. Because Karmal never mentions socialism as an aim, denies he is a communist, and insists that he is a good Muslim, the vultures of reaction whiff the smell of death, and increase their efforts to topple the regime and drive out the 'infidel'. Only the presence of large numbers of Soviet troops ensures the survival of the government.

Although Leninists recognise the valiant role of the Soviet Army, we cannot be blind to the right-opportunism of Karmal and the other Parcham leaders, and the fact that Amin, the true leader of the April Revolution, was killed. It cannot be a simple question of whether to support "a brother party beleaguered by reactionary forces" as comrade Tom Durkin said at the 37th Party Congress. For that party *is still divided* between Bolsheviks (Khalqists) and Mensheviks (Parchamists). Karmal openly admits that *deep ideological divisions* still remain in party organisations "The Central Committee has constantly demanded that factionalism in party groups, the armed forces and the police be prevented" and that "In most of these organisations these demands... have not been observed". (*The Times*, August 19 1981 — reporting a speech broadcast on Afghan Radio)

While the left of our party remains tied to the myths spun around the Afghan Revolution, it is *divorced* from Marxism-Leninism. As such, it is doomed to impotence. History demands of us a decision — Reform or Revolution, Menshevism or Bolshevism, Parcham or Khalq, Right-opportunism or Leninism. In the long term it is one or the other. ■

The Economic Crisis and its Political Effects in Britain

Part Two of this article in *The Leninist* No 3 will look at the political effects of the present period in Britain, and the subsequent tasks of communists.

Frank Grafton

(Part One)

Introduction

Economists of the nineteenth century, including Marx, observed the development of capitalism through ten year economic cycles, which were punctuated by crashes followed by stagnation. These crashes were known to Marx as General Crises, and occurred in 1825, 1836, 1847 and 1866. However, this decennial pattern began to break down after 1870, and some of the reasons for this were referred to by Engels in a footnote in Marx's *Capital* Volume III, published 1894;

"As I have already stated elsewhere, a change has taken place here since the last major general crisis. The acute form of the periodic process with its former ten-year cycle, appears to have given way to a more chronic, long drawn out, alternation between a relatively short and slight business improvement and a relatively long, indecisive depression — taking place in the various industrial countries at different times. *But perhaps*

it is only a matter of a prolongation of the duration of the cycle. In the early years of world commerce, 1815-1847, it can be shown that these cycles lasted about five years; from 1847 to 1867 the cycle is clearly ten years; *is it that we are now in the preparatory stage of a new world crash of unparalleled vehemence?* Many things seem to point in this direction. Since the last general crisis of 1867 many profound changes have taken place. The colossal expansion of the means of transportation and communication — ocean liners, railways, electrical telegraphy, the Suez Canal — has made a real world market a fact. *The former monopoly of England in industry has been challenged by a number of competing industrial countries;* infinitely greater and varied fields have been opened in all parts of the world for the investment of surplus European capital, so that it is far more widely distributed and local overspeculation may be more easily overcome. By means of all this, most of the old breeding-grounds of crises and opportunities for their development have been eliminated or strongly reduced. At the same time, competition in the domestic market recedes before the cartels and trusts, while in the foreign market it is restricted by protective tariffs, with which all major industrial countries, England excepted, surround themselves. But these protective tariffs are nothing but preparations for the ultimate general industrial war, which shall decide who has supremacy on the world-market. *Thus every factor, which works against a repetition of the old crises, carries within itself the germ of a far more powerful future crisis.*" (Footnote by F. Engels *Capital* Vol. III p.489 Moscow 1974).

What Engels was describing, although he didn't live to see it completed, was the transition from competitive capitalism resting primarily on a single industrial economy — Britain — to the higher stage of monopoly capitalism, or imperialism, where a number of industrial capitalist countries developed, dominated and divided the world economy. Lenin described the stages of the process in *Imperialism — the highest stage of capitalism*:

“Thus, the principal stages in the history of monopolies are the following: (1) 1860-1870, the highest stage, the apex of development of free competition; monopoly is in the discernable, embryonic stage. (2) After the crisis of 1873, a lengthy period of development of cartels; but they are still the exception. They are not yet durable. They are still a transitory phenomenon. (3) The boom at the end of the nineteenth century and the crisis of 1900-03. Cartels become one of the foundations of the economic life. Capitalism has been transformed into imperialism.” (V.I. Lenin, *CW*, Vol 22 p.202 Moscow 1977).

Therefore both Engels' suggestions of “... a prolongation of the duration of the cycle” and “... a far more powerful future crisis” seemed to be fulfilled by the emergence of the General Crisis of Imperialism in 1914, and its termination over thirty years later in the aftermath of World War Two.

The establishment of imperialism at the turn of the century, therefore, brought about an expansion and generalisation of the capitalist economic cycle, whilst retaining the three phases of that cycle, which Marx characterised as: (1) The period of rising profits and prosperity. (2) The period of over-production and speculation, featuring the stretching of the credit system to its limits. (3) The period of General Crisis and stagnation, and the collapse of the credit system. Whereas in Marx's time, each of these phases would only last two to five years, they are extended over a much longer period in the epoch of imperialism, and it is the *general* features which are the determining factor as to the character of the period. For instance, it is possible to have a temporary upturn in a period of general crisis, or a temporary downturn in a period of boom. Taking 1900 as the starting point when imperialism had become fully established, we can divide the next eighty years up to the present into phases of the economic cycle. For example, the period 1914 - c.1948 showed all the features of a general crisis; (this will be dealt with more fully in a future article). The 'fifties and 'sixties are popularly termed 'the post-war boom' and exhibit the features of a period of rising profits and prosperity. Finally it is the purpose of this article to show the present period as one of over-production and speculation, and extension of the credit system. It is possible to see what this stage develops into, by looking at the political effects, and also comparing it to a previous period of over-production in the epoch of imperialism between 1900-1914, which preceded the last General Crisis.

The Economics of the present period.

Before looking at the political features of the present period (See *The Leninist* No.3) we must look at the economic developments that underlie them, and the most important indicator is the *rate of profit*. But first, a word about method of analysis. Economics is not an exact science, and statistical data must never be considered absolutely accurate. However, it is still possible to work towards the best approximation, so long as the method used is consistent and the data used are the best available. In order to acquire an indication of the overall tendencies in the rate of profit, we have only used data for all manufacturing industries in the U.K. and U.S. The reasons for this are: (1) The relatively accurate statistics for manufacturing in both these countries. (2) When examining the production of surplus value, it must be noted that only productive labour is involved, and only statistics for manufacturing differentiate sufficiently between 'operative' labour and non-productive labour. (3) Although value and surplus value are produced in other sectors like mining, transport and retail, the manufacturing sector would still account for the bulk of surplus value production, and is the best sample.

A table of all data used is shown in Table 1 but the indicators we are interested in, are illustrated by graphs 1-5. Graph 1 shows the simple rate of profit, which is equal to the mass of surplus value produced in a single turnover of the production cycle, as a fraction over the *total* capital invested to set up production. Total capital values are easily acquired, by summing fixed capital (machinery and buildings) investment for the year with capital laid out in stocks (raw materials and variable capital). An estimate for surplus value is more difficult; both U.S. and U.K. statistics give a figure termed 'value added' or 'net output', which consists of surplus value and operatives wages for the whole year, but also includes depreciation of fixed capital (as the value of machinery and buildings is gradually transferred to the finished commodities.) Figures for both depreciation and operatives wages are available, and so it is merely a matter of subtracting them from value added/net output, to get an estimate of surplus value produced for the whole year. This however, does not take into consideration 'turn-over'.

Variable capital employs labour in the production process (equal to the value of operatives wages), and its value is transferred to the commodities as they pass through this process. Once the manufacture of commodities is complete and they are sold, the proportion of commodity value equal to variable capital is realised in its money form and free to be used to employ labour again. So we see, that after the first cycle, no further additions of variable capital are required, but merely the re-cycling of capital already employed. If a capitalist employs labour with

Table 1

UK Manufacturing Statistics (billion sterling). Sources: Business Monitor (Cens. Prod.), Month. Dig. Stats*, Economic Trends.													US Manufacturing Statistics (billions dollars). Sources: Historical Stats. of the US, Statistical Abstracts of the US.													
Years	Sales & Workdone	Annual Operative Wages	Total Stocks	Work in Progress	Fixed Capital	Total Capital (C) 3+5	Depreciation 6	Turnover 1/4	Surplus Value (S) Net out (2-6)	Annual S/V in %	Real S/V in % S=5/Turn	V/C in % (V=2/Turnover)	Sales 1	Annual Operative Wages 2	Total Stocks 3	Work in Progress 4	Fixed Capital 5	Total Capital (C) 3+5	Depreciation 6	Turnover 1/4	Surplus Value (S) Net out (2-6)	Annual S/V in %	Real S/V in % S=5/Turn	V/C in % (V=2/Turnover)		
1950	11.93	1.79			0.44	0.17		2.08			116		223.6	34.6	31.1	9.0	5.04	36.14	4.3		50.85	161		167		
1951	15.29	2.11	3.22		0.52	3.74	0.26	2.5	67		118		260.6	40.7	39.3	11.0	7.78	47.08	5.0		56.39	120		159		
1952					0.55								270.3	43.8	41.1	12.3	7.88	48.98	5.4		59.96	122		137		
1953					0.58								298.1	50.0	43.9	13.2	8.05	51.95	5.8	22.6	65.86	127	5.62	132	4.3	
1954	17.26	2.57	3.6		0.59	4.19							280.3	44.6	40.34	12.2	8.2	48.54	6.1	23.0	66.33	137	5.96	149	4.0	
1955	18.88	2.87	3.8		0.66	4.46	0.39	3.51	79		122		317.8	49.2	45.1	13.3	8.23	53.33	6.5	23.9	79.32	149	6.23	161	3.3	
1956	19.97	3.08	4.1		0.8	4.9	0.45	3.59	73		117		332.9	52.0	50.6	15.0	11.23	61.83	7.4	22.2	85.51	138	6.22	164	3.8	
1957	21.4	3.23	4.4		0.87	5.27	0.5	3.75	75		116		344.8	52.6	51.9	15.7	12.14	64.04	8.3	22.0	86.94	136	6.18	165	3.7	
1958	21.9	3.22	4.8		0.86	5.66	0.57	4.06	72		126		327.0	48.6	48.95	15.2	9.54	59.49	8.8	21.5	83.14	140	6.51	168	3.9	
1959			5.04	1.83	0.87	5.91	0.61						363.4	54.7	52.95	16.0	3.14	61.69	9.1	22.7	97.74	158	6.96	179	3.8	
1960			5.6	2.0	1.02	6.62	0.73						370.5	56.6	53.56	15.7	10.1	63.66	9.4	23.6	99.0	156	6.61	178	3.7	
1961			6.0	2.1	1.24	7.24	0.85						371.1	54.8	54.74	16.3	9.78	64.52	9.6	22.8	99.88	155	6.8	182	3.7	
1962			6.03	2.22	1.17	7.2	0.91						400.3	59.1	58.07	17.5	10.44	68.51	9.9	22.9	110.07	161	7.03	186	3.8	
1963	27.66	3.99	6.28	2.36	1.06	7.34	1.11	11.72	5.72	78	6.66	143	4.6	420.7	62.1	59.91	18.3	11.37	71.28	10.2	23.0	119.78	168	7.3	193	3.8
1964			6.91	2.63	1.22	8.13	1.37						448.0	65.8	63.21	19.7	13.29	76.5	10.6	22.7	129.79	170	7.49	197	3.8	
1965			7.4	2.85	1.4	8.8	1.4	1.32					491.9	71.4	68.01	21.9	16.62	84.63	11.3	22.5	144.24	170	7.96	202	3.7	
1966			7.16	3.0	1.5	9.26	1.04						538.4	78.3	77.72	26.8	20.24	97.96	12.4	20.1	160.18	164	8.16	205	4.0	
1967			7.8	3.1	1.47	9.27	0.98						557.8	81.4	84.41	29.4	21.5	105.91	13.6	19.0	166.98	158	8.32	205	4.0	
1968	32.29	5.28	8.29	3.28	1.63	9.92	1.04	9.84	8.97	90	9.15	170	5.4	603.2	87.5	90.51	32.1	20.61	111.12	14.9	18.8	182.86	164	8.72	209	4.2
1969			9.1	3.54	1.83	10.93	0.97						642.5	93.5	98.2	35.5	22.29	120.5	16.4	18.1	194.54	161	8.9	208	4.3	
1970	46.71	6.62	10.02	3.84	2.09	12.11	1.14	12.16	10.77	89	7.32	163	4.5	634.0	91.6	101.29	35.1	22.16	123.45	18.2	18.1	190.43	154	8.51	208	4.1
1971	49.86	7.07	10.51	4.04	2.2	12.71	1.72	12.34	11.83	93	7.54	167	4.5	671.1	93.0	102.0	34.3	20.9	122.9	19.8	19.6	201.2	164	8.37	216	3.9
1972	53.31	7.57	11.22	4.56	1.98	13.2	2.04	11.69	13.14	100	8.55	174	4.9	756.5	105.1	108.0	36.8	24.1	132.1	20.7	20.6	228.2	173	8.4	217	3.9
1973	62.11	8.79	13.34	5.42	2.28	15.62	2.19	11.46	15.62	100	8.73	178	4.9	875.4	117.7	124.4	42.2	27.0	151.4	22.4	20.7	283.9	174	8.41	224	3.8
1974	80.01	10.55	18.67	7.25	3.07	21.74	2.28	11.04	20.22	93	8.42	192	4.4	1017.9	124.4	157.8	48.8	32.8	190.6	26.0	20.4	301.6	158	7.75	242	3.2
1975	91.24	12.68	20.06	7.67	3.54	23.6	2.67	11.9	21.6	92	7.73	170	4.5	1039.4	120.9	158.0	49.5	37.3	195.3	30.5	21.1	280.6	149	7.06	240	2.9
1976	110.49	14.41	25.25	9.45	3.9	29.15	3.04	11.69	26.89	92	7.87	187	4.2	1175.7	136.9	170.4	52.2	40.7	211.1	32.6	22.6	341.5	162	7.17	249	2.9
1977	129.48	15.86	28.83	10.83	4.77	33.6	3.73	11.96	31.27	93	7.78	197	3.9	1330.1	156.2	188.1	57.0	47.5	235.6	35.7	23.4	383.1	167	7.14	252	2.8
1978	140.92	17.62	31.73	12.09	5.84	37.57	4.78	11.66	34.43	92	7.89	195	4.0	1496.6		198.0	66.2	50.6	248.6	40.0	22.6					
1979	161.3	19.87	36.4	13.0	6.79	43.19	4.94	12.41	41.64	96	7.74	210	3.7	1692.0		227.7	70.5	60.1	287.8	45.3	21.5					

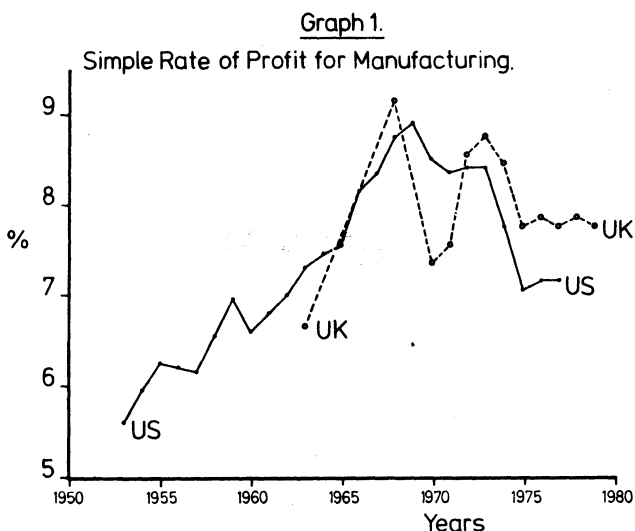
variable capital (V) to produce surplus value, (S), then he expropriates S every time V is turned over. If V is turned over n times, then the capitalist gains n times S, with no further expense to himself, than the original V. Statistics for stocks are broken down into 'stocks of materials and fuel', 'finished goods' and 'work in progress'. 'Work in progress' includes the value of materials, variable capital and depreciated fixed capital, all in the process of production at the time of census. If the variable capital was only turned over once, then the result would be finished commodities equal to the value of 'work in progress'. However, there is more than one turnover in the course of a

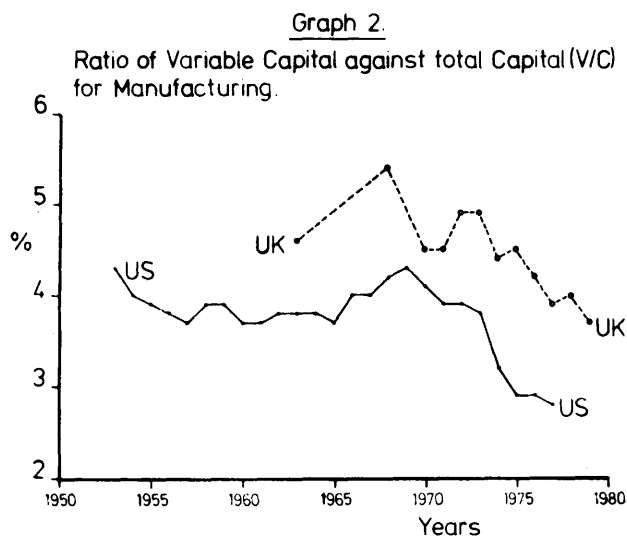
year, and so 'gross output' is equal to 'work in progress' times turnover. Gross output or 'total sales and workdone' is a figure available, and so turnover is obtained by dividing it by 'work in progress'. Consequently, annual totals for operatives' wages and surplus value are divided by turnover to give variable capital and surplus value produced in one turnover.

The rate of profit

Now to return to graph 1 and the simple rate of profit, which is defined as the ratio of surplus value produced in a single turnover, over total capital invested in the production process for the year. It should be noted that we have ignored any divisions in surplus value, such as profit of enterprise (industrial profit), interest, taxes, and revenue consumed by capitalists and non-productive labour; changes in distribution between the various claimants do occur, but ultimately, it is production of surplus value as a whole which is the determining factor. The obvious features to note about the simple rate of profit for the US and UK in graph 1, despite the lack of data for the latter before 1968, are: (1) A tendency for the simple rate of profit to rise throughout the 'fifties and 'sixties. (2) The available figures show a peak around 1968-69, since which the tendency has been to fall. Although the UK figures show a recovery in the rate between 1970 and 1973 (the point to note is that it fell so drastically in 1968-70), it never reaches its previous peak of 1968.

Unfortunately, figures for 1980-81 are not yet





available, as they would have shown a further drop in the simple rate of profit with the present recession, possibly even more severe than the 1973-75 fall; this would have illustrated more concretely the general tendency for the simple rate of profit to fall since the late 'sixties. Marx stated that the underlying cause for the rate of profit to fall, was the increase in machinery, buildings and raw materials in relation to labour employed, resulting from increased productivity with new techniques of production. The organic composition of capital which is the ratio of variable capital (employing labour) to constant capital (value of machinery, buildings and raw materials), reflects the changes in technical composition with higher technology, but not exactly, because the value of machinery, raw materials and labour can fluctuate without them physically changing. The long term tendency is for value ratios to roughly mirror the technical ratios, and for constant capital to increase in relation to variable capital. Because surplus value has a closer relation to variable capital than constant capital, the changes in the organic composition determine that the simple rate of profit falls.

Graph 2 shows changes in the ratio of variable capital over total capital such that a figure of 4% indicates £4 laid out in labour costs from every £100 capital, and therefore £96 is invested in machinery, buildings and raw materials. As productivity increases, the proportion laid out in labour should fall. This is precisely the general tendency since 1968-69 for both the US and UK, and underlies the tendency for the simple rate of profit to fall. Although there is a rise in V/Total C, between the mid and late 'sixties for both economies (possibly due to rises in the cost of labour), this is not enough to explain the rising simple rate of profit before 1968. In fact, the US figures show V/Total C, to either be falling or level throughout the 'fifties and early 'sixties, when profits were rising. This is only to state that changes in the organic composition usually have a downward effect on the rate of profit; we must look elsewhere for the counter-tendencies which

allowed the rate of profit to rise throughout the 'fifties and 'sixties, and find out why they don't operate now.

Counteracting Tendencies

Although the process of increasing labour productivity underlies the falling rate of profit, it is also responsible for factors which temporarily counteract that tendency:

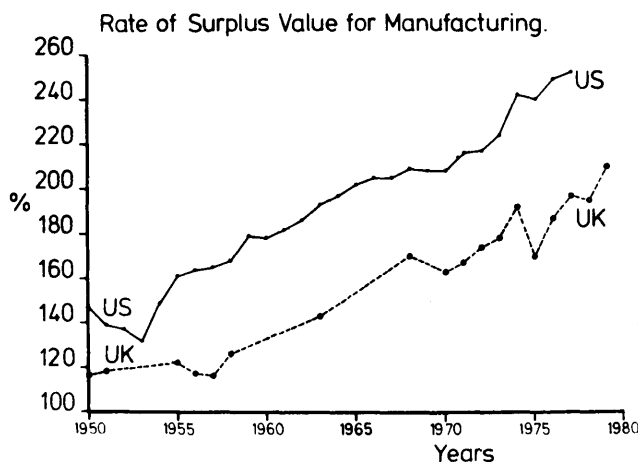
(1) We have already noted, that the mass of means of production increases in relation to the labour employed to operate it. However, the end result of increased productivity is that the labour time required to produce commodities is reduced. Both the value of the means of production, i.e. constant capital, and of labour power i.e. variable capital, is determined by the cost of their components; if the value of machinery, buildings and raw materials is cheapened through increased productivity, then constant capital (being the vast bulk of total capital) will not rise so sharply in relation to variable capital, as the mass of means of production expands in comparison to the mass of workers. This offsets, but doesn't counteract, the changes in the organic composition which underlie the falling rate of profit. The sector where the most dramatic reductions in value of commodities can occur, is the production of raw materials, such as metals, mineral fuels, fishing and agriculture. This is because, here, it is not only labour productivity and high technology which determines output, but also natural fertility of the soil and sea, and the richness of mineral resources (and how easily they are exploited). The 'fifties and 'sixties witnessed a massive expansion in the world-wide operations of American transnational companies (especially oil companies), which, by making available masses of cheap fossil fuels and mineral ores, reduced the cost of constant capital in all branches of industry throughout the N. American-W. European economy. Thus the fall in the rate of profit, which is measured against total capital costs, would have been at least inhibited.

(2) Given a total capital outlay C , the rate of profit S/C is determined by how much surplus value S can be produced. But surplus value is a product of living labour, which is employed by only part of the capital i.e. variable capital V . Living labour spends part of the workday producing value to cover the cost of its own maintenance equal to V , and the rest of the time producing surplus value S . The ratio S/V is called the rate of surplus value (and is a measure of the rate of exploitation), the capitalist is only interested in increasing S as against V i.e. increasing the rate of surplus value.

The rate of profit $S/C = S/V \times V/C$ (The two V 's cancel out).

We have already seen that the rate of profit tends to fall, due to V/C being reduced with increasing productivity: graph 2 shows this to be so (except for a significant rise in the late 'sixties for both US and UK figures). In order to counteract the falling rate of profit, according to

Graph 3.



the above formula, there must be a sufficient increase in the rate of surplus value S/V . Graph 3 shows the rate of surplus value for US and UK manufacturing, and the overall tendency is a rising one, with the highest longterm increases maintained throughout the late 'fifties and early 'sixties. It was this increasing rate of surplus value, which was the *major* factor responsible for the rising rate of profit throughout the 'fifties and 'sixties.

The Rate of Surplus Value

The worker spends part of the workday producing V and the rest producing S , and we will assume for simplicity sake at the moment, that the goods which the worker buys with V remain the same i.e. his standard of living doesn't change. In order to expand S without changing the worker's consumption, the capitalist can use three methods:

(1) By increasing productivity in those branches of production, which produce commodities consumed by workers, the value of those commodities individually can be reduced, and consequently, the size of V necessary to buy what the worker normally consumes, is also reduced. The time required therefore, for workers in all branches of production to produce V decreases, and if the workday length is constant, then the time spent producing S is expanded. The overall value produced during the day doesn't change, it is merely re-divided in favour of S . This method has the most general effect in increasing S/V , but has less effect on the general organic composition V/C , as productivity increases are confined to consumer commodity production, and again relies heavily on spheres such as agriculture, fishing and mining, where cheapened food products, synthetic textiles and plastics etc. are also the result of natural productivity.

(2) By intensifying the production process i.e. speeding up, it is possible for the worker to produce V in a shorter space of time; if the workday length is constant, then the time for producing S is expanded. Unlike the first method, the total value produced during the workday is increased, and more value in the form of raw materials and fixed

capital depreciation is transferred to the finished commodities. Although intensifying production can be achieved simply by increasing machinery and conveyer belt speeds, it normally also involves the introduction of more productive machinery, or an increase in the number of machines supervised by a single worker. The overall result with this method is an increased rate of surplus value, *but a reduction in the mass of labour employed*. Because the mass of surplus value is a product of S/V and the total mass of labour employed at that rate, the initial benefit of increasing S/V is counteracted by the reduction of labour mass, resulting in a *tendency for the mass of surplus value to decline* (and ultimately contributing to a further fall in the rate of profit).

(3) The method whereby the length of the workday is increased, was termed by Marx, 'increasing absolute surplus value'. If the time for producing V remains constant, then the time for producing S is expanded. Like the second method, the total value produced during the workday increases, and more raw materials and depreciation are turned over. However, there is no increased labour productivity or reduced labour force, therefore there is no tendency for the mass of surplus value to fall. Consequently, Marx always referred to this as the most effective means of offsetting the falling rate of profit, but the hardest to impose against the resistance of the organised workers.

These three factors can operate simultaneously in the same direction, or in opposite directions. But Marx separated out two general tendencies: (1) The intensification of the production process requires an acceleration and concentration of the worker's energy. These have certain physical limits, such that it would be difficult to maintain a high tension of labour activity for twelve hours a day, without accidents and exhaustion. As increased productivity and cheapening of the necessities of life allow a shortening of the working day (because V is replaced in a shorter period), then intensification of production tends to 'take up the slack'. Consequently, the first two methods tend to operate in the same direction, and coincide with a shortening of the working day or week. (2) Lengthening of the working day implies a relaxation of the pace of production, and is usually coincidental with a reduction of labour productivity. Paid overtime and night shift systems are somewhat different, in that they increase the cost of labour; they are more related to increasing the turnover of fixed capital in industries, where massive investments are tied up in large quantities of expensive machinery, as is the case in car manufacture.

Up to now, we have assumed that the worker's consumption of commodities, such as food and clothing doesn't change — whether they rise or fall in value. This of course, is rarely the case, because when capital is expanding production and drawing in labour, then the increased demand will tend to raise the level of consumption of workers. i.e. their standards of living are raised.

During the 'fifties and 'sixties, the cost of labour rose, but was always compensated by increasing productivity in consumer commodity production and increasing intensity of production through the employment of new techniques — hence, standards of living rose simultaneously with a rising rate of surplus value.

By the late 'sixties, the demand on labour by capital was still tending to raise the cost of wages, but this was no longer compensated by increasing rates of surplus value. Graph 2 gives some indication that rising labour costs were causing V/C to rise from the mid to late 'sixties; Graph 3 shows the rate of surplus value for the U.S. to be stagnant between 1966-70, and to actually decline between 1968-70 for the U.K.. What was beginning to emerge, was *an over-production of capital*, whereby its accumulation could no longer sufficiently raise either S/V or the mass of labour (there was full employment at this time). Therefore, a tendency emerged not only for the rate of profit to fall, but also for the mass of surplus value to fall. This is most clearly expressed during partial crises, like the 1974-75 recession, when S/V suffered one of its biggest falls in both the U.S. and U.K.

The mass of surplus value

The mass of surplus value is the product of the rate of surplus value and the total mass of labour exploited at that rate. If the rate of surplus value equals S/V and the total workforce is simultaneously employed by the total variable capital V, then;

Mass of surplus value $S = s/v \times V$ (This only applies for one turnover).

We have already seen, that when capital is overproduced, it means that neither s/v or V can be sufficiently increased, and therefore the mass of surplus value cannot be expanded. At the end of the 'sixties, V couldn't be increased, because there was relatively full employment, and s/v couldn't be raised, because the demand from overproduced capital tended to increase v at the expense of s . This can be shown by the formula;

$$S/C \rightarrow S/C+C'$$

Because S doesn't expand, and yet C is expanded by C' (infact it is overproduced by C'), then the rate of profit falls. If wages rise at the expense of S as well, then the mass of surplus value S will also fall. This has been the dilemma of capitalism since the end of the 'sixties. So how does it get around the problem?

Inorder to expand the mass of surplus value again, the rate of surplus value must be increased. The main method for this, has been to increase the intensity of production and productivity of labour, by applying new techniques involving more productive machinery. This process tends to displace labour and expand the reserve army of labour, thus increasing the competition between employed and unemployed, which contributes to the holding down of labour costs. Although this

process may increase the rate of surplus value sufficiently to expand the mass of surplus value, it has two drawbacks;

(1) Increased productivity reduces the ratio of V/C, shown by its dramatic fall since 1970 in graph 2, which underlines the further decline experienced by the rate of profit (graph 1).

(2) If for a given capital of £100, the rate of profit falls from 100 per cent to 50 per cent, then the mass of surplus value expropriated by that capital falls from £100 to £50. Inorder to maintain the same mass of surplus value at the lower rate of profit, then the size of capital must increase from £100 to £200.

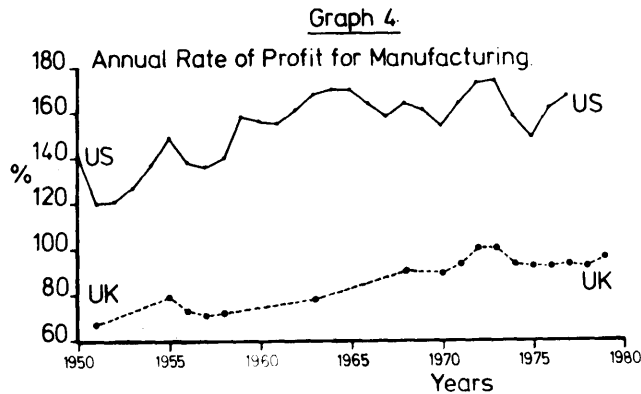
It seems therefore, there is a catch 22 situation. Inorder to overcome the tendency for the mass of surplus value to fall, capitalists must use methods, which in the long term cause the rate of profit to fall even further. To break out of this vicious cycle, individual capitals must accumulate (grow in size) at a faster rate than profit falls. The normal process of accumulation, or concentration, involves the re-investment of surplus value as new capital, back into the production process, from whence it came. In periods such as the one since 1968, however, added impetus to the expansion of capital must be gained, in order to increase the mass of surplus value. This is brought about by a process of *centralisation*. Infact the development of monopoly capitalism at the turn of the twentieth century, was a result of this. Subsequently in the late 'sixties, the face of British industry was totally transformed by what became known as the 'European Merger Boom', and is described by Christopher Tugendhat in his book, *The Multinationals*:

"During those two years (1967-68 F.G.) more than 5,000 British companies were involved in corporate marriages of one sort or another. Nearly seventy of the country's top one hundred companies entered the bidding, or were bid for, and more than a quarter of the companies registered at the beginning of 1967 with a value of £10m or more were taken over. A sum in excess of £6,100m was offered for the equity of those companies registered at the beginning of 1967 with a value of £10m or more were taken over. A sum in excess of £6,100m was offered for the equity of those companies that lost their identity. Quite apart from all this, the steel industry was nationalised in 1967, which resulted in the formation of what was then the world's largest steel company, the British Steel Corporation." (C. Tugendhat *The Multinationals*. p.87 Harmondsworth 1971).

The same process since then, has involved the formation of British Leyland, International Computers Limited, British Shipbuilding, British Aerospace and General Electric, as the sole giants in their field of the British owned economy. Inevitably, the only way to stay ahead of the continuous slide in the rate of profit, *is to grow bigger!* Those capitalists who fail to do this, join the mounting list of bankruptcies.

Turnover

A further factor effecting the rate and mass of profit is *turnover*. If we take all surplus value produced annually, through a continuous turnover of variable capital, then we can derive the annual rate of profit, which is the annual mass of



surplus value as a ratio to total capital outlay for the year;

The annual rate of Profit = $S/C \times n$ (n is number of turnover in a year).

Turnover is closely connected to increasing rates of surplus value through intensifying production; it is also brought about by increasing productivity and reducing the ratio of variable capital to total capital, because a relatively smaller variable capital has a faster turnover. Inevitably, when production is expanded by massive concentrations of capital, as in car manufacture, then high turnovers are required to re-cycle the gigantic capital outlays tied up in fixed capital, and to compensate for the small simple rates of profit, due to small V/C ratios. Overtime and 24 hour shift systems are symptomatic of this. A comparison of U.S. and U.K. turnovers for all manufacturing, shows U.K. figures to be about 10-12 per annum, and U.S. figures to be double, at about 18-24 per annum (See Appendix 1). Although U.S. manufacturing has approximately the same, if not lower simple rates of profit than the U.K., its annual rates of profit, as illustrated by graph 4, are double that of the U.K.. This indicates that U.S. manufacturing is more productive and turns over more quickly, but also, that it operates higher capacities and gross outputs, which are facilitated in the U.S., by a much larger domestic market than all other capitalist countries. Inevitably, the question of higher productivity, higher capacities and ability to produce commodities below the average cost, becomes important in the competition to expand international markets. Japanese and West German manufacturing are particularly reliant on these factors, as imperialism's most dynamic exporters of electronic and machine tool commodities.

The annual rates of profit in Graph 4, mirror the general tendencies of the simple rates. This includes a rise throughout the 'fifties and 'sixties to a peak in 1972-73, but because turnover imparts a certain degree of freedom, it becomes a major factor in compensating for the tendency for the simple rate of profit to decline, by increasing the rate and mass of annual surplus value. To summarise therefore, the factors which are used to counteract the effects of the falling rate of profit in

the present period are: (1) increasing S/V. (2) Increasing the size of individual capitals through concentration and centralisation. (3) Increasing turnover of variable capital to maintain high rates of annual profits.

However, all of these factors imply an *accelerated expansion of production and markets*. How is this possible, when there is a tendency for capital to be over-produced, for the surplus capital to be forced out of production as superfluous to the needs of capitalism (resulting in unemployed labour and bankrupt capitalists), and thus reducing the markets for both consumer and capital commodities? *The answer is the extension of the credit system, which overcomes the immediate restrictions to production, caused by the falling rate of profit:*

“The credit system appears as the main lever of over-production and over-speculation in commerce solely because the reproduction process, which is elastic by nature, is here forced to its extreme limits... This simply demonstrates the act that the self-expansion of capital based on the contradictory nature of capitalist production permits an actual free development only up to a certain point, so that in fact it constitutes an imminent fetter and barrier to production, which are continually broken through by the credit system... At the same time credit accelerates the violent eruptions — crises — and thereby the elements of disintegration of the old mode of production.” (Karl Marx, *Capital*, Vol.III, p.441, Moscow 1974).

The Credit System

Capital must undergo a set cycle of reproduction: money capital is exchanged into the elements of productive capital, which employs labour and means of production to reproduce their own values, but also, for labour to produce surplus value; all these values end up in the finished commodity form, but in order for them to be realised, so that they may continue to reproduce and *expand* the original capital, they must be transformed into the money form again. Money is a special commodity, i.e. gold, whose role is to measure labour time required to produce not just one commodity, but all commodities. Money therefore, represents abstracted social labour time and is the standard for all exchange values. Because capitalist production is *only* interested in the production of commodity values, and surplus value in particular, then its realisation in the money form at the the end of each reproductive cycle is imperative. The process whereby commodities are transformed into money, is buying and selling i.e. circulation. So long as reproduction of capital can realise ever increasing rates of profit, and maintain a continuous expansion of capital through accumulation of surplus value, then there is no barrier to this process. As soon as over-production of capital begins to emerge however, then the tendency is to contract production and markets i.e. increasing amounts of commodity

value find difficulty in being exchanged for their money equivalent. In order to overcome this disruption of capital reproduction, the capitalist must find capital in its *money-form* — to bridge the gap, so to speak. He can therefore continue to pay for new investments in machinery, raw materials and labour etc. Furthermore, he must insist on payment for his own goods sold to other capitalists and buyers, so they too are forced to seek *money*. The temporary solution to this problem is to *borrow money capital i.e. loan capital*.

Loan capital is capital in its money form, which is loaned for a given period with an agreement to pay the price of its use-value, called *interest*. The assumption made is that the borrowed capital is used to produce surplus value, and part of this surplus value is expropriated by the *owner* of the loan capital, which is the money capitalist. The institutions of loan capital are the banks and other financial establishments, which act to centralise capital by borrowing money from society as a whole, at a particular rate of interest, but then lending these concentrations of social capital to acquire higher rates of interest. The rate of interest is unlike the rate of profit, as the latter is determined by the conditions of production; interest knows no natural limit, for it rises and falls with demand. In reality, its maximum is when it expropriates all surplus value, but in the world of mirages called speculation, interest can even surpass this — until reality brings it down with a bump!

Loan capital and interest are the basis to the credit system, and the extension of the credit system involves greater concentrations of money capital being loaned, whereby the banks undergo a similar expansion and centralisation as monopoly capital does in industry. The emergence of imperialism was the result of credit expansion and capital centralisation reaching a qualitatively new stage, where bank capital in the form of a few big banks in all imperialist countries, began to *merge* their operations with large industrial monopolies. Lenin quoted the German Marxist Hilferding, to describe this process:

“...‘A steadily increasing proportion of capital in industry’, writes Hilferding, ‘ceases to belong to the industrialists who employ it. They obtain the use of it only through the medium of the banks which, in relation to them, represent the owners of the capital. On the other hand, the bank is forced to sink an increasing share of its funds in industry. Thus, to an ever greater degree the banker is being transformed into an industrial capitalist. This bank capital i.e. capital in money form, I call ‘finance capital... Finance capital is capital controlled by banks and employed by industrialists.’... (Quoted in *Imperialism — the Highest Stage of Capitalism*, V.I. Lenin, *CW*, Vol.22, p.226).

Lenin further qualifies this definition of finance capital:

“The concentration of production; the monopolies arising therefrom; the merging or coalescence of the banks with industry — such is the history of the rise of

finance capital and such is the content of that concept.” (Ibid).

Imperialism as a higher stage of capitalism arose therefore, during a period of overproduction, where attempts to overcome it involved expanding credit and concentrating capital, way beyond any level previously attained.

Rate of Interest

Marx noted a pattern to the rate of interest, which indicated the movement of loan capital during the three phases of the economic cycle;

“...at the beginning of the industrial cycle, a low rate of interest coincides with a contraction, and at the end of the industrial cycle, a high rate of interest coincides with a superabundance of industrial capital.” (Karl Marx, *Capital*, Vol.III, p.489).

Graph 5 shows the US and UK rates of interest since 1935, and its minimum during the thirties and forties coincides with a contraction, and the beginnings of expansion, where there is no real demand for bank credit to raise the rate of interest. It begins to rise during the late forties and reaches its approximate mean by the early 'seventies. Marx says about this particular phase:

“The phase wherein a low rate of interest, but above the minimum, coincides with the ‘improvement’ and growing confidence after a crisis, and particularly the phase wherein the rate of interest reaches its average level, exactly mid-way between its minimum and maximum, are the only two periods during which an abundance of loan capital is available simultaneously with a great expansion of industrial capital.” (Karl Marx, *Capital*, Vol.III, p.489).

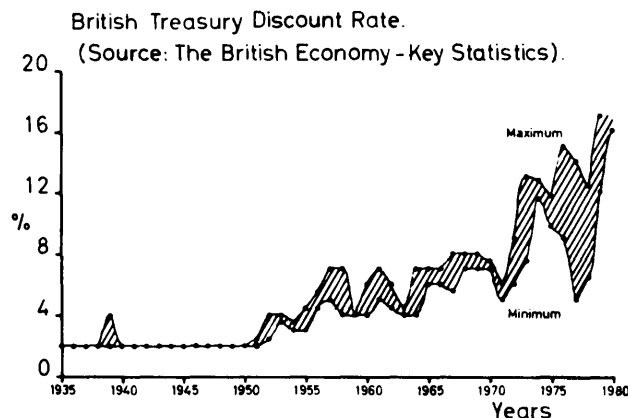
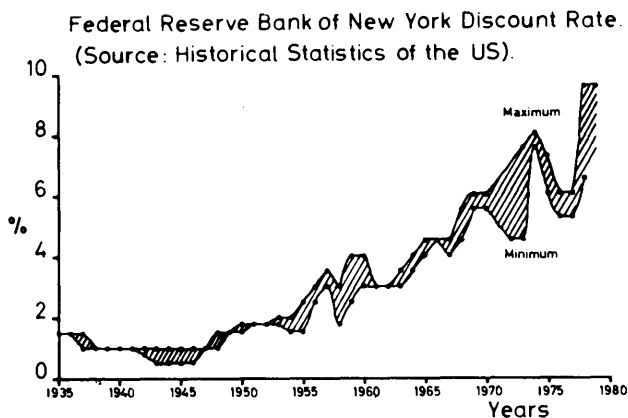
The rise of the rate of interest therefore, reflects the rising rate of profit during this phase of prosperity. Once this period gives way to the period of overproduction, and there is a tendency for the simple rate of profit to decline, production can only be continued by means of expanding credit. Hence, the rate of interest rises even higher during this phase (as can be seen from graph 5, for the early 'seventies onwards), and is able to remain high, because of increased *annual* rates of profit. Inevitably, a greater proportion of surplus value is being expropriated as interest, rather than as profit of enterprise by the industrial capitalist. Marx states about this phase;

“When the rate of interest stays up for a long time..., it is prima facie proof that the rate of profit is high during this period (mainly annual rate—F.G.), but it does not prove necessarily that the rate of profit of enterprise is high... The rate of profit of enterprise may shrink, while the high rate of profit continues. This is possible because the enterprise must be continued, once they have been started. During this phase, operations are carried on to a large extent with pure credit capital (capital of other people); and the high rate of profit may be partly speculative and prospective. A high rate of

interest can be paid with a high rate of profit but decreasing profit of enterprise. It can be paid (and this is done in part during times of speculation), not out of the profit, but out of the borrowed capital itself, and this can continue for a while". (Karl Marx, *Capital*, Vol.III, pp.512-13).

This description by Marx, characterises the present period of over-production and speculation, and is even more apparent in the epoch of imperialism, when finance capital comes to dominate production through credit transactions and an organic fusion between bank capital and industrial monopolies, and may even expropriate all surplus value produced, *as interest*. Marx also emphasised, that during such periods, interest rises to its *maximum* peak as a prelude to the general crisis, not because profits are high, but because the credit system has been stretched to its limit; the further expansion of markets are impossible, and capitalists are no longer demanding loan capital for investment, *but to pay their debts*. This is the period of squeeze. With the imperialist stage, a period of squeeze is not necessarily followed by general crisis and collapse, but can be merely a temporary condition which is eventually overcome by further credit expansion. This was the case in late 1981, when industrial capitalists in Britain were being squeezed by 18-20% interest rates. The periodic downturns or recessions and their accompanying squeeze with high interest are symptomatic of the period being *generally* one of over-production, which eventually *must* give way to the general crisis.

Graph 5



Accumulation of Loan Capital

The question arises: from where does the credit system accumulate money capital? All commodity values in the reproduction cycle must be transformed at some stage to its money equivalent, in order to realise its exchange value. This includes, not only the recycling of constant capital, and surplus value intended for capital accumulation; but also commodities consumed non-productively as revenue, by non-productive workers and capitalists. Commodities intended for such personal consumption can be accumulated in a money form, as savings. Even though these values represent non-capital, and cannot produce surplus value, they can still be used as 'loan capital' and thereby acquire interest. This aspect of the credit system introduces an element of 'fictitious capital', which is raised to the highest level in the trade of stocks and shares; these bits of paper in reality, merely represent an accumulation of 'claims on future surplus value production'. However, the real impetus to the accumulation of money capital stems from the over-production of capital. Marx points out that;

"As for the other part of profit, which is not intended to be consumed as revenue, it is converted into money capital only when it is not immediately able to find a place for investment in the expansion of business in the productive sphere in which it has been made. This may be due to two causes. Either because this sphere of production is saturated with capital, or because accumulation must first reach a certain volume before it can serve as capital, depending on the investment magnitudes of new capital required in this particular sphere. Hence it is converted for a while into loanable money-capital and serves in the expansion of production in other spheres. Assuming all other conditions being equal, the quantity of profits intended for transformation back into capital will depend on the quantity of profits made and thus on the extension of the reproduction process itself. But if this new accumulation meets with difficulties in its employment, through a lack of spheres for investment i.e. due to a surplus in the branches of production and an over-supply of loan capital, this plethora of loanable money capital merely shows the limitations of capitalist production. The subsequent credit swindle proves that no real obstacle stands in the way of the employment of this surplus capital." (Karl Marx, *Capital*, Vol. III p.507).

To put it simpler, capital values which are being over-produced are forced out of the production process in the short term, only to find their way back in again, *as loan capital*. This also explains why in the epoch of imperialism, this process goes hand in hand with the concentration of capital to form monopoly and consequently, the domination of finance capital.

Gold money and credit money

Real money is a particular commodity i.e. gold, whose role is to act as a universal measure of value, and all other commodity values must be realised by exchanging with their money equivalent. We have already seen that the reproduction of capital becomes blocked due to overproduction, and capitalists have difficulty in finding the money equivalent for their finished commodities. This block is overcome by borrowing loan capital, which is always in the form of money. The same quantity of real money can be loaned over and over again to realise transactions in the reproduction of capital, but once it has been loaned out, it

remains as a *claim to money* in the hands of the money capitalists;

“Even assuming that the form in which loan capital exists is exclusively that of real money, gold or silver — a large proportion of this money capital is always necessarily purely fictitious, that is, a title to value — just as paper money. In so far as money... is transformed into loan capital, and the same money repeatedly represents loan capital, it is evident that it exists only at one point in the form of metallic money: at all other points it exists only in the form of claims to capital. With the assumption made, the accumulation of these claims arise from actual accumulation, that is, from the transformation of the value of commodity capital etc. into money.” (Karl Marx, *Capital*, Vol. III, p.509).

This means that as the credit system is extended, especially during periods of over-production, when commodity capital can only be realised as money via the medium of credit, then the volume of credit money expands independently of the amount of real money backing it up. The result is that credit money in the form of paper depreciates, and this is expressed through a continuous rise of commodity prices i.e. inflation occurs. It is important to note that although governments are responsible for printing paper money, this is merely a mechanism which responds to the expansion of credit; to attribute inflation to ‘printing too much money’ is merely to confuse cause with effect, as Milton Friedman does. As the credit system is further extended, Marx states that;

“Credit, likewise, a-social form of wealth, crowds out money and usurps its place. It is faith in the social character of production which allows the money form of products to assume the aspects of something that is only evanescent and ideal, something merely imaginative.” (Karl Marx, *Capital*, Vol.III p.574)

Certainly by the late nineteenth century, gold had become ‘crowded out’ of the domestic economies of advanced capitalist countries and replaced by paper currencies. British sterling was still convertible with gold sovereigns up until 1914, but since then, nearly all gold has been confined to the vaults of various national reserves. The stability of international trade, however, still relied on the ‘gold standard’, whereby outstanding trade debts were settled in gold. Periods of over-production always gave rise to over-exports and over-imports, and large ‘balance of payments’ deficits in those countries which had over-imported. The emergence of ‘balance of payments’ problems are therefore an expression of over-production extended to the sphere of international trade;

“What appears in one country as excessive imports, appears in the other as excessive exports, and vice versa. But over-imports and over-exports have taken place in all countries... that is over-production promoted by credit and the general inflation of prices that goes with it.” (Karl Marx, *Capital* Vol. III p.492).

Once ‘over-imports’ begin to mount up large debts which cannot be balanced with more exports, then a demand for payment in gold emerges — a further expression of the block encountered by capitalists, due to over-production;

“... a continued and heavy export of precious metal takes place as soon as returns no longer flow, markets are over-stocked,

an illusory prosperity is maintained only by means of credit... Under such circumstances, which are reflected precisely in a drain of precious metal, the effect of continued withdrawal of capital (meaning gold — F.G.), is considerably intensified. This must have a direct influence on the interest rate. But instead of restricting credit transactions, the rise in interest rate (due to reductions in loan capital i.e. gold) extends them and lead to an overstraining of all their resources.” (Karl Marx, *Capital*, Vol.III p.571)

Up until 1971, gold had always been the ultimate means of international payment, and a gold standard in some form was necessary for stable trading. The only times when the gold standard broke down, were the periodic general crises of the nineteenth century and the imperialist general crisis between 1914 and 1946 (except for a short period 1925-31, when sterling went back onto gold). These periods involved a break-down in production and trade, and suspension of the ‘gold standard’ was synonymous with a contraction of credit. The re-establishment of a stable international monetary system at the Bretton Woods conferences in 1943 and 1944, marked a return to a ‘gold exchange standard’; only the US dollar was convertible with gold at \$35 per fine ounce, and all other currencies had fixed rates against the dollar. The International Monetary Fund was set up as a central reserve, to alleviate any balance of payments problems by lending dollars and gold (all major national banks contributed to the IMF and were allowed to draw on these reserves accordingly).

The termination of the gold exchange system in 1971 was unprecedented, as it coincided with, not a contraction, but *an extension of the credit system*. For the first time, credit had effectively ‘crowded out’ gold money from international trading. This was due to a number of factors; as major national imperialist economies became further integrated, especially during the ‘fifties’ and ‘sixties’, exports comprised an historically rising proportion of national production; furthermore, genuine international financial institutions like the IMF, the World Bank and transnational banks came into existence; therefore, increasing economic integration was the basis for credit expansion into international trade, the same as it replaced gold in national economies during the nineteenth century.

The Present Period of Over-production and Credit Expansion

Since the late ‘sixties’, imperialism has surpassed all previous levels of over-production, and developed the credit system onto a genuine international basis. We shall now look at some of the phenomena which express these developments. As over-production began to emerge, it gave rise to major ‘balance of payment’ deficits in both the US and UK. Creditor countries with the US, like West Germany and Switzerland, began to demand payment in gold from the mid ‘sixties’ onwards, resulting in an inevitable ‘gold drain’. US reserves of gold bullion fell from \$23 billion in

1951, to a critical level of \$12 billion in 1968. The UK attempted to overcome its deficit by devaluing sterling from \$2.80 to \$2.40 in 1967, thus increasing export price competitiveness. US deficits of \$10.7 billion and \$30.5 billion in 1970 and 1971 respectively, were followed by the suspension of gold payments of dollars in August 1971.

The decline of gold was paralleled by the creation of expanded credit reserves. From the late 'fifties onwards, a number of economies began to hold foreign currency outside of its country of origin, the largest reserves consisting of dollars held by transnational companies operating in W. Europe, and Socialist countries in Eastern Europe. Dollars were accumulated and invested in W. Europe, primarily because of the growing US trade debt there, and became so prominent in finance, that they acquired a special name — Eurodollar Markets. Since the 'seventies, W. German marks and Swiss Francs have also been held as major reserve currencies, and trade in all 'hard currencies' is termed 'Eurocurrency markets'. Taking all Eurocurrencies held in the eight major W. European capitalist economies (including Sweden and Switzerland), net liabilities have grown from \$11 billion in 1965 to \$277 billion in 1977. The biggest jump occurred after 1971, when dollars could no longer be traded for gold. (David Cobham, *The Economics of International Trade*, p.86, Cambridge, 1979).

Eurodollars are initially created by a US bank transferring title of ownership of dollars to a foreign bank e.g. in London. The US bank then has a dollar claim on the London bank, and the London bank has Eurodollar assets. However, the London bank can actually *create* more Eurodollars by further lending them to another bank, hence the expansion of credit money. Consequently, international reserves held in real gold money have fallen from 70% of the total in 1951 to 50% in 1969, and have since dropped dramatically to 20% by 1974. On the other hand, reserves held in foreign currencies i.e. credit money, rose from 27% in 1951 to 42% in 1969, and upto 70% by 1974. A further type of international credit was created by the IMF in 1970, called Special Drawing Rights (SDR's) — and these formed about 11% of total reserves in 1974. The growth rate of international reserves remained below 5% annually upto 1968, but then shot up to between 16 and 40% from 1969, due to increases in credit money (H. Grubel *The International Monetary System*, p.133 Harmondsworth, 1977). A further source of loan capital emerged in 1973 with the OPEC surpluses, which were mainly invested with the London Eurocurrency Markets, and reached a level of \$85 billion by 1981. (*Financial Times*, 30th March 1981, International Capital Markets, I-II)

Credit expansion is illustrated by the rate of inflation, which in the present period since the late 'sixties, has had an unprecedented persistence, averaging 4½% internationally in the 'sixties,

rising to 8½% in 1973 and over 15% in 1974 (*Financial Times* 12th January 1981, Europe XIII).

Finally therefore, the general stability of the period of prosperity during the 'fifties and 'sixties has been characterised by a system of fixed exchange rates with gold acting as the major reserve. The period of over-production which emerged in the 'seventies however, is dominated by 'floating rates of exchange', with credit as its primary reserve; this was the outcome in 1973, after attempts to re-establish fixed dollar rates for European currencies failed, mainly because currencies were forced to depreciate and appreciate, depending on whether a particular economy was running a large 'balance of payments' deficit or surplus respectively. There are still attempts to stabilise European exchange rates through the European Monetary System (formed in 1979), with a European Co-operation Monetary Fund providing credit for those members in difficulties (*The Economics of International Trade* p.79) — but the general tendency for the present period must be towards greater instability all round.

International Banking

The credit system today has a genuine international structure, in the guise of a number of institutions including the World Bank, the IMF, the European Investment Bank (set up by the EEC to promote regional integration), the European Co-operation Monetary Fund and the Bank for International Settlements (established as early as 1930). Their role is to provide a framework for international finance, in co-operation with capitalist governments and National Banks. It is on this basis that the major clearing banks operate world-wide. With the emergence of over-production in the late 'sixties, there was a growing demand for clearing banks to expand their operations, in order to organize government and company loans from the Euromarkets, and which inevitably required transnational co-operation. The *Financial Times* in a major review of World Banking explained how the major clearing banks in W. Europe and W. America responded;

"Banks had, broadly, three options: outright mergers across national boundaries; joint ventures with other banks — the consortium approach and independent action. It seems that the consortium approach was all the rage in the 'sixties... the original shareholders of Orion Bank, National Westminster, Chase Manhattan, Royal Bank of Canada — once thought that Orion might become a vehicle to merge all their world-wide interests. ... the rationale for the coming together of the EBIC consortium — with Midland, Deutsche Bank, Societe Generale, etc. was at one time that all banks should merge to operate a giant Eurobank.

"... In practice EBIC has turned out to be the basis of the most successful consortium ventures in Eurocurrency banking... The evidence suggests that as a long-term concept it is not generally viable for large bank shareholders. This is because the shareholder banks gradually grow bigger, develop their own expertise in the Eurocurrency markets, and eventually find their objectives are not the same." (*Financial Times*, May 11 1981, World Banking II)

The review further explains that individual banks with *genuine* global operations finally emerged in the 'seventies;

"... they have got there by policies of branching and acquisitions, initially by following their corporate customers around the world. Some of the banks, like Barclays, have not limited themselves to the large corporate market, but have entered all aspects of banking, wherever opportunities arose. In different countries around the world, Barclays has bought finance houses, branch banks with a typical mixture of business, retail banks and more." (ibid)

Today, there stands an exclusive group of about 20 banks which have become 'multinational' in a big way, including the 'big four' in the U.K. At the same time when the Standard-Chartered Bank was making a bid for the Royal Bank of Scotland, and thus threatening to launch a fifth UK bank into the big league, the *Financial Times* published a list of these top twenty banks, with their assets, shareholders funds and net income. Largest by assets was Bank America (\$103,919 million) with Barclays and Nat. West. coming 8th and 9th respectively; by shareholders funds, Barclays came top with \$4,099 million and Nat. West. 3rd with \$3,506; and by net income, Barclays was again first with \$817 million, followed by Nat. West. with \$732 million, and Midland and Lloyds coming 4th and 5th.. (all figures for the end of 1979. *Financial Times* March 18 1981 p.22).

All of this indicates that banking has become more internationalised and more concentrated over the past decade, than at any other time, with improved microelectronic communications and data processing acting as a catalyst; and in the forefront of this process is UK banking.

Underlying international economic integration has been the development of transnational companies, many of which generated their own finance for expansion throughout the 'fifties and 'sixties. Recently, however, certain developments have indicated that these giant companies are becoming increasingly dependent on loan capital from banks. As a result, there has been a greater degree of convergence between industrial companies and banks. This is certainly true in the UK since the abolition of exchange controls in October 1979, when Sterling had become an important eurocurrency (due to North Sea Oil); numerous companies began to make major deposits into Eurosterling and other currencies depending on interest rates, and move large amounts of capital to overseas markets, thus creating new links with foreign banks. On the other hand, UK companies found an unrestricted access to borrowing capital from overseas, the US commercial paper markets being an example (See *Financial Times* March 9 1981 Corporate Finance VI).

A further example is the growth of borrowing by US companies from the Eurobond markets (long-term loans), taking 24% of all new issues in early 1981 (See *Financial Times* March 30 1981. International Capital Markets IV).

The greatest stimulus to further merging of industrial and bank capital, is financial difficul-

ties culminating in the threat of bankruptcy. The recent examples have been Chrysler and Massey-Ferguson. The *Financial Times* reported in a review on UK Banking;

"Companies like Massey-Ferguson, BPC, Weir and Duport have received an exceptional level of support from the clearers and other financial institutions. Concessionary loans, and the conversion of bank debt into equity-type finance have been features of several financial reconstructions." (*Financial Times*, Sept. 21 1981 UK Banking XI).

The review goes on to explain that closer relations between companies and banks developed during the 'seventies, when companies found difficulty in generating fixed rate term long-term loans through the corporate bond markets, and increasingly turned to the banks. Consequently, the banks took "...a much closer interest in sales and cash flow projections, and in questions of financial management generally." (Ibid)

The Massey-Ferguson rescue operation was a totally new experience, as it was a company with major operations in N.America, W.Europe and elsewhere; over two hundred banks were involved with its finances (Chrysler has about 140). Massey-Ferguson required the co-operation of a number of national banks and governments, in Canada and the UK, and it was Barclays that primarily organised the negotiations, ending in two conferences at the London Dorchester Hotel. The banks saved the company by rescheduling debts and buying up 25 percent equity. The *Financial Times* pointed out that;

"The sheer size of the Massey and Chrysler problems has brought home to bankers, that having big clients no longer provides a degree of safety... Moreover, international banks are viewing with a degree of anxiety the problems of several other large multinational enterprises, with the motor industry in particular still facing serious difficulties in the present field of international rescue operations.

"Certainly they have shown willingness to be flexible, and to accept a degree of long-term commitment if they are to minimise eventual losses and avoid disruption which could have serious social and political consequences." (*Financial Times* May 11 1981 World Banking III).

Export of Capital

The expansion of the capitalist mode of production from its beginnings in the British Industrial Revolution, to becoming the dominant world force in the twentieth century, has involved the export of both capital and capitalist relations by three means;

1. The first is the export of capital goods as commodities, where the producer of capital goods in one country no longer has any control or claim over its use in the country to which it is exported. It was primarily the export of machinery and railways from Britain, that provided the material for industrialisation in the US and Germany during the 1850s and 1860s.

2. The second involved the export of capitalist relations in the form of claims to ownership of capital and to its income i.e. interest. This began at an early stage with the export of capital goods. From the 1950s onwards, British capitalists would

buy up securities of railways which had been exported to the US and India, and therefore continue to draw interest. However, this didn't become a major phenomenon until the late nineteenth century with the emergence of imperialism, as all developed capitalist countries began to seek out markets for capital export, in order to offset its overproduction in their own economies. The form of this capital export was primarily money capital and interest-bearing paper i.e. finance capital.

3. The last case involves the export of capital as part of the expansion by industrial capitalists across national boundaries. In this case, the capitalist retains both *ownership and use* of the capital, and therefore draws profit and not interest. This is termed direct investment, and has only arisen at an advanced stage of international economic integration, especially since the 1940s. This has resulted in the development of transnational or 'multinational' industrial monopolies as the dominant form of industrial capital today.

All of these have emerged at certain stages, as indications that the productive forces and capitalist relations have outgrown their national boundaries. The export of capital goods arose, because Britain as the only developed industrial economy, needed to develop the world market for its own trade. The export of finance capital and the rise of imperialism expressed the maturation of several capitalist economies in N. America and Europe, whereby the export of capitalist relations was the only means of overcoming a declining rate of profit and saturated trade markets. The export of capital in the form of direct investment has shown that industrial production now requires a fully integrated world economy. Both the export of capital goods and the export of capital as direct investment are indications of the objective demand of the forces of production for a qualitatively higher international division of labour. For instance, capital goods include raw materials which are only produced in certain countries, and must be exported elsewhere to be of general use e.g. oil. Furthermore the productive capacity in any one industry is advancing to the stage where world requirements of commodities like cars, ships, computers or steel can be provided by relatively few places of production; the objective limitations are those of transportation, supply, storage and support systems. Thus the expansion of companies like Fords via direct investment to Europe, is an indication of capacity, for production on a world scale, but also the need to move production sites closer to each regional market.

The export of finance capital however, is primarily a symptom of the *limitations of the capitalist mode of production alone*. It is a result specifically of over-production and the expansion of credit (when it becomes a predominant feature of periods such as the present one), and thus raises the export of capital as a whole to a higher level than at any other time during the capitalist economic cycle. The extent of exported money

capital was shown with figures published by the Bank for International Settlements; they put the total claims of banks due to cross-border lending at \$1,248 billion in 1980. \$658 billion was accounted for within leading capitalist industrial countries, followed by Non-oil Developing countries with \$184 billion, OPEC countries with \$66 billion and East European Socialist countries with \$58 billion (See *Financial Times* March 30, 1981, International Capital Markets II).

The industrialisation of medium-developed countries and their need to finance deteriorating balance of payments, has resulted in the most dramatic growth in lending and debt; some examples are Brazil which borrowed \$40 billion in 1980, Mexico \$32 billion, Argentina \$12 billion and Venezuela about \$5.5 billion. The debt of these countries has grown to immense proportions — Brazil owed \$60 billion in 1981 alone and even a Socialist country — Poland — owes \$28 billion this year.

The growing tendency towards economic and political instability, and the increasing burden of debt has already brought about crises in Iran, Poland, Turkey and Argentina. The prospect is for this debt to grow bigger, and the effects of instability to become more general. As the credit system finds greater difficulty in expansion without risk, it resorts to speculation for quick returns, thus introducing further instability. The system of 'floating exchange rates and few currency controls' has resulted in the speculative international flow of money capital from one currency to another, depending on where the highest interest rates lie. First it was D-Marks and Swiss Francs after 1973; then came Sterling's turn after 1979, and now it is the Dollar which has attracted flows of money capital with interest rates of 18-20%. Even gold has become a medium for speculation, being in fact the safest investment during periods of high tension; its price shot up to over \$800 dollars per fine ounce in the aftermath of the Soviet intervention in Afghanistan, having been \$35 only nine years previously.

Inevitably, the strain on all debt ridden countries can reach breaking-point, and the *Financial Times* in a number of reviews, has been focussing on the problem of high risk loans and the failure of borrowers to pay their debts;

"In the last resort the international capital markets simply bridge the gap between those who have surplus funds and those who, often for reasons outside their control, have too little. Failure of the markets to cope with recycling the oil surplus or the new regime of high interest rates would mean this link was broken. The consequences hardly bear contemplation. They reach beyond the merely financial in a world already beset with international recession. In large parts of the world social, political and economic stability would be directly threatened if the supply of international finance were to suddenly dry up." (*Financial Times*, March 30, 1981, International Capital Markets I)

Conclusion

The epoch of imperialism has expanded and generalised the economic cycle through which capitalist production must develop. The period

since the late 'sixties may be termed a period of over-production and speculation, in which the determining features are the tendency for the simple rate and mass of profit to fall. Capitalism counteracts these tendencies to prevent a contraction into a General Crisis, by raising the rate of exploitation and stretching the credit system to its limits. Periodically, the delicate equilibrium of this period is disturbed, giving rise to *partial crises* or recessions, of which the two in 1973 and 1979 were stimulated (but not caused) by oil price rises. These recessions are eventually overcome by

further extending the credit system and increasing the rate of exploitation; but this process acts to accelerate the development of productivity, and thus help to bring about in the long-term, the point where the period of over-production must give way to the General crisis of imperialism. The counter-measures taken by imperialism, inevitably raise the features of instability to a political level, and intensify class antagonisms — between imperialist and working classes, between imperialism and the socialist camp, and between imperialist classes. ■

Liberation and the Class Struggle

The Real Link for Women

Liz Calvert

“Do we seek a broad readership of women to whom *feminist* ideas are relatively new, or do we want to develop socialist *feminist* ideas for an audience already familiar with some of the debates?” (statement from the *Link* Editorial Board, *Comment* 26, December 19 1981, my emphasis, LC).

Who would have guessed that the authors of the above statement are members of the Communist Party. It is ‘feminist’ ideas which they want to proclaim, even the word ‘socialist’ is used as an adjective (i.e. supplementary to the noun!) These “socialist feminists” (let them keep the ‘socialist’ until we see if they merit the title) have a virtual monopoly on the ‘woman question’ in the party. The terms of their debate and activity are those of the Womens Liberation Movement (WLM), in which for these party members, questions of “gender and power” are considered “*at least as important as the question of who owns the means of production*” (*Link* No.35, p.5, my emphasis, LC). Male comrades are not merely accused of ‘sexism’ but their very presence at conferences and meetings on the question is actively campaigned against and even some women comrades are accused of “not speaking for women”.

A bourgeois ideology

A recent article by comrade Mary Davis (a non-feminist member of the Women’s Advisory Committee and of the *Link* Editorial Board) in *World Marxist Review* (WMR) contains a brief analysis of feminism as it manifests itself in the WLM today. One suspects, reading between the lines that she would like some of the Link-ers to take some notice of her description of the *idealistic, bourgeois nature of feminism* as an ideology. But comrade Davis does not mention the ‘socialist feminist’ element in the party specifically. No, it is socialist feminists in general she attacks in a short section of her article. She restricts herself to a rejection of their dismissive attitude to “orthodox” Marxist writers, and a demonstration of their concentration on specific aspects of women’s oppression.

In fact, virtually every statement from the ‘socialist feminists’ demonstrates that their support for feminism overrides all concern with the class basis of women’s oppression. It is not only the feminists who reject a class approach but the self-termed ‘socialist feminists’ as well. One would hardly expect the WLM to adopt a materialist approach, but if these ‘socialist feminists’ in the party also reject a class approach, what do their “Marxist beliefs” really consist of? We are back to the *Link* statement: where is the attempt by *Link* to win women for the struggle for socialism, where is the attempt to show why women are oppressed? Do they really think a party journal should be a recruiting organ for feminism? The ‘socialist feminists’ actually own up, whenever they debate the issue — ‘sexual politics’ in real terms win out over class politics all the time. The *only class* served by these Link-ers is the bourgeoisie, for they confuse the true nature of women’s oppression.

The ‘socialist feminists’ are floundering, retreating into the comforts of ‘sisterhood’, and as a result neither increase the pitifully small number of women in the party nor carry out their duties as communists. Yet they are *not exposed* by comrade Davis.

A Class Question: Freedom and Socialism

“Gender and power” for the ‘socialist feminists’ has become a concept of paramount concern. This feminism is *dangerously divisive*, for its attempts to persuade women that the enemy, the oppressor, is man and his supremacy, and thus diverts working women from joining the fight against the *real* oppressor, capital.

As capitalism reels in its crisis, reforms central to the feminist movement are, if not withdrawn, made meaningless. Women’s wages, despite all the legislation, decline as a proportion of men’s. Women’s unemployment increases, and numerous calls are made for women to give up what are seen as ‘jobs for men’.

This is nothing to do with male supremacy — it is a result of the specific oppression of women by capitalism. The contradiction in society is not the petty, personalised conflict of ‘sexual politics’ and beliefs, but the *conflict between capital and labour*. This source of women’s oppression is not mere lack of rights, male dominance,

but the *very existence* of capitalist relations of production.

Women provide the essential tasks of child-bearing and — rearing free as a private function. Women because of these tasks lie in the main, marginal to production, but in time of boom are swept into it as the reserve army of labour. They are a source of cheap labour, and as a section, can be used to create divisions in the working class.

Fighting on questions of “gender and power” is not going to change this fundamental oppression of women by capital. Feminism, pandered to by those ‘socialist feminists’ in our party, condemns women to labour on, oppressed, in the illusion that men are to blame, and throws a blanket over the real enemy.

Socialism, far from being a mere invention of men for the liberation of men, is *essential to women* — for the abolition of the capitalist means of production which oppress us all. The *crucial importance* for women of *revolution can never be made too clear*. Without the revolution, without the dictatorship of the working class, without the road to communism, women’s liberation is a total chimera. The only interest that feminism as an ideology serves in the long run is to divide the working class, confuse the class issue, and postpone socialism.

Once the question of women’s liberation is understood to be a class question, the actions of the feminists in the party, who by rejecting the true ‘Link’, that of freedom through socialist revolution, show that they are not ‘socialists’ at all, and can be stripped of all their radical veils and exposed as reactionary. They should be no part of a communist party. It is not only ‘modern feminism’ which needs to be condemned but the Linkers and their supporters in the party. Democratic centralism can never mean cow-towing to petty bourgeois supporters of a reactionary ideology.

“Down with the liars who speak about freedom and equality for all, while there is an oppressed sex, oppressing classes, private ownership of capital and shares and people with bursting bins who use their surplus grain to enslave the hungry. Instead of freedom for all, instead of equality for all, let there be *struggle* against the oppressors and exploiters, *let the opportunity* to oppress and exploit be abolished. That is our slogan!” (V.I.Lenin, *CW*, Vol.30, p.122)

The Party and the ‘Woman Question’

In some ways, however, the ‘feminists’ are merely responding to the inactivity and lack of interest in the issue which they find in the Party. This response can be seen in the *Beyond the Fragments* movement, with its call for feminist ideas to be accepted by the left along with an autonomous feminist movement. It is echoed in the recent debate in the SWP over *Women’s Voice*, where the whole existence of the magazine and the groups around it have been queried by the very people who allowed it to be set up in the first place. There is the prevalent climate among women which promotes the idea that women *alone* can be interested in their liberation. The state of communist work on the ‘women question’ has done little to challenge this erroneous and dangerous belief.

Indeed, the record of communists on the question is not very convincing. It falls too much into the category of what Lenin termed “platonian lip-service” and certainly has not convinced large numbers of women that they should join the Communist Party. The class nature of the question must be understood by men as well as by women comrades. Socialism is not, and cannot be, the concern of men alone. Socialism is *essential* for the liberation of women, and women are

essential for the struggle for socialism. Male comrades who relegate the issue to women’s committees and to a place in a resolution every AGM or Congress should remember the *staunch courage and determination* of women in the Russian Revolution — and examine the drain on the 1919 Hungarian Revolution by the lack of support from women. The struggle for the liberation of women is integral with the struggle for the liberation of the entire working class. It is inextricably linked with the struggle for socialism.

The feminists in the party, the right opportunists and the centrists must declare whether they support the working-class position on the ‘woman question’, and whether they will take it seriously. Their shilly-shallying on the question up to the present can only lead to diversions in the struggle for women’s liberation, and the weakening of the struggle for socialism. All this, at a time when women are being put out of work, suffering reduced social services and losing such gains as had been won from capital.

A lack of seriousness towards women and the ‘women question’ demonstrates a lack of concern for the revolution. Leninists will not capitulate to the feminists. The Leninist position on the ‘woman question’ is crystal clear; it is not ‘sexist’ and it does not contain one ounce of reactionary feminism. We do not delude women about the nature of their oppression, yet neither do we take the blind attitude that women can be treated, in agitation and propaganda, in the *same way* as men. Women must be won to the ranks of the party by *systematic work, by both men and women* comrades, in a specifically organised, non-separate way. The organisation called for by comrade Davis in her article, which would build real advances for working women’s liberation, should be the Communist Party.

Women’s place is on the same side of the barricades as working men, and we should expose anyone who claims they should be organising separate barricades in the back street.

“Must I avow, or make you avow, that the struggle for women’s rights must also be linked with our principal aim — the conquest of power and establishment of the dictatorship of the proletariat? At present, this is, and will continue to be, our alpha and omega... But the broad masses of women will not feel irresistibly drawn to the struggle for state power if we harp on just this one demand... We must combine our appeal politically in the minds of the female masses with the sufferings, the needs and the wishes of the working women. They should all know what the proletarian dictatorship will mean to them — complete equality of rights with men, both legal and in practice, in the family, the state and in society, and that it also spells the annihilation of the power of the bourgeoisie.” (V.I.Lenin, *On the emancipation of Women*, Appendix, Clara Zetkin, *My Recollections of Lenin*, p.113) ■

gle. At the centre of this revolutionary action were two outstanding revolutionary leaders, James Connolly and James Larkin. Rallies organised by revolutionaries like Connolly and Larkin attracted thousands — and the truncheons of the police — while those of Sinn Fein could only gather a few hundred. Connolly's *Irish Worker* often sold 30,000 copies a week, while Sinn Fein publications found it difficult to sustain a circulation of 2,000.

Connolly understood the necessity of a subject people to be free from imperialism, and that the struggle for national liberation had to be *linked* to that of the working class.

The unity of the revolutionary working class movement and the nationalist movement took concrete form in the Easter Week Rising of 1916. Much of the preparation for the Rising was conducted by the Citizens Army and Connolly. Robbins' description is of a well disciplined and drilled Citizens Army eager to go into battle. Connolly regularly gave lectures on street fighting, and every week the Citizens Army engaged in mock attacks on Government buildings.

A large group of people did know a rising was planned, but an even greater number, who would have supported such action, did not. The executive of the Irish Trades Union Congress, which had close links with Connolly, had no idea that a rising of any form was planned. Even the leadership of the Irish T&GWU whose members would have sympathised with the Rising had little knowledge of what was afoot.

The previous period had been marked by a militant struggle by the working class, but Connolly provided no central role for them in the rising — it was to be a purely military affair. Unlike Lenin, Connolly did not attempt, in the months leading up to the insurrection, to use strikes or other forms of workers' protest as a means of preparing the class.

After The Rising

The events of Easter Week deprived the working class of its most talented revolutionary leaders; James Connolly, along with Commandant Michael Mallin of the Citizens Army, was executed by the British authorities: Richard O'Carroll, one time Labour leader on Dublin Council, was killed with many other members of the Citizens Army in the fighting.

The working class did pay a part in the war of independence, but it was a constrained and limited role, lacking the dynamism it previously had

possessed under Connolly. Workers who wanted to take an active part in the war against Britain had to join Sinn Fein or the IRA. Robbins, who remained in the Citizens Army during the period describes how the organisation was reduced to smuggling arms and collecting information, most of which was passed on to the IRA. On his return from America, he found the situation in the Citizens Army was:

"anything but akin to that of the pre-1916 period. There was a new atmosphere, a new outlook, entirely from that which had been moulded by Connolly and Mallin. Many of those who had been recruited into the Army during my absence seemed to lack the spirit, the understanding and the discipline which was characteristic in the early period. The close co-operation which had previously existed officially between the Irish Transport Union and the Citizens Army seemed to have disappeared completely." (Robbins p.201)

Stabbed in the back

In 1918 the Irish Labour Party, which Connolly had been instrumental in forming, decided that it would not contest the forthcoming General Election. It told voters that the election must decide one issue only and that was the question of self-determination. Sinn Fein was given an open field to put across its policy, which although it had some 'left' tinges, was overtly national-capitalist.

During the war of Independence, the Irish TUC and Labour Party never actually recognised the illegal Sinn Fein Parliament, the Dail. Some members of the Irish TUC did advise and assist the Dail, but greater participation in the national struggle was always rejected by the leadership of the Irish TUC, who feared the loss of their northern members. The situation was little better in the Citizens Army, whose new leader James O'Neil opposed moves to involve it more in the fight against British Imperialism alongside the IRA.

Larkin, from his exile in America, warned the Labour movement of the danger of allowing forces like Sinn Fein, which had opposed the General Strike, being left unchallenged in their leadership of the national liberation struggle. But the Labour movement, following 1916, was dominated by opportunism; one of Europe's most militant working classes was defeated not merely by British guns, but also by its own leadership, who unlike Connolly were unwilling to link the economic struggle to the political.

Throughout the War of Independence, the Trade Union leadership did their best to avoid directly participating in the conflict, but on a number of occasions they were reluctantly drawn in. A number of strikes did occur against the British Government over the issuing of motor permits; dockers and railway workers blacked war supplies.

Under O'Neil's opportunist leadership the Citizens Army became an unimportant group, which eventually ceased to exist for all practical purposes. During the Civil War, Robbins remained neutral while the bulk of the Citizens Army joined the anti-Treaty Republican side fighting the 'Free State' Government. When at the outbreak of the Civil War the Citizens Army and members of the Communist Party of Ireland joined the Republican forces in their Dublin Four Courts stronghold they were not the leaders, but only participants. The Socialist and working class movement in Ireland had been reduced to a secondary force.

The role of Marxism

Both of Ireland's major revolutionary leaders possessed strong syndicalist tendencies. Larkin's desire to build one large political union, the T&GWU which would lead the socialist revolution was an example of this. Connolly and Larkin both formed political parties, but unlike Lenin, they failed to attach central importance to them. Their failure to establish a vanguard party resulted in a situation in which there were no trained and experienced revolutionary leaders to take their place. Ireland's working class had many militant 'Indians' but few wise 'Chiefs'.

On his return to Ireland in 1923, Larkin set up a new union, the Workers Union of Ireland. Although not permitted to affiliate to the Irish TUC, it grew quickly. Larkin also formed the Workers' League, which affiliated to the Communist International. The Workers' League had a short life because Larkin, although influenced by the Russian Revolution, was unable to learn the lessons it had to teach, and clung to much of his old syndicalism.

A major obstacle to the creation of an ideologically conscious mass working class party has been Catholicism. Connolly at the end of his life could not break with the Catholic Church and accepted the last rites, before he was shot. Throughout his life he argued that it was possible to separate politics from religion. While vast numbers of the working class still followed the lead of the Catholic

Church, there existed a major obstacle to socialist revolution.

The failure of Marxism to take root still plagues the working class movement today. Nora Connolly O'Brien illustrates this failure; when writing about her father she says:

"He was a Marxist. But my view is that Marxism is no use to workers today. What was good for one generation is not necessarily good for the next." (Connolly O'Brien, p64)

Partition

It was Connolly who was the first to recognise the possible calamity partition would bring. It...

"... would mean a carnival of reaction both North and South, would set back the wheels of progress, would destroy the oncoming unity of the Irish Labour Movement and paralyse all advanced movements while it endured." (*Irish Worker*, March 14, 1914)

When that partition became a fact, the division which already existed in the Irish working class movement were frozen and reinforced. The pro-imperialist ideology of the Protestant working class in the North was strengthened. They had already been drawn to support Unionism, they now backed pogroms against their fellow Catholic and Socialist workers.

National Question

At a point in history when large sections of the socialist movement rejected the national question, Connolly correctly understood its importance. Inside the Irish socialist movement, a section advocated that only by integrating with the British labour movement could Ireland achieve socialism. In reply, Connolly argued that only by actively participating in the breaking of the 'Imperialist Chain', could the working class ever hope to obtain socialism.

Elements in the Labour movement who have attempted to co-exist with partition have through their opportunism crippled the working class. In the North, the Trade Union leadership has acquiesced and participated in the past sixty years with a policy of discrimination against Catholics. Protestants obtained the best jobs, while Catholics were denied employment and forced into emigration. In 1978, the Northern Ireland Committee of the Irish TUC produced a report, *Human Rights in Northern Ireland*, which made no mention of the H-Blocks, Special Courts, the Castlereagh torture centre, or repres-

sion suffered by the Catholic population.

Modern Ireland

Ireland at the beginning of the twentieth century did possess the *objective conditions for revolution*, but the *subjective conditions* lagged far behind. The Ireland in which Connolly O'Brien and Robbins gained their political spurs possessed a small but militant working class confined to a few industrial areas, which were surrounded by a sea of small peasant and petty bourgeois backwardness. Since then capitalist development has increased the size of the working class until it now constitutes the *majority* of the population. In the *past* the working class played a leading role in the national liberation struggle; *today*, at a time of growing capitalist crisis, and with a continuing armed struggle in the North, it has become of paramount importance for the working class to take *the lead* in the struggle for national freedom, and *link* it to socialist revolution. ■

The Labour Party — A Force for Revolution or Reaction?

Tony Benn: **Arguments for Socialism**, Penguin, Harmondsworth 1980, pbk, £1.50.

Francis Cripps, John Griffiths, Francis Morrell, Jimmy Reid, Peter Townsend, and Stuart Weir: **Manifesto**, Pan, London 1981, pbk, pp224, £1.95.

Michael McGeehan

The deepening crisis of capitalism has provoked some dramatic changes in British politics. The formation of the SDP and the resurgence of the Labour left, including the Bennite movement, are two of the most significant of such changes. The latter phenomenon has been coupled with a large increase in the active membership of the Labour Party and furthermore, a distinct tendency for some left-wing organisations (or sections of them) to move towards liquidating themselves and follow the masses into the Labour Party. In the CPGB there is much confusion about these changes, moreover about the very nature of the Labour Party itself. Hence, before the significance of these developments (Bennism, and the Labour left in general, and their 'theoretical' position as presented in *Manifesto* and *Arguments for Social-*

ism) can be properly understood, the correct Marxist formulation of the political character of the Labour Party must be found.

What is the Labour Party?

Lenin, at the 2nd Congress of the Communist International on August 6, 1920, in an intervention in the debate amongst revolutionaries in Britain (in particular between the famous revolutionary leaders, John McLean and Willie Gallacher) as to whether Communists should affiliate to the Labour Party, had this to say about the Labour Party:

"First of all, I should like to mention a slight inaccuracy on the part of Comrade McLean, which cannot be agreed to. He called the Labour Party the political organisation of the trade union movement, and later repeated the statement when he said that the Labour Party is 'the political expression of the workers organised in trade unions'. I have met the same view several times in the paper of the British Socialist Party. It is erroneous, and is partly the cause of the opposition, fully justified in some measure, coming from British revolutionary workers. Indeed, the concepts 'political department of the trade union movement, are erroneous. the trade union movement, are erroneous. Of course, most of the Labour Party's members are workingmen. However, whether or not a party is really a political party of the workers does not depend solely upon a membership of workers but also upon the men that lead it, and the content of its actions and its political tactics. Only this latter determines whether we really have before us a political party of the proletariat. Regarded from this, the only correct, point of view, the Labour Party is a thoroughly bourgeois party because, although made up of workers, it is led by reactionaries, and the worst kind of reactionaries at that, who act quite in the spirit of the bourgeoisie. It is an organisation of the bourgeoisie, which exists to systematically dupe the workers..." (V.I. Lenin, *CW*, Vol.31, pp.257-258)

We quote Lenin at length so as to leave no room for any misunderstanding of his position. We consider it to constitute the only correct definition of the British Labour Party, and so must all who would call themselves Leninists: such expressions as "the federal party of the working class" clearly contradict the Leninist definition of the Labour Party.

But does the record of the Labour Party since Lenin's death in 1924, lead us to any different conclusions? Has it stopped acting in the interests of the bourgeoisie during this period? Let us briefly look at just a few examples which show quite vividly

that the Labour Party has continued to act in the interests of the British bourgeoisie, i.e. British imperialism, right up to the present day.

It was with the first shots of the 1914-18 imperialist World War that the Labour Party, after a momentary hesitation, displayed its sickening opportunism, its class collaboration, for all to see. By their clear support for such a war, the Labour leaders (one of whom — Arthur Henderson — actually sat in the War Cabinet) were certainly carrying out the interests of Britain's imperialist ruling class.

Not long after the election of the first Labour government in January 1924, the Foreign Secretary — J.H. Thomas — told the Newport Chamber of Commerce that “you have for the first time a government in the main of humble working men, men who hitherto have played the role of propagandists and who are now face to face not only with the responsibilities of office, but with the knowledge of what this great empire means. Men faced with these responsibilities can never again be the indifferent propagandists that they were in the past. They must remain for all time responsible politicians keeping only in mind the great interests of the country.” (Ralph Miliband — *Parliamentary Socialism*, London 1979, p.112) We may add: politicians responsible to and “keeping in mind” the interests of the British bourgeoisie.

Snowden in 1931 should have surprised no-one, for their break with the Labour Party and open alliance with the traditional bourgeois parties in the National government, was only the logical extension of their support for ‘the national interests’ i.e. bourgeois interests, in the preceding years. That most of the Cabinet, PLP and Trade Union leaders did not follow them in supporting the proposed cuts in unemployment benefit etc. and in joining the National government, was not due to any fundamental difference in outlook, but because the Labour Party leaders and Labour bureaucrats were aware that this would sever their ties with the masses and thus lead to their own political extinction.

But it is the Labour government of 1945-51 which is still hailed, by the Labour left in particular, as the great Labour government. This supposedly socialist monument was based on the foundations of extensive nationalisation and an unprecedented expansion of the social services. Though there is no doubt that this ‘Welfare state’; the NHS, statutory pensions, social security and greater unemployment benefits, constituted reforms that mate-

rially benefited the working class, they certainly did not constitute socialism. Such measures did not advance the long term interests of the working class, i.e. they were not part of a revolutionary struggle for socialism, but were reforms, concessions ceded by the ruling class in order to pacify a post-war working-class that clearly wanted change. The nationalisation measures of 1945-51 are nowadays no longer regarded by the Labour left as the giant stride towards socialism they were portrayed as at the time. But of course, they were never meant to be anything of the sort. What they represented was simply a stage in the development of state-monopoly capitalism in Britain, their portrayal as ‘Socialism’ was purely for the digestion of the masses. If that government's domestic policies were directed towards making capitalism more efficient, its foreign policy was concerned with maintaining British imperialism's grip wherever it could and with pursuing a policy of bitter hostility to the Soviet Union and the newly-formed People's Democracies. It was this ‘socialist’ Labour government that aided US imperialism's counter-revolutionary war in Korea and waged its own bloody and brutal colonial war in Malaya. It was this ‘socialist’ government which actively pursued the imperialist strategy of the Cold War, initiated the development of a British Atom-bomb and maintained high levels of military expenditure.

So, since Lenin's death, there has been no evidence to disprove his assertion that the Labour Party is a bourgeois party. On the contrary, there has accumulated a *mass* of evidence (of which we have only presented a small fraction) which has only amplified, has *proven* that assertion. From its support for imperialist war to ‘In place of strife’ and Callaghan's attack on low-paid public sector workers in the 1979 ‘winter of discontent’, the Labour Party has consistently acted in the interests of the British bourgeoisie.

However, there are those in today's Labour Party who would agree that past Labour governments were not fully socialist; in particular we refer to Messrs Benn, Cripps and Reid et al. Let us now examine their estimation of the Labour Party and its future role; and analyse the implications of their position.

The Labour left and the masses

Obviously, we would be very surprised if any of the left Labour leaders agreed with the Leninist characteri-

sation of the Labour Party. On the contrary, they project it to the masses as the leading force in the process of the socialist transformation of society. Thus “The Labour Party and trade union movement provide the main focus for attempts to advance Socialism in Britain” (*Manifesto*, p.131). Moreover, they envisage its role expanding to incorporate the political activists amongst women and blacks, driven into action as the crisis deepens and as their oppression increases. But how do they propose to achieve their declared aim of a “socialist transformation”? In *Manifesto* we find: “Parliament and government are, of all institutions in our society, the ones which have by far the widest and most legitimate power to institute social change as well as to organise society in the interests of the community as a whole.” (*Manifesto*, p.131) And in his book, Benn exudes an undying faith in Parliament, and proudly announces that Clause 4 of the Labour Party's constitution “... states the clear commitment of the party to democratic change through Parliament...”

(*Arguments for Socialism*, p.40). Evidently the Labour Party, including the Bennites, has Parliament as its focal point. However, what distinguishes the Bennites from the old Tribunites, is their emphasis on the extra-parliamentary struggle; it is precisely this question that the present debate within the Labour Party revolves around. What the Benns, Cripps (and Hains, Tatchells etc) rely on for support is “...an active membership which wants a bolder and more socialist programme in response to the British crisis...” (*Manifesto*, p.128). And what of the future? As Benn has interestingly remarked, “As more people become dissatisfied with the obvious inequality that exists in Britain and the growing abuse of business power, the demand for fundamental reform will grow too. Unless it is met, the consent necessary to run our society will not be available” (*Arguments for Socialism*, p.49). Of course, if this beloved ‘consent’ is not available in the deepening crisis, the leftward moving masses would increasingly be demanding revolution and not ‘fundamental reform’. Whether the Labour left takes the form of the ‘old’ Tribunites, or a new ILP — type organisation, the essence of its political role would still be to tie the masses to the bourgeois Labour Party; to pull them away from revolutionary politics and into the mire of parliamentarism; of supporting ‘socialist’ governments which try to ‘solve’ the

crisis by 'alternative economic strategies'. Such a 'solution' would *necessarily* entail attacks on the working class, for that is the only way capitalist crisis can be resolved without socialist revolution. The task of revolutionaries is not to blindly follow the masses into the Labour Party, but to win them away from it, to a revolutionary movement. ■

Austrian Lessons

Martin Kitchen, *The coming of Austrian Fascism*, Croom Helm, London 1980, hbk, pp299, £14.95.

Roger Freeman

The final, agonising, bloody months of the First Imperialist World War saw the emergence of revolutionary situations in a large number of European countries.

The masses, horrified at the slaughter of the war, increasingly swung to the left and sought the overthrow of the existing order. The ruling class themselves were unable, because of the crisis, to rule in the old way.

In 1918 the Austro-Hungarian Empire, bled white by the inter-imperialist struggle, collapsed in on itself. When the dust had settled, Austria found itself stripped of all its domains and gripped by revolutionary crisis.

Unlike most other communist parties, the fledgling Communist Party of Austria failed to capture the majority of the vanguard of the working class. For although the social democrats had pursued a social-chauvinist position, as the revolutionary crisis emerged, the party leadership was captured by the *centrist tendency* around Otto Bauer. Kitchen correctly observes that this "made it appear that the party was on a radical course, but the practical politics of the party remained much the same." The centrists maintained the party's unity, uniting the right of the party with the revolutionary proletarian vanguard.

As the situation partially stabilised itself in 1920, the social democrats were ditched from the national government. From now on the SDP set itself the task of defending the gains it had won, not fighting for working class state power.

Austria found itself in the situation where it was ruled by bourgeois parties, but where there was — an armed working class; Soviets; constitutionally enshrined soldiers' councils, which consistently elected social-democratic majorities; and a capital city, 'Red Vienna', whose municipal

policies make Ken Livingstone look like a pink Lilliputian. The bourgeoisie raged against its massive futuristic council house estates, like the Karl-Marx-Hof, as "council house bolshevism" paid for by local taxes on servants and luxuries, which they labelled, "taxation sadism".

This situation was intolerable to the bourgeoisie, but because of its own weakness, it was unable to crush the working class. Instead, a protracted struggle to erode the power of the working class commenced. The declaration by the leaders of the SDP was that they would smash "the opposition of the bourgeoisie by means of dictatorship". But this was pure rhetoric, designed to maintain the party's hold over the masses. When as a result of fascist attacks on party members, the Schutzbund (an armed workers' militia) was established in April 1923, it was according to its statutes, to "defend the constitution, to help the authorities maintain law and order and to protect the government against any attempted putsch."

Throughout the twenties, the popular vote of the SDP steadily rose, as the crisis forced the masses to the left. In April 1927 it reached 42% of the total vote and even in the last free elections, in 1930, this percentage was raised.

As the crisis dragged on the bourgeoisie shifted from a policy of erosion of workers' rights to a road of *fascisation*. The catalyst in this new development was the events of July 15th 1927. The previous day, the courts had acquitted right-wing murderers of a nine year old child and a forty year old SDP member, both killed when a Schutzbund march was attacked in the town of Schattendorf. The court decision enraged the Vienna proletariat; they took to the streets and, despite the leadership, they burnt the 'Palace of Justice' to the ground. Rather than extend the workers' actions, the centrists moved to defuse the situation by calling a token one day general strike.

The result of the spinelessness of the SDP leadership was that the bourgeoisie increasingly gained confidence. They imposed 'Factory Fascism' in one area after another, steadily crushing the trade unions. Fascist murders and terror became endemic, the perpetrators sheltered by the state.

In May 1932, Dollfuss formed a government, and within a year the Communist Party, the Schutzbund, and the celebration of May Day were all banned — the death penalty was reintroduced, the army purged.

As the process of fascisation

accelerated, the workers were determined not to go down without a fight. The leadership's calls for caution being universally recognised as bankrupt, the majority of the Schutzbund proceeded to lay hold of what weapons they could locate, adopted fatal defensive positions in the workers' areas and, in effect, waited to die.

The ensuing struggle by the workers was heroic but doomed; the police being better armed and the army, using artillery, overwhelmed the Schutzbund. Thus the fighting of February 12 1934 marked the crushing of the workers and the *resolving to the revolutionary situation through the imposition of fascism*.

While Kitchen's book provides excellent coverage of this tragic episode, and he correctly locates the key to the defeat at the door of the centrists, his conclusions are poor in certain areas, especially on the nature of fascism, by too readily taking Italy and Germany as the blueprint by which every other form of fascism must be measured. Thus post-1934 Austria is described as "half fascist".

The key lesson for us is the *inability* of Austria's Communist Party to launch an *effective* split from the SDP. Kitchen says it "was formed too early and with too little preparation". It was the *ideological struggle* that was too late — this should have been initiated earlier, with greater determination thus breaking *the vanguard* from the illusions engendered by centrism. Only this course could have prepared the vanguard of the proletariat for the revolutionary situation that emerged in 1918; in this sense, Kitchen is right when he says the party was formed too early, *for until* at least a *large minority* of the vanguard is won, a split could only lead to isolation and impotence.

The events in Austria 1918-1934 should be compulsory study for all those in Britain infatuated by Benn's 'leftism'. The defeat of the Austrian workers had a lot to do with the masses harbouring illusions in leaders whose socialism rightly makes Benn's offerings look home-spun and pale pink.

These centrist Austro-Marxist leaders proved utterly incapable of confronting the great task that hung over the country for fifteen years — proletarian revolution. The result of this was that the growth of fascism and its eventual victory was inevitable. We must learn from Austria, and learn quickly. ■

LETTERS

Leninist Inspiration

Dear Comrades,

A friend brought my attention to *The Leninist* the other day and after reading it I feel I must write and congratulate you, it is a 'breath of fresh air' and gives me new inspiration.

I enclose a cheque for £10 and would be obliged if you would send me a copy of the first issue and add me to your subscription list for future issues, the extra money I hope will enable you to issue more than four *Leninists* a year.

Fraternally,

James Hudson
Kent

Women's Oppression

Dear Editor,

I was pleased to see the publication of *The Leninist* as a journal for conducting an open theoretical struggle against opportunism. The defence of the Marxist theory of crisis and the right of nations to self-determination is crucial in exposing the opportunists' and social chauvinists' defence of British imperialism.

I look forward to Issue No.2 and hope that it, or a future issue, will contain a serious analysis showing how capitalism sustains and benefits from the oppression of women-by showing how women provide free domestic labour in order to reproduce the labour force, and showing how women are used as a reserve army of cheap labour, drawn into and thrown out of work according to the needs of capital.

S.Peters
South London

The Leninist replies.

As you will see this edition of the journal contains our first 'broadside' on the women question. We are intending to carry a major analysis of the position of women in capitalist society in a future edition.

Fighting Revisionism

Dear comrades,

Congratulations on the first issue of *The Leninist*. It was long overdue and I agree with every word of it. As a matter of interest, as an active party member, I have helped prevent leading revisionists being elected this year (1981) and also two years ago as delegates to Congress, with arguments similar to those articulated in *The Leninist*. Also being in the dual position of having had the dubious privilege of being at university in the 60's on the one hand and having on the other for the past fifteen years been a rank and file worker and holding various union positions, I feel I can detect immediately

'bourgeois thinking' at various intellectual levels both among middle class careerists and working class traitors within the working class movement and in the Party in particular. I'm glad I'm now not alone in that. All Marxist-Leninists must rally to save the Party. The revisionists (both the happily ignorant and pseudo-intellectuals) think they rule the roost! But they CAN be defeated ideologically! Because they have no ideology except a pathetic variation of bourgeois ideology. That is why they will continue to refuse to educate the membership in Dialectical and Historical Materialism. We Leninists must mount an ideological struggle within the party confident that Marxism-Leninism is correct and unshakeable and that we are at one with the world communist and national liberation movement. Confident that Communism will win in this country.

I enclose a cheque for a years subscription to your excellent magazine, and hope to offer more concrete support in the near future.

Yours fraternally,

Peter Monkhouse
South London

Supporting Irish Liberation

Dear Comrades,

I write concerning the article on Ireland by James Marshall in the first issue of *The Leninist*. It certainly is refreshing to know that unconditional support for the Republican movement and its struggle is being voiced in at least one publication of the British Left. There is no end to articles in the press of the petty-bourgeois left which try and tell the Irish people what to do now. We do not need to search very long before we find a column entitled 'How the Provisionals should consolidate the gains of the Hunger Strike' or 'Now is the time to throw away the gun and stop individual acts of terrorism' etc. but we never find these 'trendies' commiserating on their failure to build a solidarity movement in this country.

As Marshall quite rightly points out, the CPGB is a party to this conspiracy by 'armchair socialists' on the mainland to blame the lack of success in building a solidarity movement on the 'excesses' of the Provisionals. When confronted with the question: 'If the armed struggle is alright in South Africa, why can't you say the same thing in N.Ireland?' leading apologists for the C.P.'s opportunism, such as Bert Ward, attempt to link the definition of the term, 'intolerable oppression', with the number of political prisoners in jail, the frequency of fatal shootings by the police etc.

The nationalist people of N.Ireland need unqualified support and solidarity work on the part of British communists for their cause-they certainly do not need the 'unconditional but not uncritical' support offered to them by the likes of the SWP, nor mollycoddling assurances from the

NCP promising them that British imperialism is somehow 'progressive' and seeks the reunification of Ireland in the interests of monopoly capitalism.

What frightens the British ruling class most of all is the sight of the organised workers mobilised against them. Since 1969 no trade union based campaign, which is consistent in its work, has been built on the mainland to force the ruling class to withdraw militarily and economically from Ireland. Would that the CPGB still produce pamphlets hailing 'the dauntless fight of the Irish Republican.' On this issue, as on so many others, the CPGB has pandered to petty-bourgeois revisionism and failed to produce a lead for the British working class to follow. There is an organisation called the Revolutionary Communist Group which, despite its small size, does a tremendous amount of work around the Irish issue and has won the respect of Provisional Sinn Fein in this country. I support them in what they do, but the sad fact is that the oldest proletariat in the world, our own, is in a very backward state theoretically and unless we go straight into the working class organisations and dispel their reformist trade union ideals, we will get nowhere on the Irish issue. The good elements in the CPGB and, by the same token, the British working class (for the CPGB is only a mirror-image of the working class with its curse of reformism) need a solid revolutionary theory to take them forward, the theory of Leninism and Proletarian Internationalism. We cannot stand on the sidelines and harangue them for their multitude of defeats and failures, for unless we can gain a foothold in the traditional organisations of working class defence in this country, and win them over, and build a vanguard revolutionary party where the CPGB has failed, we will have lost the struggle in this country, and the streets of Belfast will become the streets of London.

Yours fraternally,

John Hardy
East London

The Leninist replies.

Comrade Hardy's letter is very welcome. It shows that he is in transition from the narrow sect politics of organisations such as the RCG and the NCP which he mentions, to the positions of Leninism. Because his position is transitional, the comrade displays and expresses positions that are both correct and incorrect; above all he has yet to fully realise the necessity of ideological struggle in the CPGB, in order to win it to a Leninist position. We call upon comrade Hardy and all revolutionaries not in the CP to join it and us in that struggle.

Note: We have adopted the policy of changing names, addresses, and certain details in letters published in *The Leninist* where we think political security would be jeopardised.

The Leninist (Back Issue)

Number One Winter 1981/2

Founding Statement of the Leninist: The Communist Party,
The Crisis and its Crisis

Frank Grafton — The Road from Thatcherism; or the Road for
Marxism (A Critique of S. Aaronovitch's book and the AES)

James Marshall — Ireland and the Opportunists

Gus Hall — What's Happening in Poland (An excellent article on
the Polish crisis by the General Secretary of the Communist
Party of the USA)

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Books received

H.Carrere d'Encausse, *A History of the Soviet Union 1917-1953, Volume One: Lenin, Revolution and Power*, Longman, London, 1982, pbk. pp.279, £4.95

H.Carrere d'Encausse, *A History of the Soviet Union 1917-1953, Volume Two: Stalin, Order Through Terror*, Longman, London, 1982, pbk. pp.269 £4.95.

South African Communist Party, *The African Communist No.88*, Inkululeko Publications, First Quarter 1982, pp.112 pbk.

J.S.Saul and S. Gelb, *The Crisis in South Africa*, Monthly Review Press, London, 1981, pbk. pp.156, £3.00.

R. Miliband and J.Saville (eds), *The Socialist Register 1981*, Merlin, London, 1981, pbk. pp.284, £4.50.

R. Yürükoğlu, *The Struggle for the Future*, İşçinin Sesi Publications, 1981, pp.59, £1.50.

R. Yürükoğlu, *Reflections on the Cancun Conference*, İşçinin Sesi Publications, 1982, pp.37, 95p.