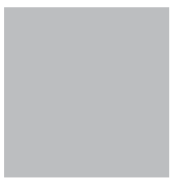
IS THERE A FUTURE FOR SOCIALISM?



A collection of articles
by Harry Ratner

INTRODUCTION

MANY READERS will be familiar with Harry Ratner's excellent book, *Reluctant Revolutionary*, which details the more than two decades he spent as an activist in the Trotskyist movement before breaking from it in 1960. One of the features of the book was that, while the author no longer considered himself a Trotskyist, his was not an embittered account fuelled by personal resentment towards the movement to which he had once committed his life. On the contrary, Harry's memoirs were distinguished by an admirable objectivity, in which he gave credit to his former comrades as serious and honest socialists, while rejecting most of the main planks of the Trotskyist programme.

The articles in this collection continue the general approach of *Reluctant Revolutionary*, but in theoretical rather than autobiographical terms. Most of them were first published in the magazines *New Interventions* and *What Next?* between 1991 and 2001. They cover a wide range of subjects, but have a consistent theme – the need to question what passes in Trotskyist circles for Marxist orthodoxy and face up to political reality. This is not, I imagine, a message that will be well received in some quarters.

Among the shibboleths Harry challenges are the necessity for centrally planned production in a socialist economy, the rejection of a parliamentary road to socialism, economic catastrophism, reductionist views on the "class character" of the state, the validity of the Bolshevik revolution, both in its own terms and as a model for future socialist struggles, and more. Even those who profoundly disagree with the author's conclusions will hopefully at least be provoked into re-examining their political assumptions.

Harry would welcome readers' comments on the issues raised in these essays. He can be emailed at ratner1@hotmail.co.uk.

Bob Pitt

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Marx and Engels' description of how capitalism becomes a fetter on the productive forces has been interpreted as meaning that capitalism has reached (or will reach) a stage of decay when any further growth in production becomes impossible, misery increases and the working class suffers a permanent and generalised reduction in its standard of living. Trotskyists generally reject the crude economic reductionist view that capitalism will "collapse automatically", because of purely economic factors, and recognise that it will ultimately have to be destroyed *politically* by the working class seizure of *political power*. Nevertheless, many make their perspectives for revolutionary upsurge dependent on the above cataclysmic economic perspectives and equate revolutionary situations with economic crises in an over-simplistic manner. I think this cataclysmic theory is wrong and at the root of repeated errors and disappointments. I do not think these conclusions can justifiably be drawn from the model of the capitalist economy built up by Marx and Engels.

Marx's model indicates that the capitalist mode of production constitutes a *relative* rather than an absolute barrier to growth and that while cyclical crises are inherent in capitalism there is nothing to indicate that after such crises production cannot attain higher levels. The exploitation, wastefulness and avoidable misery generated by capitalism; the growing gap between the conditions of today and the possibilities of abundance if modern technology and the productive forces were rationally used for the benefit of society rather than for profit, provide adequate justification for its replacement by a communist society without recourse to cataclysmic perspectives.

Many Marxists believed that the 1914-18 war marked the end of the road for capitalism. Up till then the advanced capitalist nations could find an outlet for their surplus capital and commodities in colonial expansion. The 1914-18 war indicated that the world had now been divided up, and that any further expansion by one imperialist power could only be at the expense of others. If capitalism survived (as it did) the revolutionary wave unleashed by the war, its potential for economic growth was at an end. This assumption was central to the theses of the first four Congresses of the Third International. Any upward cyclical fluctuations would be limited and short-lived. The Stalinists' "Third Period" policies were based on the assumption that the "final crisis" was at hand, and the 1929 Wall Street crash and the ensuing slump seemed to confirm this. While the Trotskyist Opposition challenged the political aspects of this "Third Period" line – its concept of social-fascism, its ultra-left "United Front from below" tactics etc – it did not to my knowledge challenge the basic economic premises.

Then, when capitalism survived the Second World War, no one envisaged the possibility of a new upsurge of capitalism. In 1938 Trotsky wrote: "Naturally, if a new war ends only in the military victory of this or that imperialist camp; if the war calls forth neither a revolutionary uprising nor a victory of the proletariat ... the further, frightful decomposition of capitalism will drag all people backwards for decades to come." ("A Fresh Lesson", October 1938, in *Writings of Leon Trotsky 1938-39*, 1974, p.63.)

The Fourth International's post-war perspectives denying the possibility of capitalist stabilisation flowed from their basic economic analysis: "The decay of capitalism and the acuteness of class conflicts, forbids another extended period of bourgeois democracy.... While interim bourgeois-democratic regimes may be set up here and there as by-products of uncompleted revolutionary movements, they must, by their very nature, prove unstable and short-lived.... *the economic preconditions for an extended period of bourgeois democracy have disappeared*." (Quoted in Sam Bornstein and Al Richardson, *War and the International*, 1986, p.173, my emphasis – HR.) The British Revolutionary Communist Party's August 1946 Congress resolution on "The Coming Struggles in Industry" stated: "Despite the possibility of a temporary post-war 'boom', lasting for one or two years ... we are now standing on the threshold of the greatest crisis yet witnessed.... Those who imagine that they will return to pre-

1939 live in a fool's paradise." (*RCP Conference Decisions* pamphlet, p.28.) As for the RCP Minority (the Healy group, to which I belonged) we steadfastly refused to recognise the reality that was staring us in the face. Year after year throughout the post-war boom our perspectives documents spoke of actual or imminent economic and social collapse.

The boom lasted until the 1970s. All the main indices of production in the capitalist world have well surpassed and are still well above pre-war levels despite the recent recession. We were wrong about 1914, wrong about the 1930s, wrong about the post-war period. Was this because we were mistaken merely in our timing, ignoring secondary factors which might have delayed the crisis, or was it because of more serious theoretical errors? I think we need to re-examine Marxist economic theory to see whether it does really justify the idea of absolute barriers to growth and inevitable collapse.

Marx's Analysis

The passage in *Capital* that best summarises Marx's arguments about barriers to production is this:

"On the other hand, there is periodically a production of too many means of production and necessities of life to permit of their serving as means of exploitation of the labourers at a certain rate of profit. Too many commodities are produced to permit a realization of the value of surplus value contained in them under the conditions of distribution and consumption peculiar to capitalist production, that is, too many to permit of the continuation of this process without ever-recurring explosions.

"It is not a fact that too much wealth is produced. But it is true that there is periodical overproduction of wealth in its capitalist and self-contradictory form.

"The barrier of the capitalist mode of production becomes apparent:

"1. In the fact that the development of the productive power of labour creates in the falling rate of profit a law which turns into an antagonism of this mode of production at a certain point and requires for its defeat periodical crises.

"2. In the fact that the expansion or contraction of production is determined by the appropriation of unpaid labour, and by the proportion of this unpaid labour to materialised labour in general, or, to speak the language of the capitalists, is determined by profit and by the proportion of this profit to the employed capital, by a definite rate of profit, instead of being determined by the relation of production to social wants to the wants of socially-developed human beings. The capitalist mode of production, for this reason, meets with barriers at a certain scale of production which would be inadequate under different conditions. It comes to a standstill at a point determined by the production and realization of profit, not by the satisfaction of social needs." (*Capital*, Vol.III, Chapter 15.)

Note that Marx speaks of periodical – not permanent – overproduction. Secondly he writes: "The capitalist mode of production ... meets with barriers ... *which would be inadequate under different conditions*" (my emphasis – HR), i.e. in relation to what could be produced under other conditions, e.g. a rationally planned economy "*determined by social needs*".

Let us look in more detail how the *periodical* overproduction Marx refers to comes about. The essential feature of capitalist production is encapsulated by Marx in the formula c + v + s which makes up the value of the commodities produced. As Marx points out commodities do not actually sell at their value but at a "price of production" resulting from the equalisation of the rate of profit of different capitals with different organic compositions. However, as over the whole range of commodities the deviations from the value of the prices of production mutually cancel one another, the formula c + v + s is valid if we consider the totality of commodities. Let us assume the constant capital (c) is £5000, that the variable capital (v) is £1000 and the surplus value (s) is £1000. The total value of the commodities will be £7000 and this must be realised in money form, i.e. sold. The expenditure of £5000 by the capitalists on the constant capital and the £1000 paid in wages (the variable capital) provide a market for £6000 worth of the commodities produced, leaving £1000 of commodities still to be sold. The personal consumption of the capitalists and their dependants will account for only part of this, say £400. Unless the remaining £600 is re-invested, i.e. used to increase the capital to be expended in the next production cycle, there will be an unsold surplus and the capitalists will not have realised the whole of their surplus value. When this occurs, a crisis of overproduction develops.

In general, for a succession of production cycles to take place smoothly the process, commodity–money–commodity, must be completed each time. Marx points out that the separation in time and space between purchase and sale opens up the possibility of the disruption of this process and hence of crises: "the total commodity capital, and each individual commodity of which it consists, has to pass through the process C–M–C, the metamorphosis of the commodity. The general possibility of crisis, which is contained in this form – the separation of purchase and sale – is thus implicit in the movement of capital .... " (*Theories of Surplus Value*, Chapter 18.)

This process can be disrupted by a whole number of factors – changes in prices and values, physical shortages of commodities and so on. However, the main factor in crises of overproduction is the failure of the capitalists to

re-invest the whole of the surplus value appropriated. This happens when the economic conjuncture lowers the expectation of profits from such re-investment to the point where capital is hoarded. This causes a drop in production all round, which feeds on itself, leading to the closure of factories and growing unemployment. There is no need to go into detail. Marx and others have fully analysed the processes involved. But the point is often forgotten that the very same market forces that trigger recessions and slumps also create the conditions for economic revival. Excess capital is devalorised. Surplus productive capacity is destroyed, factories dismantled, un-saleable commodities dumped into the sea. Eventually stocks are run down and the equilibrium between supply and demand – and with it the possibilities of profitable investment – is restored and the economy revives into another boom.

Marx explains: "the present stagnation of production would have prepared an expansion of production later on, within capitalist limits. And in this way the cycle would be run once more. One portion of the capital which has been depreciated by the stagnation of its function would recover its old value. For the rest, the same vicious circle would be described once more *under expanded conditions of production, in an expanded market, and with increased productive forces*" (*Capital*, Vol. III, Chapter 15; my emphasis – HR).

There is nothing here to indicate that after each slump the new boom that follows cannot exceed the previous one. If anything it indicates that, as Marx explained, it is the function of crises to restore the disrupted equilibrium and make the start of a new cycle possible. Capitalism is like a man riding a bike. He is continually losing his equilibrium and restoring it. So long as he keeps on riding he will not fall off. Many Marxists have attempted to use the schemata of Marx relating to the relations between Depts. I and II (capital and consumer goods producers) to prove the inevitable collapse of capitalism.

However, as Ernest Mandel argues: "Any attempt to deduce the impossibility of a 'pre' capitalist economy or the fatal collapse of the capitalist mode of production from these schemes is doomed to failure.... Marx's reproduction schemes ... are designed to solve a single problem and no other. Their function is to explain why and how an economic system based on 'pure' market anarchy in which economic life seems to be determined by millions of unrelated decisions to buy and sell does not lead to continuous chaos and constant interruption of the social and economic process of reproduction but instead on the whole functions 'normally' – that is with a big crash in the form of an economic crisis breaking out (in Marx's time) once every seven or ten years. Or to put it differently: how can a system based on exchange value, that only functions for the sake of profit and regards the specific use values of the commodities it produces as a matter of indifference, nonetheless assure the material elements of the reproduction process which are determined precisely by their specific use value – in other words, how can it at least for a time 'spontaneously' overcome the antinomy between exchange value and use value? The function of the reproduction schemes is thus to prove that it is possible for the capitalist mode of production to exist at all.... Marx reaches the conclusion that social production is in a state of equilibrium ... as long as and in so far as the formula for equilibrium is observed. In the system of simple reproduction this formula is Iv + Is = IIc. This means that economic equilibrium depends on whether the production of commodities in Dept. I can evoke a monetarily effective demand for commodities in Dept. II corresponding in value to the commodities which it must itself deliver to Dept. II and vice versa. A similar formula for equilibrium can easily be deduced from Marx's schemes of expanded reproduction." (*Late Capitalism*, 1978, pp.25-6.)

Mandel continues: "It is obvious however that the overall development of the capitalist mode of production cannot be subsumed under the notion of 'equilibrium'. It is rather a dialectical unity of periods of equilibrium and periods of disequilibrium each of the two elements engendering its own negation. Each equilibrium inevitably leads to a disequilibrium, and after a period of time this in turn makes possible a new provisional equilibrium" (ibid., p.26).

If the schemata mentioned are "inadequate analytical tools" for deducing the collapse of capitalism, then let us see if this can be deduced with other tools or from other factors.

The tendency for the rate of profit to fall was seen by Marx as one the internal contradictions of capitalism bound to lead to its downfall but as Leszek Kolakowski pointed out:

"he never argued, as has been alleged, that the fall in the rate of profit would in itself make capitalism an economic impossibility. A falling rate of profit is quite compatible with an increasing total volume of profit, and it is hard to see how it could be the direct cause of the system breaking down. The principal factor working against a fall in the profit rate is a decline in the value of the components of constant capital, owing to the same technical progress which reduces the relative importance of wages in the production costs – this being a basic aspect of Marx's analysis. [Also important is the increase in the rate of surplus value as a result of the increased productivity of labour – H.R.] In view of the difficulty of quantifying the factors working in either direction, there is no firm ground for asserting that those tending to produce a fall in the rate are stronger; and the alleged 'law' appears to be

no more than an expression of Marx's hope that capitalism would be destroyed by its own inconsistencies. Only empirical observation, and not deduction from the nature of the profit rate, can tell us whether it does tend permanently to decline: and such observation is not found to confirm Marx's theory." *(*L. Kolakowski, *Main Currents of Marxism*, Vol.I, p.298.)

Mandel admits that any attempt to explain the development of capitalism and its inevitable collapse from any single factor is inadequate: "In fact, any single-factor assumption is clearly opposed to the notion of capitalism as a dynamic totality in which the interplay of all the basic laws of development is necessary in order to produce any particular outcome. Up to a certain point all the basic variables of this mode of production can partially and periodically perform the role of autonomous variables – naturally not to the point of complete independence, but in an interplay constantly articulated through the laws of development of the whole capitalist mode of production" (ibid., p.39).

According to Mandel these variables must include the following central items:

(1) the organic composition of capital in general and in the most important departments and its distribution between departments;

(2) the distribution of constant capital between fixed and circulating;

(3) the development of the rate of surplus value;

(4) the development of the rate of accumulation;

(5) the turnover-time of capital;

(6) the relation of exchange between the two departments.

"The history of capitalism ... and of its inner regularities and contradictions", he writes, "can only be explained and understood as a function of the interplay of these six variables" (op. cit., p.39).

In *Marxist Economic Theory* and *Late Capitalism* Mandel applies this approach in a well argued and documented explanation of the actual historical development of capitalism right up to the 1970s in terms of Marxist theory; also reviving and critically re-assessing Kondratiev's theory of "long cycles" of 50 or more years duration. But nowhere in these books have I yet found any valid argument for the existence of any absolute ceiling to production! On the contrary, Mandel writes in the very first paragraph of his introduction to *Late Capitalism*:

"One of the central purposes of this book is to provide a Marxist explanation of the causes of the long post-war wave of rapid growth in the international capitalist economy, which took both non-Marxist and Marxist economists by surprise; and at the same time to establish the inherent limits of this period which ensured that it would be followed by a long wave of increasing social and economic crisis for world capitalism, characterised by a *far lower rate of overall growth*" (my emphasis – HR).

No indication here of absolute limits or collapse – only a lower rate of growth! Fundamentalist Trotskyists will dismiss Mandel as a revisionist. But can his critics provide us with a valid argument for absolute limits and collapse?

Marx argued that the increase in productive power conflicts increasingly with the limited possibilities of consumption, he showed how disruptions in the process of the circulation of capital could occur, he showed how capitalism rested on the wage-slavery and exploitation and was inseparable from class conflict but his schemata of compound reproduction do not reveal the permanent impossibility of realising surplus value, i.e. the contradiction between its creation and its realisation – only the episodic disruption of the process and the restoration of equilibrium through periodical crises.

The question of limits on production can be approached from yet another angle. The working class through its wages, and the mass of the population in general can provide a direct market for *consumer goods only* whereas the totality of production includes *capital goods* which have only one use-value – that of contributing to the production of yet more goods. The ultimate end product must be consumer goods whose use-values are the satisfaction of human wants. Unless there is a need for ever greater quantities of consumer goods there is no need for more capital goods. Is there not therefore an ultimate limit to production of both types of goods in the finite nature of human wants? Even the richest cannot eat more than a certain amount or wear three coats at once. (Even if the rich do not hoard their spare money but re-invest it, the accumulated capital must in the end be able to dispose of the consumer goods it produces.) If there is such a limit, and even if human wants are finite, it is glaringly obvious that we are still a long way from satisfying them while millions in Africa and Asia are still dying from starvation. But, even in the most prosperous advanced industrialised countries and in those strata of the population that have a sufficiency of necessities, new wants seem inexhaustible even at the most mundane level. For years people were quite happy to peel potatoes with an ordinary knife. Now they buy special gadgets. For years pet foods were unknown and people fed their pets on scraps and leftovers. Now one sees in any supermarket the evidence of a multi-million-pound industry supplying tinned pet foods. New technology constantly generates new wants. A large proportion of total world production today consists of commodities that have been invented or developed in the last fifty years – video recorders, calculators, personal computers etc. Thus, as far as the desire for use-values – consumer goods and services – is

concerned, there is no limit to growth in the foreseeable future.

We are therefore back to the question as to whether, under capitalism, the effective monetary demand for the satisfaction of these new wants can be generated. Let me repeat the answer I have already given to this. It depends on whether the whole of the surplus value that is not unproductively consumed is re-invested and the necessary equilibrium between the productions of Depts. I and II is maintained. When this does not happen the equilibrium between production and demand is disrupted and crises occur but *equilibrium is always restored* by the crisis itself, by the devalorisation of capital and destruction of commodities; this restores the profitability of new capital investment – thus enabling the renewed take off of production.

State Intervention

How far can private (i.e. monopoly) and state regulation of the economy eliminate or suspend the internal economic contradictions of capitalism? This is a difficult question to answer. In Britain public expenditure expressed as a percentage of the Gross National Product rose from 29% in 1932 to 51% in 1976 and has hardly receded despite the Thatcherite "rolling back of the state". In Germany it is nearly 50% and the trend is upward in all the western capitalist countries. The sheer size of state expenditure in relation to total production and the elasticity of the money supply (due to the severance of its link with gold and therefore of its loss of a *direct link* with intrinsic value) combine to give the State tremendous leverage, if it wants to use it, to drastically affect the economy and market conditions by its *political decisions*. Given the dangers and costs of social upheaval resulting from economic crises and dislocations, it is obvious that the State as the ultimate guardian of the framework within which capitalism operates will use its powers to damp down crises and keep class and social tensions within "safe" limits by a combination of fiscal and monetary measures, subsidies and political measures.

In terms of c + v + s, the income the State derives from taxation can be said to come wholly from the surplus value. Thus in relation to the problem discussed earlier of the failure of capitalists to re-invest this surplus value, the State can in part overcome this by transferring part of this surplus value to itself in taxation and re-investing it in the form of public works space research or welfare services. This is basically what Keynesian "demand management" amounts to.

The role of the permanent arms economy in boosting investment and demand for capital goods has been dealt with sufficiently and there is no need for me to dwell on it. This squandering of resources on weapons of destruction emphasises the parasitic nature of capitalism and is in itself sufficient reason for wanting to overthrow it. But in relation to the specific issue we are discussing it is an important factor in helping the system to overcome the problem of overproduction

Equally obviously, the State is not completely free or able to control or predict the effects of its decisions. It is still constrained by the anarchy of market forces, particularly of world market forces, external to the national economy over which the state in question presides. This is why Lawson has sleepless nights. The exchange rate of the pound sterling which he tries to control is buffeted by the forces of the world market, threatened with collapse due to the balance of payments deficit. Attempts to control credit and the money supply by interest rates or other measures are bedevilled by unpredictable variables. The various policy options open to the government clash with each other – excessive anti-inflationary measures could trigger a recession, while policies designed to counter a recession could unleash inflation. The conflicting interests of the "City" and "industry", each pulling the Government in different directions, do not help.

But to the extent that these difficulties stem from the narrow national bases on which different national states operate and which make them vulnerable to external market pressures, the tendency towards the merging of the national economies and nation-states into larger units will lessen these. A European Community State, taking over many of the sovereign functions of the member states, particularly in economic policy, with a Central European Bank and a unified European currency would have more "clout"; its economic "planning" is potentially more effective and less vulnerable to world market forces.

A major feature of the last forty years has been the rapid "internationalisation" of capital – the growth of multinationals. This is far from being restricted to mergers between firms within the EEC. Between 1961 and 1969 there were 820 mergers of firms from within the EEC with firms outside it – Japanese, American, Swiss etc. An increasing proportion of investment within any one of the advanced capitalist countries is from abroad and in turn a large part of its "native" capital is invested abroad.

If the State is the "executive of the ruling class", will the growing fusion of national capitals into international capital be accompanied by the growing fusion of the separate nation-states? When there are no longer any separate "British", "German" or "French" capitalist classes but only an international capitalist class straddling all countries, who will the British, German and French states have to represent? If the economic base determines the political superstructure, are we not moving towards supra-national states or at least international state-like structures and institutions of which the IMF and the World Bank

are precursors? And will not these, working from a broader base than purely "national economies" be more effective in regulating capitalism?

Mandel rightly queries whether Government regulation of the economy or the power of the monopolies, or both, can ultimately or durably cancel the workings of the law of value. He answers: "To say that this is possible is to say that contemporary society has ceased to be capitalist. If this is so, then the course of the economy is no longer determined by the objective laws of development of capitalist production working themselves out behind men's backs, but by the conscious, planned or arbitrary decisions of the monopolies and the state. If economic crises and recessions still occur, then this can no longer be due to forces inherent in the system but merely to the subjective mistakes or inadequate knowledge of those who 'guide the economy'. It should then be only be a matter of time before such errors are ironed out and an 'industrial society' emerges that is genuinely free of crises. If the 'regulation of the economy' by government and monopolies is simply an attempt to deflect and temporarily attenuate (i.e., ultimately merely postpone) the effects of the law of value, then the operations of this law must inevitably prevail in the end. If this is the case, crises remain inherent in the system. The long term development of Western 'industrial society' will continue to be governed by the laws of motion of the capitalist mode of production discovered by Marx. The present work has been devoted to the verification of the latter thesis." (*Late Capitalism*, p.526.)

Two answers spring to mind. Even if "industrial society" is still governed by the laws of motion of capitalism nevertheless their effects can be neutralised in the same way as the effects of the law of gravity can be neutralised in an aeroplane. It is still subject to the law of gravity and other physical laws but its flight can be "regulated" by judicious use of engine, ailerons and rudder. Secondly, even if Mandel is right he can only predict – as I have already pointed out – not the collapse of capitalism but only a "lower rate of growth".

Growth and the Environment

So far attention has been concentrated on the limits to growth inherent in capitalism. It may well be that the threat to capitalist society may come from another direction – from unplanned and uneven growth. Scientists warn that a continuation of the present rate of burning fossil fuels and the destruction of rain forests – to mention only two factors – threaten global disaster and call for their drastic curtailment. But this spells disaster for the already fragile and debt-crippled economies of the under-developed countries. To enable these countries to develop alternative energy resources involves a massive transfer of wealth from the advanced countries and massive changes in the economies of both the developed and the undeveloped countries. It is difficult (to say the least) to visualise this happening within the existing international capitalist framework. What condemns capitalism is the fact that this is happening at a time when the underdeveloped countries of the Third World are in desperate need of *more* goods and *more* economic growth. It is this basic imbalance, creating the conflict between the need for growth and the effects of growth that provides the strongest argument for the replacement of a profit-geared economic system by one in which this conflict can be resolved by the planned and rational use and allocation of resources. Such planning and control is incompatible with the continued determination of production and investment decisions by the search for the maximisation of profit. What condemns capitalism is this contradiction between capitalist property relations and the environmental and material needs of society.

The Theory of Increasing Misery

Let us now deal with the theory of 'Increasing Misery" on which time and again Trotskyists have based their political perspectives of mass radicalisation, exemplified by the passage, already quoted from the RCP's 1945 Conference Resolution: "Those who imagine that they will return to pre-1939 live in a fool's paradise."

Marx says: "in proportion as capital accumulates, the lot of the labourer, be his payment high or low, must grow worse. Accumulation of wealth at one pole is, therefore, at the same time accumulation of misery, agony of toil, slavery, ignorance, brutality, mental degradation, at the opposite pole." However Marx elsewhere indicates that wealth is relative: "A notable advance in the amount paid as wages presupposes a rapid increase of productive capital. The rapid increase of productive capital calls forth just as rapid an increase in wealth, luxury, social wants, and social comforts. Therefore, although the comforts of the labourer have risen, the social satisfaction which they give have fallen in comparison with these augmented comforts of the capitalists ... and in comparison with the scale of general development society has reached. Our wants and their satisfaction have their origin in society, and not in relation to the objects which satisfy them. Since their nature is social, it is therefore relative." (*Wage-Labour and Capital*.)

The difference between an absolute fall in the standard of living and an absolute increase but relative worsening (compared to that of the capitalists) makes for not unimportant differences in the possible political outlook of workers. Furthermore, the general increase in the productivity of labour means that an increase in

the standard of living is not incompatible with an increase in the rate of surplus value appropriated by capital. If, for example, in 1945 a worker was paid for 24 hours of necessary-labour in a 48-hour week, whereas in 1989 he is paid for only 13 hours in a 39-hour week, this would represent a doubling of the rate of surplus value. But because of the general increase in the productivity of labour the 13 hours of necessary labour time in 1989 would purchase a greater mass of use-values than the 24 hours of 1945 – resulting in an increase in the real standard of living of the worker despite his increasing exploitation and despite the fall in the value of his labour-power.

While real wages fell during the period of primitive accumulation of industrial capital, they rose from the middle of the nineteenth century onwards. In Britain and France they practically doubled between 1850 and 1914 (source: J. Kuczynski, *Die Theorie der Lage der Arbeiter*, quoted in Mandel, *Marxist Economic Theory*, p.149). In fact the idea that real wages tend to decline is not to be found in Marx. When he talks of increasing misery he is referring to those thrown out of the productive process, the unemployed, the disabled, the sick. (But even here welfare benefits mitigate the impact compared to Marx's time.)

Marx explains how an increase in real wages is possible: "It is, however, possible that owing to an increase of productiveness both the labourer and the capitalist may simultaneously be able to appropriate a greater quantity of these necessaries without any change in the price of labour-power or in surplus-value" (*Capital*, Vol.I, Chapter 17); and "the same amount of values represents a progressively increasing mass of use-values and enjoyments to the extent that the capitalist process of production carries with it a development of the productive power of social labour, a multiplication of the lines of production, and an increase of products" (*Capital*, Vol.III, Chapter 13).

As he points out elsewhere, what are considered minimum needs are historically and socially determined and part of this historical and social determination is the continuous struggle of the workers for higher living standards.

The polarisation of society into a handful of rich capitalists on one hand and a mass of workers all reduced to a common level of misery has not happened quite as predicted. The concentration of capital is a fact. But at the same time there has not been a general levelling out of the standard of living of the working class to a common level. Instead, and this is a matter of empirical fact, the burden of economic crises has fallen *unevenly* on the working class. Simultaneously with mass unemployment there has been a rise in the real wages of the employed workers (still a majority of the working class). Even the impact of unemployment has been uneven on different sections of the working class. In Germany unemployment has been internally "exported" on to the mass of "guest-workers" – Turks, Yugoslavs etc. In France Algerians, Moroccans and Portuguese immigrants constitute a "reserve army" on which the burden of low-paid and dirty jobs and unemployment is transferred, thus cushioning the native French workers. In Britain it is the blacks and coloured who suffer proportionally most from unemployment and inner city decay. This uneven impact of economic burdens on different sections of the working class and its fragmentation is an important factor affecting political developments.

Future Possibilities

If we abstract the workings of the economic base from the totality of capitalist society (its economic "base", political and ideological "superstructure" and the interaction between them), if we look only at the economic mechanism described by Marx, we cannot conclude that there is an absolute limit to production nor an inevitable economic collapse of capitalism. Therefore we cannot base our perspectives of proletarian revolution on such conclusions.

This does not mean that capitalism is free of contradictions, can resolve its problems or will last for ever.

While capitalism has only been a relative brake on the productive forces and not incompatible with rising living standards of the working class in advanced capitalist countries, the other side of the coin has been misery and downright starvation in the Third World whose economic development is distorted and curtailed by world capitalism – generating social and national liberation struggles. However, these are no substitute for proletarian revolution in the advanced industrialised countries.

As argued above, the growing incompatibility between unplanned capitalist development and the environment, threatening global disaster, makes its replacement by a rationally planned economy ever more urgent.

The future holds three possibilities:

(1) Either this task will be accomplished by the World Revolution – which is possible but not inevitable.

(2) Failing World Revolution, the existing state and developing "supra-state" institutions will have to impose controls on private capital, eventually leading to a planned economy. Whether this control will be authoritarian or democratic will depend on the success of movements from below for democratic control and participation. (I make no apology for raising once more this possibility, which has already been debated and rejected by the Trotskyist movement in 1939-40, but every postponement of the revolution must repose this question.)

(3) If neither proletarian revolution and its

introduction of a planned economy nor international State control succeed in curbing the unbridled effects of capitalism there will be global disaster and social chaos. What I have tried to do in this paper is to show that the first alternative is not inevitably determined by the economic laws of capitalist development. If the proletarian revolution is to occur it will have to do so because of other factors; because the social tensions and conflicts of capitalism – short of economic collapse and general impoverishment – will create situations in which the revolutionary potential of the working class will materialise into successful revolution.

I hope to examine these possibilities in another contribution.

Marxism and the Productive Forces (Part 2)

IF, INDEED, capitalism can recover after each crisis and maintain some growth, albeit at a slower rate, this has implications for the ability of capitalism to absorb revolutionary pressures. It was assumed in the old days that, as soon as the flow of super-profits derived from the exploitation of the colonies ceased, all the reforms and concessions previously conceded to the working class would be under attack. In fact the expansion of the post-war Welfare State coincided with the break up of the Empire. It is true that the direct exploitation of the colonies was replaced by less obvious economic exploitation of the now formally independent areas and of the Third World generally, and that the long and unexpected post-war boom delayed this onslaught which was only started in earnest by the Thatcher government.

But despite the mass unemployment, attacks on the unions and erosion of the Welfare State the revolutionary developments anticipated by Trotskyists have not materialised. There has been resistance by sections of the working class – the miners' strike, Wapping, the teachers' and civil servants' disputes – but the fact must be faced that these have not triggered any generalised struggle or general radicalisation of the working class, nor a move by significant numbers towards revolutionary politics or organisations, which should be reflected in a breakthrough by Trotskyists. This is not due solely to subjective factors – possible mistakes and incorrect tactics, and the fragmentation of the movement. A better explanation is the fact that despite the recession there has not been a general drop in the standard of living of the majority of the working class. The main brunt of the recession has fallen on the minority – workers in the old industries, the blacks, the youth, single parents, the sick. In the meanwhile the real wages of the workers in employment – the majority of the working class – have risen (to the despair of Thatcher, Lawson and the CBI).

It is not sufficient to explain the fact that the miners, print workers and others were left to fight on their own by the "treachery" of the Kinnocks, Brenda Deans and others, or the failure of militants to overcome these leaders. Whence comes the continuing dominance of the Kinnocks and others? How come they can still defeat the Left and the militants? Surely the unpalatable answer is that they do reflect the passivity of large layers of workers and that this passivity is fed by, among other things, economic conditions, by the fact that even during the recession large numbers of workers were able to obtain real wage increases without too much struggle, precisely because of market conditions. Capitalism is still able to afford to head off much of the opposition to sackings and redundancies and nip potential revolutionary developments in the bud with relatively large redundancy payments. Without them would the recent dock strike have collapsed as it did? Despite the cuts, unemployment benefit and other welfare payments and redundancy handouts are still a major factor in damping down opposition to the system. The Thatcher government knows just how far to go without endangering the whole system.

The situation in Britain is paralleled by those in the other Western capitalist countries. None of this would be possible if the theories of automatic collapse of capitalism and falling production were true. In 1988, despite the world-wide recession, GDP in all the OECD countries had increased since 1970 by an average of 62%, energy requirements by 25%, vehicle stocks by 89% and industrial production by 53% (Report of the Organisation for Economic Cooperation and Development, Paris 1989). Even in Britain, the lame duck of Western capitalism, the CBI lamented that its estimates of economic growth would be 2.5% next year [1990], falling to 2.3% the following year, with manufacturing dropping to 4% and then 2.4%. Low rates of growth indeed, but not an absolute halt or drop.

The World Context: The Third World

So far the argument has ignored the effects of world capitalism on the under-developed countries. Here the law of uneven and combined development, the breaking up of pre-capitalist social formations and the distorting penetration of international capital have led to de-stabilisation and complex conflicts; struggles for national liberation have not freed these countries from the

effects of exploitation by international capital, or prevented the replacement of relative self-sufficiency by dependence on one single exportable cash crop whose drop in price on the world market can bring misery and collapse. On top of economic under-development civil, national and tribal conflicts (Nigeria and Biafra, Zimbabwe) undermine the economy and intensify famines whose basic causes are the effects of the uneven development of the world market (Ethiopia, Sudan).

The obverse side of the growth of Western European, North American and Japanese economies and the relative social stability has been the revolutionary developments in Asia, Africa and Latin America. The Chinese and Cuban revolutions, Nicaragua, the liberation struggles in Algeria, Mozambique and Angola and Vietnam led some to the conclusion that the epicentre of the world revolutionary struggle had shifted away from the advanced capitalist countries. But it is difficult to envisage the destruction of capitalism on a world scale by this road in the absence of socialist revolutions in the heartlands of capitalism – the advanced industrial countries. Therefore we must return to examine the prospects of revolution in advanced capitalist society.

Revolutionary Prospects

Having examined the economic factors, I now turn to the political ones. As I have already pointed out, even if capitalism were to collapse, to cease to function economically, it would still require a political overturn – a revolution – to lay the basis for a new social system to replace it. At the most, the contradictions in capitalism and their economic consequences will create revolutionary situations – revolutionary possibilities. For these possibilities to be turned into actual successful revolutions a whole dynamic conjunction of objective and subjective factors has to be present and interact in the right way. A study of the history of revolutions since 1914 – when, according to Marxist theory, capitalism had already exhausted its historical role – shows that despite numerous revolutionary situations that have since arisen, when all the "objective" factors have been present, there have been countless failures and not a single successful revolution in any advanced industrialised country. (1917 Russia was not an advanced industrialised country.)

It would take too long to examine all these in detail, so I will limit myself to citing Germany 1923 to illustrate the point I will be making. It was the paradigm for a revolutionary situation. None could have been more favourable (or has been since) in terms of objective and subjective factors. The economy had earlier in the year collapsed into uncontrolled inflation, money had become worthless, the middle class was ruined, businesses closed. The economic crisis was compounded by a political one, the Ruhr was occupied by Allied troops to enforce war reparations, all classes were in turmoil. The German industrial proletariat was the most advanced in Europe. There existed a Communist Party with mass working class support which had for months, with Comintern support, been preparing the uprising, setting up arms stores etc. Yet revolution failed to materialise. No doubt one can point to shortcomings and mistakes by the leadership of the German CP. But that is not the point. Every failure of the working class to take power in a revolutionary situation (Britain 1926, Spain 1936, Germany 1933, Italy-France-Greece 1943-5, France 1968, Portugal 1974) can be explained by some objective or subjective factor, by the treachery of social-democratic, centrist, or Stalinist leaderships, by the errors or shortcomings of a revolutionary leadership, by the absence of a revolutionary party or a combination of these.

The point I am trying to make is that the odds against everything going right are rather long. In other words, most revolutionary situations have ended in defeats. Successful revolutions are possible but not inevitable. There is no reason to believe that the situation in the future will be any different. Between 1917 and 1923 there was a Bolshevik Party and Third International still untainted by Stalinism; there were, at least in Germany and several other countries, Communist Parties either with mass support or at least with a far better relationship with the working class than any Marxist revolutionary organisation has today. If the building of a revolutionary mass party is a condition for successful revolution – and if we compare this to reaching the summit of the Himalayas, then the German CP of 1923 was reaching the top, but none of today's revolutionary groups (except possibly in Argentina) has barely started reconstructing the first base camp.

At this stage comrades will either be shaking their fists in anger at this revisionism or, the older more tolerant ones, shaking their heads in sorrow and muttering "Poor old Harry – another comrade who has lost his faith in the working class!" It is not a question of "faith", which can be defined as "belief without adequate reason", but of facing the facts and drawing the necessary conclusions, however unpalatable – that so far, despite the supposed over-ripeness and decay of capitalism, the working class has failed to take and hold power in any advanced industrialised country. Revolution is still possible. The need and justification for replacing capitalism with a better and more rational system is still there because capitalism, even if its collapse is not inevitable, is a system that generates misery, oppression and violence; because under capitalism the gap between the misery that is and the plenty and abundance that could be under a different system is ever wider.

But at least let us be under no illusions about "historical inevitability".

To summarise the argument so far. I have argued:

(1) There is nothing in Marxist analysis from which we can deduce an absolute ceiling to economic growth under capitalism. The contradiction between socialised production and private appropriation results in a growing gap between what actually is produced and what could be produced if the productive forces were rationally utilised and planned. A gap that is probably greater now than in Marx's time.

(2) Capitalism will not collapse automatically but will have to be overthrown politically.

(3) Successful revolutions are not inevitable. It is likely that many more future revolutionary situations will come and go before revolutionary parties are built capable of successfully leading revolutions in several countries so as to provide a broad enough international base for them to survive.

(4) From (1), (2) and (3) it follows that after each unrealised revolution, after each crisis, capitalism will go on. Since no social system stands still and is always in the process of change – what form, if world revolution continues to fail to materialise, will capitalism or a post-capitalist society take? This is not a new question. It has been posed before. When in the 1930's the question was being debated as to whether the Stalinist regime in Russia represented merely a temporary phenomenon of an isolated and degenerated workers' state which would be eliminated either by world revolution or the restoration of capitalism, or a new historical social system, indicating the inability of the proletariat either to seize power or to hold on to it – Trotsky himself posed the question:

"However onerous this ... perspective may be, if the world proletariat should actually prove incapable of accomplishing its mission ... nothing else would remain but to recognize openly that the socialist programme, based on the internal contradictions of capitalist society, had petered out as a Utopia.... It is self evident that [if the Marxist programme turned out to be impracticable] a new minimum programme would be required – to defend the interests of the slaves of the totalitarian bureaucratic system." ("The USSR in War", September 1939, quoted in Isaac Deutscher, *The Prophet Outcast*, 1963, p.468.)

It is true, as Deutscher pointed out, that Trotsky uttered these words for the sake of the argument that Stalinism was not a new historical social system and declared that the final test for the working class, for socialism, and for Marxism was imminent: it was coming with the Second World War. If the war were not to lead to proletarian revolution in the West, then the place of decaying capitalism would indeed be taken not by socialism, but by a new bureaucratic and totalitarian system of exploitation. Well, Trotsky was wrong. The war did not lead either to revolution or to new totalitarian bureaucracies. It is no answer to say Trotsky's mistake was only one of tempo. Every new failure of revolutionary situations to lead to revolution, every delay or failure of Trotskyists (who claim to have the only correct analysis and represent the "historic interests" of the working class) to build revolutionary parties out of these situations, poses anew the questions: Is proletarian revolution inevitable? And in its absence what form will late capitalism or post-capitalist societies take? Bureaucratic collectivism, state capitalism ... or what?

The answer to the first question is "No". Revolution depends in the last analysis not on economic determinism but on the actions of human beings. (In any case, as I have tried to show, catastrophic economic conclusions cannot be logically deduced from Marxist schemata.) As to the second question this is beyond the scope of this paper – a detailed discussion would necessitate several lengthy papers. I will therefore restrict myself to indicating possible variants.

It is possible that the problems facing capitalism will not be so much the limited ability of the market to absorb increased production but the effects of uncontrolled and unplanned growth on the environment. As the powers of science and technology to affect the environment increase, so do the dangers of environmental damage (the destruction of rain forests, the greenhouse effect), of pollution and nuclear accidents. These dangers cry out for planned control and direction of the world's resources on an international scale and the curbing of the effects of unplanned production for profit. The contradiction between the development of productive forces and their private ownership grows but for reasons other than those Marx envisaged.

The big question is: how can this contradiction be resolved, how can the anarchy and planlessness of the market be replaced by social and planned control of productive forces in the absence of world proletarian revolution? Is capitalism capable of "self reform"? Marxists have always argued that no ruling class will give up its power without a struggle. But may it not be forced to do so, at least partially, and sufficiently, under the threat of global disaster (which would include its own destruction in the process)? We have already seen how ruling classes have eventually granted reforms under the threat of revolutionary upheaval – reforms which while not abolishing capitalism have attenuated its effects sufficiently to head off its overthrow.

Under a combination of these pressures is it not possible to envisage the acceptance by big business of controls and direction by its "own" state and by international and supra-national

state institutions leading eventually to overall planning on a world scale? We must also pose the question of whether the only alternatives are either complete success or complete failure of world revolution. Is it not possible that the revolution might partially succeed and a long period of intermediate social formations ensue? The answer is that this is the situation we have been in since 1917 with the partial success of the world revolution and the existence of a whole range of social formations neither fully socialist or capitalist – the USSR, China, Cuba, Vietnam etc. And these themselves are now in turmoil, posing the question of whether this heralds a restoration of capitalism, or whether the working class will be able to regain power and maintain a planned economy with democratic control. Or whether neither will take place, but some in-between result. Will the Bolshevik October Revolution of 1917, its subsequent isolation, degeneration and collapse be seen historically and retrospectively as the result of a premature attempt at world revolution – bound to fail precisely because it was premature, because world capitalism was not yet in the epoch of its terminal decline? (If this was indeed the case this in no way implies that the Bolsheviks were wrong to seize power. They were not endowed with miraculous hindsight. In the circumstances of 1917 the only way of testing the truth of Lenin's theory of Imperialism, the only way of testing whether world capitalism was ripe for overthrow was to have a go at overthrowing it. You cannot insist on a guarantee of victory before engaging in struggle.)

We have tended to think in over-simplified and abstract terms of a historical progression: feudalism – capitalism – proletarian revolution – workers' state – withering of the state – socialism (from each according to his work) as the first stage towards full communism (from each according to his need and the end of politics). Real historical progress is much more complex. There may be all sorts of intermediary formations and possibilities (Pablo's centuries of "deformed workers' states", partial revolutions, hybrid regimes, societies in various stages of transition, alternations of periods of sharp changes with periods of slower evolution). We may eventually arrive at a communist society, but by a much more circuitous route than we envisaged.

Where Do We Go From Here? Questions and Thoughts

I HAVE only just got down to studying Ken Tarbuck's "Notes on Marx's Reproduction Schemas" in the supplement to the July 1991 issue of *New Interventions*. He has obviously put so much work into this that it would be disappointing if he did not have some feedback.

The most important aspect of these notes is that the model and its equations indicate that the whole dynamic process is one of constant loss and recovery of equilibrium. The equilibrium expressed in the equations is constantly being disrupted and then restored by the same market forces. (Even if some of the equations were wrong in some details, that is, if the equilibrium conditions were not quite those of Ken's equations, this would still be true.) The most appropriate analogy is of a man riding a bike – he is constantly losing his equilibrium, but provided he can keep going forward, he will not fall off because his forward motion enables him to restore it. In the same way, as shown in the schema, as long as the correct amount of unproductive consumption continues to soak up the surplus and enables the realisation of surplus value, reproduction can continue. (Even if, to take matters to a ludicrous limit, this unproductive consumption consisted of digging holes in the ground and filling them up again. In fact, when you think about it, the setting fire to the Kuwait oil wells and the whole Gulf War destruction is not that much less ludicrous.) The following three conclusions can be drawn:

1. There is nothing in Marx's schemas or Ken's amplification of them that indicates any ceiling above which production cannot go. There is no absolute limit to growth.

2. However severely disrupted, the equilibrium will be restored by the same "market forces *in toto*" that caused the disequilibrium – by the destruction of redundant capital and consumer goods (dismantling factories, throwing fish back into the sea, the subsidising of wine lakes and grain mountains, etc).

3. It follows that the capitalist economy will always recover from its slumps and reach higher levels of production in the next boom unless and until it is overthrown or superseded. (This does not mean to say than even in the booms the disproportions, social tensions and conflicts will necessarily be attenuated.)

There is no general disagreement between these conclusions and those I drew from my (far less sophisticated and detailed) argument in my articles on Marxism and the productive forces. Does Ken agree with this assessment?

The question is *where do we go from here?* So far, the main thrust of the contributions to *New Interventions* has been to try to explain and understand why the predictions of the Bolsheviks and founders of the Third International and, after them, the Trotskyists, of limits to growth and imminent revolutions were not fulfilled. Embedded in these arguments, there should be the elements for constructing an alternative strategy for the future. We cannot go on for ever repeating how we were wrong and how the present orthodox Trotskyist sects are wrong. We must now go on to outline in a positive manner what strategy the coming generation should, in our opinion, adopt.

I am slowly and hesitantly working towards some ideas. They involve consideration of the following problems:

Firstly, is the only way forward through the destruction of the capitalist state and its replacement by a Soviet-type state through revolutionary insurrection led by a Bolshevik-type party? Is October 1917 a valid model for advanced capitalist parliamentary democracies? My answer is "No". Parliamentary democracy, for all its inadequacies, provides a *possibility* for socialists to win control of the state-machine. In the course of this struggle, which will not be limited to parliament and parliamentary elections but will involve the development of popular initiative and struggle in all fields of society, and in the implementation of radical measures by socialists once they form the government, the state itself will be transformed. Socialists must of course be prepared for extra-parliamentary opposition and attempts at destabilisation by domestic and foreign reaction. They can only defeat this by transforming the state and broadening its popular base, by encouraging the development of grass-roots self-government at all levels, and merging the transformed state machine with these new organs

of popular participation. As long as the great majority of the population accept the principle of democracy (and they are right to do so), socialists simply marginalise themselves by repeating slogans about the "destruction of the state machine" and refusing seriously to attempt to use the available structures. We should not be afraid of admitting when we were wrong in the past for fear of being accused of going over to reformism.

Secondly, we should similarly reject the idea that "reform" and "revolution" are mutually exclusive, and the idea that partial or "transitional" demands should be put forward only to "prove" that they are unattainable this side of the revolutionary insurrection. We should fight for "reforms" and the transformation of aspects of capitalism *this side of the revolution*. Many reforms which Marxists had thought were unattainable have been obtained. The whole complex of the welfare state, however much eroded in recent years, represents a significant transformation of some aspects of capitalism. In fact, it is an element of socialism growing within the womb of capitalism – a product of the combined effects of pressure and campaigning by the labour movement and of enlightened self-interest by those in the establishment anxious to preserve the existing system by making it more acceptable.

Thirdly, this leads to the next, related, point. We all agree that even if the political overturn takes the form of a swift October 1917-style seizure of power, a complete transformation to a fully socialist or communist society will be a fairly lengthy *process*. The new regime will preside over a transitional economy in which large elements of the old capitalism will remain – income differentials and money wages. The latter implies the continuance of the market, at least in consumer goods. Nor will all economic activity be "nationalised" or incorporated in a command economy at one fell swoop. Elements of the old capitalism and the new socialism will coexist in a mixed economy. The difference will be that the socialist state will actively encourage the growth of the new socialist elements.

In this connection, I recall a discussion with Ken about the "de-commoditisation" of various goods and services. The NHS is an example of the "de-commoditisation" of health care. There is no money paid at the point of use. The state syphons off surplus-value from the private sector (bosses and workers) in the form of taxes, etc, and provides a "free" health service (that is, independent of means and with no money payment at the point of use – at least that is the theory). Similarly, the building of dwelling houses by local authorities was also an example of the partial "de-commoditisation" of housing – in the sense that the building of houses was not determined by the immediate search for profit by builders, but by a *political decision* by the local authorities based on *social needs* to provide a certain number of dwellings of different types. Need I say that this is an imperfect example since the policies of local authorities are constrained by the overall economic climate (which is the climate of a capitalist economy), and that of course the builders of council houses (and of hospitals) are capitalist firms seeking profits. But my point is that insofar as the provision of health and housing is determined by social needs as opposed to pure market forces and the subject of decision based (however imperfectly) on social criteria, they are an element of socialism implanted within capitalism – this side of the revolution.

Now the question I am posing – and I am not sure whether I am right – but it needs posing, is this. Need there be a sharp division between reforms and restructuring of aspects of capitalism this side of (that is, prior to) the revolution and the transitional society the other side (that is, after the revolution). Presumably a feature of the "transitional period" after the seizure of power would be an extension of "de-commoditisation" to other things beside health and housing. If we call all the goods and services provided as per the NHS as the "social wage" and all the goods and services purchased with money the "money wage", the present situation is that the "social wage" is only a minor part of the total wage, and most of the consumption of workers (and of everyone else) is of commodities sold on the market. One can envisage that the transition to full socialism will entail the growth of the "social wage" element to become the source of all the basic necessities and comforts of life, leaving only a small slice on top of money wages for the purchase of definite luxuries not provided by the social wage. (For example, everyone would have a standard housing and food, etc, as of right, but if one wanted extra luxuries one would pay for that out of one's money wage.) Eventually everything would be "de-commoditised", and money would disappear. But this would presumably take some time. Many of the things we should be fighting to defend and extend *now* are the sort of things which would be part of the fairly immediate post-revolution "transition period".

I have just finished reading Ralph Miliband's book *Divided Societies*. After arguing that the revolutions in Russia, China, Cuba, etc, are not appropriate for advanced capitalist countries he continues:

"A radical transformation project in advanced capitalist countries, such as is encompassed by the notions of socialisation and democratisation, is inscribed in a very different context, and has therefore to be conceived in rather different terms. It has to be conceived as a development of *what already exists* [my emphasis] in economic, social and political terms. Fundamental change, in this

sense, cannot mean the total negation of all that has gone before, but a radical, qualitative improvement upon it. There are many reasons why this must be so. One of them is that the Left, in advanced capitalist countries, does not have to confront the infinitely arduous and painful task of economic development: it has the inestimable advantage of a context shaped by 200 years and more of such development – the legacy of the toil of past generations to present and future ones. Another such reason is that the Left is located in a political framework which includes democratic forms, however inadequate and limited and vulnerable they may be; and that framework also includes strong democratic currents of thought – the collective memory of past struggles and strivings for such forms."

I agree with him.

Fourthly, from this it flows that socialists must seek to influence and change the existing institutions and organisations of the working class, namely, the Labour Party in Britain and established parties in other countries which have mass influence and implantation, be they social democratic or ex-Stalinist (as in Italy). However, this should not be made a fetish; in some situations propaganda, education and organisation outside the existing organisations and institutions may also be necessary.

Fifthly, what should be the content and form of socialist propaganda? One thing it should not be is the type of propaganda and agitation found in most of the Trotskyist press in this country. This is addressed to the narrow circle of the already converted. It assumes that its readers already agree that Kinnock & Co are "traitors"; it assumes that its readers are already convinced socialists and revolutionaries, and assumes that it is only necessary to point out that Kinnock is neither. Whereas the reality is that the mass of the working class is not convinced that there is a viable socialist alternative to the present system. Our aim should be to explain in simple terms why capitalism creates the conditions that exist and what socialism is about. While I take the point that Marx was right not to attempt to produce detailed blueprints of a communist society, it is nevertheless necessary to explain what a socialist or communist society would be like. Among the few good examples of that sort of propaganda are the speeches of the American Socialist Workers Party leaders from the dock at the 1941 Minneapolis trial reprinted in pamphlet form.

The repetition without explanation of bald demands for "nationalisation under workers' control" is useless until and unless the workers we address become convinced of its necessity. The demands for nationalisation should be accompanied by an explanation to the reader of how this would work, and how it would be different from both private enterprise and the previous nationalisation carried out by Labour governments. Similarly, the socialist implications of existing institutions like the NHS should be explained. We should explain to our audiences: "If you want to know how socialism would work in practice – look at the NHS and imagine it even better, with adequate resources provided by the community and a set up which would enable those who work in it, from consultants to porters, and the patients to have a say on how it is run. And imagine *that* applied to the provision not only of medical care but to most other necessities – that is what socialism would look like." And then go on to explain why it is necessary to establish a socialist government to apply such measures. The various Trotskyist papers were right to run articles expressing support for the ambulance personnel, the nurses, the miners in their disputes, but those I saw mostly failed to draw out socialist arguments, and seemed often to concentrate on a rather negative type of union-leader bashing – implying but that for their treachery every dispute would have ended in total victory.

So let us get back to some of the very good propaganda and educational pamphlets and books put out pre-1914 by the Independent Labour Party and the Clarion Press. Whatever criticisms we may have of them, they did address themselves to a wider public of non-socialist working people in the language they could understand. As for the violent diatribes against the next nearest group of "revisionists", "Pabloites", "sectarians", "petit-bourgeois deviationists", etc, etc – they should be kept out of papers supposedly addressed to workers and trade unionists. If they must be printed, they should be reserved for discussion bulletins aimed at the elite who can undestand the above terms and the convoluted polemics involved.

Class Consciousness and Transitional Demands

Illusion and Reality

This essay is an attempt critically to examine the Marxist concept of the role of the working class and its consciousness which is central to Alistair Mitchell's "40 theses" (*New Interventions*, Vol.3 No.2, 1992).

His criticism of the Bolshevik concept of the party (carried on in the Trotskyist tradition) and also of the reformists is that they discourage the development of working-class consciousness and self-activity by substituting themselves for the working class: "In the place of a party run by a bureaucracy with passive members committed to working within capitalism, a revolutionary party is needed, dedicated to helping the proletariat to overthrow capitalism" (Thesis 29). In this, he expresses a view shared by many of the "post-Trotskyist" Marxists contributing to the discussion in *New Interventions* and in groups like the Marxist Forum. But so far no one but me has questioned the basic assumption expressed by Marx in *The Holy Family*:

"It is not a question of what this or that proletarian or even the whole proletarian movement momentarily imagines to be the aim. It is a question of what the proletariat is and what it consequently is historically compelled to do. Its aim and its historical action is prescribed irrevocably and obviously in its own situation in life as well as in the entire organisation of contemporary civil society."

Many of the far-left groups have turned this into a sort of mythical faith in the revolutionary consciousness and potential of the working class. It became an article of faith that the working class was revolutionary – not at some time in the future or at specific times – but now, today and every day. If they were not actually setting up barricades right now it was because of their "illusions" in the existing reformist or Stalinist traitors at the head of the mass organisations, or their "illusions" in parliament and bourgeois democracy. But any day the workers would "shed their illusions" as a result of their experiences of the treachery of their leaders and of reformist governments in power. Then would come the inevitable "radicalisation", development of revolutionary consciousness and the mass turn to revolutionary politics.

Well, we have had several Labour and social democratic governments in Britain and other countries, many experiences of Popular Front-type politics. But nowhere have the disillusioned masses turned towards revolutionary Marxism. Rather, they have either sunk back into apolitical apathy or swung to the right, supporting not only bourgeois parties like the Tories and Liberal Democrats in Britain, but far-right nationalist, chauvinist or racist organisations like the National Front in France and similar movements in Germany. Granted that many far-left and Trotskyist groups turned Marx's theory into a caricature, nevertheless we have to explain why, despite the obvious crises of capitalist society – unemployment, homelessness, violence, environmental pollution, war – the disillusionment with existing parties and governments is taking the form of racist and ethnic violence rather than a turn to Marxist or socialist ideas.

To try to explain this by the divisions or weaknesses of the existing revolutionary groups merely begs the question. Why, despite "objective conditions" which have allegedly been ripe since 1914 – or any other date which is supposed to mark the onset of the terminal crisis of capitalism and the start of a "period of wars and revolution" – have numerous revolutionary situations come and gone in the advanced capitalist countries without the emergence of a mass revolutionary party anywhere? (I except the special cases of under-developed countries such as Bolivia and Sri Lanka.)

Class Consciousness

Is this all due to a wrong concept of the party? Is the solution to the problem mainly to develop a correct concept of the party as Alistair implies in Thesis 29? Or can we expect that, now freed from the incubus of Stalinism with which it has been identified, socialism will find a new life? I sincerely hope so, but I think we should look a little more critically at the basic Marxist concept of the role of the working class and the development of working-class consciousness.

There is no such thing as *the* or *a* "working-class consciousness". There is no such thing as a single homogeneous working-class consciousness that permeates the whole working class at any one time. While the common experience of the struggle against exploitation tends to promote solidarity and a consciousness of common class interests, this is constantly broken down and cut across by ethnic, racial, cultural and craft differences and antagonisms generated by different histories, national characteristics, geographical and other conditions. There is no direct one-to-one correspondence between the ideological superstructure and the economic base. The political and social consciousness of classes and different sections of classes are determined by a complex interaction of factors. If there is a divine or Marxian law which stipulates that a Marxist class consciousness will of necessity eventually predominate over bourgeois, nationalist or racist concepts, there is so far precious little evidence of its being confirmed by reality. Nor is there any evidence that workers necessarily develop a *political* class consciousness from their industrial struggles. One has only to think of the fierce strike battles of the American workers, especially among the miners in the Appalachian mountains and in the motor industry, which at times developed into minor civil wars with gun battles between pickets and police and armies of professional strike-breakers, and recall that these very same strikers continued to vote Republican or Democrat, and that not even a reformist union-based Labour Party has arisen in this most capitalist of all capitalist countries.

Exactly what do we mean by this oft-used term of "revolutionary consciousness"? What do we understand by the working class developing a socialist or revolutionary consciousness to the point of overthrowing capitalism? Do we mean by this that the majority of the working class will have studied and understood Marxist or socialist ideas; or, as the Socialist Party of Great Britain argues, when a party advocating pure socialism achieves 51 per cent of the votes and a majority in parliament?

Apart from attacking the parliamentary orientation of the SPGB, Leninists and Trotskyists (I among them) have rejected this approach on the grounds that it was impossible for the working class to achieve this level of consciousness under capitalism – it would only achieve it *after* the overthrow of capitalism – and that consciousness develops through struggle and not merely as the result of propaganda and education by socialist teachers.

Transitional Demands

This is where transitional demands have a role. Alistair has pointed out: "Transitional demands are designed not to be achievable under capitalism – they offer solutions to problems that require going beyond capitalist limits and towards socialist revolution. However they will only find a response from workers if the working class's need, desires and willingness to struggle for them (its consciousness) are such that a fundamental challenge to the bourgeois order can exist." (Thesis 38.)

But what does that imply about class consciousness? It implies that the working class can take power or put a revolutionary socialist party in power *without the mass of the working class having achieved an overall socialist ideology or culture*. This is implied in Alistair's definition of its consciousness as being a desire and willingness to struggle not for socialism, but for the transitional demands. All that is necessary is for the working class to desire certain immediate specific things which the existing capitalist power is unable or unwilling to provide. This is precisely what happened in Petrograd in October 1917. The Bolsheviks' transitional demands were "Bread, Peace and Land" and "All Power to the Soviets". No doubt a sizeable number of workers were conscious Marxists and socialists, but the vast majority supported the October uprising merely because their situation under the old regime had become unbearable, and the soviets under Bolshevik leadership seemed the only ones capable of delivering bread, peace and land. This posed some problems when the Bolsheviks were unable to provide the first two and requisitioned the produce the peasants raised on the third.

The problem of the nature of working-class consciousness is also vividly illustrated by the failed revolution of 1923 in Germany. In an article in the Autumn 1989 issue of *Revolutionary History*, Mike Jones has pointed out that the Anglo-French occupation of the Ruhr in January 1923 and galloping inflation created a revolutionary situation right up until August, but that after the downfall of the Cuno government in that month and its replacement by the Stresemann government, the stabilisation of the currency and the granting of wage rises, the situation changed: "From then on with the workers in retreat, the economic and political situation improving, and the government prepared, all the objective factors ran counter to the idea of seizing power." (*Revolutionary History*, Vol. 5 No. 2, p.8.)

I am not concerned whether Mike Jones has got all the details right. For example, Trotsky and others believed the situation was still revolutionary in October. The point is that the mood of the working class can fluctuate so rapidly, that it can ebb and flow so rapidly under the influence of secondary conjunctural factors. Germany in 1923 is only one instance among many. So much so that Trotsky was impelled to generalise these experiences as follows: "every new sharp change in the political situation to the

left places the decision in the hands of the revolutionary party. Should it miss the critical situation, the latter veers around to its opposite .... the words of Lenin to the effect that two or three days can decide the fate of the international revolution have only too often been confirmed and, with the exception of the October, always from the negative side." (*The Third International After Lenin*, New York, 1957, p.83.)

The Implications

What does this imply about the revolutionary consciousness of the working class? That – despite Marx's words about what "it is historically compelled to do" – its "irrevocably prescribed action" can only be relied on for two or three days at infrequent intervals, and that success on these rare occasions depends on the revolutionary party recognising the situation in time and getting everything right. So far, only an advanced minority of the working class has at any time attained a generalised socialist consciousness – an understanding of the necessity for socialism – strong enough not to be abandoned as a result of secondary and temporary changes in the immediate situation. The rest of the working class can at best achieve the consciousness described by Alistair, that is, the short-lived willingness to fight for immediate or transitional demands. Consequently, the periods during which it has been possible for Leninist-type parties to seize power have been short-lived and infrequent. Moreover, as soon as the revolutionary regime is unable to deliver the goods (due to blockades, attempts at destabilisation, civil war and intervention by capitalist powers), the working class, in the absence of this deep socialist consciousness, is likely to turn against the revolutionary regime.

This is what happened in Russia. I am *not* condemning the Bolsheviks for seizing power. They had every reason to expect that the Russian Revolution would spread to Germany and Western Europe, and it is easy for us to be wise with hindsight. What I am saying is that the seizure of power before the working class as a whole, or a sufficiently large section of it, has attained a generalised socialist consciousness deeply implanted enough to sustain the regime through the inevitable early period of difficulties presents serious problems, and these are directly related to the political consciousness of the working class and the general cultural level of society.

Alistair agrees that class consciousness does not develop automatically or "respond automatically to 'revolutionary' promptings" (Thesis 10). I would go further and repeat what I have said in previous articles, that under capitalism the working class is no more receptive to socialist or Marxist ideas than it is to bourgeois, nationalist or racist ideas. The ideological hegemony of the ruling class exercised through its control of the media and the whole educational system and reinforced by natural inertia – the fact that unless and until the situation becomes unbearable workers will attempt to adapt to the situation rather than face the risks and uncertainties of revolution – means that socialist ideology has no built-in advantage in the battle for the hearts and minds of the working class.

These are unpalatable facts, but they must be faced and the necessary conclusions drawn.

Let Us Review the Alternatives

If the Leninist-Trotskyist concept summarised in the above quote from Trotsky is correct, then we must grit our teeth and carry on trying to build revolutionary parties capable of taking advantage of these fleeting "windows of opportunity" lasting two or three days. We must also not be afraid of taking power "prematurely" – that is, before socialist or Marxist ideology has achieved hegemony within the working class – and must be prepared for the post-revolutionary difficulties due to the loss of working class support which in ex treme cases, as in post-1917 Russia, force the revolutionaries to turn their guns against the working class – and to substitute themselves for the working class as agents far social progress – precisely because pre-socialist bourgeois ideology still predominates in the masses. If this is the only road – so be it. In which case, I must confess to being deeply pessimistic about the prospects of socialism.

But are the Bolshevik and the SPGB roads the only possible roads to socialism? I have tried in previous articles in *New Interventions* to sketch out other possibilities, but I confess these are only tentative explorations. I just don t know the answers to some of the questions raised by the alternatives. However, let me try again to examine some questions which arise from what I have already argued and which relate to some of Alistair s theses.

If the working class is such an unreliable agent for social change and no more receptive to socialist than to bourgeois ideology, can we be so dismissive of cross- class movements and demand a "fight for the expulsion of the bourgeois components from its ranks" as Alistair advocates in Thesis 31?

The problems that agitate cross-class movements such as the Greens and the environmental and anti-nuclear weapons lobbies require "going beyond capitalist limits and towards socialist revolution" (to use Alistair s words relating to transitional demands). The non-working class Green is as likely to be amenable to the argument for the need to replace untrammelled market forces by international social control over the forces of production in order to save the rain forests or prevent Gulf wars over oil resources as is the unemployed worker to the argument that

this is also the road to ending unemployment. Socialists should be as active in these movements as they are in the trade unions, and should try to influence them in a socialist direction.

In the article "Where Do We Go From Here?" (*New Interventions*, Vol.2 No.4), I argued that "we should reject the idea that 'reform' and 'revolution' are mutually exclusive, and the idea that partial or transitional demands should be put forward only to 'prove' that they are unattainable this side of revolutionary insurrection". I pointed out that many reforms that Marxists had previously thought unattainable under capitalism have in fact been achieved. Elements of socialism have developed within the womb of capitalism as the result of a combination of pressures from below, of the threat of social unrest and of the breakdown of capitalist society, and of the decisions of the more far-sighted bourgeois politicians, their civil servants and advisers to "modify" capitalism so as to make it more viable. But in so doing – in trying to save capitalism – they are also transforming it. Capitalism is not frozen, it is constantly changing.

The longer the social revolution à la Lenin-Trotsky is delayed the more it will change. I am not talking of a gradual peaceful transformation into socialism. I am talking of periods of sharp changes and conflicts interspersed with periods of gradual change. Hence the welfare state, the concessions to the working class and the EEC Social Charter which is such anathema to the short-sighted British Tories. We cannot tell in advance how far it is possible to push for and then defend reforms *this side of a complete and sudden social revolution* which significantly alter capitalism in a socialist direction.

Maybe not very far. But we have been wrong so often in the past that it would be wrong to say in advance that this or that demand is impossible to achieve short of revolution. Let us push as far as we can, and we shall see. The same applies in parliamentary democracies on how far we can use democratic procedures to capture and transform the state machine as opposed to a frontal assault to smash it (or which parts can be taken over, and which parts de stroyed).

Referring to the relationship between reform, revolution and consciousness, it is evident from opinion polls over the National Health Service that in Britain in 1992 reformist consciousness has achieved hegemony. The majority are prepared to pay higher taxes for a better service, and even the Tories who wish to dismantle it have to pretend that they are really trying to improve it and that it and other social services are "safe in their hands". This reformist consciousness – that it is the duty of the state or society to provide basic services – permeates all strata, and makes it that much more difficult for the Tories completely to destroy the welfare state. On the other hand, only a minority have so far perceived the connection between defending the Health Service and the welfare state and moving towards a planned socialist economy. Nevertheless, this reformist consciousness and the NHS itself are foundations on which socialist consciousness and a socialist society must be built. Or, put another way, they are embryos of socialist consciousness and of socialism growing within the womb of capitalism.

Socialists must adopt a positive attitude to all movements, working class or cross-class, even if they fight on a limited front. They must demonstrate that their aims, whether they be preservation of the ozone layer and of the rain forests, saving the NHS, abolishing poverty or whatever imply a struggle to change society in a socialist direction. If a bridge can be built between cross-class movements and the trade union and labour movement, and if the latter can be persuaded to take up and support the Greens, defenders of the NHS and others against the effects of capitalism and unrestrained market forces, so much the better. But we should not prejudge how far we can go or with whom we should ally ourselves.

As Napoleon is supposed to have said before a famous battle: "On s'engage et puis on voit."

State Ownership and the Transition to Socialism

Introduction

In "State Ownership, Workers' Control and Socialism", published in the July 1992 issue of *New Interventions*, Walter Kendall makes several important points. Firstly, state ownership of industry by and of itself is not socialism. In fact state collectivism in the absence of workers' control is not only not socialism but a monstrous mutation of socialism. Secondly:

"Given the infinite range of data required to manage a modern, complex industrial society, it is neither possible, nor is it desirable, to govern all decision making from a single centre. Consequently, we have to seek to reconcile global planning with a measure of free initiative for market forces within the same economy. To resort to a mythical free market in this regard would be as foolish as to flee from this market into the arms of Stalinist command economy. The rules of capitalist market economy, which seeks to maximise returns on invested capital, and of a socialist market which seeks to maximise a whole range of different things in accord with both the desires of the state planners and the various working collectives, must be very different. Very little work has been done in this field and there is a crying need for much more work in the future."

This point has been taken up also by Moshé Machover in the January 1993 issue of *New Interventions*. He agrees that central planning alone is not enough, but must be supplemented by market mechanisms. The question he asks is: "Where do you draw the line?"

Walter Kendall also argued that while Marx and Engels might have had some excuse for refusing to engage in utopian speculations about the future society, because within the old society the elements of the new were not yet generally apparent and they could only appeal to reason, we, in the twentieth century, have no such excuse:

"Today, we have years of experience of the Russian state, around one quarter of a century of statised economies in Eastern Europe and China, to say nothing of a quarter of a century of Yugoslav self-management. We have practical experience of the operation of nationalised industry, which in most capitalist countries extends over half a century at least."

My purpose in this essay is to continue the argument. It is necessary, in the light of the collapse of the Stalinist command economics, that we try to answer the question that if state ownership of industry is not of and by itself socialism, what is? What sort of model of socialism do we have in mind? Rather than daze into the distant future of a fully-developed communist society, I think it is more appropriate to start by looking at possible models of the transition from present-day capitalist societies to the first stages of a socialist society. In this we are helped by an analysis of the experiences of attempts at planning that Walter has mentioned – as well as the lessons of wartime state control of the economy in capitalist countries. I would also suggest that the elements of the new society are also apparent in the old society in the form of the welfare state, the National Health Service and municipal housing. Despite the attempts of Tory free-market dogmatists to abort these embryos of the new society in the old, we can glean from them some ideas of some of the features of the transition to a socialist society.

Planning and State Ownership

In discussing models of socialism, we need to distinguish between two related but distinct questions. One is the question of planning versus market, the other is the question of ownership of industry. Experience in the twentieth century has shown us that one can have state ownership without planning; and planning without state ownership.

We have learnt from the experience of the nationalisation of coal, electricity and gas by the postwar British Labour government, and from the experience of state takeovers of industries in France and other countries, that these nationalisations did not do away with market forces and replace them by planning in the overall allocations of society's resources. The nationalised industries continued to operate within capitalist market economies, and were subject to market forces almost just like the privately-owned industries. I say almost because there is one important

difference. Though state owned enterprises are normally expected to be run on commercial lines, that is, to compete on the market, sell their products at market prices, etc, they do not face the ultimate sanction, the threat of bankruptcy that overtakes private capitalist concerns. The state can step in, subsidise their losses, underwrite their debts and provide capital. But this difference is not as great as it seems. On the one hand, the state also often subsidises private enterprises, and on the other the state, especially if headed by free market dogmatists like the present Tory government, can refuse to bail out those it labels lame ducks, and force them to operate within the constraints of overall market forces.

The British coal industry is a case in point. The fact that it is nationalised has not insulated it from the market. Even if it was put under workers' control, the problem of what to do with unsaleable coal would remain. I do not want to enter into a discussion of the merits of coal-fired power stations versus gas-operated or nuclear ones. Indubitably the market has been rigged against coal by the way the Tory government privatised the electricity industry, but even if this rigging were reversed, it is probably true that the overall need for coal has been, and will continue to be, reduced by technical development in energy production and use. This will be true whether coal is state-owned or privatised. Similarly, the nationalisation of Leyland Daf, or even its take-over by a workers' cooperative would not of itself magically increase the market for trucks. Nor would the introduction of workers' control in the coal mines and power stations – desirable though it is – stop unsaleable coal stocks accumulating at the pit heads. To demand that no pits be closed, that all the pits be kept open irrespective of whether there is a need for all the coal they could produce is nonsense. So, in the case of Leyland and the motor industry in general, is the demand that it should continue to put millions of new cars on already congested roads and add to the pollution of the environment.

Even in a fully socialist economy, there will be times when certain industries will have to contract while others expand. The problem here is how to dovetail the run-down of redundant pits or factories with measures which provide not only alternative jobs, but also use the available human and material resources for worthwhile production to satisfy social needs in ways which do not pollute or destroy the environment – in other words, how to replace the anarchy of the market with rational planning.

If, as demonstrated above, nationalisation and state ownership (even under workers' control) does not of itself resolve the problem of effective planning, what can we learn from historical experience of attempts at planning?

Capitalist Wartime Planning

Lenin was greatly interested by the way the state in Germany exercised control over the economy for war purposes during the First World War. He stressed that Bolsheviks should study this experience and learn from it. Since then we have had the experience of wartime economic management during the Second World War in Britain and other countries. What can we learn from this? The state in Britain was effectively able to plan and control and harness the national economy for war purposes. It decided how economic resources were to be used, not only for the production of military ware, guns, tanks, planes, uniforms, etc, but also controlled the production and supply of non-military consumer goods; how much civilian clothing, how many pairs of shoes, how much furniture, how much food – either from home production or imports. The economy remained essentially capitalist. Except for the state-owned Royal Ordnance factories, the firms producing tanks and armaments remained under private ownership, working for profit. So did the bulk of industry both in the capital goods and consumer goods sectors.

How then did the state control and plan the economy? Firstly, by being the sole purchaser of military equipment. Its orders determined how much was produced and (within limits) the price it paid. Secondly, by a system of licenses and physical controls. For example the production, import and purchase of steel and other raw materials, machine tools, etc, required a licence from the appropriate government department.

This also applied to capital goods and materials for consumer industries. A textile firm was permitted to buy spinning machines, looms, etc, only if it was producing uniforms for the forces or a permitted and controlled quantity of civilian clothing. To these measures, rationing and price controls were added, as were controls over investments, foreign exchange dealings and the export of capital.

Thus the desired mix of war material, capital goods and consumer goods was determined not by the market, but by political decisions made by the state. Commodity production for the market continued, but the market was controlled and overridden by state regulations, and thus, within the constraints imposed by external circumstances, the course of the war, the German submarine blockade and so on, there was essentially a planned economy within national boundaries.

All this was done of course for the sole purpose of prosecuting an imperialist war. But it illustrates one way in which the state can plan the national economy, and socialists can learn from it. Similarly, while condemning the Stalinist regimes in the former Soviet Union and Eastern Europe, it is important not to throw the baby out with the dirty

bath water. Not everything about the command economies was negative. The problems the Bolsheviks faced in applying War Communism and afterwards during the NEP period of mixed economy and then in the forced industrialisation and the means they applied to resolve them contain many useful lessons, and we need to rescue the positive features and apply them, with suitable modifications, to the problems that will face socialists in the different circumstances of developed economies.

The main difference between the situation in Russia and the wartime situation in Britain just described, and that which would face a socialist government coming to power in the middle of an economic recession such as the present one, is obvious. In Britain during 1939- 45, the problem was one of how best to use limited resources to supply a rapacious military expenditure and feed the population amidst bombing and blockade. In the Soviet Union, the problem was one of primitive socialist accumulation in a backward, devastated and isolated economy. Today in Western Europe the problem would be of ending mass unemployment, of putting the millions of unemployed and idle productive capacity to work for social needs rather than for war or forced industrialisation; to build new hospitals and schools and to refurbish the run-down railway system instead of building tanks and war planes. Some of the methods need not be that different, some might. Certainly the problem of mass unemployment calls for an international campaign by the trade unions for shorter hours, longer holidays and earlier retirement.

The NHS and Council Housing are Embryos of Socialism

What would be common to both situations would be the weight of the state in the market. Just as the wartime state in Britain steered the economy in the direction it wanted by being the main purchaser of the commodities making up the gross national product, so could the socialist state in the transition towards socialism control the direction of the economy by becoming the main purchaser of goods and services which it would then reallocate to the consumer.

Already existing instances of this method are the NHS and the provision of council housing by the local authorities – in the good old days when council houses were still being built! The principles according to which council housing was provided are worth examining. Ideally, in the first place the number and type of houses (two or three bedroom, OAP bungalows) to be built were decided by the state in its local extension (the borough council) on the basis of social needs (that is, by the waiting lists) and not by the market. Then the local authority allocated the finance to build the houses. Thirdly, the council fixed the rents, subsidising them if necessary out of the rates for poorer tenants.

I said ideally, and I stress this because in practice the provision of council housing was far from ideal. Firstly, it had to function within an overall capitalist market economy. It was always constrained by the overall economic situation, whether the economy was in a boom or slump, and the limited funds at the disposal of the local authority. Even at the best of times, income from rates and local taxes was inadequate, and local authorities had to borrow money in the financial markets. As a result, a large part of the rents tenants had to fork out was payment on interest to the banks and capitalist financial institutions. And, as we know, since the advent of the Thatcher government in 1979, council housing has deliberately been sabotaged by the Tories. But I am concerned with the *principle*.

This is also the principle – even more so – of the National Health Service; a service providing health care with no cash payment at the point of use but funded by taxation, in other words to each according to his needs, from each according to his means. Not only must socialists fight to defend and demand the extension of this principle today, that is, restarting council housing, more resources for the NHS, etc, but they must recognise that they are also the policies a socialist government could apply and extend as part of the transition to socialism. In fact, the NHS and municipal housing are embryos of socialism within the capitalist system. The extension and improvement of these and their application to more and more of the necessities of life are both transitional demands to be fought for now under capitalism *and* part of the transition towards a socialist society.

State Control of Banking and Investment

These policies necessitate that the state exercises a direct control over the supply and allocation of capital funds; that it has the power to raise and invest vast sums according to an overall plan satisfying social needs. This involves a radical restructuring of the existing financial system whereby private banks and financial institutions, the stock exchange, etc, determine the flow of investments on the basis of profit maximisation and not social need. Through either the taking over and merger of all the private banks into one public investment bank, or other appropriate measures, the socialist state would acquire the means of directing the general direction of the economy according to an overall plan.

The measures described above do not of themselves amount to socialism, especially if one defines socialism as nothing but state ownership of the means of production. Walter Kendall has argued persuasively against this definition. So

what is the role, if any, of state ownership of not only the financial institutions but of industry itself?

It can be argued that state monopoly and control of finance and investment together with the sort of controls used by the state during the war is sufficient to overcome the anarchy of the market and ensure the rational use of resources without the need for the detailed bureaucratic central planning used in the Stalinist command economies. State direction of investment would set the general boundaries of economic activity; the detailed implementation would still be in the hands of autonomous industrial enterprises, selling to the state and entering into autonomous purchasing and selling agreements among themselves. Of course this would still not be socialism but it would be an improvement on the present set up. It would be a step in the direction of socialism. But we cannot leave it at that. Two more important questions have to be resolved. One is the nature of the state – that is, who controls it and takes the decisions. The other is industrial democracy.

State Ownership or Workers' Cooperatives?

Given the overall central state control of investment capital and banking described above, is state ownership of the rest of the economy – that is, industry – necessary to overall planning? On the face of it, the answer is no. Let us consider again the examples of the NHS and local authority housing. Provided the state and its local organs hold and provide the capital necessary for the NHS to build new hospitals, or for the local authority to build a new housing estate, it need not matter whether the hospitals, medical equipment, medicines and houses are built and manufactured by direct labour or by private contractors. The end result in the provision of health care and housing is the same. On a broader scale, provided the state became the major purchaser of products (as in wartime Britain) and had the power to control and direct the bulk of investment in the economy, the continued existence of privately or cooperatively-owned independent enterprises would be subsumed within the overall planning of the economy.

But socialism is more than the provision of hospitals and houses, however necessary and important that is. It is more than just planning. It is also about exploitation and about workers controlling their working lives and working environment. In short, it is about industrial democracy. In this respect, neither private capitalist ownership nor bureaucratic state ownership is the answer. In fact, state ownership itself is not important. There is no reason why firms and industrial enterprises should not be owned by the workers and employees themselves in the form of autonomous worker-employee cooperatives competing for tenders to supply the state.

Similarly, if the railways and pits and factories are be run by democratically-constituted bodies, the question of ultimate ownership is really a formality. The important thing is who controls, who makes the decisions. The implementation of the overall plan for the economy would be the function of a central investment bank or planning board which would allocate the necessary financial resources to the various sectors of the economy. Within this mechanism, the cooperatively controlled industrial enterprises would be contracted to provide the goods or services at agreed prices. They might be allowed even to retain profits over and above the need to replace and renew productive capacity for disposal according to the wishes of the employees. In the Soviet Union and Eastern Europe, industrial enterprises provided housing, crèches, holiday camps, etc, for their workers. One of the negative features of the current privatisation is that these social services are being destroyed.

Democracy and the State

I have talked throughout of the state, of a central or public investment bank, of planning boards through which the allocation of capital and resources would be controlled. This is also an area where democratic control and participation by the mass of the people is required in working out and implementing the overall plan. Without this, we would have a state capitalist or state collectivist system run by an uncontrolled bureaucracy. Even this would be in many respects an improvement on unplanned market capitalism, provided this bureaucracy was benevolent and free from corruption. But it would be naive to bank on this. Democratic control and mass participation in decision making is not an optional luxury, but a necessity. In other words, the state, so long as a state remains necessary, must be an open and democratic one.

How then are we to ensure this? Here again we must take into account historical experiences. Marxists have leant heavily on the experiences of the Paris Commune of 1871 and the Russian Soviets and the 1917 revolution. In this field as in the field of economic planning we have to distinguish between what is positive and can be applied in today's conditions, and what is negative or only applicable in the conditions of those days. The features which Marx and Engels found positive in the Paris Commune were the merging of executive and legislative functions, revocability of its elected representatives, the rule that the all public officials and delegates receive no more than the average workman's wage and the creation of a popular military force not divorced from the mass of the population.

The Bolsheviks of 1917 included all these measures in their programme for the new Soviet State. It is now history that as the Soviet state developed over time none of these aspirations were realised. The Trotskyist explanation of why this occurred – the economic and historical backwardness of Russia, the ravages of the civil war, the poverty and the isolation of the Soviet Union – is, in my opinion, basically correct. But it is not enough merely to point this out and say that these circumstances would not apply in an advanced industrialised country, and that therefore the dangers of degeneration would not arise. Full participatory and direct democracy is certainly feasible on a small scale, at the level of small or medium-size communities and enterprises such as the Israeli kibbutz.

But the compatibility between full participatory direct democracy and efficiency at the level of national and international structures is full of problems. Is it possible to combine the two? What degree of delegation of powers is possible, without loss of control from below? How is the conflict between local and overall interests to be resolved? It may be trite to say that power corrupts, but it is true. *There is always the danger of corruption in any society or structure where the complexity of decision-making and planning necessitates some delegation of power.* It is a danger that must always be fought and consciously guarded against. The best guarantee against such dangers is the raising of the general cultural educational and political level of the mass of the population. Without this, no sort of socialist society is possible.

Parliaments and Soviets

I said we must differentiate between the features of the Paris Commune and the Soviet experience which are or are not applicable in the different context of the societies we now live in. Here, I think, the greatest danger is to try to apply mechanically the experience of 1905 and 1917 Russia to evolved parliamentary democracies such as Britain. Bourgeois democracy with its system of parliamentary elections based on universal suffrage is more than just a fig-leaf masking the naked rule of capital. It represents a solid gain for the exploited won over decades of struggle. In itself, it does not abolish the rule of capital, but it mitigates it, provides opportunities for the working class and the unprivileged to fight for improvements. More importantly, it provides a framework within which the struggle for socialism can be conducted. Let me at this stage anticipate some objections I can already hear being muttered. I *am not* saying that socialism can be achieved by solely parliamentary means. I *am not* ignoring the historical experience, of which Chile was but a recent example, that a socialist or even mildly reformist elected government will be subject to attempts by the reactionary forces to overthrow it by force. Nor am I saying that that the existing state machine can be made into an instrument of socialist transformation without far- reaching changes in its structure and functioning.

What I am saying is that it is foolish to assume that just because the revolution in Russia took the form of the growth of soviet-type organisations as direct contenders for power against the state machine, this will be the norm everywhere. Tsarist Russia had no history of parliamentary democracy. Its pale reflection, the Duma, had developed no roots in society, and had no powers. The working class had had very limited opportunities for developing democratic organisations over long periods. What trade unions and workers' societies had developed prior to 1917 had done so in conditions of semi-illegality and in constant danger of suppression. The Soviets, therefore had to be revolutionary organs. They also filled an empty space not occupied by other (democratic) bodies.

Contrast this with the situation in Britain in the late twentieth century. Let us look at the one instance when a government was overthrown as a result of extra-parliamentary working class action – the miners strike of the 1970s which forced the resignation of the Heath government. Ted Heath dissolved parliament and called a fresh election. The possible alternative of a different way of forming a government – by the creation of soviets and their taking over the role of government – never arose. Even the most militant miners and their supporters accepted that the only way to decide on the composition of the next government was through a general election.

I suspect the same would have applied in 1926 if the General Strike had continued and the Baldwin government had been forced to resign. It is doubtful that the Communist Party's call for the Councils of Action or trades councils to take power would have met with significant support from the workers. The attachment of the working class to the traditions and methods of parliamentary democracy would have been too strong. It will need significant historical developments which expose the limitations of parliament to alter this attachment, and to pose the question of an alternative state structure, for example, blatant gerrymandering of constituencies or electoral chicanery which would generate the demand for fairer elections and a reform of the system, the sabotage by the civil service and the existing state machine of the decisions of a socialist or radically reformist majority in parliament, a military coup against an elected government, or the suppression of civil liberties and erosion of democracy as the result of intense social conflicts. Certainly socialists will warn people about these dangers and possibilities, and prepare for them.

But at this stage the general strategy of socialists must be to make the fullest possible use of the opportunities provided by democratic and parliamentary frame works, to push and extend the limits of existing democracy as far as possible. We must fight to extend the positive features, and make the existing institutions even more democratic; for example shorter parliamentary terms, greater accountability, provisions for recalling unsatisfactory MPs, prohibition of MPs taking on other jobs and consultancies, payments of the average wage etc, etc. Parliamentary and extra-parliamentary methods of struggle must be combined. Grass-roots initiatives and mass participation in politics and decision-making at all levels must be encouraged and supported. In the process, new mass-based organisations can develop. But they cannot be brought into being artificially, for example by a mechanical adaptation of the Russian experience and the artificial call for soviets under whatever label. But all the time, we call only start from the existing level of political consciousness and the existing situation. And we must also bear in mind that even the most formally democratic institutions can only function democratically if there is a high level of mass participation – this implies a high degree of mass political consciousness and activity.

The Link Between Transitional Demands and Transitional Measures

Finally, I want to stress the close connection between the demands socialists should raise today, on the current issues, pit closures, redundancies, unemployment, cuts in public services, etc, and the measures a socialist government would or should take if it came to power tomorrow. There should be no discrepancy between transitional demands under capitalism and the transitional measures undertaken on the morrow of socialists achieving power. They are one and the same. If they are not, we are being hypocrites. Socialists should only make demands and advocate possibilities that are feasible and achievable.

For example, faced with pit closures it is nonsense – as I pointed out earlier – to demand that all pits remain open and continue production even if the demand for coal has shrunk due to technological changes in energy use *and the coal merely piles up*. Rather, we should demand that if pits have to close, the government must provide alternative work in the mining areas to supply social needs. The government must find the money either by taxing the rich, or, if that is not enough, by taking over all investment capital and directing it where it is needed – and the people and communities involved must be consulted. If the government will not do this, it must be replaced by one that will. These demands must be supplemented by clear and simple arguments showing how a socialist government could carry out these measures. The demands we put on the Tory government are no different to the measures *we* would carry out if in power. To put forward demands incapable of implementation is to deceive people.

The International Dimension

It goes without saying that the implementation of the economic planning and investment measures outlined above as part of the transition to socialism are bound to he constrained, limited and distorted if they remain within the confines of any one nation-state continuing to operate in a global capitalist economy. The transition to a socialist society is possible only on an international basis – or at least a continental one. But it would be wrong to ignore the probability that a socialist administration would for some time be isolated and forced to act within narrow national boundaries and in a hostile international environment – as was the Soviet Union. Such an administration might not be able immediately to improve the conditions of the population. It might have to call for a tightening of belts and sacrifices. But in order to do this and continue to have mass support, the masses of the population must be intimately involved in all decisions that effect their lives. *A democratic state and industrial structure and mass participation are not optional luxuries but a necessary condition for the transition to socialism and its development.*

Marxism and Determinism

"The Moving Finger Writes; and, having writ, Moves on; nor all thy Piety nor Wit Shall lure it back to cancel half a Line, Nor all thy Tears wash out a Word of it." (Omar Khayyam)

IN THE May 1990 number of *New Interventions* I contributed an article "Historical Determinism and the Role of the Individual" dealing with the dilemma that faces socialists if they interpret Marxist historical materialism as being a determinist doctrine. In part III of his article "Towards the Twenty First Century" in the November 1990 issue (reprinted in the October 1992 issue) Ken took me to task for misunderstanding Marx. "The Marxism of Marx", said Ken, "is not and never was a historical determinist doctrine." Then Chris Bailey berated Ken for failing to correctly refute my version of historical materialism. Chris wrote: "As Ken says, Harry's article sees Marxism as a historical determinist doctrine.... Instead of showing the false premise concerning Marxism that Harry started with, Ken makes matters worse. Not only is history imbued with purposeful activity but, it seems, apple seeds too.... It seems to me, however, that having failed to correctly refute Harry's version of historical materialism, Ken himself still remains trapped within it. If apple seeds and history are seen as possessing purpose and aims, then the distinct and unique (in our corner of the universe) feature of human beings is lost." (*New Interventions*, April 1993.) Chris also dealt with this question in his article "The Laws of History" in the July 1992 issue.

It seems to me that three distinct but related questions are involved: (1) Was Marx determinist or not? (2) Whether Marx was or was not determinist, should we be? (3) Does it matter? And if so, how? What I mean is – does how one answers question (2) affect one's actions, and if so how?

Was Marx Determinist?

In the light of Ken's and Chris's comments I no longer wish to argue categorically that Marxism is determinist. I now consider that there are both determinist and voluntarist strands in the writings of Marx and Engels, and that how much weight is given to each depends on how we approach the question and in which context. It is a fact that they have been interpreted both in a determinist and in a voluntarist fashion by people who consider themselves Marxist.

First, the determinist strand. Marx's and Engels' criticisms of the utopian socialists stressed the scientific and objective content of their historical materialism in contrast to the subjectivism of the utopians. (The very title of the pamphlet "Socialism – *Scientific and Utopian*" emphasises that). Communism would come about, not because of the subjective wishes of well intentioned individuals like St Simon, Fourier, *et al*, but as a result of the objective laws governing the evolution of society.

As Chris acknowledges: "It is surely impossible to deny that human social history is also subject to laws of development. Humanity does not reside on Mount Olympus. It lives within the world of nature and is part of this world. Marx and Engels sought to discover the laws of social history".

(Chris subsequently argues that this does not imply that it is therefore possible to predict accurately the course that history will take. My answer is – that inability to predict events does not logically entail that these events are not determined. The fact that we cannot predict the weather does not entail that it is not determined. Prediction and determination are quite different things.)

My point is that the emphasis placed by Marx and Engels on the scientific nature of their analysis of society and its development, the claim to have uncovered the "laws of motion" of that society, the argument that the material base determines the super-structure of society (including ideology), that "being determines consciousness" and their attacks on utopianism, all imply a determinist view of society. This implication is reinforced – if not made explicit – by classical Marxists such as Kautsky and Plekhanov. According to the latter, as I pointed out in my original article, the role of the individual, his wishes and actions, i.e. "voluntarism", is insignificant in relation to the objective factors which determine the evolution of society.

According to this view, the French revolution, the two world wars, the October Revolution, the British miners' strike of 1984-5 and their outcomes were not determined by the actions and wishes of individuals but by objective circumstances.

Kaiser Wilhelm, the Tsar, the British and French politicians, Lenin and Trotsky, Arthur Scargill and Maggie Thatcher, and the masses too – the sans-culottes, the soldiers, the Putilov workers, the miners – were merely the agents of history, the actors playing their part. The script had already been written by the hand of history. It merely required the casting director to allot the most suitable actors and actresses to each role.

Chris Bailey reminds us that Marx also said: "*History* does *nothing*, it 'does *not* possess immense riches', it 'does *not* fight battles'. It is *men*, real, living men, who do all this, who possess things and fight battles. It is not 'history' which uses men as a means of achieving – as if it were an individual person – *its* own ends. History is *nothing* but the activity of men in pursuit of their ends."

I agree! But, again, the "determinist" interpreter of Marx can point out that Marx also argues that though it is men who "fight the battles", their consciousness, their wills and their actions are themselves determined by their material conditions, by their position in society and by the "laws of motion" of that society. What other interpretation can be put on the following passage from *The Holy Family* that I have already quoted?

"It is not a question of what this or that proletarian or even the whole proletarian movement momentarily imagines to be the aim. It is a question what the proletariat is and what it consequently is historically compelled to do. Its aim and its historical action is prescribed irrevocably and obviously in its own situation *in life as well as in the entire organisation of society*" (my emphasis – HR).

In case Chris or Ken are about to reach for another quotation from Marx with which to clobber me, let me hasten to say that I accept that other passages, and, in fact, the writings of Marx and Engels taken as a whole, are open to different interpretations. We could debate what Marx really meant for ever. But the more important questions at present are questions 2 and 3 – that is, what do WE, Ken, Chris, myself and others, think (whatever Marx and Engels said, and irrespective of whether we agree with them or not). And what practical conclusions, as far as our own actions are concerned, do we draw from our answer to question 2.

Determinism in the Material World

First we need to examine whether the material universe (in which human society is contained) is itself governed by determinist laws. And what do we mean when we say an event is determined?

Determinist or fatalistic views have been held since the dawn of civilisation. This determinism of the universe was, in the main, at first attributed to external, supernatural agencies, the gods – and, later, with the rise of monotheist religions, to one all-powerful God who determined the course of events and the fate of men. Determinism was imposed on the world from the outside. Then, the development of the physical sciences from the 16th Century onwards provided a scientific underpinning and justification for determinist theories. First there were the discoveries of Galileo and Newton that the motions of material bodies were determined by determinate laws, the laws of gravity and motion, that were assumed to be immutable and universally applicable. This led the French mathematician and astronomer, Laplace, to declare:

"We ought then to regard the present state of the universe as the effect of its antecedent state and the cause of the state that is to follow. An intelligence knowing, at any given instant of time, all things of which the universe consists, would be able to comprehend the actions of the largest bodies of the world and those of the lightest atoms in one single formula, provided his intellect were sufficiently powerful to subject all data to analysis; to him, nothing would be uncertain both past and future would be present to his eyes." (Pierre de Laplace, *Analytic Theory of Probability*, Paris, 1820.)

Subsequent scientific discoveries, deepening our knowledge of the atomic structure of matter, reinforced this view. It was now discovered that the way chemical elements combined to form compounds was determined by their internal atomic structure. The proportions in which atoms of one element combined with atoms of another element to form a compound (their valencies) was found to be determined by the number of electrons in the outer shells of each atom which could be shared or exchanged with other atoms to provide the most stable electronic configuration. Mendelev (1834-1907) discovered that there was a periodicity in the chemical properties of the elements in relation to their atomic masses. He devised a Periodic Table of all the elements that were known at the time, arranged in order of atomic masses. There were numerous gaps in his table, which were later filled by the discovery of new elements. It was found that the chemical properties of these newly discovered elements were exactly as they could have been predicted from their atomic masses. This and other discoveries provided the basis for a materialist reductionist view of the universe, the belief that all the properties of matter could be explained in terms of their atomic structure and of events at the atomic level. And since the laws governing the behaviour of atoms and all material bodies were determinate laws, the whole universe, at least its inanimate part, was completely determined by these laws.

The subsequent discoveries, in the 19th Century, that the universe was not composed only of material bodies but also contained electric and magnetic forces, did not overthrow the determinist view. The new entities were incorporated into a, still determinist but, now slightly more complex

network of causes and effects.

"Maxwell's equations describe the structure of the electromagnetic field. All space is the scene of these laws and not, as for mechanical laws, only points in which matter or charges are present.

"We remember how it was in mechanics. By knowing the position and velocity of a particle at one single instant, by knowing the acting forces, the whole future path of the particle could be foreseen. In Maxwell's theory, if we know the field at one instant only, we can deduce from the equations of the theory how the whole field will change in space and time. Maxwell's equations enable us to follow the history of the field, just as the mechanical equations enabled us to follow the history of material particles." (*The Evolution of Physics*, by Albert Einstein and Leopold Infeld, Cambridge University Press, 1961, p.146.)

Einstein's theories of relativity abolished the separation between the observed event and the observer and united them into a dialectical whole. But Einstein remained a determinist.

The developments in quantum physics during the first half of the 20th century led many physicists to abandon their previous determinism. In 1927 Heisenberg published a paper in which he pointed out the impossibility of determining precisely and simultaneously the position and momentum of a quantum because the very act of observing it disturbed it. Moreover he went on to express this indeterminacy quantitatively in his *Uncertainty Relations*. Though it was still possible to assume that the unobserved and undisturbed particle still had a definite position and momentum, Heisenberg adopted the view that speculations about the existence of a true "causal" universe, concealed behind the measurements, were futile. Neils Bohr, as a Positivist in the tradition of Ernst Mach, took a similar view. They and many other physicists interpreted the indeterminist features of the quantum theory as representing irreducible lawlessness at the very base of the material world.

But other scientists, including Einstein, questioned whether the quantum theory has finally put an end to determinacy. They argued that behind the indeterminacy of measurements at the quantum level there still existed a concealed causal world; and that further research should be aimed at discovering the "hidden variables" which could circumvent the *Uncertainty Relations* and reveal determinist laws operating at a deeper level. Louis de Broglie wrote:

"At the level now reached by research in microphysics it is certain that the methods of measurement do not allow us to determine simultaneously all the magnitudes which would be necessary to obtain a picture of the classical type of corpuscles (this can be deduced from Heisenberg's uncertainty principle), and that the perturbations introduced by the measurement, which are impossible to eliminate, prevent us in general from predicting precisely the result which it will produce and allow only statistical predictions. The construction of purely probabilistic formulae that all theoreticians use to day was thus completely justified. However, the majority of them, often under the influence of preconceived ideas derived from positivist doctrine, have thought that they could go further and assert that the uncertain and incomplete character of the knowledge that experiment at its present stage gives us about what really happens in microphysics is the result of a real indeterminacy of the physical states and their evolution. Such an extrapolation does not appear in any way to be justified. *It is possible that looking into the future to a deeper level of physical reality we will be able to interpret the laws of probability and quantum physics as being the statistical results of the development of* ***completely determined*** *values of variables which are at present hidden from us.*" (Foreword to *Causality and Chance in Modern Physics*, by David Bohm, Routledge & Kegan Paul, London – my emphases – HR.)

In a later work Bohm detailed experiments designed to probe the sub-quantum level and concluded: "...we have carried the theory far enough to show that we can explain the essential features of the quantum mechanics in terms of a sub-quantum mechanical level involving hidden variables." (*Wholeness and the Implicate Order*, Routledge & Kegan Paul, ARK Edition, London, p.109.)

In 1944 Einstein wrote, in a letter to Max Born: "You believe in the God who plays dice, and I in complete law and order in a world which objectively exists, and which I, in a wildly speculative way, am trying to capture. I firmly believe, but I hope that someone will discover a more realistic way, or rather a more tangible basis than it has been my lot to find. Even the great initial success of the quantum theory does not make me believe in the fundamental dice-game.... No doubt the day will come when we will see whose instinctive attitude was the correct one." (*The Born-Einstein Letters*, New York, Walter and Co, and London, Macmillan, 1971, p.149.)

But even if Einstein, de Broglie and Bohm are wrong and there *is* an irreducible lawlessness at the microscopic sub-atomic level, it still seems as if this indeterminacy does not break through to the macroscopic level of phenomena *that we experience directly*. This is due to the fact that the very randomness of the behaviour of individual particles translates via the statistical mathematical laws of probability into the predictable and determinate behaviour of *large aggregates*. An example of this is the behaviour of gases. The kinetic theory of gases tells us that the pressure and the temperature of gases is the result of the random motion of millions of molecules. Although

we are unable to determine the actual position and momentum of any individual molecule, we know that the very nature of the randomness of motion of a *large aggregate* of molecules (expressed in the equations of statistical probabilities) results in uniform distribution of molecules and kinetic energy over the whole space occupied by the gas. The effect of this is that at the *macroscopic level* gases behave according to deterministic laws. These are Charles' and Boyle's laws of gases which state that for a given volume the pressure will vary proportionally with the temperature, and that at a constant temperature the pressure will vary inversely with the volume. And these determinist effects are independent of the actual positions and momenta of the individual molecules; in fact the very *lawlessness and indeterminacy of their motions* is a guarantee that large aggregates of them will behave in a deterministic way. The same relationship of randomness at the individual level and determinate effects at the level of large aggregates allows actuaries to calculate with reasonable accuracy the average life expectations of categories of individuals in order to fix insurance premiums, and traffic experts to predict with reasonable accuracy the flow of traffic and pattern of accidents at different times of the day without having to look at each individual case.

(Nevertheless each individual accident is also determined by a whole combination of causes. If Joe Bloggs had not stopped on the way to buy a paper he would have arrived at a blind corner five minutes earlier and thus not been hit by the car driven by Andy Jones. And if Andy had not had a row with his wife before leaving the house he would have driven more carefully. Similarly, if we had the techniques we might even be able to plot accurately the path of each individual molecule in a gas – but the point is that we don't need to do this in order to predict the behaviour of the gas at the macroscopic level).

Classical Newtonian physics assumed a static universe that existed for all time and was governed by immutable and unchangeable laws of nature. Recent developments in cosmology indicate that the universe itself is evolving. It had a beginning in the "big bang", is at present in an expanding phase, and may eventually collapse back into itself. Along with this evolution in time the laws which apply at different stages of the universe may themselves be changing (for example in the extremely hot and condensed state of matter during the first nanosecond of the big bang the laws of gravity and motion that apply today may not have applied then, if only because there were no discrete particles on which these laws could operate). So along with the universe the laws that govern it are in a process of evolution. But there is no reason why the state of the universe AND ITS LAWS could not be determined by the immediate previous state of the universe and its laws. In other words the laws themselves could change in accordance with laws governing laws.

In an infinite universe, expanding in space and time, it is impossible for mankind to ever acquire total and complete knowledge. We can only arrive at approximate and partial knowledge. Events we cannot explain seem random until we discover some of the laws governing them. The notion of randomness, like the notion of God, is only a euphemism for the incompleteness of our knowledge – for our ignorance.

All the above considerations incline me to accept, as a valid hypothesis, that, at least the physical world which we presently inhabit, is ruled by determinism.

Are Human Actions Determined?

If we accept that the inanimate world is wholly determined, does it follow that human actions are determined?

The most common argument for this is a reductionist one that goes like this. All happenings at the macro level are determined by events at the next lowest level right down to the basic atomic and sub atomic level. (It is assumed, as explained above, that indeterminacy at the quantum level translates into determinacy at the level of large aggregates of particles). Similarly, since human beings are composed of matter, and since consciousness is the outcome of electrochemical events in the brain and nervous system, and these physical events are determined, human consciousness, choices and actions, are determined. I may have the illusion that I am making a free choice, but in reality the choice I make is determined by the physical state of my brain, which in turn is determined by its immediately preceding state ... and so on. (And the very fact that I think this is, itself, determined by the physical events in my brain ...)

For some time I was impressed by this argument. But eventually I rejected the crude reductionism on which it is based. While it is true that consciousness is dependent on a functioning material body, *consciousness and thought cannot be reduced to merely physical effects, and cannot be described in purely physical terms.* They are not the same thing. There *is* a relationship between physical events and mental events but it is not a reductionist one, nor is it necessarily a rigid one-to-one correspondence.

In order to analyse this relationship in more depth, it is necessary, first, to say something about the hierarchical organisation of the universe and the different laws and types of analysis appropriate to each level in this hierarchy. If, for example, we start at the level of the human individual and look downwards and inwards, we see that this individual is an assemblage of parts; skeletal system, nervous system, respiratory system and so on; in turn each system is composed of organs,

which are composed of tissue, bone etc, which in turn are made up of cells composed of molecules, which are made up of atoms ... right down to the level of elementary particles. The individual human organism is a functioning assemblage of parts and sub-parts. But this individual is more than just the sum of these parts; he/she is a functioning entity in his/her own right. Looking upwards and outwards, the individual is also part of a wider whole, of a family, a class, a nation, of human society. In turn that society is part of the wider universe. So each entity is both a whole *and* a part. But, as Koestler pointed out:

"A 'part', as we generally use the word, means something fragmentary and incomplete, which by itself would have no legitimate existence. On the other hand, a 'whole' is considered as something complete in itself which needs no further explanation. But 'wholes' and 'parts' in this absolute sense just do not exist anywhere, either in the domain of living organisms or of social organisations. What we find are intermediary structures on a series of levels in an ascending order of complexity: sub-wholes which display, according to the way you look at them, some of the characteristics commonly attributed to wholes and some of the characteristics commonly attributed to parts. We have seen the impossibility of the task of chopping up speech into elementary atoms or units, either on the phonetic or on the syntactic level. Phonemes, words, phrases, are wholes in their own rights, but parts of a larger unit; so are cells, tissues, organs; families, clans, tribes. The members of a hierarchy, like the Roman god Janus, all have two faces looking in opposite directions: the face turned towards the subordinate levels is that of a self-contained whole; the face turned upward towards the apex, that of a dependent part.... This 'Janus effect' is a fundamental characteristic of sub-wholes in all types of hierarchies." (A. Koestler, *The Ghost in the Machine*, Picador, London 1967, p.48).

Koestler called these Janus-faced entities "holons" (from the Greek holos = whole, with the suffix on which, as in proton or neutron, suggests a particle or part).

Moreover the laws governing the behaviour and interaction of entities at each level are particular to that level. For example my typing this sentence at the keyboard involves physical movements of my fingers, activated by impulses travelling along the motor nerves attached to my arm and finger muscles and so on. These are electro-chemical and biological events determined by causal laws operating at the appropriate level. The causal sequence, stimulus – nerve impulse – muscle contraction, is determined by the causal laws operating at the biological level. But this does not explain why the result is a grammatically correct sentence. The rules of grammar and language cannot be described in terms appropriate to the physical functioning of the nervous system. Nor are the laws governing language adequate to explain why I am writing this article. Nor can the contents and arguments of the article be described in terms appropriate to the biological level. For this one must seek explanations and causal networks at a different level.

This is why crude reductionist determinism is inadequate. The actions and motives, the choices made by individuals that lead to their actions and interactions with each other within society cannot be reduced to the physical and biochemical events within their bodies and nervous systems. The thought processes and actions of conscious individuals are governed by causal networks appropriate to that level. Similarly the behaviour of aggregates of individuals in social groupings, families crowds, classes, etc is *determined by* other sets of causal laws operating at the level of human society.

It goes without saying that just as there is a sequence of cause and effect *within* each level, there is also an interaction and relationship between events and states at the different levels. It is obvious that human beings cannot have motives and wishes, or interact with each other unless the biological functioning of their bodies makes them viable organisms; in turn their biological functions are dependent on the chemical processes in their cells and tissue, which are in turn dependent on their molecular and atomic structures. But this does not imply that a mental state or event *is nothing but* a physical state or set of events in the brain. My toothache or state of mind is as real as the biochemical processes that underlie them. The physical events and the corresponding sensations are both real and distinct though related.

The question remains whether there is a causal relationship between the two levels. Does one particular pattern of neuronal activity in the brain cause me to think "two plus two = four", and another pattern cause the thought "five plus three = eight"? So far scientific research has not come up with the answer. It is possible that rather than a one-to-one correspondence between physical and mental events there may be many-to-one, one-to-many and many-to-many correspondences. We know that two computers can be designed to process the same programmes but constructed of different materials and using different physical processes. One may read its input from punched paper tape and carry out its calculations using light beams; the other may use purely electronic switching, but both would be processing the same programme. The same software and programming can be processed via quite differently designed computers, made of different materials.

Steven Rose, Professor of Biology at the Open University and director of its Brain Research Group, who has written much on the mind-body

relationship from a Marxist point of view, prefers to think of the relationship between the levels as not a causal but a mapping one:

"In one sense the mapping that I am describing is isomorphic, although not necessarily one-to-one (as opposed to one-to-many or many-to-many), and it is no more a causal one in its relationship than is the relationship between, say English and French. The two languages can be translated and are generally isomorphous in so far as they are descriptions of the same unitary universe, but it is not possible to claim a reductive primacy for one language over the other.... While claiming that mind and brain processes are identical, this dialectical identity theory insists on the continued legitimacy of mind language. It resists locating ultimate 'cause' in a molecular domain while insisting that the molecular and cellular knowledge is necessary for a full understanding of the material reality of both mind and brain. The tasks of a 'brain and behaviour science', attempting to make a complete dialectical description of the organism and its history and relationships, then become not those of the search for trans-hierarchical causes, but for translations between biochemical events and behavioural ones. Will such a science of translation be liberatory? There is no absolute answer to this; like reductionist science, indeed, like all phenomena, it will bear its own contradictions within it. All I would maintain is that at this moment in history it provides us with a better key to understanding the world than does reductionism; and understanding is, as we know, one part of changing the world." (*Molecules and Minds*, Steven Rose, Open University Press, Milton Keynes, 1987, pp.100-102.)

While I accept that Steven Rose's dialectical identity theory and the concept of mapping and translation between events at different levels is a useful way of analysing the relationship between physical and mental events, it still does not quite resolve the question I asked – are human thoughts and actions completely determined by the physical events in the brain and body? I don't think this question can be answered by purely philosophic ontological arguments but by examining the empirical evidence. Much research has been done by neurologists, psychologists and other scientists but no clear mapping of the relation between the pattern of neuronal activity in the brain and mental states has emerged. However it is evident that there must *some* relationship and some mutual *interaction* between the two. We have ample evidence that drugs affect moods and perceptions and that they do this via the alteration of the chemical states in the brain and nervous system. There is also evidence that mental states affect physical states; anxiety, fear and other emotions alter hormonal excretions, the pulse rate etc. In other words, it is likely that as well as a mapping and translation relationship there is a causal relationship between events at the different levels. But it is more likely to be a many-to-many rather than a one-to-one relationship. And, as I have already argued, it is certainly not a reductionist one.

Different hierarchies of entities do not exist in isolation. They are entwined and interlocked with other hierarchies. As Koestler explains: "Hierarchies can be regarded as 'vertically' arborising structures whose branches interlock with those of other hierarchies at a multiplicity of levels and form 'horizontal' networks: arborisation and reticulation are complementary principles in the architecture of organisms and societies." (Op. cit., p.345.)

As an example of the intricate network of interlocked hierarchies and contexts each individual is simultaneously a member of a social class, of a nation, a religion or an ethnic group. He or she is situated in a particular place and a specific historical juncture. History is just not one of class struggle only, but of class struggle intertwined with struggles between nations and ethnic and religious groups. I defy anyone to explain the current events in the former Jugoslavia in purely class terms. When Serb, Croat and Bosnian, Catholic, Orthodox, and Muslim workers who for years lived and worked side by side are massacring each other is this the struggle of class against class? Which class is fighting which? A much more complex explanation is required which involves the interactions at all sorts of levels and in particular historical contexts of interlocking networks of causality.

With such a framework in mind we can now conceive of the actions of individuals as being determined by a whole complex network of causal relations working at different levels and in particular historical conjunctures. And no historical conjuncture can ever be repeated exactly. (As one ancient Greek philosopher put it – you cannot bathe twice in the same river.)

Similarly the behaviour of groups and classes of individuals, i.e. of social formations, the evolution of human societies, can be conceived as determined by this complex web of causal networks. This is still determinism but not crude reductionist determinism. In this context we must reject the crude reductionist view adopted, by many "Marxists", that the political and ideological superstructures of society are completely determined by the material economic base. "Base" and "superstructures" mutually act on each other and must be viewed as a whole.

So I am able to reassure Chris Bailey that I do not (however one interprets Marx) see history as taking place behind the backs of conscious human beings. The conscious actions of human beings do change society and make history. But these human thoughts and actions are themselves

determined – not only by the objective material conditions, but also by their previous historical experiences. So I do not fundamentally disagree with Chris when he says:

"But, surely, the transformation of the proletariat from a class-in-itself into a class-for-itself is a development of consciousness. Unity of the working class does not arise from crises in capitalism, but from the level of consciousness of the class. If the working class is dominated by nationalism, religious fundamentalism etc, then a crisis of capitalism will not bring about unity of the class. On the contrary, it will only exacerbate the disunity." (*New Interventions*, April 1993, p.12.)

Chris then adds that "the working class is dominated by bourgeois ideology because of the crisis of socialist theory". True! I would only add that the fact that socialist theory is in crisis is itself determined by the whole network of antecedent economic, political and ideological causes!

Does it Matter?

Let me return, for a moment, to the relation between physical events and mental events. I said earlier that science has not yet been able to map out a one-to-one correspondence between the two, and that it was probably a many-to-many relationship. In primitive organisms most actions are instinctive or reflex actions, wholly determined by the external stimuli received via the organism's sense organs. Many human actions are also of this type; "knee-jerk" reactions such as blinking, jumping at a sudden noise or when one sits an a drawing pin. But over centuries of evolution the human brain has evolved to the point that, at a higher level, the level of conscious choices and decisions, the individual has the capacity to consciously make choices.

This leaves open the possibility that, at the level of the individual, free will operates. But it immediately needs to be added that if such free will exists, it is only operative within limits and constraints, not only the obvious ones imposed on us by the laws of physics and our bodily chemistry, but those imposed by the combination of our individual genes, upbringing, personal experiences and social relations. To extend the argument; if everything was known about an individual's genetic make up, whole life experiences and, therefore, character and dispositions in depth, it would be possible to predict that individuals actions in any situation that was also known accurately.

But the whole point is that nobody can possibly have that total knowledge. Even if I firmly believe that not only my actions but even what I am thinking about at the moment and what I will decide in the next second is completely predetermined *I do not know* ***what*** *my next thought, choice or action is determined to be.* In order to know this, I first have to think the thought, make the choice and carry out the action. In that sense I have to act in exactly the same way as I would if I believed in free will. This is the paradox. I may believe that "objectively" my will is determined but "subjectively" I have to exercise my will as if it were free. Furthermore, as a living conscious human being I am imbued with certain drives and desires; and I also know that my choices and actions are necessary links in the causal chain that may lead to the realisation of my aims.

That is why I asked, at the beginning of this article "Does it matter whether one is a determinist or not?". In this context, it seems that it does not.

But this is so only to the extent that I believe my actions make any difference. They certainly do in the narrow circle of my family, friends and immediate surroundings. Do they in the wider context of political activity? It is here that our views, not about determinism in general, but about historical determinism and the role of the individual in history, do influence our actions. They certainly influenced me in my decision to leave the Socialist Labour League and to cease political activity in 1960. I had, for some time, become increasingly aware of the discrepancy between reality and the grandiose perspectives held by we Trotskyists of capitalist collapse and mass struggles in which our movement would play a crucial role. We were getting nowhere.

I had never enjoyed political activity in itself but seen it as a duty. By then I had, for 25 years, devoted all my energies, subordinated my personal life, imposed sacrifices on my family. So far to little effect. I felt like a convict chained to a treadmill and quailed at the prospect of a further lifetime of fruitless activity. But I had held on out of a sense of duty, afraid my defection would weaken the movement although, in my guts, I saw no prospect of victory. It was in that frame of mind that I happened to pick up and re-read Plekhanov's *Role of the Individual in History* that I had read many years ago without ingesting its implications.

Now they struck me forcibly. If, according to Marx and Plekhanov, the outcome of events was determined by large scale objective forces – the objective laws of history – in which even the actions of such figures as Robespierre and Napoleon made little difference to the eventual outcome of the French Revolution, what effect could my own puny efforts have on the outcome, whether it be victory or defeat, of the coming social revolution? Why condemn my family and myself to further years of ineffective sacrifices and hardships? So I cut my chains and stepped off the treadmill; with no feeling of guilt. The cynic might say that Plekhanov merely provided me with a handy justification for my decision. But nevertheless the argument has to be dealt with; the determinist interpretation of historical materialism shown to be correct or incorrect.

I have tried to address this issue in this and my previous article. It will be evident that I have somewhat modified my previous arguments. The writings of Marx and Engels incorporate both "determinist" and "voluntarist" strands. But, as I said, earlier, what is more important is what WE think today.

I mentioned the paradox that even a firm "determinist" has to act as if his actions and, therefore the events they effect, were not determined. The paradox is resolved if one sees that the "determinist" and the "voluntarist" view are both valid – depending on the context involved. Let Isaac Deutscher have the last word on this. I quote from his introduction to *Stalin*:

"Some critics have remarked on my 'cool and impersonal' approach to Stalin. Yet the work on this book was to me a deeply personal experience .... I had belonged to those whom Stalin had cruelly defeated; and one of the questions I had to ask myself was why he had succeeded. To answer this question the partisan had to turn into an historian, to examine dispassionately causes and effects, to view open-mindedly the adversary's motives, and to see and admit the adversary's strength where strength there was. The political fighter cannot allow himself to be too severely restricted by a *deterministic* view of the situation in which he acts, if only because some of the elements of that situation, and some of the chances, are *as yet unknown and even undetermined*; and because he can never be quite sure what will be the impact of his own action on any given situation. The historian, on the other hand, *cannot help being a determinist*, or behaving as one if he is not: he has not done his job fully unless he has shown causes and effects so closely and naturally interwoven in the texture of events that no gap is left, unless, that is, he has demonstrated *the inevitability of the historic process* with which he is concerned. The partisan deals with fluid circumstances: on all sides men still exert conflicting wills, marshall forces, use weapons, and achieve or reverse decisions. The historian deals with fixed and irreversible patterns of events; all weapons have already been fired; all wills have been spent; all decisions have been achieved; and what is irreversible has assumed the aspect of the inevitable.

"This, the approach from the historian's angle, accounts for the much-debated undertone of inevitability that runs through this book. As a partisan I had repudiated many of the deeds of my chief character which as a biographer I demonstrate to have been inevitable. The contradiction, however, is more apparent than real. In both my capacities I have argued from the same philosophical-political premisses, but from different and partly conflicting angles." (*Stalin*, by I. Deutscher, Introduction to 1961 edition, my emphasis – HR.)

I now believe that the collective actions of human beings are relevant to history, and that the actions of individuals do contribute to – and are part of – these collective actions. What each individual contributes by his activity and the price he is willing to pay in efforts and sacrifices, is very much a function of how he or she balances the sacrifices and efforts involved against the eventual probable effect of that activity. It is very much a personal decision. And this decision is influenced by the assessment one makes of the role of the individual in history.

Labour and the Economy

A review of Roger Berry MP and Peter Hain MP, *Labour And The Economy: The Case for Demand Management*, published by the Tribune Group of Labour MPs, 1993.

DESPITE MASS unemployment, government attacks on the welfare state, the near-collapse of the NHS, increasing homelessness and escalating crime – all evidence of the inadequacy of a capitalist market economy – there is little evidence of any public support or enthusiasm for socialist alternative policies. True, the opinion polls show the Tories lagging well behind Labour, but this is attributable more to discontent with Major's government than any positive faith in the ability of the Labour party to provide a feasible alternative. This is hardly surprising, since the Labour Party has not only abandoned any pretence of advocating socialist policies but is even seemingly incapable of forcefully arguing for an alternative method of administering capitalism to that practised by the Tories.

The Tribune Group of Labour MPs have attempted to fill this policy vacuum in a pamphlet *Labour and the Economy*, written by Dr Roger Berry MP and Peter Hain MP.

Whatever one's views of the policy advocated by the authors, any attempt to focus on policies rather than publicity and public-relations gimmicks or personalities is to be welcomed and seriously debated.

The authors ask why, despite the Tories' "truly appalling economic record", there still seems to be inadequate positive support for Labour's economic policies? "How can Labour bridge the credibility gap? More importantly, what policies should Labour now be advocating?"(p.2).

The policy proposed by Berry and Hain is a strictly Keynesian one of demand management which – though this is not explicitly stated – obviously assumes the continuation of a basically capitalist market economy, but with government intervention to stimulate the economy. They make the tackling of mass unemployment through the stimulation of the economy the central concern of this policy:

"In brief, it is difficult to envisage any viable alternative other than to launch the assault on mass unemployment with a substantial increase in public expenditure. With unemployment at present levels, now is not the time to be feeble in the advocacy of discretionary counter-cyclical policies" (p.15).

In contrast to the pussy-footing equivocation of Labour shadow cabinet spokesmen such as Gordon Brown, who constantly dodge questions about the costs of their policies and how the money is to be raised – hiding behind the argument "we can only do what the economy can afford", or "we can only go as fast in our reforms as resources will allow" – meaning "don't hold us to our election pledges as we may renege on them" – Hain and Berry are not afraid of committing themselves to some hard figures:

"Accepting the government's budget assumptions of 1.25 per cent growth this year, the fact remains that there is a yawning gap between forecast demand and that required to prevent unemployment from rising further. Indeed, on the more optimistic assumptions, the achievement of anything approaching full employment over a five year period requires growth of at least three per cent per annum. In such circumstances, any realistic strategy to reduce unemployment – let alone move towards full employment – would this year require a net injection into the economy of at least 10 to £15 billion" (pp.18-19).

Nor are they as coy as the official Labour leadership about spelling out how this £10 to £15 billion should be raised. They propose increased taxation of the rich – including closing tax loopholes and clawing back the £8 billion a year of tax cuts given to those on incomes of over £50,000 since 1979 by the Tory government. Nor are they afraid of openly advocating an increase in public sector borrowing. They argue:

"With a PSBR forecast to be £50 billion or eight per cent of GDP this year, is this not out of the question? Well, no it isn't. Nor should it provoke familiar outbreaks of apoplexy. Uncomprehending anger would be better reserved for the effects of mass unemployment."

Berry and Hain point out that net public sector debt as a percentage of GDP in the UK is low by historic and international standards:

"It is estimated to be 33 per cent at end-March 1993 and, on current policies, 39 per cent at end-March 1994. Public sector debt was much higher in the 1960s and 1970s – when our economic performance was far better. Indeed our national debt has only been at or below 40 per cent of GDP in 10 out of the last 200 years and in comparison with other industrial countries the UK's debt position is by no means excessive" (p.18).

On the question of inflation, the combating of which the Tory propagandists use as a justification for all their attacks on the working class and the poor – a con-trick which the official Labour leadership has signally failed to expose – the pamphlet's authors comment:

"The most common argument against a substantial increase in public spending is that this would fuel inflation. First, it must be reiterated that the enormous amount of attention devoted to inflation is not justified by either economic theory or empirical evidence. Whilst it is easy to identify some of the costs of price increases, there are also considerable costs in terms of unemployment. Low inflation does not automatically feed through into higher levels of investment and economic growth. Indeed, in some circumstances it is easy to see how the opposite is likely. No doubt this is why there is no negative correlation between rates of growth and inflation. Low inflation does not guarantee higher growth, any more than high inflation necessarily causes lower growth, as a recent exhaustive study confirms" (p.16).

The authors go on to argue that in addition to higher taxation on the rich and increased public sector borrowing, the necessary public investment could also be financed by government-created credit or not fully funding the PSBR. This proposal alone is enough to trigger heart attacks among orthodox monetarists – some of whom, I suspect, still lurk in the higher echelons of the Labour Party! Berry and Hain go on to argue:

"The standard objection to such a policy is to assert that this would give a boost to inflation. However, as argued above, at present this is unlikely (even if a little more inflation is a price well worth paying for increased employment, output and incomes). As argued above, an investment-led recovery, as opposed to a consumer-led one, has less significant long-term effects on the price level. In brief, now is the least appropriate time to accept the view that privately-created credit is to be welcomed, whilst government-created credit is not" (p.18).

However welcome the pamphlet's demand that the next Labour government should undertake a policy of massive public investment and refuse to be tied down by orthodox financial considerations, the authors' proposals fall far short of presenting a feasible socialist alternative to the present policies (or lack of them) of the Labour Party. The words "socialist" and "socialism" never once appear between the covers. If challenged on this, the authors may well reply that this was not their intention and refer to the foreword by George Howarth, the chair of the Tribune Group, in which he states that the pamphlet is not intended to be the last word on economic policy.

It is a fact, however, that their proposals as they stand amount to no more than a recipe on how to administer capitalism better than the Tories do. We should not necessarily object to that if, as a result, the quality of life of the majority were improved. Nor has this reviewer much patience with the argument that nothing less than the immediate expropriation of the banks and large industry and their placing under workers' control will immediately and magically resolve all problems – and that anything less is a betrayal of the working class. Any socialist administration, on coming to power, will take over a capitalist economy. The process of transforming this into a socialist society will be a *process*. The Bolsheviks, on taking power in Russia in October 1917, did not intend to nationalise industry straight away, and were only forced into "War Communism" by the exigencies of the situation. They had to retreat in 1921 to the New Economic Policy, including a return to the market and a revival of private ownership and trade not only in agriculture but in consumer goods. Bukharin, then one of the leading Bolshevik theoreticians, envisaged a lengthy period of "mixed economy", growing into a socialist one over a period of time through the gradual growth of the "state" sector and the gradual collectivisation of agriculture – a process which, incidentally, depended on assistance from more advanced countries once the socialist revolution had triumphed there. This process was cut short by the Stalinist turn to forced collectivisation in 1929. Britain is not the backward Russia of 1917. But even in advanced industrialised countries such as Britain, Germany and France, the transition to socialism, under a socialist administration, will be a gradual one.

As this reviewer has pointed out in earlier issues of *New Interventions*, the nationalisation of factories threatened with bankruptcy, as in the case of British Leyland, will not automatically and of itself increase the demand for Leyland trucks or other commodities, and thus save jobs. A programme of public investment, as proposed by the Tribune MPs, will also be necessary. And it will be necessary for socialists squarely to face the problem of how the finance is to be generated – by taxation, or by government-created credit as the authors advocate? And the problem of whether this creates inflation – and its effects – will have to be addressed.

Having said this, it needs also to be pointed out that the authors of the *Tribune* pamphlet leave many questions unanswered. The first that

springs to mind is how is the proposed public investment to be controlled – through what institutions, by whom? Berry and Hain deal with this in one short paragraph:

"In addition, there is a need to embark upon a radical programme of institutional reform, not least a radical overhaul of the financial sector. The City needs restructuring so that financial institutions are forced off their chronic addiction to short-termism. A central imperative to future economic success is a change in the banking system, for example, by establishing new public sector banks with the specific remit of mobilising private debt: Banks for National Investment, Small Business and Housing and Construction" (p.11).

Well and good. But what are those in control of the existing banks and financial institutions going to do? Quietly pack up and go home, or hang on like grim death and try to sabotage this attack on their power? Who is going to control the new banks? How and by whom are the priorities for public investment to be determined? And who is going to control the new controllers? How is a socialist Labour administration going to stand up to all the pressures of the British establishment and international capital, the IMF, the World Bank? A socialist administration could only carry through such a programme if it rested on the support and goodwill of the mass of the population. It would need to rely on the cooperation and participation of the representatives of the bank and financial house employees and their unions, in the control and supervision of the new and restructured banks and financial institutions. In a broader context, too, there will need to be democratic input from the mass of the people on the formulation of the priorities for public investment. This requires a thoroughgoing democratisation of the state apparatus, making whatever government is in power responsive and accountable. Together with the restructuring of the financial institutions advocated by the authors, must go a restructuring of the state.

A weakness in the pamphlet is the small importance given by the authors to the international dimension of the economic crisis. They write: "The suggestion that unemployment in the UK can be explained away as all due to the world recession, and having nothing whatsoever to do with domestic economic mismanagement, need not detain us for long. Suffice it to say that unemployment in the UK has risen more sharply since 1999 than in any other European Community economy – by more than twice the EC average in fact – and high unemployment in other EC countries can usually be explained by the pursuit of deflationary policies similar to those implemented by the British government. As argued below, it is extremely important to acknowledge that there is still an autonomous 'national' dimension to economic policy, notwithstanding global and European Community constraints" (p.7).

There is much truth in this, and one would certainly not argue that a Labour or socialist administration coming to power in Britain should not proceed as far as it could within its national boundaries without waiting for the whole of Europe and the world to embark on the socialist road. But also there must be no illusion that, with the growing integration of a world market, there can be purely national solutions. This makes all the more urgent the development and revitalisation of the socialist and labour movement on an international scale. Rather than retreating into negative opposition to a European common market and customs union, socialists need to campaign for their policies on a European-wide, and indeed world-wide basis. Into the arid debate between pro-Maastricht and anti-Maastricht factions in both the Tory and the Labour Parties, socialists need to introduce positive proposals for combating unemployment and poverty on a European basis. This implies, if not a new socialist international, at least cooperation and links between socialists and trade unionists in the different countries. In this connection, the authors are completely silent on the question of trade unionism and trade union rights and struggles. There is no mention of the urgent need to mobilise the trade unions on an international, or at least a Europe-wide campaign, in a coordinated fight for a reduction in working hours to combat unemployment.

The implementation of even the most minimal programme is impossible without a revitalisation of the presently quasi-moribund labour and trade union movement. The present apathy needs to be broken. The first step to this is to resolve the crisis of socialist theory; to correct the errors of the past. In short to redefine what we mean by socialism – feasible socialism – in understandable terms, eschewing over-simplification and sloganeering. It means working out in our own minds a strategy for getting from the "here and now" of capitalist society to the "there" of socialism – and then winning support for these ideas. None of us are the repositories of received wisdom. We can only learn by dialogue and discussion. It is in that spirit that we have to read and study such contributions as those of Roger Berry and Peter Hain. With informed criticism – acknowledging what is positive and intelligently criticising what we consider is inadequate or, plainly wrong.

Feasible Socialism: Market or Plan or Both?

A critical appraisal of Alec Nove, *The Economics of Feasible Socialism* (Unwin Hyman, 1983), and Pat Devine, *Democracy and Economic Planning* (Polity Press, 1988).

The Collapse of Certainties

The collapse of the Stalinist regimes in the former Soviet Union and Eastern Europe has been hailed by anti-socialists as final proof that socialism, besides being undesirable, does not work. The collapse has also reinforced the crisis of socialist theory. If these regimes did indeed represent what socialism was like in practice, is the whole concept of socialism still valid? Is there really no alternative to capitalism? There are many who have contended that the Stalinist regimes were not socialist and that their existence and eventual collapse do not imply either that socialism is undesirable or impossible. What is does make imperative is a redefinition of socialism and a critical evaluation of past experience. This prompts several questions:

1. Were the negative features of the Soviet regime only the consequences of the backwardness and long isolation of the Soviet Union? Or were they due to the inherent impracticability of state ownership and central planning and its incompatibility with democracy?

2. What alternative models of socialism are feasible and desirable?

The search for such alternatives began long before the collapse of the Stalinist regimes. Since 1917 there have always been libertarian, anarchist and other critics of Stalinism, not to mention the various oppositions from within the Bolshevik party starting with the Workers' Opposition in 1920. I want to discuss here more recent proposed alternatives, particularly the arguments put forward by the late Alec Nove in *The Economics of Feasible Socialism* and by Pat Devine in *Democracy and Economic Planning*. These are by no means the only contributions to the debate, and Nove's book in particular, since it has been out for over 10 years, has already attracted a number of reviews and comments. My reasons for concentrating on these two books are, firstly and obviously, that I have read them and not some of the others, and, secondly, that they cover the main problem areas.

It is impossible without making this review too lengthy to deal with all the points raised in these two books. I will outline only the main themes and keep my own comments to the end.

Nove starts by asserting that Marx's writings provide no guide, or a misleading guide, as to how a socialist economy would function. Marx, according to Nove, had a romantic and utopian vision of communism, based on an assumption of superabundance, with all social and economic problems assumed out of existence. Nove is concerned to draw up a model of socialism not for the far distant future, in a state of superabundance, but one that could feasibly be working within the lifetime of a child already conceived – that is, within the next 50 years – in a world in which resources would not be unlimited, and where there would still be relative scarcity. That is, a world in which the decision to invest resources in a desirable project must entail abandoning or postponing another equally desirable project – a world in which costs of opportunity have to be weighed against each other.

"There is a long agenda awaiting socialist economists. They cannot even begin to face the real problems unless they openly reject the utopian elements of the Marxist tradition. Marx would surely have revised his own ideas if he had lived a hundred years longer – he would have been a 'revisionist'. There were many things he could not possibly foresee. More probable, surely, than 'abundance' is quite another sort of world, one in which conflicts over scarcity threaten the survival of the human race, in which the pursuit of short-term profit threatens the destruction of the environment. Some species of socialism, on an international scale, may well be the only alternative to disaster. But this is conservative, share-scarcity socialism, which can have little in common with a utopia based upon the assumption

of limitless resources" (p.60).

The Defects of Étatist Command Economies

Nove argues that the negative features of the Soviet system cannot be explained solely by specifically Russian conditions. On the contrary, the abolition of the market and the development of planning inevitably requires bureaucracy and limitation of democracy – especially in a setting of complex and large-scale industry.

"Given the centralised system, itself the consequence of the elimination of the market, the powerful bureaucracy becomes a functional necessity. A Soviet author has calculated that in a year there is a total of between 2700 and 3600 million plan indicators' determined at all levels – between 2.7 and 3.6 million at the centre, and 70 per cent of these concerning material allocation and supply. What has all this to do with factors specifically Soviet? Surely the difficulties and distortions are consequences of scale, are various kinds of manifestations of dis-economies of scale. Marxists have vastly underestimated the complexities of centralised planning. Those who choose to attribute the distortions of the planning system to bureaucracy and lack of democracy have put the cart before the horse. Given the aim of substituting planning for the market, administrative resource allocation for trade, the visible for the invisible hand, central control becomes an objective necessity. Given the immense complexities, one requires a complex bureaucratic structure to take a multitude of interconnected decisions which, of their nature, are not a matter for democratic voting. In no society can an elected assembly decide by 115 votes to 73 where to allocate 10 tonnes of leather, or whether to produce another 100 tonnes of sulphuric acid" (pp.34, 77).

Nove notes the alienation that exists in étatist economies, and remarks that alienation is not just the product of class society, or even of bureaucracy; it is also the result of scale, complexity and centralisation: "decisions are taken at levels remote from ordinary people – this remoteness is due to the very nature of centralised planning, of a market-less economy. So is hierarchy, which arises because decision making is hierarchical, but which then has profound social effects, including the emergence of institutional privilege" (p.78).

Nove concludes from this – and this is the nub of his position: "This is one reason why a model of socialism free from such defects will have to be based on direct links between economic units, that is on commodity production, on exchange, with some form of market" (p.78).

Writing in 1988, Devine argued that the systemic problems facing the étatist economies were inherent to command economies. He listed their manifestations as:

1. Falling rates of economic growth.
2. Continuing difficulties in agriculture.
3. Poor innovative performance.
4. Rising capital-output ratios (that is, lower productivity).
5. Unemployed fixed capital.
6. Low labour discipline and morale.
7. Low quality.
8. Inefficiency.
9. Low consumer satisfaction.

The two most important systemic problems inherent in command economies related to information and motivation. Adequate information and motivation require decentralisation. The balance between centralisation and decentralisation must depend on the nature of the activity in question. Both Devine and Nove relate the problems of information to the top-down chain of command and the lack of participatory democracy. At each subordinate level of the industrial hierarchy, the people concerned will "doctor" the information supplied to the higher levels to suit their own interests. For example, since bonuses for enterprise managers depend on achieving or surpassing the set targets for production, there is a built-in incentive to understate existing capacity and inflate requirements of inputs (since "planned" deliveries from suppliers of raw materials, fuel, etc, are notoriously unreliable). Similarly, projected costs and delivery times are deliberately inflated so as to make it easier to show "savings" in costs and times – all of which attract bonuses. Since the bureaucrats at the centre must necessarily depend on information from below in order to set the plan targets, this system ensures that the plan. is inevitably flawed. Devine also points out that the absence of democracy promotes alienation and therefore causes poor innovation (p.65).

The Alternatives

So far, Nove and Devine are in general agreement. It is in their proposed alternatives that they part company. Nove argues for an amalgam of plan and market and a mixture of forms of ownership and control. Devine rejects Nove's "market socialism", and proposes a model of planning involving participation in decision-making at all levels, which he calls "negotiated coordination".

Nove argues that a completely centrally-planned command economy can no more ascertain social and consumer needs ex-ante than can capitalist markets. And for basically similar reasons. The individual capitalist firm can plan and decide what it is going to produce in the coming year, based on market research and projection from past trends and its existing share of the market. But its ex-ante predictions are often wrong because it has imperfect knowledge. It knows what it plans to do, but is completely unaware of the plans of its competitors which will drastically affect the accuracy of its forecasts. Even governments with all the means at their disposal

are unable to forecast economic trends in an economic system dependent on the millions of decisions of multitudes of independent producers. But the market does provide an ex-post verification of the firm's estimates of the demand for its products.

Nove argues that the command economy has the worst of both worlds. It is not only unable to predict needs ex-ante because of the defects of central planning already mentioned, but is also unable to have ex-post checks on its plans due to the absence of market constraints. Since bonuses are based on the achievement of production targets and savings, the managers of individual enterprises are not interested in whether their products are actually used or purchased. Thus quality is sacrificed. Once the production target for tractors or lorries or machine tools has been met, the manager of the producing enterprise could not care less if his products break down repeatedly and are eventually dumped to lie rusting in some yard. Similarly, for consumer goods the absence of market constraints, that is, the need to produce items actually wanted and therefore purchased by the public results in a combination of waste and shortages. Add to this the fact that while some products such as electricity or coal are homogeneous and can be measured and planned in aggregates – megawatts, tonnes, etc – other products such as clothes, spectacles, instruments, machine-tools etc, come in hundreds or thousands of variants. Nove contends:

"It is the beginning of wisdom to realise that the centre cannot plan these 'quantitatively', in any meaningful microeconomic sense. Plans in tonnes or square metres are plainly far too crude to encompass the literally millions of varieties and versions of products with use-values that exist. Trotsky wrote: 'Cast-iron can be measured in tonnes, electricity in kilowatt-hours. But it is impossible to create a universal plan without reducing all branches to a common value denominator.' Here at least he saw the clear limitations of physical planning even of metals and fuels. He was referring to the USSR in the 1930s, but why should it be different in 'real socialism'?" (p.43).

Nove concludes from this that central material allocations with enterprises instructed to obtain their raw materials and other inputs from specified suppliers and in turn to supply their products to specific users (these inputs and outputs more often expressed in aggregate form) must be replaced by individual contracts between autonomous enterprises – and this implies market mechanisms.

As far as forms of ownership are concerned, Nove (p.200) envisages the following:

1. State enterprises, centrally controlled and administered, hereinafter centralised state corporations.

2. State-owned (or socially owned) enterprises with full autonomy and a management responsible to the workforce, hereinafter socialised enterprises.

3. Cooperative enterprises.

4. Small-scale private enterprises, subject to clearly defined limits.

5. Individuals (for example, freelance journalists, plumbers, artists).

While broadly agreeing with Nove's criticisms of the command economy, Devine rejects market socialism as a viable alternative and proposes instead "a model of democratic planning based on negotiated coordination".

"It is democratic, which distinguishes it from the command planning of the statist countries. It is planning, which distinguishes it from the instability and lack of conscious purpose characteristic of capitalist countries. It is based on negotiated coordination, which distinguishes it from market socialism, the only reasonably worked-out alternative model of a third way that has so far been proposed" (p.3).

Devine argues that state ownership in and of itself does not amount to the socialisation of production. Political democracy, that is, popular control of the state and popular participation in decision-making at all levels, is required. Nor is the abolition of private ownership of the means of production and its replacement by workers' control socialisation if each worker-controlled enterprise merely pursues its own advantage in competition with everyone else and its activities do not form part of an overall consciously and socially decided plan. Citing critically the Yugoslav example of worker self-management and the model of market socialism advocated by Nove, Devine asks:

"Yet why should state-run or worker-managed enterprises, pursuing their narrow self-interest within a regulated socialist market, aggregate to a system with fundamentally different characteristics from those of capitalist economies, in which privately-owned enterprises pursue their narrow self-interest within a regulated capitalist market? It would presumably be a more just system, since there would be no unearned income, but why should it be more stable and more subject to overall social control?" (p.108).

According to Devine: "the basic principle of self-government is that decisions in relation to any activity and responsibility for their implementation should rest with those affected" (p.151).

Starting from the bottom, at the level of the factory or enterprise, which Devine calls "production units", the workers in each production unit elect their representatives on to its governing body. Here Devine makes an important distinction between control – by the workers only – of the production unit and "real social ownership". He argues that sectional worker

ownership or control is just as "private" as capitalist ownership, the worker-owners pursuing their own sectional profit in the same narrow self-interested way as the capitalist owners without regard to the overall social interest:

"Socialisation of the means of production requires democratic social control of both the overall disposition of resources and their detailed use. What it means for a production unit to be socially owned and controlled will therefore depend on how it fits into the overall picture, and will differ according to the character of the economic activity involved" (p.223).

There should therefore be representatives of organised consumer and user groups and of the local communities on the governing body of each production unit, in addition to the representatives of the workers themselves:

"Decisions on how production units should use their existing capacity would be made by representatives of the consumer/users and the producers, along with representatives of other interested groups. Thus, potential conflicts of interest and different perceptions of reality would become explicit and would have to be taken into account when arriving at decisions. The process would have a transformatory dynamic" (p.221).

This would cover problems at the local level, and reconcile the interests of the workers and the local community – for example, if the production unit created an environmental hazard or nuisance.

At the level of whole branches of industry the production units would be represented on a "negotiated coordination body" for the industry or economic sector. Again, in addition to representatives of the production units, there would also be representatives of consumer and user groups and other interests on each "negotiated coordination body".

Planning and Investment

So far the passages I have quoted from Nove and Devine give an idea of how they envisage relations between enterprises at the individual and local level. How do they envisage the methods of planning at the national level or at the level of the society as a whole?

Devine writes: "It [the model of negotiated coordination] assumes a democratic society, in which people participate through a variety of self-governing and representative bodies, with decision-making decentralised as much as possible, both functionally and vertically. National, regional and local representative assemblies, democratically elected in a context of political party pluralism, are vested with ultimate political power. Civil society is populated with autonomous, self-governing interest and cause groups coming together in chambers of interest. Economic activity of all types is undertaken by production units whose governing bodies consist of representatives of all those affected by their activities. Production units are organised internally on the basis of self-management. Broad social priorities and changes in strategic direction are decided through the democratic political process on the basis of alternative plan variants prepared commission" (pp.189-90).

A National Planning Commission would be responsible for all major investment on the basis of these decisions, thus determining the planned overall allocation of available resources and hence the planned distribution of purchasing power. The priorities decided by the national planning commission are also the basis for determining the primary input prices that are used by the production units in setting their prices equal to long-run costs. The prices at which production units sell their goods would also cover a surplus over basic costs – a return on capital used – most of which would return to the national planning commission or government as a tax to finance new major investment and social and government expenditure. Some would be retained by the "negotiated coordination body" (that is, the body dealing with a whole branch or sector of industry) or production unit for minor investment.

Production units would meet demands from customers who in general would have a choice of supplier: "Since all major investment would be controlled centrally and a banking system established to facilitate this, the principle operated would be that nothing that is desirable, is possible in real terms, and would otherwise be undertaken should be prevented by lack of finance" (pp.207-8).

Like Devine, Nove assumes a state controlled central banking system: "Investments would be divided into two parts: those of structural significance, usually involving either the creation of new productive units or the very substantial expansion of existing ones, and those which represent an adjustment to changing demand (or new techniques). The latter would be the responsibility of management (cleared as required with the elected committee), and the necessary finance would be obtained either from retained profits (and reserves based upon past profits) or from credits from the state banking system. Exceptionally there would be a budgetary grant, where the activity carries with it large external economies or is seen as a social 'must'. As for big, structurally significant investments, these would be the major responsibility of the central planners" (pp.221-2).

Nove makes an important distinction between already developed industrialised countries and developing countries – for which both he and Devine accept the relevance (with reservations) of the command-type economy with its implication of a necessary bureaucracy and authoritarianism:

"Given that we are discussing an industrialised, developed country, there is no need to assume

that high growth rates would be a high priority. A large part of investment would therefore be of the 'adjustment-to-demand' sort. It is plainly essential, within a controlled market environment, that firms (state, social, cooperative) have the means to make such adjustments, for otherwise the profits they make would serve no rational purpose. If, for example, demand increases for anything, from microchips to potato chips, the price would rise and so would profits. The function of this rise in price and profits in a market economy is to stimulate additional production, which, unless there is already spare capacity, requires investment. If this result does not follow, the mechanism would be failing to work, and the existing enterprises would be making excess profits to no social or economic purpose. Indeed, it would be necessary to have a species of socialist anti-trust legislation: in these sectors in which competition is desired and desirable, a watch would have to be kept to prevent the creation of informal rings or cartels, agreements not to expand or not to compete. One way of combating such a tendency is to encourage (by credits on favourable terms, etc) the creation of new productive units in the sector concerned, another important function of central planners in a socialist market" (p.222).

Both Nove and Devine accept that socialism cannot be built or maintained in one country alone. On the other hand, to think in terms of "world socialism" or nothing is equally unrealistic. For a time, either one country or a group of countries in the stage of transition to socialism will have to coexist with and trade with capitalist countries. This involves questions of foreign trade.

Comments and Criticisms

From a Marxist standpoint the basic objection to Nove's "market socialism" is that the market and socialism are incompatible. Typical of some of Nove's Marxist critics is David McNally:

"For what is at stake is not an argument over different mechanisms of socialist economy, but rather the survival of socialism itself as an alternative to capitalism. For the logic of the modern cult of the market is a thoroughly anti-socialist one. If the market is the solution, then, as Brus and Laski note, socialism and Marxism are finished. The choice before us, therefore, is socialism or the market." (D. McNally, *Against the Market*, Verso, 1993, p.2.)

McNally cites Nove's argument for the market that "given the enormous number of goods and services produced in a modern economy, and the complexity of gauging their demand and determining the inputs required to produce them, efficiency dictates that the market govern their allocation". But McNally goes on to say: "Thus far, the argument appears innocent enough. But what is usually ignored in such discussions is that an economy governed by price signals is one in which market principles determine the value of all inputs and outputs within the economic process" (p.172).

However, what McNally himself ignores is that even if, in Nove's model, "market principles determine values", they do not determine what is produced or not produced, or the general level of economic activity. While it is true that there would be market relations at the micro-level, all major investment of structural significance would, according to Nove, be the responsibility of the central planners, while minor, "adjustment-to-demand" investment would be the responsibility of management (cleared as required with the elected committee) (pp.221-2).

This is the key factor. Provided the bulk of investment capital and the creation of money and credit is under such control acting through the state banking system, macro-planning is assured. Once the overall priorities have been decided through democratic consultation – that is, so many new hospitals, so much public housing, so much increase in public transport, so many power stations, etc, etc – the necessary budgetary grants are made – so many million for the NHS, so many million for the railways, etc. The detailed implementation of these plans can then be left to negotiated contracts between the enterprises and their suppliers. In one sense, this macro-planning through the central control of finance, credit and investment would be an improvement on the present system even if the enterprises that contracted to build the hospitals, houses, schools, buses, etc, remained privately owned. At least more hospitals and houses would to built and more workers would be employed. A capitalism run on Keynesian lines would be preferable to one run on deflationary monetarist ones.

But Nove and Devine do not advocate merely this Keynesian demand management. They also argue for the abolition of capitalist ownership of the bulk of the means of production and their transfer into social ownership – either as state-owned, centrally-run enterprises or as autonomous "socialised enterprises" cooperatively owned or worker and user controlled (Nove would allow some small-scale private enterprise subject to clearly defined limits).

Although Devine rejects market socialism and prefers to call his model "negotiated coordination", he nevertheless still accepts that money and prices will play a role in his economy. In fact, given that workers are paid in money wages which they then exchange for consumer goods, there is a *de facto* market, at least in the consumer goods section. Moreover, if there is no direction of labour or forced labour, differentials in wages will have to be used to encourage sufficient workers to undertake unpleasant jobs in less pleasant localities. There will therefore be a

"market" in labour. It may well be true, as pedants will assert, that it is not a market in the capitalist sense since the workers will not be selling their labour power to capitalists for the appropriation of surplus value, but to themselves as the enterprises would be socially owned. But nevertheless some form of market mechanism will exist. Here it is important to note that Devine throughout makes a distinction between market exchanges or market mechanisms (which are acceptable and subsumed within overall planning) and market forces, which he opposes as antithetical to socialist planning.

It is undoubtedly true, as both Nove and Devine explain, that the command economies were unable to ascertain needs ex-ante nor have an adequate ex-post check. Nove argues that only the market will provide this. Here, in my opinion, both Nove and Devine ignore the possibilities provided by modem computer technology. Let us take for example the production of shoes. It is asked how, in the absence of the market, can the producers gauge the demand for these – and also the correct mix of sizes and styles of dresses and shoes? At present, it is true, only the market allows them to gauge this. But remote shopping by phone and computer is rapidly becoming a possibility. In 20 or 30 years time, will it not be possible for people who want a new pair of shoes to phone in to a computer network the size, colour and style they want (chosen from a catalogue of all the variants available – also flashed up on computer screen)? The order is then transmitted via the computer network to the appropriate shoe factory. Thanks to modern technology, the production lines can be rapidly and easily switched to produce just that model of shoe. In a week or 10 days, the shoes are ready to be collected. This is not a far-fetched science-fiction utopia. The technology already exists. In fact even today the more expensive types of cars are ordered by customers in advance before they roll off the production line. Of course, there will still be some commodities, purchased daily, such as food, for which this method would not be suitable and whose distribution would still need to be done via old market methods.

But in an increasing number of cases the application of the latest computer-assisted cybernetics could overcome the difficulties, encountered in the past in command economies, of disaggregating plan targets from aggregate tonnages or other units into the proper "mix". This would be obtained by reciprocal feedback between the central planning bodies, subordinate levels, individual enterprises and the consuming public, both vertically and horizontally. This would enable producers to ascertain requirements ex-ante and meet Nove's argument that:

"If a plan is expressed in aggregate quantities, the product mix that 'fits' into such a plan (in tonnes, square metres, or for that matter value in money terms) will not, save by accident, be the mix that is actually needed. If, however, contracts between customers and suppliers determine what the micro content of the plan should be, then the economy is no longer centrally planned, since then the totals too (in tonnes, square metres, etc) are the consequence of the negotiated contracts. Productive units (enterprises) are then autonomous and, to make a reality of that autonomy, must be free to obtain the inputs which they need by, in their turn, negotiating contracts with their suppliers" (p.43).

With the computer-assisted cybernetics described above, the detailed contents of the plan would be available not only to the centre, but also to anyone with access to a computer terminal. This would make democratic participation in the planning process feasible, and would undermine Nove's assertion that command central planning *must* lead to authoritarianism and lack of democracy. However, even allowing for computerisation and its facilitation of democratic planning, some form of market mechanism will probably still have a role to play for some considerable time.

This brings me to the next point. Nove describes his model as "feasible socialism" – a society which can come into existence within the lifetime of today's children, without assumptions of super-abundance. Marxism would have no quarrel with Nove if he had described it as a society in the stage of transition between capitalism and socialism. After all, Trotsky, speaking in 1922 at the Fourth Congress of the Comintern, said: "It is necessary for each state-owned factory, with its technical director, to be subject not only to control by the top but also from below, by the market, which will remain the regulator of the state economy for a long time to come." (Cited by Nove, p.59.)

Quite apart from the argument that some market mechanisms would still be necessary at the micro level within overall planning, there is another reason why socialists must not dismiss the market out of hand. This is that on the day after socialists anywhere come to power the market will still exist. It will not disappear overnight, nor can it be abolished overnight. Even if we accept that the market and socialism are incompatible (and I am not convinced of this unless one is to define socialism very narrowly), it will take time to develop alternative methods. Like the state, the market will have to "wither away". Until then, socialists will have to live with it and ensure its compatibility with social planning, as one of its mechanisms.

Neither Devine nor Nove have much to say about the effects of unplanned growth and uncontrolled exploitation of natural resources on the global environment. Yet the danger this poses

to civilisation is due to the fact that to maintain itself, capitalism is forced into ever more accelerated and unsustainable growth. One of the tasks of central planning would be to keep this growth within sustainable and environmentally acceptable limits, and to ensure an optimum quality of life based on a balance between industrialisation and the environment. Again, this can only be achieved if the central planning bodies have the power to direct and limit economic activity. It also implies the need for planning on a global scale.

It is impossible in the space of one review to deal fully with all the issues raised by Nove and Devine, but I have dealt with the main themes. I recommend these two books to anyone who is concerned with achieving a better society. Socialism cannot be achieved without mass popular support and participation. In order to convince people, it is necessary to show them that socialism is neither the hell of Stalinism nor an unobtainable utopia. One may or may not agree, in whole or in part, with Nove and Devine, but their arguments cannot be ignored. Theirs is a useful contribution to the present debate on a redefining of socialism in the light of the collapse of Stalinism.

A Balance Sheet of Trotskyism

WHAT IS the balance sheet of Trotskyism? In terms of its own perspectives and of the tasks it set itself the Trotskyist movement is no nearer achieving its goals in 1993 than it was at its inception. Despite all their valiant efforts and occasional successes, all the Trotskyist groups have remained marginal to events. This is true not only of Britain but worldwide. Nowhere, except for short periods in Argentina, Bolivia and Ceylon, and perhaps Indochina, have Trotskyist parties come anywhere near becoming a significant force in the working class movement.

It is true that Rome wasn't built in a day, and the time scale must be viewed in terms of historical epochs and not in years or even decades. One should not expect to reach the promised land in one's own lifetime. I have some sympathy with this point of view. But against this one must remember that, according to our own analyses, the terminal crisis of capitalism and the period of wars and revolutions started with the 1914 war, three-quarters of a century ago. We must remember that the Fourth International was founded in 1938 on the basis of the expectation of the imminent revolutionary crisis and travail of capitalism following on the war that broke out in 1939. We now know that this perspective was wrong. We have witnessed not the collapse but the growth of capitalism. We have seen the collapse of the Stalinist regimes of Eastern Europe lead, not to a resurgence of Socialism, but to a return to capitalism – a return welcomed by large sections of the working class. The influence of Socialist ideas of any sort – parliamentary, gradualist or Marxist revolutionary – is weaker today than it has been at any time since the late nineteenth century. Is this what one should expect after three-quarters of a century of a period of "wars and revolutions" and of the "terminal crisis" of capitalism?" The patient is taking an unconscionable time to die.

Many comrades have tried to explain – or explain away – these repeated failures of the revolutionary movement by pointing to secondary factors which have either postponed or "masked" the development of revolution. They have insisted that numerous revolutionary situations have occurred during this period, but that in each case capitalism has been saved only thanks to the treachery of either the Social Democratic or Stalinist misleaders of the working class (or both), by the weakness or fragmentation of the revolutionary forces, or by other "secondary" factors. But this begs the question! Why have the Social Democrats and Stalinists, despite their repeated "betrayals" and "exposures" – each time correctly foretold by the Trotskyists – still been able to maintain the support of far larger masses of workers than have the Trotskyists, despite their "correct" policies? Does this not prompt us to ask ourselves whether this can be explained by the fact that reformist policies have always found a deeper echo within the working class, and that the mass of the workers have remained attached to reformism and impervious to revolutionary ideology – even in "revolutionary situations", such as the post-liberation turmoils in Italy and France, France 1968, Portugal in the 1970s, etc.

If this is so – and I believe it is – then this leads inevitably to the next and fundamental question. Was Marx wrong when he argued that the working class must, because of its position within capitalist society, almost inevitably, sooner or later, develop a revolutionary consciousness, change from a class-in-itself into a class-for-itself? Was he wrong when he wrote in *The Holy Family*:

"It is not a question of what this or that proletarian or even the whole proletarian movement momentarily imagines to be the aim. It is a question of what the proletariat is and what it consequently is **historically compelled to do**. Its aim and historical action is prescribed **irrevocably** and obviously in its own situation in life as well as in the entire organisation of contemporary civil society." (My emphases – HR.)

I have, reluctantly, come to the conclusion that Marx was wrong. The working class is not "historically compelled" to arrive at Socialist or Marxist consciousness – with or without the assistance of professional revolutionaries. Undoubtedly, the position of the working class in capitalist society, and the contradictions and tensions within that society, the continual struggles between workers and employers, must be a factor impelling large numbers of workers to question the existing set-up and look for alternatives. But there is nothing inevitable about this. Workers can and do reach all sorts of what to Socialists might seem illogical and perverse

conclusions. We have underestimated the tenacious hold of bourgeois ideology, inculcated by the educational system and the mass media, on working class consciousness. Above all, we have underestimated the force of inertia. We have underestimated the fact that, unless their situation becomes absolutely unbearable, working class people will prefer to adapt to an existing society and try and marginally improve their condition within it, rather than embark on the perilous voyage of revolution on uncharted seas. Does this sound unduly pessimistic? I do not think pessimism or optimism enters into it. One must look at things as they are – not as one would wish them to be.

Another possible explanation is that the Leninist theory that capitalism has, as imperialism, entered its highest and **final** phase is wrong, that we have mistaken the middle age "menopause" of capitalism for its terminal illness. Maybe we have underestimated the resilience of capitalism and its ability to structurally reform itself. These questions are being raised by many who are trying to rescue Marxist theory from the dead hand of "orthodox" dogma in discussion journals and various forums up and down the country.

Whatever the combination of factors, it must be acknowledged that the general political climate in Britain during the postwar period was unfavourable to the development of revolutionary Marxist currents. It is this, and not the mistakes or imperfections of this or that Trotskyist group, that explains why they have all remained marginal sects. The dogmatism, the bitterness of the internal disputes and splits that have bedevilled the movement, the unhealthy dominance of individuals, the cliquism and intolerance of criticism, were all essentially products of the isolation of the Trotskyists from the main stream of the broad labour movement. All the negative traits of the Healy tendency that I have described were present in all the Trotskyist groups to a greater or lesser degree. The immense gap between the general political consciousness (or lack of it) of the broad labour movement and our own ideology meant that whatever the strategy or tactics we adopted – within the Labour Party or outside it – our success was limited. It is not without significance that it was precisely when we (the Healy tendency) were, according to our critics, trying to camouflage ourselves as good Labour Party members and left social democrats that we had our greatest successes.

None of what I have said implies that the struggle for a better society must be abandoned. A glance at the daily papers or watching the news on television with its pictures of starvation in Africa, ethnic conflicts, wars, torture and destruction all over the world, and the homeless sleeping on the pavements of London, is enough to remind one that humanity is in deep crisis and there are plenty of evils to fight. The question is – **How?**

The first step is to rid one's mind of false conceptions. We believed the road to the better society was through proletarian revolutions led by revolutionary parties modelled on the Bolshevik party of Lenin and Trotsky. I will not be so bold as to assert categorically that some variant of this road is impossible. I think it is possible, but highly unlikely, and fraught with pitfalls. We must look for other, more promising, roads. I do not pretend to know what they are. I can only hope that by critically re-examining the past and by asking the right kinds of questions we shall collectively get nearer the right answers.

Class, Party, Ideology and State

THE CONCEPTS of class and of class struggle are central to Marxist theory. One would indeed be foolish to deny either the existence of classes in society or the centrality of class struggle in the development of society. However, I have long been uneasy at the mechanical and over-rigid way many Marxists (including myself) have tried to apply these concepts to the complex reality and tasks facing socialists.

One of the problems is the rigid identification of party with class and of class and ideology, leading to the belief that classes act *as unitary entities* – that whole classes, not parties or groups take and hold power – or rather that the two are identical. Tied up with this is the idea that, generally speaking, classes are conscious of their own political and historical interests and act – again as unitary entities – invariably in their own interests; or if they don t, this is an aberration from the norm, a result of "false consciousness". True, according to Marx, a class may not at first be conscious of its specific class interests, may only be a class-in-itself. But according to Marx, the proletariat's very position and role in society will irrevocably compel it, through struggle, to become conscious of its interests, and become a class-for-itself. This is what Marx hoped and expected. But this expectation has not yet been borne out by history. The attempts by Marxists to fit real events and real history into this theoretical concept has led to repeated falsifications and crises of the theory.

It is now accepted by many Marxists that class consciousness does not develop automatically; that the working class position in society and its struggle may be conducive to the development of a socialist consciousness, but that nevertheless there are many obstacles and counter-tendencies to this development, and everything has to be fought for – victory is not assured.

Nevertheless, Marxists argue that the overthrow of capitalism and the coming to power of the working class are identical, that the overthrow of capitalism and the establishment of socialism can only come about as a *conscious act of the working class* that is aware of its historic interests and acts accordingly. In general, Marxists equate the coming to power of a revolutionary socialist party with the working class achieving power. Is this correct?

Do Classes Take Power or Do Parties Take Power? Are the Two Identical?

I certainly agree that the transition from capitalism to socialism requires the coming to power of a party consciously committed to such a transition, that is, a socialist party. But is this the same as the working class coming to power ? Can a class – acting as a unitary entity – take and hold power, in the raw so to speak, without the intermediary of a party or organisation? And if not, is it meaningful to think in terms of classes – rather than parties – taking or losing power?

Even if one argues that it was the working class and not merely the Bolshevik party that seized power in Russia in 1917, it is clear that the working class, if indeed it achieved power, did so through a party. Even if we accept that the Bolshevik party itself had to act through the soviets and that these represented the working class and peasants, we are still left with the fact that classes do not act as formless, amorphous, entities but through organisations. And what is also important is that very soon these organisations can become bureaucratised; power and decision-making are delegated upwards to smaller and smaller bodies, and the masses are distanced from power. The party and/or state tends to raise itself above the class or classes it claims to represent and to acquire its own specific interests. I say this not necessarily as criticism, but as a fact of life. It is a problem not confined to Russia, but is likely to rear its head generally and on future occasions. The problem of how to counter this tendency is an important subject for consideration.

The problem for many Marxists who believe that the working class came to power in October 1917 is to explain how it subsequently lost it, and also to explain which class forces and interests the usurping Stalinist bureaucracy represented. How did the power of the working class become transformed into the power of the party over the working class? If one tries to maintain the theory that parties represent classes, particularly that party and class are identical, one cannot logically argue that in November 1917 the Bolshevik party in power was equivalent to the working class in power, but that by, say, 1921 or 1924 or 1929 the same party in power was not equivalent to the working class in power. And if you try to argue

that the state apparatus must be the instrument of a class, oppressing other classes, then you become embroiled in the debate as to whether the party bureaucracy was a new class or merely a caste.

Is it not simpler and more logical to discard the attempt to identify party with class? To accept that party and class are not identical and that it is parties, groups, juntas – that is, organised groups, whatever you call them – and not classes as such that take or lose power? Those that do not wish to accept this conclusion may wish to maintain that classes do act as entities, do take power as classes, but concede that they cannot do so as formless unorganised masses but only through the agency of a conscious and organised party with a clear programme of socialist transformation. This, I feel is the opinion of most contributors to the discussion in the pages of *New Interventions*, though they would argue for a party of a different type to the Leninist élitist one.

However, once one accepts that an organised party is necessary, then this does, whether one likes it or not, put a question mark over whether the taking of power by a party is identical with a class taking power, unless one can also argue that party and class are identical. And this is clearly not the case.

Parties, States and Classes Are Not Coterminous

The fact that a party claims to represent a class does not *ipso facto* make it a party of that class, let alone make its taking of power the same thing as the class taking power. Let s take three examples; the Russian, the Chinese and the Cuban revolutions.

Marxism in Russia did not originate within the working class, but as a current within the radical intelligentsia. Recognising that they alone did not have the strength to overthrow the Tsarist autocracy, they looked to other classes to provide the muscle for this task. One section, the Narodniks, developed the theory that the Russian peasantry (through its communal institutions such as the *mir*) would provide the social force for progress; and also that thanks to this Russia could evolve towards socialism without passing through the phase of capitalist industrialisation. Another section of the intelligentsia adopted Marxism, the theory that the industrial working class was the historically progressive force. Naturally, because of their respective theoretical perspectives, the Narodniks, later to become the Socialist Revolutionaries, oriented towards the peasantry, and in 1917 drew most of their support from that class, and the Marxists (Bolsheviks and Mensheviks) sought to base themselves on the industrial working class. But in neither case did these parties become identical or coterminous with the classes whose historic interests they claimed to represent. During most of their existence, they had the support only of minorities in these classes. Even during the short periods when their support in those classes was at its peak (in late 1917 and early 1918), they were not coterminous with a class.

By 1919, the Bolshevik party had lost the support of the majority of the working class, and the soviets had been turned into docile adjuncts of the party. Increasingly, the party and soviet bureaucracy became *independent* of any class. They represented nothing but themselves, and expressed not a class but an ideology – a world view. So when, if ever, did the working class rule as a class , or, for that matter, did the workers and peasants rule as a coalition of classes? The reality is that the Bolshevik party seized power as a party and ruled as a party, albeit for short periods with the support of large sections of the working class and the peasantry. Never did either of these act or rule as classes.

The same lack of correspondence between party, class and state applies even more clearly to the Chinese Revolution. The Chinese Communist Party, like the Russian, was founded by members of the intelligentsia who adopted Marxism and "went to the working class". After Chiang Kai Shek's massacre of the communists in Shanghai and the suppression of the Canton Commune, the Chinese Communist Party was driven out of the towns into the countryside. The Chinese Communist Party conquered power in 1948 in the form of a largely peasant-based army invading the towns – from the outside. The industrial working class played a minimal role. Yet this party, issuing from the modernising intelligentsia which first attempted to base itself on the industrial workers and then was forced to base itself on the peasantry, proceeded to carry out the expropriation of the landlords and bourgeoisie, and established the state ownership of industry – tasks which, according to Marxist orthodoxy, could only be carried out by the working class! True, the resulting regime was not socialist if we define socialism as a social formation that includes democracy.

But this does not affect the argument. Which class, will orthodox Marxists please explain, carried out this transformation of Chinese society? Would it not be more accurate to say that it was simply not a class but a party, the Chinese Communist Party, basing itself, it is true, on various classes and social strata at different times, that carried out this transformation?

In Cuba, the abolition of capitalism was accomplished by a party of between 20 and 30 radical intellectuals who landed in the jungle off a fishing boat, proceeded to build up a guerrilla army, took power by force of arms and – according to some Marxists – established a "workers' state"! No wonder there was great confusion among

Marxists about the nature of the new regime. Some argued it was a "workers' state", albeit deformed, because it had carried out the proletarian task of abolishing private ownership of the means of production. Others argued that even though it had done these things, it could not be a workers' state because the working class had played no role in its establishment. Still others argued that it could not possibly be a "workers' state" because only a revolutionary (that is, Trotskyist) party could bring it about and *we* (the orthodox revolutionary Marxists) had not been involved! This illustrates the confusion caused by trying to fit complex processes into neat class categories; to stick "class labels" willy-nilly on everything – to arrange every party, state and movement neatly into boxes with the name of a class printed on their lids.

Is Labour in Power the Same as the Working Class in Power?

My contention that a party, whether Marxist revolutionary or reformist, achieving power cannot be equated with the class taking power; and my further contention that in general classes do not take power but parties do can be further illustrated by examining the case of Labour governments in Britain.

If ever a party could be described as a working-class party it was the Labour Party – formed as the political expression of the trade unions, working class organisations by definition. In 1945, it was elected with the overwhelming support of the working class. Did that mean that the working class had "taken power"? Obviously not. I can hear orthodox Marxists snorting: "What a silly question!" Nevertheless, at the risk of ridicule, I insist. Why wasn't the working class in power? My orthodox Marxist comrades will answer: "You silly idiot, it's obvious! It's because the Labour government did not expropriate the capitalists and hand control of industry to the workers – capitalist ownership was retained."

Fine! But may I now ask the comrades who equate the Bolsheviks taking power with the working class achieving power, did the Bolsheviks hand industry over to the workers? They did not. They very soon ousted the workers' committees from whatever control they exercised, installed one-man management and militarised industry.

In the case of the Labour Party in 1945, it may be argued that they were "in office but not in power"; that the real power was exercised by those who staffed the existing state machine, the top civil servants, the heads of the armed forces, the judiciary, etc, that the reserve forces of reaction, the House of Lords and the royal prerogative were still in place to veto any too radical measures that might have been taken by the House of Commons and the Labour government. All this is true. And the fact that the state machine as a whole, including the Labour cabinet was administering a capitalist economy makes it reasonable to argue that the state, even under the Labour government was still acting "as the executive of the ruling class". But such a description is only part of the truth. The Labour ministers might indeed have all been pliant Jim Hackers manipulated by devious Sir Humphreys. But if the Thatcherites were able to transform the civil service from formally "politically neutral" servants of the state into an arm of the rampant Tory party, preceding every appointment and promotion by the question "Is he one of ours?", if they were able to staff the quangos and every vital government post with faithful Thatcherites and thus openly "politicise" the state machine, could not the 1945 Labour government, if it had had the will to do so, and been backed or pushed by a militant mass movement, been able to do the same and transform the state machine into an instrument for socialism? Indubitably this would have met with resistance and sabotage by the top echelons in the state machine, by subversive and destabilising plots by MI5, by Pinochet-type military coups. The outcome of such a struggle would have depended on many factors, particularly the level of political consciousness and will of the masses and their mobilisation in defence of such a Labour government. A victorious outcome would have resulted in a fundamental restructuring of the state machine and of society as a whole.

But even if the Bolsheviks had introduced and maintained workers control of their enterprises, and even if the Labour Party *mirabile dictu* had carried out a programme of extensive nationalisation under workers' control and restructuring of the state and thus, in effect, put the workers in control, it is still a fact that neither in Russia in 1917 nor Britain in 1945 would the working class have come to power *except through a party coming to power consciously intending to replace capitalism*.

And precisely because parties and classes are not identical, and because the relations between party and class can change (parties winning and losing support in the class, becoming independent of the class they previously rested on, etc), it is dangerous to assume that classes – as classes – can be said to exercise power. It is better to think in terms of parties coming to power with the active support of masses and exercising our minds on the policies necessary to ensure that the masses maintain some control over the ruling parties; that we achieve the widest possible participation from below in decision-making. We must therefore abandon the assumption that party-power and class-power are identical. I am struck, in reading accounts of the Russian Revolution, as to how often Lenin, Trotsky and other Bolsheviks used the words "the

revolutionary proletariat" does/thinks/says/fights for this or that when in fact it is "the party" that is doing the doing/thinking/saying/fighting – irrespective of the working class.

The Tendency Towards Bureaucracy

There is no guarantee either in the past or the future that the ruling party, once the activity and involvement of the masses has subsided, will not gradually become independent of and detached from the mass organisations or movements which helped it to power. Adam Westoby, Robin Blick and others have pointed out how even in the period of mass political involvement between February and October 1917, the soviets were becoming bureaucratised:

"Typically, the plenum body of a soviet was formed, often in haste, and somewhat haphazardly, of representatives elected – usually by a show of hands – from each 500 to a 1000 workers, *at their place of work* (rather than in geographic constituencies), plus a minority of representatives of trade unions, welfare funds and so on, and, later of political parties. The number of deputies accredited to a soviet's plenum ranged from under 100 to almost 3000 in Petrograd. Even the smallest was, of course, not usually able to consider detailed points or control its own proceedings; it generated a hierarchy of executive bodies with more frequent meetings By April, the Petrograd soviet had grown an 'executive committee' of 90, itself electing (and steered by) a 'bureau' of 24. Moscow had four tiers: the plenum, its executive committee, an executive commission, and within that a praesidium of seven.

"During the year, the functions of all soviets both extended and grew more complex, and they necessarily evolved guidelines for their executive bodies and officers to handle particular cases. There was a general tendency, therefore, for matters to be handled more and more at higher and higher levels of the executive bodies, less and less in the plenary sessions. The frequency of these diminished and in an increasing proportion of the matters coming to them their role became that of a rubber stamp or, at best, a forum for airing opinions and political quarrels. Even where this was not so, the impossibility of a large body – and especially one composed overwhelmingly of excited novices of revolution – giving orderly shape to its own proceedings meant that decisions were made on the basis of resolutions and options prepared in the higher bodies. This paralleled, and was reinforced by, another rapid evolution in the soviets role, from the first months of the revolution. The collapse of the old governmental authority, and the always limited effectiveness of the Provisional Government, meant that the soviets necessarily changed from revolutionary assemblies to become also administrative and quasi-legislative bodies. To fill the vacuum created following the February revolution, they established, generally by local *ad hoc* decisions, special organs with responsibility for all sorts of matters – welfare and social funds, labour disputes, food supply, health, propaganda and publishing were among the most common. In most cases, these took the form of specific commissions attached to the upper executive bodies but acting rather independently in their own spheres. These bodies, of course, added to the requirements for full-time staff; already by May the Petrograd soviet had several hundred employees." (Adam Westoby, *The State and Society*, Open University 1983, p.96.)

In the early days full delegate meetings (plenums) of the soviets were frequent, but as the months went on the frequency of these meetings fell off, while the frequency of executive meetings increased. (Robin Blick, *The Seeds of Evil*, Ferrington 1993, p.82.)

In a complex modern society, administration is so complex that delegation of power cannot be avoided. And once you delegate power and decision-making from the mass base to smaller bodies, control from below is at risk. This is another factor which makes it problematic to say that classes rule directly – that is as entities – but more accurate to say that they rule and act through organisations.

Since the relationship between a party/organisation and a class is not fixed and constant, that is, a party can be a minority in the class, win overwhelming support and then lose it again, it follows that to identify party in power with class in power is dangerous and mistaken.

A conclusion that follows from thus is that one of the biggest problems facing those who want to see a viable socialist society is to resolve the problem of reconciling sufficient delegation of decision-making to ensure efficiency with effective control from below over those to whom this power is delegated Neither the cult of the elitist party, substituting itself for the class, nor its opposite, the worship of pure spontaneity, are valid solutions. There is no magic solution – only the constant raising of the level of culture, education and self-activation in society can counter the trend to uncontrolled bureaucracy.

Class and Ideology

The search for a rigid one-to-one correlation between class and ideology is equally mistaken.

Marxism is often described as a proletarian ideology. It is not. It neither has originated in the working class, nor has it been the dominant ideology in the working class in any country except perhaps for relatively short periods in Russia and Germany. The founders of Marxism were not of the working class; nor, in most cases, has the leadership of Marxist parties and movements throughout the world been predominantly

working-class. Marxists of all or any current have generally remained minorities within the working class. The fact that Marxism claims a historical role for the working class does not *ipso facto* make Marxism a proletarian ideology or the ideology of the working class, any more than the theory that ginger-haired dwarfs are genetically favoured and have a historical mission to save the planet makes this theory, therefore, the theory of ginger-haired dwarfs. It would only become so if the mass of ginger-haired dwarfs adopted it. Unless and until Marxism is adopted as a guiding theory by the bulk of the working class, it remains a theory not of a class but of those holding it, of a minority both in the working class and the intelligentsia.

The reality is that there is no single ideology that can be described as *the ideology of the working class*. The ideological development of the working class is a complex historical process that cannot be neatly fitted into tidy labelled boxes without the risk of seriously distorting reality. Most intelligent Marxists realise this. They recognise that the dominant ideology of a class-divided society tends to be the ideology of the dominant class. A condition for the survival and functioning of that society is that the subordinate and exploited classes in the main accept and are imbued by this ideology, and that they see no viable alternative and accept that at the best all they can do is improve their lot within the existing system and perhaps slightly reform it. Any alternative, Marxist, socialist, anti-capitalist ideology has to battle against accepted ideas, historically established in previous periods, and backed by tradition and inertia.

In Britain, different ideological and political currents have coexisted and competed within the working class, and have grown or regressed in different historical periods. We can identify these various tendencies, beginning with the radical corresponding societies of the late eighteenth century, early radicalism tinged with Jacobinism inspired by the French revolution, through to Chartism, Owenism, craft trade unionism (tinged with nineteenth century liberalism), Labourism and various schools of Marxism. Throughout its history, the working class has always been fragmented in its political allegiances. Even in the immediate postwar period from 1945 to the 1950s, when the Labour Party was at the peak of its strength, a sizeable minority of the working class still voted for the Tories or Liberals, or were completely non-political. The same applies to Germany, France, Italy, etc, with the added complication that at least two mass parties – social-democratic and communist – have competed with each other for the support of the working class. It is not legitimate to identify any party with a class. Parties draw their support from parts of a class – and often parts or sections of other social classes as well.

There is no such thing as a single, natural *working-class ideology*, intrinsic to the working class. There are only various ideologies and political currents competing for support, arising and declining at different historical conjunctures.

Historically, in Britain at least, reformism has had a far larger influence in the working class than Marxism, and this fact is recognised by most intelligent Marxists. It is laughable to overhear Marxists, often of impeccable middle-class origin, mutually accusing each other of petit-bourgeois reformism. The application of class labels to ideologies has degenerated from scientific description to the level of pejoratives.

In the United States, the most developed capitalist nation in the world, the dominant ideology among blue-collar workers seems to be Christian fundamentalism; for every American worker who looks forward to socialism, hundreds, even thousands, look forward to the Second Coming and Armageddon. So much for ideology reflecting class interests!

Bourgeois Revolutions and Bourgeois States

A crude Marxist class interpretation would have us believe that the bourgeois revolutions were the work of a rising bourgeois class, fully conscious of its historical role, and that these were a necessary precondition for the full further development of capitalism.

Two questions need to be asked. Firstly, were these revolutions absolutely necessary for capitalism to develop? Secondly, did the bourgeoisie come to power in these revolutions directly as a class? Or did parties or groups, resting on parts and/or coalitions of classes achieve and exercise power?

The development of capitalism in Germany and Japan in the absence of successful bourgeois revolutions provides an answer to the first question. Germany never experienced anything like the English or French revolutions. A unified German capitalist industrial economy developed under the political rule of a Prussian emperor and minor princelings, and a state machine staffed and controlled by a military and land-owning aristocracy. The German industrial bourgeoisie nevertheless became the dominant economic class without having achieved political power as a class. The Prussian and other monarchies were not overthrown by the bourgeoisie but by the November 1918 revolution whose active force was the working class. Similarly, an industrial capitalist economy developed in Japan after the Meiji restoration, hardly an example of a bourgeoisie achieving political lower.

What of England and France? In an interesting article in *International Socialism* (*Marxism and the Great French Revolution*, by Paul McGarr, Alex Callinicos and John Rees, *International Socialism* 43

[Special Issue], 1989), Alex Callinicos attempts to defend the Marxist theory of bourgeois revolution and "to restate that theory in a form that is not vulnerable to revisionist criticisms". He writes:

"I argue that, first, bourgeois revolutions are transformations which create the political conditions of capitalist domination. *As such they are not necessarily the work of the bourgeoisie itself, but can be achieved by a variety of different social forces*." (Ibid., p.116, my emphasis – HR.)

"The revisionist claim is, however damaging to classical Marxism only on condition that we conceive bourgeois revolutions *as necessarily the result of the self-conscious action of the capitalist class*. Such a view has often been defended by Marxists – indeed by Marx himself who says that in the English and French Revolutions 'the bourgeoisie was the class that *really* headed the movement'. There is indeed a tendency in the Marxist tradition to treat these as the classical bourgeois revolutions, in which the capitalist class consciously appropriated political power. As such these revolutions – but above all the French – constitute a norm by which other candidates for the status of bourgeois revolutions are judged." (Ibid., p.122, my emphasis – HR.)

"Responding to the revisionist attacks requires a shift in focus. Bourgeois revolutions must be understood, *not as revolutions consciously made by capitalists*, but as revolutions which promote capitalism. The emphasis *should shift from the class which makes a bourgeois revolution to the effects of such a revolution*. More specifically, a bourgeois revolution is a political transformation – a change in state power, which is the precondition for large-scale capital accumulation and the establishment of the bourgeoisie as the dominant class. This definition says nothing about the social forces which carry through the transformation." (Ibid., p.124, my emphasis – HR.)

But did the capitalist class "consciously appropriate political power" even in the revolutions Callinicos defines as classical cases?

By the time of the English Civil War, feudal relations in the countryside and in agriculture had been replaced by capitalist relations. The century before the revolution had seen the rise of the gentry, the landed proprietors, above the yeomanry, and below the peerage, together with a growing body of well-to-to farmers. They consolidated their estates into large farms, began to enclose the commons, invested in land reclamation and engaged in other forms of enterprise such as mining and property speculation. The landowner living on the profits and rents of commercial farming, and the merchant and banker who was also often a landowner, represented not two classes but one. Judged by the source of their incomes, both were equally bourgeois. The modern industrialist, factory-owning bourgeoisie was not to come into being for over a century. The gentry, as described above, was the bourgeoisie of the time. But when one analyses how this gentry and the other social classes divided their support between the Royalists and the various factions of Parliament, one finds the correlation of class and politics anything but clear cut. As was well expressed by R.H. Tawney – "Bourgeois revolution? Of course it was a bourgeois revolution. The trouble is that the bourgeoisie was on both sides." (Quoted by Callinicos, ibid., p.122.)

Not only had the feudal economy been completely replaced by a capitalist market in agriculture and commodity production well before the Civil War – the Industrial Revolution was to come later – but this Industrial Revolution that was to make the industrial bourgeoisie the dominant economic class also developed under the political rule of a land-owning oligarchy. This land-owning oligarchy was confirmed in power after the fall of the Cromwellian Commonwealth with the Stuart restoration and then the Glorious Revolution of 1688. It ruled through a constitutional monarchy and a parliament with a restricted franchise, estimated at less than 10 per cent of the population. The urban middle class and industrial bourgeoisie remained disenfranchised until the Reform Act of 1832.

With respect to the French Revolution, G. Comninel, the Canadian Marxist historian, writes: "... both the nobility and the bourgeoisie had marked *internal* differentiation, and no impermeable boundary existed between them, and the two statuses had a good deal in common in terms of their forms of wealth, professions, and general ideology, it therefore would be more accurate to recognise a single elite in the *ancien régime*, or, more precisely, a dominant social stratum comprising different, but sometimes overlapping elites." (Quoted by Callinicos, ibid., p.122.)

Nevertheless, in the French Revolution the class lines between the aristocracy and the bourgeoisie in the Third Estate were far more clear-cut than between the bourgeoisie and the landed aristocracy in Britain. Yet even in the French Revolution the different classes did not act as monolithic blocs. The prime actors on the historical stage were not classes as such, as acting entities or subjects, but people organised in political factions and groupings. Even the defenders of the Marxist theory of bourgeois revolutions, Callinicos and Paul McGarr, have to show in the above mentioned articles that the history of the revolution is a history of different factions, the Girondins, the Jacobins, the Hébertists and others fighting for power and that these factions were not identical or coterminous with classes, but rested on parts of classes and coalitions of classes. Callinicos quotes the historian A. Saboul:

"The most active wing of this revolution was not so much the commercial bourgeoisie (insofar as it continued to consist solely of traders and middlemen it managed to get on well with the old order – from 1789 to 1793, from the Monarchiens to the Feuillants and to the Girondins, it usually tended towards compromise), but the mass of the small direct producers....The political instrument of change was the Jacobin dictatorship of the lower and middle sections of the bourgeoisie, supported by the popular masses – social categories whose ideal was a democracy of small autonomous producers, working together and operating a system of free exchange."

Callinicos then continues: "The sansculotterie did not constitute a class, nor was the sansculotte movement based on class differences. Craftsmen, shopkeepers, and merchants, compagnons and day labourers joined with a bourgeois minority to form a coalition but there was still an underlying conflict between craftsmen and merchants, enjoying a profit derived from private ownership of the means of production, and compagnons and day labourers, entirely dependent on wages." (Ibid., p.145.)

According to McGarr, the rule of the Committee of Public Safety and of the Jacobins, before they were overthrown by the Thermidor *coup d'état*, represented a dictatorship exercised over the bulk of the bourgeoisie by a minority of the bourgeoisie allied with the popular masses. Thermidor was followed by the rule of the Directory and then by the rule of Bonaparte. The French Revolution certainly created a political and legal framework or superstructure under which capitalism developed. But during which stages of the revolution could the bourgeoisie be said to have taken political power as a class? Is it not truer to say that no class acted as a monolithic bloc. Not only was the bourgeoisie divided into Girondins and Jacobins, but the peasantry itself, the prime victim of oppression under the old regime, was divided. After all, masses of peasants in the Vendée, inspired by Catholicism, battled against the Republic. Certainly class forces and class interests were central to developments, but they did not express themselves as the raw struggle of class against class, but through the refraction of political movements and organisations – and these were not identical or coterminous with whole classes.

Is it not time for us to recognise that even the capitalist class – which is far more conscious of its class interests than the working class has ever been – does not rule directly as a class?

As I have argued in earlier issues of *New Interventions*, there is nearly always a division of labour in society between those who run their businesses and their estates and the professional politicians who run the state machine. Despite the fact that, often, particularly in present Tory Britain, both groups overlap, there is still this differentiation of functions. This is what gives the state a relative autonomy. Marx and Engels themselves made a distinction between "the economically dominant class" and the "politically leading or ruling caste": "The governing caste ... is by no means identical with the ruling class." (Marx, *Surveys From Exile*, Penguin 1974, p.279.)

Classes do not Act as Organic Unitary Entities

In the light of the historical examples cited above, I now feel able to answer the question I posed earlier: "Do classes or parties 'take power' or do parties/organisations do so? And are the two identical?"

The answer is that – at best – to think in terms of a *class* doing this or that, "taking power" or "losing power", is an oversimplified and over-abstract view which can lead to confusion as shown in the interminable debates over the class nature of the Soviet state and the agonising over exactly when "the working class lost power". In reality, classes seldom, if ever, act as unitary entities, as "bodies". A part or section of a class can act in certain ways while another part acts differently, while yet another part does not act at all. It is more accurate to talk in terms of a *party, state, or organisation* doing this or that, taking power, etc. Parties and states are not identical or coterminous with classes, and, more often than not, they draw their support not from the whole of a class but from parts of a class and parts of other classes as well. This is true both of so-called bourgeois revolutions and of the struggle to transcend capitalism. Rather than think in terms of a *class* taking, losing or holding power, it is more fruitful to think in terms of parties, organisations, states, etc, and *the constantly changing relations between these parties, states, etc, and the different classes.* One can describe and analyse the English and French bourgeois revolutions, the Russian revolution, its development and degeneration, the Chinese and Cuban revolutions, and also the past, present and future developments in capitalist societies without getting enmeshed in scholastic arguments and pedantic attempts to apply fixed class labels to every phenomenon.

Such an approach does not deny the existence of classes and class conflicts, but allows us to understand and describe history and social change in all its rich complexity. Such an approach, taking into account the dialectical interaction between base and superstructure, parties, individuals and classes is more explanatory – in contrast to both the idealist view of society which deals only with the actions of leaders and their ideas, and the equally one-sided crude class theory which conceives of classes acting as raw entities and which downgrades the roles of parties, individuals and ideas.

Trade Union Consciousness or Socialist Consciousness?

Lenin was right when he argued that the working class can spontaneously only generate a trade union consciousness, and that socialist ideology has to be introduced by Marxists or socialists. And these Marxists don't have to be working-class – their class origins are irrelevant. What distinguishes and identifies the party is not its class composition or class support, but its ideology and policies.

In general, the working class struggles for its interests *within the framework of existing capitalism*, that is, for a bigger share of the cake. (Nor do workers invariably draw socialist conclusions from their struggles over wages and working conditions. Some do – many more do not.) However, to the extent that workers go *beyond* purely trade union concerns and seek to transform society they then cease to struggle merely for their narrow *class* interest; their struggle then becomes a struggle for *humanity*.

The struggle for wages, shorter hours, etc, is a purely working-class struggle. The struggle for socialism is in the interest of members of all classes because the continuance of capitalism threatens all humanity. The destruction of the environment, pollution, the breakdown of public health, the proliferation of plagues that recognise no class boundaries, threaten all humanity with a descent into barbarism. So does the breakdown of the infrastructure in countries devastated by wars fought with modern technology, biological and nuclear weapons. The world-wide growth of green movements and of movements for nuclear disarmament is a recognition of this threat. These movements draw their support not only from the working class, but from wider layers of the population. This is to be welcomed, not denigrated. As socialists, we believe that these threats to humanity are best met by the transformation of society in a socialist direction. We must try to influence these essentially cross-class movements towards an understanding that they cannot achieve their aims without engaging in a struggle to take economic power out of the hands of the multi-nationals and mega-corporations and vest it democratically in society as a whole. At the same time, socialists in the trade unions and working-class organisations must press for them to take up these concerns. Thus we can forge a powerful alliance between the labour movement and the non-working-class greens, anti-racist, feminist and anti-war activists – the link being a recognition that their various aims can best be accomplished within and through a common struggle for a socialist transformation of society.

The middle-class green and environmentalist, the anti-nuclear protestor, of whatever class, is just as open to be convinced of the need to replace the unrestrained search for profits by a democratically-planned world economy that sustains the environment as is the worker engaged in the fight to defend jobs and conditions of work. That is why a negative attitude to these movements is wrong. It stems from the conception that the working class *and it only* can provide the impetus for socialism. As I have tried to point out, the working class is not guaranteed to provide this impetus, and the struggle for socialism transcends the purely working-class struggle, and merges with the struggle of humanity as a whole.

Naturally, the most obstinate defenders of capitalism are the capitalists themselves – a small minority of the population. Members of the capitalist and middle class that join the struggle for socialism can therefore be said to struggle against the capitalist class. Conversely, no mass struggle against capitalism is conceivable without the working class. I realise full well that in the advanced industrialised countries, the working class, defined as all those who own no means of production and must sell their mental or physical labour power, are the overwhelming majority of the population (even though many of them do not see themselves a part of the working class). Consequently, any mobilisation of the masses for socialism must of necessity include the mobilisation of the working class. However, to address our appeals, propaganda and exhortations purely to workers is unnecessarily restrictive. It is a form of sectarian workerism.

Transitional Demands, Reform and Revolution

I have already expressed my views on these in my original response to Alistair Mitchell's "40 Theses" in "Class Consciousness and Transitional Demands" in the July 1992 issue of *New Interventions* (Volume 3, No.2) and other articles. I do not wish to repeat my arguments here. If readers wish to refresh their memory, I suggest they re-read these articles. I would only add the following thoughts on methods of struggle.

I have argued that insofar as the working class struggles on the industrial front for better wages and shorter hours, it struggles for improvement of its position within the framework of capitalism; and that insofar as it goes beyond these aims and struggles for a socialist society, its struggle merges with that of members of other classes. This also applies to certain reforms within capitalism. For example, the fight to save and improve the National Health Service and for a comprehensive old age pension is of equal interest to the small shopkeeper, the jobbing builder, self-employed plumber and decorator and other members of the petit-bourgeoisie. The methods of struggle also reflect this difference. The struggle over wages and hours is normally conducted by purely working-class methods, the strike and the go-slow – which

by definition can only be carried out by employed workers. You have to be a worker to be able to go on strike. Other forms of political activity – demonstrating, marching, electoral activity, even armed insurrection, are not class-specific. The old-style syndicalists believed, wrongly, that the general strike was sufficient to overthrow capitalism and bring the workers to power. But this purely proletarian method of struggle has to be supplemented by and combined with political action for socialists to achieve state power. In this specifically political activity, it is possible for non-working-class socialists to participate alongside with workers.

Change of Class or Change of Identity?

I referred earlier to Alex Callinicos redefinition of bourgeois revolutions, shifting the focus from the class which makes the revolution to the effects of the revolution – that is, the social changes it brings about. This is in marked contrast to some interpretations of Marx, for example Hal Draper's:

"It is insufficiently appreciated that, from early on, Marx and Engels habitually stated their political aim *not in terms of a desired change in social system (socialism) but in terms of a change in class power (proletarian rule)*. The two could not be assumed to be synonymous. The aim of proletarian rule, to be sure, *commonly assumed socialism or communism as the corresponding societal form*: but the reverse by no means worked automatically. Marx and Engels took as their governing aim *not the aspiration for a certain type of future society, but the position of a social class* as an embodiment of humanity s interests; not an abstract ideology of change (socialist ideas) but a class-conditioned perspective, what they called the proletarian outlook." (Hal Draper, *Karl Marx's Theory of Revolution*, Vol.2, p.24, my emphasis – HR.)

I much prefer Callinicos' emphasis on type of social system rather than class. I became a socialist, and remain a socialist, because I believe socialism is a desired *change in social system* for the benefit and survival of humanity. A change in class power (even if it was meaningful to talk in these terms) can only be a means to that end – not an end in itself. If the working class, despite my reservations, is eventually to be the agent for that desired change of society none will be better pleased than I. But, for the reasons given, I do not believe it is the only agent, nor do I believe that socialism will inevitably become the aspiration of the working class.

We must continue to work for socialism, but without illusions and with as realistic and accurate an analysis of how society develops as possible.

A Programme for the Left

BARRING major upsets, it is probable that there will be a Labour government within the year. Though there will be general relief at the ending of 18 years of Tory rule, many people on the left hold no great hopes that the New Labour government will tackle the problems of poverty, unemployment and insecurity. New Labour has given early warning, even before coming to office, that it intends to make no major changes to the existing economic system, no major interference with the free market, no increase in state direction of the economy, no inroads on the power of big business and the multinationals, no curbs on the City speculators, and no increase in public spending. So how are the problems of poverty, unemployment, insecurity and the collapse of the welfare state and infrastructure to be tackled?

Within a few years, Blair's New Labour government will have exhausted any credit it will have enjoyed, as the problems it promised to tackle will remain unresolved. Massive disillusionment will set in. In the absence of any credible socialist alternative, the danger is that this disillusionment will lead to apathy or a new lease of life for Toryism, or the strengthening of reactionary, racist and fascist movements. By the same token, the obvious bankruptcy of free market capitalism, whether administered by Tories or New Labour, will present an opportunity for the reversal of the long retreat of the socialist left, and for a renewal of support for socialist solutions to society's problems. But this will only happen if socialists are able to develop and present a *feasible and realisable alternative.*

It will not be enough for the left to bemoan Blair's abandonment of any socialist or even specifically meaningful policies; not enough to speak in general terms of the need for radical and socialist policies. The left, both within the Labour Party and outside, must elaborate a feasible *alternative programme* in specific terms. It must spell out concretely what should be done by a socialist government, not in the distant future, but in the actual present. To quote Alec Nove, it must define a "feasible socialism" conceivable in the lifetime of a child already conceived. And having done so, it must campaign within the trade union and labour movement for such a programme.

The first step, however, is to seek to regroup the scattered forces of the left around such a programme. Disagreement as to whether to remain in the Labour Party or work outside it need not be an obstacle. If agreement on policy and a programme of demands can be achieved, those who wish to campaign for it within the Labour Party should be free to do so, while they and others in the Socialist Labour Party or other organisations could still work together in the trade unions and other milieus for these agreed policies and demands.

A Feasible Alternative to Existing Capitalism

It would be utopian to imagine that a fully developed socialist society could be established overnight. The best we can hope for is to begin the *transition* to such a society starting from where we are now. Given the globalisation of the economy, it is also evident that such a transition cannot be successful on a narrow national base, but requires to be carried out on at least a European scale. Therefore the programme outlined below must be campaigned for and applied within at least the European community, and as much as possible beyond Europe.

It now seems to be generally acknowledged, except by die-hard Stalinists, that the top-down, bureaucratically run command economies of the Soviet Union and its satellites were neither socialist nor viable, and that top-down bureaucratic nationalisation, as introduced by the postwar Labour government in Britain, is not the final answer either. State ownership in and of itself is not socialism, especially in the absence of political pluralism and democracy.

A general consensus seems to be emerging that while some strategic industries and services may well be best administered centrally, the whole of the economy need not be state-owned. Cooperatively-owned, democratically self-managed autonomous enterprises liaising with each other through market mechanisms, and with local communities and interest groups having an input, might be a better form of "social ownership". (See, for example Pat Devine's *Democracy and Economic Planning*, the Common Ownership After Clause Four conference held in Manchester in September 1995, discussions in the Red-Green network, and Alec Nove's *The Economics of Feasible Socialism*.)

Overall planning at the macro level to ensure

environmentally friendly and sustainable growth would be conducted through a democratically-agreed national and/or regional plan financed through a publicly-owned banking network. Outlined below are proposals for such a programme around which I believe the left could unite. It is not intended as a final word; it is put forward as a basis for discussion. Amendments and criticisms are welcome. It comprises three main strands: the democratisation of economic life at the grassroots, overall planning and co-ordination, and the democratisation of the state.

Democratising the Economy

A number of different forms of ownership and control are appropriate.

Firstly, some industries and services, because of their very nature and/or monopoly position, operate best as centrally-administered large interrelated units, for example, the railways, energy generation (gas and electricity) and the oil industry. They should be taken back into public ownership. However, unlike previous nationalisations, there should be provision for worker/employee representation and participation in management decisions, and also a meaningful participation by the users (gas and electricity consumers, passengers) in decision-making. The exact method of representation of employees, users and other interested groups (for example, localities in which the enterprises are located) would need to be worked out in detail, as well as procedures for reconciling or mediating conflicts of interest.

Secondly, firms not suitable for state-owned centralised administration and employing (say) over 50 people could operate as cooperatively-owned autonomous self-managed enterprises engaging with each other and consumers through market mechanisms. The boards of these self-managed enterprises would be composed of elected representatives of the stakeholders, that is to say, the workforce and, where appropriate, other groups affected by their operations (for example, local communities and residents whose environment might be affected by the operations of the enterprise). This might be done by allocating seats on the management board to local residents' associations, local authorities and community groups. The management boards, thus constituted, would appoint and employ professional managers, technicians, accountants, etc. These enterprises would aim to be commercially viable and self-financing. The allocation of profits to further expansion or distribution among the stakeholders (the workforce, local communities, etc) would be decided by the management boards, subject to discussion and ratification by the stakeholders.

We should say to Tony Blair and other politicians who talk airily about a "stakeholding society": "Fine, let's turn these soundbites into reality. If you are serious about stakeholding, give real power to the stakeholders – the workers and local communities. This is how we propose to do it. What do you propose?"

What should happen to the existing owners? We need to distinguish between private owners and shareholders, that is to say, capitalists on the one hand, and institutional shareholders such as pension funds which represent the savings and contributions of ordinary working people on the other. As far as the capitalists and fat cats, whose wealth results from the past and present exploitation of workers, share options and the like, are concerned, it could be argued that outright confiscation might be natural justice. However, in an attempt to minimise opposition (and opposition from the rich and powerful is inevitable) and in return for acceptance of these measures and cooperation in the change-over to a democratic stakeholding economy, a Labour or socialist government could offer compensation in the form of changing existing ordinary shares into bonds or debentures paying a fixed rate of interest payable out of profits.[1]

Nevertheless, in order to placate small and medium shareholders and isolate the really rich, this form of compensation would be justified. A really serious socialist government would say to big business: "The choice is yours. Either you accept the will of the majority and get some compensation, or you oppose and sabotage it – and get nothing!"

Obviously, the detailed elaboration of a legislative programme will need to be worked out with political organisations and trade unions calling on the specialised expertise of economists and lawyers. But that itself is by no means sufficient. A top-down imposition of such democratisation of industry would not work unless the mass of the working class itself was imbued with a consciousness of its necessity, prepared to struggle for it, and prepared to participate in its functioning. This is why a campaign at grassroots level, within the unions and on the shopfloor, among office workers and supermarket employees, etc, is necessary.

In the 1960s and 1970s the Institute for Workers' Control coordinated the activities of trade unionists and shop stewards in pushing the idea of workers' control. A revival in some form of such a campaigning body should be considered. It could be called A Campaign for Social Ownership and Real Stakeholding. It could also provide a framework in which socialists and greens within the Labour Party, the Socialist Labour Party, the trade unions, the green movement and other organisations could work together. A start was made in September 1995 at the Common Ownership after Clause Four conference, which was co-sponsored by a number of organisations, and also attracted some Red-Green Network

activists. This should be built on, and, if possible, liaison established with similar movements in Europe and elsewhere.

Thirdly, pension funds and insurance companies must be democratised. A large proportion of shares are owned by institutions such as pension funds and insurance companies, and represent the savings and contributions of millions of working people. These could well remain in the hands of these funds and companies, but they need to be democratised. Detailed proposals for democratic representation of pension contributors, existing pensioners and the insured, and how to fit them into the new economic structures, need to be worked out with the help of experts in these fields.

Again, action and legislation at government level need to be supplemented by campaigning by pensioners' organisations, trade unions and local communities.

Finally, privately-owned firms employing less than 50 people would continue, but would be obliged to recognise trade unions, measures against unfair dismissal, etc. Self-employed builders, craftsmen, shop keepers, etc, would also continue to operate.

Planning

One of the problems that will have to be addressed is how the activities of a multitude of autonomous enterprises producing for a market can be reconciled with rational economic planning.

The abolition of capitalist ownership and control and its replacement by social ownership is itself a great step forward. But it will not resolve the anarchy and planlessness associated with market forces. For example, if we have several autonomous enterprises producing the same commodities, that is, competing with each other in the market, just as under capitalism, some will be more successful, others will go to the wall, and we will end up with new monopolies (although these will be cooperatively owned), while the workforces of the failed ones will become unemployed. Some sort of overall regulation of the different sectors of industry would need to be enforced to prevent this, and to regulate the optimum number and sizes of the different enterprises.

What happens if due to technological progress leading to increased productivity, there is overproduction of a particular product? Do the members of the cooperatives decide to halve the workforce, that is, sack half of themselves? Or amalgamate with similar enterprises, and dispense with half of their combined workforce? Or what? Obviously, the rational solution is for *all* workers to benefit from increased productivity by a general reduction in working time, thus giving *all increased leisure time* without a drop in material consumption.

Obviously, some sort of co-ordination and regulation within each branch of industry or economic sector to set the overall size of the sector and the optimum number and sizes of enterprises will be necessary. Devine suggests in his *Democracy and Economic Planning* that "negotiated co-ordination bodies" for each industry or sector, made up of representatives of each enterprise (plus other interested groups) could carry out these functions. Within the set parameters, enterprises would still be autonomous, relating to each other and the public via market mechanisms. This would be very different from the detailed central control of all such activities that operated in the Stalinist command economies, and which spawned a huge and corrupt as well as inefficient bureaucracy.

Similarly, at the level of the economy as a whole, the relations between the different industries and sectors, between capital goods and consumer goods, and between these and social services, health, education, etc, would be determined by the allocation of major investment and finance through an integrated state budget at national, regional and local levels.

A Publicly Controlled Banking and Investment Network

This co-ordination can be achieved through the overall control of major investment at regional, national and international levels. It would be the duty of the elected state institutions to work out the social priorities according to which society's resources would be deployed: how much in gross terms of society's production should be earmarked for personal consumption, new investment, health services, pensions, public transport, education and so on. The overall costs having been estimated, the state budget then allocates the required finance. For example, if it is decided that new hospitals or schools are needed, the necessary finances are allocated for this. The contracts for building the hospitals and schools, providing the equipment, etc, are tendered for by autonomous enterprises. These would then liaise with their suppliers via market mechanisms.

Thus the state, rather than profit-driven private finance, would determine the overall allocation of resources and new investment on the basis of social needs – and this includes determining the overall level of economic activity to ensure full employment.

Control over the allocation of investment capital between economic sectors and regions must be taken out of the hands of private capital, and vested in democratic society. This is essential if unplanned and chaotic economic activity with its booms and slumps, social inequalities and destruction of the environment is to be replaced by activity driven by social priorities.

The obvious way to do this is by taking the banks and major financial institutions into public

ownership, establishing an investment bank or network of banks at national and regional levels to provide the necessary finance for the public services referred to above, and credit and finance for the autonomous enterprises.

Again, here we need to be realistic and not utopian. The transformation of the existing financial institutions, with their myriad connections with the global market into a publicly-owned and accountable system will be a complex task. It will not be accomplished simply by socialist commissars marching into board-rooms and "taking over", and installing a committee of bank employees. A serious socialist movement will need to enlist the assistance of academics, economists and other experts in working out a feasible programme of trans-formation.[2] That is why, even now, a serious socialist movement must try and establish a dialogue between workers and sympathetic academics.

Under capitalism productivity increases lead to unemployment as competing firms "downsize" in order to increase dividends and undercut competitors. In the proposed set-up, increased productivity should result either in increased leisure for all, or increased production of other needed goods and services, or assistance to poorer developing countries – or a combination of these. This would be possible because the overall level of production and how it would be distributed among various sectors would be determined by overall planning at the macro level through the allocation of finance by the publicly-owned or controlled banking system.

In contrast to the discredited rigid command economies of the now defunct Stalinist regimes, the detailed interrelations between autonomous enterprises would be regulated by market mechanisms – but within the general framework set by the overall plan.

Public Ownership or Merely Control?

Economic policy in Britain during the Second World War provides an example of how it is possible to combine effective planning of the economy with market mechanisms. Physical controls on the use of resources (steel and raw materials) were imposed so that firms could only secure these commodities if their use was essential to the war effort. More significant was the establishment of state control over capital investment. Thus a firm was only able to secure finance from the banks for expansion of its productive capacity by applying to the Capital Issues Commission, which only granted authorisation if this was considered essential to the war effort, or necessary for the meeting of civilian needs within the overall parameters set by the War Cabinet. Similarly, the building of a new factory or the closure of an existing one had to be authorised, and was sanctioned only if it fitted in with the needs of wartime production. Despite the destruction by bombing, the U-boat blockade, and the strains of war, the system worked – even though the banks and industry remained in private ownership.

This prompts the question as to whether the complete taking of the banks and financial institutions into public ownership is necessary, or merely the sort of public control of capital investment and resources that existed in wartime. However, the vital difference between the situation that existed during the Second World War and the future situation envisaged is that during the war the controls were exercised by a capitalist government (albeit with Labour participation) pursuing a war in defence of British capitalism, and that therefore the capitalists accepted these controls. It is unlikely – to say the least! – that such acquiescence would be forthcoming in the event of a socialist government imposing such controls. Much more likely are attempts at sabotage, destabilisation and military conspiracies. Nevertheless, acting from a position of strength, a future socialist government could buy off, minimise or split the opposition by telling the capitalists: "Either you accept the will of the majority, cooperate and retain some profits – or face expropriation."

Beyond National Boundaries – The European Dimension

The globalisation of the economy and the international division of labour make it impossible to resolve problems on a purely national basis. This is why the policies outlined here must be fought for and implemented on an international scale. It would be utopian to expect that socialist governments could come to power simultaneously all over the world. However, the progress towards an integrated European Union with a common currency and central bank, and eventually an integrated state comprising most of Europe, does make feasible and conceivable the implementation of a socialist programme on a European Community scale.

That is why we must be pro-European and in favour of a common currency. However, this does not mean accepting the Maastricht convergence criteria which are deflationary, and which would lead to further erosion of jobs and welfare. In this context we must support the campaign by European MPs such as Ken Coates and other British and European MPs for rejection of these criteria, and for using new financial instruments for borrowing and investment such as the European Investment Fund, and the establishment of a European Public Sector Borrowing Requirement to create the 15 million jobs target of the Delors White Paper on growth.

Side by side with this, a coordinated campaign

by the European trade unions for a continent-wide reduction in average working time must also be part of the campaign against unemployment – as well as an all-European trade union and shop steward campaign for social ownership. To this end the perspective must be the development of an integrated movement on a Europe-wide scale to campaign for these policies.

The Environment – A Red-Green Alliance

Marxists have traditionally condemned capitalism because it acts as a fetter on the development of the productive forces. It was thought a ceiling above which they could not rise had been reached by the 1930s or even earlier. Since the Second World War, there has been a dramatic increase, and despite recessions there is no sign that a ceiling has been reached. Instead, it has become apparent that the untrammelled development of capitalist industrialisation threatens an environmental disaster. This and the exhaustion of non-renewable natural resources may impose limits and constraints on acceptable industrial growth. It is this realisation which has prompted the world-wide development of Green movements. It is becoming increasingly apparent that it is the unplanned and chaotic nature of profit-driven capitalism that stands in the way of a rational use of resources, and sustainable and environmentally-friendly economic development.

The proposals outlined here for overall economic planning through public control of all major investment and for community participation in local enterprises should therefore appeal to the Greens.

An example of how such policies could link with the concerns of Greens and environmental campaigners is the problem caused by the proliferation of private car ownership. This causes atmospheric pollution, destruction of the environment due to new road building (the Newbury by-pass conflict), traffic jams, etc. The obvious solution is the development of an integrated bus and rail public transport system, and the reduction of the number of cars on the roads. At present this comes up against two obstacles. The profitability of public transport is obviously not sufficient to attract private capital. And right wing governments intent on curbing public expenditure will not finance or subsidise public transport. The other obstacle is the vested interests of the car industry. Reducing the number of private cars threatens a loss of profits for motor manufacturing firms, and a loss of jobs for car workers.

Both these obstacles disappear if all major capital investment is socially controlled through a publicly-owned or controlled banking system which directs investment according to a democratically worked out integrated transport policy. Once the desired mix of rail, bus and private car transport and the appropriate road and rail network to go with them has been worked out, the necessary capital investment and finance is provided through a national or European investment fund.

If this integrated transport policy also involves the loss of jobs in the motor car industry, the plans would include the creation of alternative jobs or a general reduction in working time, or a combination of both, with the necessary finance for alternative employment being provided through the public banking and investment institutions.

Another example of how public control over the allocation of capital could help solve environmental problems would be the allocation of finance for research into and development of alternative sources of energy, for example, wind and wave power to replace fossil fuels. At present this does not attract private finance.

The Democratisation of the State

The "state" has been mentioned several times in the sections dealing with overall economic planning. What sort of state is envisaged?

Marxists have argued that the state is the executive of the ruling class. From this premise the conclusion is drawn that socialism cannot be achieved using the existing state machine; that this state machine will have to be replaced by a "workers' state".

Certainly the existing state machine has inbuilt obstacles to the achievement of socialism – for example the fact that parliament has no real control over the cabinet, which can declare war, introduce a state of siege, etc, without parliamentary approval, the House of Lords, the royal prerogative, etc, etc. A radical restructuring of the state machine to widen democratic control and initiative from below is obviously necessary. But this does not mean that socialists cannot or must not use existing institutions. So long as parliament is still relatively freely elected, and so long as alternative structures have not arisen naturally, as a result of social movements, it is ludicrous for socialists to talk of "destruction of the state machine" and its replacement by non-existent "soviets".

When the Tory Heath government was forced to resign by the miners' strike in the 1970s, even the most militant miners accepted as natural that the government to replace it should be decided by a general election. As long as parliamentary democracy exists and is accepted by the mass of the working class and middle class, socialists must have the perspective of winning a socialist majority in parliament. True, we must be aware of the possibility, even probability, that reactionary forces would attempt to subvert an elected socialist government by military coup d'états, etc (as in Chile), and that in any case a socialist majority

would have to undertake a radical transformation of the state machine – democratisation of the armed forces and police, stricter control of these forces, etc. It is quite possible that the scenario might be a re-run of the English Civil War of the seventeenth century with Parliament versus the modern Royalists in the course of which a New Model Army and new popular institutions would develop. But this does not justify rejecting the "parliamentary road" in advance, or calling for non-existent soviets as if the Russian revolutionary road of October 1917 had universal application.

Instead, a realistic and feasible set of measures to transform the existing state structures in Britain and Europe, including the structures of the European Community, must be worked out side by side with the economic policies and demands outlined here.

These new structures should encompass political plurality and open government, and enable input from grassroots level in decision making, with maximum decentralisation and devolution of power downwards consistent with overall planning. More detailed proposals need to be worked out.

This document does not deal (except insofar as they are subsumed in the economic proposals) with other aspects of policy – on education, health services, pensions, armaments, foreign policy, aid to underdeveloped countries, etc. All these should be the subject of other documents and discussion.

Some Thoughts on Compromise

Discussing the transfer of enterprises to social ownership, the possibility of compensation for existing shareholders was considered. The possibility of control of the banking system as an alternative to outright nationalisation has also been considered. Reference has also been made to the fact that something similar to the wartime control of material allocations and capital investment, might work even if private ownership of large parts of industry and banking were retained. All these would represent a compromise with capitalism. I can imagine such talk might arouse the concern of some comrades. Let us be clear. Of course we would prefer not to have to make these compromises. But in some circumstances compromises may be necessary in order to weaken or neutralise the opposition of big business and its supporters, to win wavering elements to our side. If the opposing forces are evenly balanced, and a drive for outright defeat of the reactionary anti-socialist forces is too costly in human and material terms, then we should be prepared to say to the owners: "Look, if we can reach agreement, we are prepared to offer or increase compensation if you agree to social ownership; we are even prepared to leave you in ownership if you will agree to accept our directives on how the resources are to be used, and our priorities and directives on how and where your capital is to be invested. If you cooperate, well and good. If you don't and you sabotage our measures, then we shall be forced to take over completely."

This, in fact, was the attitude first adopted by the Bolsheviks. A very clear exposition of the Bolsheviks' thinking was given by Trotsky in an interview with the American correspondent E.A. Ross:

"Is it the intention of your party to dispossess the owners of industrial plant in Russia?"

"No", he replied, "we are not ready yet to take over all industry.... For the present, we expect out of the earnings of a factory to pay the owner five or six per cent yearly on his actual investment. What we aim at now is control rather than ownership."

"What do you mean by 'control'?"

"I mean that we will see to it that the factory is run not from the point of view of private profit, but from the point of view of the social welfare democratically conceived. For example we will not allow the capitalist to shut up his factory ... because it is not yielding him a profit. If it is turning out economically a needed product, it must be kept running. If the capitalist abandons it, he will lose it altogether, for a board of directors chosen by the workmen will be put in charge.... By sticking to this principle you can keep up the existing industrial outfit. But in some branches – say the making of motorcycles or tractors – new factories are called for.... Where will the money come from that will build these new factories? We can impose on the capitalist to whom we allow a dividend of five or six per cent on his capital the obligation to reinvest in some industry – a part, say, 25 per cent – of what he receives."[3]

As we know, this attempt at neutralising the opposition of some capitalists and winning the cooperation of others was abandoned when the compromise was rejected and civil war unleashed. But there is no reason in principle why such compromises should not be offered in future.

Let us suppose that a socialist party has come to power (in Britain or any other advanced capitalist country, or even in several within the European Union) on a programme similar to the one outlined here. It has an electoral majority and the support of a mass movement encompassing a majority of the politically active working class and a fair section of the professionals and academics. It is meeting with opposition from the right, which may, if pushed, escalate into outright sabotage and military conspiracies backed by foreign powers. The cost, both material and human, of meeting and defeating this head-on would be high, and the outcome uncertain. In such a situation, a socialist government might justifiably attempt to implement the compromises mentioned above in

order to defuse some opposition, win over waverers, and isolate the hard core reactionaries. This would be from a position of strength, backed by an active popular movement, and combined with measures to dismantle the undemocratic and reactionary features of the state apparatus (for example the House of Lords and the royal prerogative), and replace them with popular-based institutions. From such a position of strength the reactionary forces and big business would be given the choice: "Either you accept the democratic will and cooperate with the measures enacted, or else we shall be forced – with popular backing – to expropriate you completely. We prefer the easier way as this will obviate human suffering; the choice is up to you."

Such compromises, backed by mass support, would be very different to the retreats and "compromises" offered by Tony Blair before the fight has even begun; compromises and retreats on which no forward-going movement can be based, and which, in fact, discourage any popular mobilisation for anything at all.

To Sum Up

What has been proposed are a publicly-owned or controlled banking system and public control of all major investment funds, and some state-owned centrally-administered utilities and industries, with the rest of the economy to consist of cooperatively-owned autonomous enterprises (with community as well as worker participation), small privately-owned firms, and the self-employed. Overall planning will operate at the macro level ensured by the public control of major investments, and within this overall framework market relations between enterprises and between producers and consumers. There will be the democratisation of the existing state structures.

Obviously, not all problems and conflicts of interest would be eliminated. But concentrations of private wealth and power would have been eliminated, and all would participate in decision-making through a combination of local democracy within each enterprise and each industry, and overall democracy at local, regional, national and eventually international level. Devine calls this "negotiated co-ordination". One would not claim the programme outlined here will establish a fully socialist society rather than one in transition (this raises the question of exactly what is meant by "socialism"), but at least it would be a better society than the present one. More importantly, it can present a feasible alternative as a platform around which the left and Greens can regroup.

Notes

1. One of the arguments of the New Labour leadership against committing themselves to renationalisation of the privatised utilities and railways is the cost of buying out the existing shareholders. This is a false argument since the exchange of the existing shares for interest-paying bonds does not involve any actual transfer of money. This, in fact, is what happened when the 1945 Labour government nationalised the railway companies. Shares in the railway companies were simply exchanged for transport stock paying a fixed interest. Left wingers at the time complained that this was too generous, since the private railway companies had not paid out any dividends since the First World War, and the interest payments were an intolerable extra burden on the nationalised railways.
2. The prospect of professional economists – whose job is to justify and help run the present system – assisting in its socialist transformation may, at the moment, seem ludicrous. But in a situation in which the existing system is obviously unable to function, and a feasible alternative has been embraced by millions who have brought a radical and socialist government to power, then a fair number of these "bourgeois experts" would be won over, and would be prepared to cooperate with the new regime. Was it not Marx who said that under some circumstances sections of the propertied classes "would rally to the proletariat", on condition, of course, that the proletariat was serious in its intentions.
3. "A Talk with Trotsky", *The Independent* (USA), 9 March 1918; reprinted in A. Richardson (ed), *In Defence of the Russian Revolution*, London, 1995, pp.185-7.

Premature – And Diseased From Infancy?

DURING the whole period I was active in the Trotskyist movement, I accepted the view that the revolution of October 1917 was a great leap forward on the road to socialism, and that the regime it established was a healthy workers' state until it started degenerating from 1923-24 onwards with the ascendancy of Stalinism and the defeat of the Trotskyist opposition. Since then a closer examination of the actual history of the revolution has led me to question this view. As early as the summer of 1918, the Bolsheviks had lost the support of large sections of the working class and of the peasantry, and were ruling dictatorially.

Let me first dispose of the argument that the October Revolution was nothing but a coup by the Bolsheviks carried out behind the backs of the working class. It is true that the actual operation was decided on by the Bolsheviks' central committee and carried out by them, though under the cover of the Military Revolutionary Committee set up by the Petrograd Soviet at the instigation of the Bolsheviks. As Trotsky himself admitted, the military operations took place whilst Petrograd, including the workers' districts, slept. The next morning, the Military Revolutionary Committee handed power to the Second Congress of Soviets as a fait accompli whilst the Bolshevik Red Guards were still assaulting the Winter Palace and arresting the ministers of the Provisional Government.

However, to leave it at that would be to give a one-sided picture. It is also a fact – acknowledged even by their opponents – that the Bolsheviks' demand for the Soviets to take power had the support of large numbers, if not the majority, of the workers and soldiers, as was confirmed when the Second Congress of Soviets met and accepted the power.

The Provisional Government was so discredited and had so few forces at its disposal (all the major military units in and around Petrograd had already decided to obey orders only if approved by the Soviet organs) that the preliminary military operations by the Bolsheviks were superfluous, and a mere vote by the Soviet Congress and its dispatch of troops to occupy the Winter Palace might have been sufficient. Insofar as the Congress of Soviets did reflect the feelings of the majority of workers, soldiers and peasants, and that it did accept power, it could be said that the working class and peasantry did exercise power through the Soviets as a result of October 1917.

But we must immediately add the proviso that this could only be true on two conditions. Firstly, that the Soviets remained democratic bodies elected under conditions of freedom of expression and assembly of all the left-wing groups and parties, and, secondly, that the government reflected the balance of forces in the Soviets and the country, and was subordinate to the Soviets.

None of these conditions lasted for more than a few weeks. Within months of October, opposition papers had been suppressed and opponents arrested, the Cheka created, and strikers and peasants who resisted the requisition of grain arrested and killed.

As Trotsky himself admitted, only a minority of delegates to the Congress of Soviets in October were in favour of a purely Bolshevik government. The overwhelming majority were for a coalition government comprised of all the parties represented in the Soviets: Bolsheviks, Mensheviks and Socialist Revolutionaries. The right-wing Mensheviks and SRs must bear prime responsibility for the failure of such a coalition government to emerge. They opposed the assumption of power by the Soviets, and walked out of the congress.

Nevertheless, even after that, a coalition was still a possibility. An attempt by the railwaymen's union, Vikzhel, to get the three Soviet parties into negotiations was wrecked by the mutual intransigence of the three parties. The Mensheviks and SRs posed conditions the Bolsheviks would find it difficult to accept, and, despite a willingness on the part of some Bolsheviks to have a coalition, Lenin and Trotsky were opposed to the negotiations from the start. The five-man minority on the Bolshevik central committee (Kamenev, Zinoviev, Rykov, Miliutin and Nogin) were threatened with expulsion from the party, and resigned from the central committee on 4 November 1917. In an open letter, they stated that a purely Bolshevik government could be

maintained only by means of "political terror", and would lead to "the establishment of an unaccountable regime and to the destruction of the revolution".

Within weeks of the October Revolution, the subordination of the government to the Soviets was ended, and the power of the Soviets was eroded from both top and bottom. By December 1917, the Council of Peoples Commissars was taking decisions without reference to the Soviet executive committee.

Another milestone on the road to a Bolshevik dictatorship was the dissolution of the Constituent Assembly in January 1918. In the elections, the parties that could have formed the socialist coalition demanded by the railway unions – the Bolsheviks, Mensheviks and SRs – between them received over 77 per cent of the total vote. A confirmation that such a coalition – based either on the Soviets or the Constituent Assembly, or a combination of both – would have had the support of a majority in the country. But again the intransigence of the Bolshevik hard-liners and the equal obduracy of the SRs and Mensheviks precluded this. The Bolsheviks were in a minority in the Constituent Assembly. They disbanded it.

As the economic situation continued to deteriorate, the Bolsheviks found themselves in conflict with both workers and peasants. Faced with the refusal of peasants to sell foodstuffs to the towns, since they could buy no manufactured goods in exchange, the Bolshevik government sent armed detachments to requisition grain by force. The peasants resisted. Bolshevik commissars were beaten up and murdered. There were reprisals and atrocities by both sides. The Bolshevik government found itself in a state of civil war with the peasants.

Workers' control in the factories in the conditions of economic breakdown could not prevent anarchy and chaos. The workers' bodies in control of the factories often voted themselves pay rises, fuelling inflation. The flight or chasing away of the old managers and technicians disrupted production already hit by shortages of fuel and raw materials. The workers' committees were unable to reverse the decline in labour discipline and the constant pilfering of equipment and raw materials by the workers to make cigarette lighters and other illegal good to barter for food with the peasants. Conveyor belts used to drive the machines were cut up for leather to make shoes. At any one time, half the workforce was absent from the factories visiting the villages to collect food.

The workers could hardly be blamed for this in the circumstances. To expect them to exercise self-discipline when starving implied a very high degree of social consciousness – which just did not exist. Nor, for that matter, could the Bolsheviks be blamed either. They could not wave a magic wand – either to produce bread or to raise immediately the cultural level of the masses so as to overcome the conflict between the individual workers' desire to feed themselves and their families, and the overall interests of the revolution which required them to remain at work.

Strikes and protests engulfed all the country's major industrial districts, including the former Bolshevik strongholds in Petrograd and Moscow. The disillusion of the workers was expressed in a declaration by the striking workers at the Sormovo factory in June 1918: "The Soviet regime, having been established in our name, has become completely alien to us. It promised to bring the workers socialism, but has brought them empty factories and destitution." A workers' protest movement, the Extraordinary Assemblies of Factory and Plant Representatives, was formed in March 1918 with a membership of several hundred thousand at the height of its influence in June.

The response of the Bolsheviks was to nationalise the factories, replace workers' control by one-man management, and dissolve the oppositional Soviets. By the summer of 1918 with the departure of the Left SRs from the government and the suppression of their uprising, and the Red Terror unleashed by the Cheka, the Bolshevik one-party dictatorship was in place. Any popular control from below of the Soviets or the government had disappeared.

In addition, there is ample evidence that the hard core of devoted self-sacrificing Bolshevik party cadres were already being swamped by careerists and corrupt elements in the party and Soviet institutions. In September 1919, a report landed on Lenin's desk showing that the Smolny was full of corruption.

Conclusion and Unanswered Questions

In the light of these facts, one can no longer uphold the Trotskyist thesis that from 1917 to 1923-24 the Soviet Union was a "healthy" workers' state, and that the degeneration into bureaucratic dictatorship took off only afterwards.

So were Kautsky and the Mensheviks right to oppose the October Revolution from the start, as an attempt prematurely to go beyond the bourgeois stage of the Russian revolution? Were they right to declare a socialist working-class revolution in a backward Russia premature and doomed to failure because the conditions for socialism were not ripe – both as regards the economic base and the social and cultural level of the working class? On the face of it, subsequent history would seem to justify them.

Nevertheless, the Bolsheviks and the supporters of the October Revolution could – and did – argue with some justification that the Mensheviks were looking at Russia in isolation, and ignoring the international context. The war of 1914-18 had demonstrated the terminal crisis of

imperialism – the last stage of capitalism – on a world scale. Proletarian revolutions in several advanced capitalist countries were an immediate possibility; the mass slaughter of the imperialist war was driving the proletariat of the belligerent countries to revolution. Tsarist Russia was the weakest link in the chain. The October Revolution would trigger further revolutions in Europe.

If these assumptions were correct, then the Bolsheviks were justified. And one must admit that in 1917-18, these assumptions seemed reasonable. Within a year of the assumption of power by the Bolsheviks, revolutions erupted in Germany and Austria. In 1919, Hungary had its revolution; in 1919-20, the Italian workers occupied factories. If these revolutions had succeeded in establishing long-lasting Soviet republics, and if, as a result, the revolutionary tide had also engulfed Britain and France, then indeed the October Revolution would have been justified, and the degeneration of the revolution might have been prevented.

But, with hindsight, we now know that capitalism survived. It was not in terminal crisis. It survived the revolutionary wave of 1917-23, and survived the slump of the 1930s and the Second World War to enjoy a prolonged boom. It is today beset with difficulties and problems, but is not in imminent danger of giving way to socialism. It has proved more resilient and longer-lived than revolutionary Marxists expected. The standard argument put forward by we Trotskyists to explain this is that capitalism *would* have been overthrown had it not been for the repeated "betrayals" by the reformists. This begs the question – why, despite their repeated betrayals, have the reformists continued to have far more support among the workers than the revolutionaries with their "correct" policies?

All one can say is that the "workers' state" that was born in October 1917 was premature and infected from infancy. Unfortunately, as it degenerated, it infected the working-class movement internationally, and proved an obstacle on the road to socialism.

My old comrade, the late Alex Acheson, who joined the movement in the 1930s and remained a committed Trotskyist till his death last year, once said to me: "It might have been better if the October Revolution had never occurred." What factors or actions by the participants might have resulted in the non-occurrence of October and a different outcome?

Assuming that nothing is inevitable until it has happened, and that "men make their own history", there are three possibilities.

Firstly, that Lenin's *April Theses* that set the Bolshevik party on the road to the October insurrection had been rejected by the party. Let us recall that up till Lenin's arrival in Petrograd, the Bolshevik leadership was pursuing a policy of critical support for the Provisional government. They felt this was consistent with the view that since the Russian bourgeoisie was incapable of bringing about a bourgeois revolution, this task would have to be carried out by the proletariat supported by the peasantry, but that the revolution could not go immediately beyond the stage of establishing a bourgeois republic. In February, the Petrograd proletariat had carried out this "bourgeois revolution" with the support of the peasant soldiers. Now that the bourgeois republic was in place, the next stage was not the immediate struggle for working-class power, but a relatively prolonged period of bourgeois democracy. Lenin now abandoned this view which he had himself defended under the slogan of "the democratic dictatorship of the proletariat and the peasantry", and argued for no support for the Provisional Government, and for agitation for power to the Soviets. He swung the Bolshevik party to this policy. But it was not inevitable that he should have done. The Bolshevik party might have continued its policy of critical support for and pressure on the February regime.

Secondly, even after his steering the party on its new course, Lenin had to fight again in October to commit the party to insurrection against the opposition of Zinoviev, Kamenev, etc. It is not inconceivable that Zinoviev and Kamenev might have carried the day. Then there would have been no October.

Thirdly, even after October there was, as I have pointed out, a very real possibility of a coalition Bolshevik-Menshevik-SR government, based either on the Soviets or a combination of the Constituent Assembly and the Soviets as organs of local power and administration. This possibility foundered against the mutual intransigence of the Bolshevik hardliners on one side and the Menshevik and SR right-wing on the other. But in both camps there were conciliatory wings, the Menshevik Internationalists and some Left SRs and the Bolshevik "moderates" – Kamenev, Rykov, Nogin, etc.

It will be argued that, given the objective situation and the acuteness of class conflict, any such compromise regime, either in the form of a continuation of the February regime or in the form of a coalition of Soviet parties, would have been torn apart and incapable of resolving the problems of peace, bread and land – and that their policies on these questions were too far apart to be reconciled.

This was not necessarily so. Take the question of peace or war. True, the Bolshevik government signed the Brest-Litovsk treaty which ended the war with Germany in March 1918. But any other government would have been obliged sooner or later to sue for peace – even if only because of the disintegration of the Russian armies. After all, the World War itself ended in November 1918 for all belligerents; Russia under the Bolsheviks had to

endure the war with Poland in 1920 and the Civil War till 1921.

On the land question, it is true that the procrastination of the February regime on this fuelled the peasant opposition to it, and the peasants support for a Soviet regime in October 1917. But would a Bolshevik-Menshevik-SR coalition have foundered on this issue? Hardly! The Bolsheviks had already taken over the SR's policy. The Mensheviks, it is true, were for the municipalisation of the land, but they would surely have accepted the Bolshevik-SR policy as a price for inclusion in the government. Such a coalition government would still have been faced, as the Bolsheviks were, with the reluctance of the peasants to supply food to the towns in exchange for worthless paper money. But could they have dealt with this question in any worse way than the Bolsheviks did – by civil war against the peasants and terror, and (later in 1929) by forced collectivisation? In any case, the Bolshevik policy of War Communism and forcible requisition failed in the end, and had to be replaced by the New Economic Policy. It is arguable that with the SRs in the coalition, the excesses of War Communism might have been avoided and a policy similar to the NEP adopted earlier.

As regards policy on industry, workers' control, private ownership or nationalisation, would the policy differences between the Bolsheviks and Mensheviks have been irreconcilable in the circumstances of 1918 onwards? It is worth recalling that during the first months of their rule, the Bolsheviks refrained from nationalising the factories – content to leave them in the nominal ownership of capitalists, but under workers' control. In fact, the Bolsheviks hoped at first to win the acquiescence or at least the neutrality of the defeated bourgeoisie in return for concessions. It was only from the summer of 1918 onwards that the Bolsheviks, under the combined pressure of the sabotage of the owners, the threat of the takeover of German-financed enterprises under the terms of the Brest-Litovsk Treaty, and the collapse of labour discipline, started large-scale nationalisations and introduced managerial control.

A coalition government of Bolsheviks, Mensheviks and SRs, having a much broader based support than a purely Bolshevik one, would have been able to confront the White Armies more successfully, and thus shortened the Civil War, and reduced the destruction of the economy.

Marxists, Plekhanov for example, have argued that history is determined by large-scale impersonal social forces, and that the actions of individuals – and by implication, groups of individuals in the leadership of parties – are powerless to alter the course of events. It can also be argued that the attitudes and actions of the Bolsheviks, Mensheviks, SRs, their leaderships and individuals, were themselves determined by the whole of their past histories and ideological roots, and they could not have acted otherwise than they did. That what happened was inevitable. But this is to look at events from a distance and with the hindsight of 1997. What happened happened. But in 1917-18, these parties, leaderships and individuals *did* have a choice of actions.

Even if I have been too optimistic about the possible alternative scenarios outlined above, could anything have been worse than that which actually occurred following October 1917; the Civil War, the Cheka terror, the concentration camps, the forced collectivisations, the deportations, the famines, cannibalism, the Stalinist purges – all ending in the collapse back into mafia-capitalism, and the discrediting of the very idea of socialism?

The assumption that the only alternative to Bolshevik rule was military dictatorship was based on the overall assumption that capitalism, internationally, was in terminal crisis. Therefore the development in Russia of a capitalist economy under a parliamentary democracy was impossible. Similar assumptions were made by the Trotskyists in 1945 for Europe after the Second World War. The epoch of bourgeois democracy and reforms was over. Either successful revolutions would overthrow capitalism under the leadership of the Fourth International, or capital would rule through military or Bonapartist dictatorship. There followed several decades of boom, increasing prosperity and bourgeois democracy under either reformist or plain bourgeois governments!

Was the assumption of the impossibility of a post-1917 parliamentary democracy in Russia just as mistaken?

Let us hope that when the next infant socialist state is born, those that bring it into the world and tend it will have learnt from the tragic fate of its predecessor – and that their actions will be guided by the experience of 1917!

Revisionist Thoughts, Reformist Conclusions

WHEN it was founded in 1919, the Communist (Third) International based its perspectives and policies on the assumption that capitalism was in terminal crisis. No further expansion of the productive forces was possible, the overall rate of profit was declining, any reforms and improvements the working class had won during the period of capitalist expansion were under threat, and no further reforms were possible. The working class was becoming increasingly revolutionary; it was only being held back from its final onslaught on capitalism by the treachery of the reformist leaders of the social democratic parties and unions. By exposing these leaders and organising the working class under its leadership, the International and its parties would accomplish the revolution. When it became evident that the Communist International had, under Stalinist control, abandoned this revolutionary perspective, the Trotskyist Left Opposition set up in 1938 the Fourth International (to which I belonged) to continue it. Its *Transitional Programme* was in fact subtitled *The Death Agony of Capitalism*. Anyone who questioned these basic assumptions was castigated as a "revisionist". To hint that capitalism was not in terminal crisis or that reforms and improvements were possible this side of revolution was condemned as reformism.

Nearly 80 years after the founding of the Third International, and nearly 60 years after the founding of the Fourth, capitalism is still very much alive, and the prospects of the socialist revolution even dimmer than at any time. The hold of reformist and even bourgeois ideology on the working class is still marginalising revolutionary Marxism. If those who, like myself, based their political activities over the years on the Marxist-Leninist perspectives now reject them as falsified by history, what alternatives do we put in their place?

In *Reluctant Revolutionary* and various articles, I have attempted to understand why the revolutionary apocalyptic perspective was mistaken, and to sketch out alternative views. This has been part of a discussion proceeding within circles of the left over the last few years in the pages of *New Interventions* and other forums. I offer this as a further contribution to this discussion.

Reformism is Still Alive

By reformism, I mean the push not only for improvements in the conditions of the working class in the form of higher real wages, shorter hours and better conditions of work, but also better health and public services, earlier retirement and better pensions, and protection of the environment. Many of these involve a restructuring of economic power relations, constraints on crude market forces, state intervention, limiting the powers of big business corporations, etc. In that sense they are not merely reforms, but involve a transformation of capitalism. And these structural reforms do not have to wait till after the revolution but can and must be fought for now. Ralph Miliband called this the advancement of reformist policies and struggles within the perspective of a fundamental transformation of the social order.

Reformism and improvements in conditions are still possible because, contrary to the previous assertions of Marxist economists, there is no in-built limit to the growth of the productive forces under capitalism, or to increases in productivity. Increases in surplus value and the mass of surplus use-values are still possible. I have already argued that even Marx's model of capitalism does not, despite his well-known description of capitalism being "a fetter on the productive forces", indicate an absolute ceiling on growth. Rather, Marx's analysis of how and why cyclical fluctuations – booms and slumps – occur indicates that capitalism is in a constant state of seeking equilibrium, achieving it and then losing it again.

The function of slumps is to restore the disrupted equilibrium, and, in Marx's own words, permit a renewal of the cycle "under expanded conditions of production, in an expanded market, and with increased productive forces". Marx also showed how increased productivity enables the worker to get an improved standard of living despite the continuation (or even increase) of capitalist profit, saying in *Capital*, Volume 1: "It is, however, possible that owing to an increase of productiveness both the labourer and the capitalist

may simultaneously be able to appropriate a greater quantity of these necessaries without any change in the price of labour power or in surplus value." And in *Capital*, Volume 3: "... the same amount of values represents a progressively increasing mass of use -values and enjoyments to the extent that the capitalist process of production carries with it a development of the productive power of social labour, a multiplication of the lines of production, and an increase of products." This is precisely what has happened. Even during periods of recession, side by side with the increasing misery due to unemployment, the real wages of those still in work – the majority of workers – have risen. This has happened not only since the 1970s, but also during the depression of the 1930s (at least in Britain, mainly due to prices falling faster than wages). It is also forgotten by many Marxists that the conditions of life of the working class are seldom uniform; there is a wide range of conditions, large numbers of more skilled workers are relatively comfortable, whilst others – unskilled, in casual employment and in declining industries – remain in dire poverty. There is seldom universal immiseration or universal improvement. This is said not to defend capitalism, but to explain, at least partially, why large number of workers still continued to vote for the Conservatives and Liberals both in the 1930s and 1980s.

The continued expansion of the productive forces and productivity does not, of course, *guarantee* improved conditions for the working class and petit-bourgeoisie, it only makes these improvements *possible*. They still have to be fought for – but they are *achievable*. That is why higher wages and shorter hours can still be won by trade union action. And why it is still possible for governments to increase funding for health services, pensions and benefits. Socialists should not therefore decry attempts to force these improvements on reluctant employers and governments as unachievable. Nor should the left dismiss the attempts of currents within the Labour Party or European socialist and Green parties to push such programmes as mere "reformism" which should only be supported for tactical reasons, to expose their limitations as a means of developing revolutionary consciousness. Reformism is still an option, not only because it is still objectively possible, but also because working-class people will not abandon attempts to win improvements within the capitalist framework and opt for the revolutionary alternative until they become convinced that, firstly, the reformist road is closed, and secondly, the revolutionary alternative is both desirable and feasible. I have shown why the first condition is unfulfilled. I now turn to the second condition. Even if reformist politics should fail to win improvements, people will need to be convinced that the revolutionary Marxist alternative is feasible and desirable. On both counts, this is unlikely in the near or foreseeable future.

The negative features of "existing socialism" in the former Soviet bloc and its ignominious collapse have discredited the very idea of socialism in the eyes of millions. At the moment, no significant parties or movements exist which stand for a socialist alternative, and are seen as capable of replacing existing governments. The communist parties have collapsed, and the social democratic parties, including the British Labour Party, have accepted there is no alternative to the capitalist market.

In these circumstances, it is likely that most protests and conflicts will remain within the bounds of seeking changes within the framework of capitalism – whether it be a 35-hour week, better public services, improved pensions, etc. They will either try to force existing governments, such as the Labour government in Britain and the Socialist government in France, along these lines, or look for alternative parties. The failure to achieve these measures, or, if achieved, their failure to satisfy popular aspirations, will not necessarily engender more socialist consciousness. They may, but they may also lead to apathy and cynicism, or a growth for racist and right-wing movements. The outcome depends, to a certain extent, on the intervention of political activists.

Much of Blair's success in the Labour Party was due to the perception of party activists that the old policies, which they perceived as vote losers, had to be replaced by a new realist pragmatism. But they did believe that Blair & Co were genuinely going to reform the worst features of society. As it becomes clear that Blair is not even a reformist, the first signs are appearing within the Labour Party of an opposition demanding genuine reformist policies such as more government intervention in the economy, abandonment of the Tory spending limits, progressive redistributive taxation, stronger environmental policies, etc. As a result of New Labour's abandonment of even reformist policies, there are indications that a new reformist opposition is arising, such as the revolt in the Parliamentary Labour Party, the Coates-Kerr threat to stand as independents in the European elections. Before discussing what our attitude should be to these currents, let us say more about the possible development of capitalism in the foreseeable future.

The Future of Capitalism

The fact that capitalism is not in terminal crisis does not mean that it faces an unproblematic future. Though the continued growth of the productive forces and new technologies make possible dramatic improvements in the standard of life, there are also other possibilities. The chaotic and unplanned growth of these forces, driven

purely by the search for profit maximisation, can also lead to wild cyclical fluctuations, increased conflict, environmental disasters and social regression. In an interesting article in an early issue of *New Interventions*, Paul Hoggett took up the theme of Kondratiev cycles, of long waves of capitalist development separated by crises. Politics determined how capitalism was restructured after each crisis. If the crisis was resolved decisively in favour of labour, it would lead to a revolutionary transformation in the mode of production itself leading to a qualitatively new mode. By this, I assume Hoggett meant a socialist mode. If the crisis was resolved on the terms of capital, but the forces of labour were strong enough to insert some of their requirements into the restructuring process, a new form of capitalism would emerge which contained an uneasy tension between capital and labour, but would still be workable. I would assume this could be a sort of mixed economy with welfare state provisions – in fact, a good description of the period between 1945 and the 1970s. A third alternative would be a resolution of the crisis and restructuring of capitalism overwhelmingly in the interests of capital. Fourthly, a stalemate could occur between capital and labour, or an overwhelming victory for capital could lead it to become complacent or corrupt, leading to a gradual or rapid descent into a dark age (as after the decline of the Roman Empire). Hoggett, rather pessimistically, thought these last variants most likely. I very much agree with Hoggett that the future is not determined mechanically purely by developments in the economic "base", but also by events in the "superstructure" – which include the activities of people, both as collectives and individuals, amongst which are the activities of socialists.

One development of twentieth-century capitalism which intensifies the influence of politics on economics, a development which in my opinion has been rather ignored, is the advent of fiduciary money and credit divorced from its gold base. When currencies were linked to gold or silver, the amount of money in circulation was limited by the physical availability of these metals which required the expenditure of labour for their production. Now that the link has been broken, governments and banks can increase the amount of money and credit almost at will by political decisions. Orthodox economists argue that they are constrained by the risk of inflation, quoting the well-known formula that the amount of money multiplied by its speed of circulation and divided by the mass of commodities on the market determine the general price level. This is only partly true. The creation of new money and/or credit can stimulate the production of commodities (provided there is idle productive capacity, or productive capacity can be increased), thus limiting the inflationary impact. This provides governments and central banks with a powerful tool for pump-priming the economy, countering cyclical tendencies and stimulating production, as well as financing public works and reducing unemployment without relying exclusively on taxation.

However, the globalisation of capital, its ability to flow freely from one country to another, limits the ability of nation-states to use these methods, as witness the failure of the Mitterrand administration's efforts to go it alone in France in the 1980s. This Keynesian strategy can work better on a multi-national scale. This, incidentally, is why we must be in favour of European economic integration and a single currency.

There is a further negative aspect to the globalisation and deregulation of the financial markets coupled with the divorce of money from its gold base. The financial sector has become parasitic on industry, which alone creates real wealth. It amplifies the already existing instability in the world economy. Witness the recent panic on the world's stock exchanges and currency markets. In certain circumstances, these often irrational stock-market and financial gyrations can trigger recessions in the global economy. These crises need not be terminal. Whether capitalism survives and in what form depends on a whole combination of factors; amongst which, as Hoggett emphasises, are political ones, including whether socialists can insert reforming and transformatory features.

The growing gap between the richer industrial nations and those of the Third World is another source of conflict and destabilisation which reacts back on the developed capitalist states. As Dave Spencer has reminded us, this gap has doubled over the last 30 years. At least 100 of the developing countries are suffering either economic decline or stagnation, about 70 of these are poorer than they were in 1980, and 43 are poorer than they were in 1970. In 1990-93, average incomes fell by 20 per cent or more in 21 countries, mainly in Eastern Europe and the former Soviet Union. International banks are faced with the option of writing off massive bad debts or further ruining already destitute countries. These economic world-scale imbalances are compounded by conflicts over the control of natural resources, such as oil and water, of which the Gulf War and renewed tension in the Middle East are symptoms.

Nationalist, religious and ethnic conflicts, such as the Israeli-Arab conflict, the conflicts in former Yugoslavia and in the former Soviet Union, and incipient tensions in South-East Asia combine with and exacerbate the economic factors to create further threats of instability and social breakdown.

Unsustainable Growth and the Environment

Another feature of capitalism is not the non-existent endogenous ceiling on growth posited by

"orthodox" Marxists, but its opposite – unrestrained growth which threatens environmental catastrophe. In order to maintain its equilibrium, capitalism needs to expand exponentially. Capitalism is like a man riding downhill on a bike with faulty brakes. He is constantly losing his equilibrium and restoring it. If he stops, he will fall off. But the hill is getting ever steeper, his speed ever-increasing, and the road is full of pot-holes. If the pot-holes (political overturns) don't unseat him, he will eventually run out of road. And here is the greatest danger. Unrestrained capitalist growth will eventually exhaust the environment's ability to sustain it.

If environmental catastrophe is to be avoided, the chaos of unplanned profit-maximising growth must be replaced by global planning. It has been accepted wisdom amongst socialists that only replacement of the capitalist by the socialist mode of production can ensure this. But if, as unfortunately seems to be the case, world socialism is unlikely in the immediate or medium-term future, will capitalism be able to reform itself sufficiently and in time to avoid environmental catastrophe?

Some of the instruments and tools required for global planning are already in existence – at least in embryo form. These are the supra-national quasi-state organisations that have been set up since 1945, the International Monetary Fund (IMF), the World Bank and the various agencies of the United Nations. The function of the IMF and the World Bank has been to ensure the continued viability of the world capitalist market economy. So far their "rescues" of collapsing national economies and currencies have followed strictly orthodox monetarist guide lines which have exacerbated economic inequalities both between nations and within them, and restructured economies mainly to the benefit of the rich. The intervention of United Nation forces and agencies in conflicts such as the Yugoslav war, in Somalia, in the Middle East and elsewhere have been driven more by the conflicting interests of the powerful nation-states than the needs of humanity.

But given the political will, under different control and with different policies, these institutions *could* become instruments for global planning. They could do this by directing the flow of funds of international capital to necessary and environmentally-friendly projects, and cutting off the flow of capital to undesirable and damaging projects. But before this can happen, political power in the nation-states that are represented in these international bodies has to be won by political currents committed to these policies.

Reform from Above and Pressure from Below

The state in a class-divided society has a dual role. Insofar as it endeavours to ensure the smooth running of the existing class system, it acts as the instrument of the dominant class. However, it has a certain autonomy, not only because it has to reconcile the conflicting interests of different sections of the dominant class, but also because it has on occasions to act against the wishes and immediate interests of the dominant class in order to ensure the continuance of the system itself. An example was the New Deal imposed by Roosevelt, against the hostility of large sections of American business (who considered him at least a "pinko", if not a dangerous red). The New Deal saved American capitalism. In wartime, the British state imposed drastic controls and planning – controls which big business would have opposed as "socialist" in peace time, but which they accepted in order to win the war against Germany and Japan.

Is it not, theoretically, possible that once it becomes clear that curbs and controls have to be imposed on business activity in order to preserve the ozone layer, reduce greenhouse gasses, preserve the rain forests, etc, even pro-capitalist governments and the supra-national institutions mentioned above will enforce these, and industry will (reluctantly) accept these encroachments on their powers as they eventually did with the New Deal and in wartime? Witnessing the Clinton administration's retreat in the face of the fossil fuel industries and car manufacturers' lobbies, and the disappointing outcome of the Kyoto World Climate Conference, we cannot be too hopeful. But neither, let me repeat, can one be optimistic about the early advent of international socialism.

We may cautiously hope that a combination of pressure from below and reform from above may bring results. In fact, there are historical precedents. There have always been far-sighted people within the establishment who have realised that unrestrained exploitation of the working class and of natural resources can lead to disaster which will rebound on the privileged themselves. In Victorian Britain, these upper-class reformers and philanthropists were concerned about the conditions in the new factories and industrial slums, and their effects on the lives and health of the working class. Their concerns were ignored by the bulk of the mill owners and industrialists – until it was found that cholera and typhus epidemics did not respect geographic or class boundaries; they spread to the wealthier districts, and infected their inhabitants too. It was also realised that the unrestrained exploitation of women and children for 12 to 16 hours a day threatened the continued supply of labour. Sickly and ignorant workers were not as productive as healthy and skilled ones. There followed Factory Acts limiting the hours of work of children and women, the Public Health Acts of 1848, 1872 and 1875, the Sanitation Act of 1866, the Artisans' Dwelling Act of 1875, the Housing of the Working

Classes Acts of 1890 and 1900; all introduced by Conservative or Liberal governments. Despite these measures, the still poor physical condition of army recruits in the Boer War shocked the military establishment. They wanted cannon fodder for their imperial adventures, but they wanted them capable of long marches and hard fighting, and this led to further educational and sanitary reforms.

Thus a combination of the pressure of philanthropists and the recognition of their longer-term interests by the ruling class, plus the struggles of the working class and the fear in the minds of the ruling class of these struggles leading to revolution, ensured a restructuring of capital with benefits to the working class.

Also, no less important is the fact that since the winning of universal suffrage and parliamentary democracy, even pro-capitalist politicians have to get elected, and must therefore respond (or seem to respond), however reluctantly, to the concerns of an electorate which, in the industrialised countries, is composed overwhelmingly of the working class. Bourgeois parliamentary democracy is in the long run a cheaper and safer way of maintaining the rule of capital than fascism or military dictatorship. To ensure this and maintain the acquiescence of the working class, a price has to be paid, however reluctantly, in terms of concessions.

All this makes it possible for propaganda, pressure and agitation from below by the organisations of the working class, by green movements, environmental and reforming pressure groups to have an impact and influence on governmental decisions, and to force reforms and restructuring of the institutions of capitalist society.

Reformist Policies Within a Perspective of Social Transformation

It is impossible to predict which of the possible resolutions of capitalism's crises outlined by Paul Hoggett will emerge. The actions and policies of the organisations of the working class, the trade unions, the parties, and also the environmental groups will be important in influencing the outcome. What then should be the politics of those of us who still wish to influence the outcome?

I have outlined some of the ingredients of such policies in previous articles. They include a drive for social (not just workers', but workers' and community) control of industry, macro planning of the economy by public (social) control of major investment through a publicly accountable banking system, market relations between individual socially-managed enterprises within the overall plan, progressive taxation to fund welfare and health, and democratisation of the existing state machine.

These or similar policies will be fought for by a combination of parliamentary politics and extra-parliamentary pressure, propaganda and education. We must reject the notion of "all or nothing", the idea that nothing is possible this side of "the revolution", that capitalism can be overthrown by one mass onslaught, by the root and branch destruction of the existing state machine. Instead, we must adopt a strategy of step-by-step, partial advances, a strategy of using the gains already made, universal suffrage, democratic rights, parliament, to press for feasible reforms which are also steps in the eventual transformation of society in a socialist direction. This also involves a rejection of sectarianism, and requires a willingness genuinely to work with and support those who only want to go part of the way with us (whether they are working within the corridors of power or outside), whilst still pressing for more fundamental changes.

To repeat Ralph Miliband's phrase, we must pursue the advancement of reformist policies within the perspective of a fundamental transformation of the social order. This will best be achieved by a combination of pressure and organisation from below, that is, outside the corridors of power, encouraging a sea-change in popular conceptions, and occupation of positions of influence within existing power structures by proponents of transformatory policies; each complementing each other, as it did in Victorian Britain and may do again.

What Sort of Party?

What sort of party is required for the advancement of these policies? Many on the left who, like me, have rejected the need for a Leninist-Bolshevik type of party, have swung to an exaggerated expectation of the benefits of spontaneity, and, by implication, a minimisation of the need for an organised party. In my opinion, this is mistaken. It assumes that the working class will almost naturally and spontaneously develop the required political consciousness. Nothing could be further from the truth. Some workers do develop such a political understanding from their own experiences and struggles. The majority do not. As we know all too well, and to our dismay, workers are equally liable to draw racist, nationalist or chauvinist conclusions. History is not only a history of class struggle, of slave against slave owner, peasant against feudal lord, or worker against capitalist, but also of nation-state against nation-state each supported by their working class, of Catholic worker against Protestant worker in Ulster, of Serbian Orthodox worker against Bosnian Muslim worker, and of both against Croatian Catholic worker in Yugoslavia. Racist movements in France, Britain and other countries draw support from sections of the working class.

Lenin was partly right when he argued that

the working class could spontaneously only develop a trade union, that is, bourgeois ideology. He was wrong in drawing the conclusion that *only* the "educated representatives of the propertied classes" – the intelligentsia – could bring a socialist consciousness from the outside, and in his eventual elevation of the party as the only interpreter of working class interests, even in opposition to the working class, and ruling by terror. But Marx was wrong, too, when he famously argued in the *Holy Family* that the working class would *irrevocably and inevitably* develop a socialist consciousness. The truth is that there is nothing inevitable or completely spontaneous about it. At first, only a minority of the class draws socialist conclusions from its experiences. This minority cannot and should not then sit back and wait for the rest "spontaneously" to join them. It is the task of this minority of conscious socialist workers, together with socialists from other classes and intellectuals, to organise themselves as a vanguard, to fight and agitate to win the battle of ideologies, and win the majority.

In order to do so, they must organise as a party, if only for the purpose of propaganda and education, and to combat the proponents of other ideologies. Parties and organisations are needed for other reasons, too. Neither a class, nor any people, can win battles, win power and change society except through organisation, whether in parties, trade unions, campaign groups, etc. In any large organisation, involving large numbers of people, there has to be delegation of powers to smaller bodies, district committees, national committees, etc. This inevitably brings with it the dangers of bureaucracy, of abuse of position, of conflicts between the rank and file and the leadership. I don't see how this can be avoided. The dangers can only be minimised by raising the level of education, awareness and participation of the rank and file, democratic safeguards against abuse of power, safeguarding the rights of minorities and critics, frequent elections, etc.

So we need parties with a democratic internal life and organisation, parties whose aim is to win the rational support of the working class and of all those from other classes who wish to see a transformation of society, and parties which will encourage people to participate fully in political life and in the control of their own work places and communities. So we need neither exclusive reliance on spontaneity nor Leninist-type parties, but parties with a democratic internal regime and oriented towards a living, mutually interacting relationship with their popular base.

Whether these parties can arise from the transformation of existing parties such as the Labour Party in Britain and socialist parties in other countries, or whether they have to be built in opposition to them is not a matter of rigid principle, but depends on the concrete situation at any time and any country. At the time of writing (January 1998), the revolt within New Labour over the cuts in single parent benefit, disablement grants, and the declared intention of Euro-MPs Ken Coates, Hugh Kerr and others to stand as independents in the next European elections could presage either the development of a new opposition within the Labour Party and the socialist group in the European Parliament, or even a split and regroupment of socialists and Greens outside in new parties both in Britain and Europe, or a combination of both. Whichever direction these movements take, they are to be welcomed.

My speculation about the possibilities of reform from above, or from within the existing power structures, may seem over-optimistic, idealist and even naive, especially from someone who was committed for so many years to a Marxist analysis of society with its emphasis on class conflict. My Marxist comrades will no doubt remind me that dominant classes always defend their own class interests, and will resist to the death any threat to their powers and profits.

To this I would reply: yes, this is true. But is it really in the long-term interests of the rich and powerful to allow their society and environment to self-destruct? For they, despite their wealth, could not escape their effects. When the *Titanic* sunk, the first-class passengers also had to take to the lifeboats.

I grant that the chances of the voluntary and peaceful self-reform of capitalism are slim. But so are the chances of world revolution according to the Leninist or Trotskyist scenarios. In my opinion, the policies outlined above of reforms within the perspective of a fundamental social transformation offer the best option. They do not entail merely passive waiting and hoping for enlightened policies from above, but active intervention from below as well.

Bill Hunter's *Lifelong Apprenticeship* – A Criticism

A review of Bill Hunter, *Lifelong Apprenticeship: The Life and Times of a Revolutionary* (Porcupine Press, 1997).

BILL HUNTER first came into contact with Trotskyists in 1939 through Harry Wicks' and Hugo Dewar's group which had originated as a left opposition in the Communist Party. He has remained a Trotskyist to this day in various organisations – the Independent Labour Party, the Workers International League and then the Revolutionary Communist Party. He was a member of the Majority in the RCP, but when it dissolved in 1949 he was amongst those who fused with Gerry Healy's "Club" – the old RCP Minority who had entered the Labour Party two years earlier. From then on, Hunter worked in close collaboration with Healy right through the transformation of the Club into the Socialist Labour League and then the Workers Revolutionary Party until its implosion and expulsion of Healy in 1985. This book, the first of two volumes, takes us up to the formation of the SLL in 1959.

As well as a history of the development of these organisations and their relations to the broader labour movement in Britain and internationally, it is also a record of Bill Hunter's personal involvement, both in the internal disputes in these organisations and also of his activities as an industrial militant in the engineering industry as a shop steward and convenor. He vividly describes the wartime struggles to defend conditions in which Trotskyists and other trade union militants had to fight not only the bosses but the right-wing trade union leaders *and* the Communist Party workers who, from the moment Russia was involved in the war, adopted class collaboration policies, opposed strikes, and attacked Hunter and other Trotskyists as disrupters and "agents of Hitler".

Several things stand out in Hunter's book. The first is his unswerving commitment to Trotskyism, and his tenacity in overcoming obstacles and countering the undoubted frustration that the continued failure of the movement to break out of its marginalisation and develop into a mass movement must have engendered; his persistence and refusal to accept defeat. The second is his refusal to face up to the basic reason for the failure of any of the various Fourth Internationalist factions to develop a mass following in any of the advanced capitalist countries.

Hunter attempts to explain this failure whilst refusing to question the basic correctness of the Fourth International's perspectives and rejecting any revising of the basic Leninist (and Trotskyist) theory of the terminal crisis of capitalism. In my opinion, his defence of orthodox Trotskyism is not convincing because he refuses to deal with the central question – to re-examine critically this basic assumption of terminal crisis and revolutionary upsurge on which all the perspectives, policies and activities of the Fourth Internationalists were based, and continue to be based.

The concept of the terminal crisis of capitalism entailed that production had reached a ceiling above which it could not rise, thus leading to ever-deepening slumps. It was accepted that economic revivals were possible, but these would be short-lived. The general trend would be downward. Increasing competition between the imperialist powers would lead to war. Even if war did not unleash proletarian revolution, the subsequent postwar continued decay of capitalism would ensure continued revolutionary upheavals. In these struggles, the Stalinist and social democratic misleaders would be exposed, and the Trotskyists would build mass revolutionary parties.

These were the perspectives which Bill Hunter and I and all those who joined the movement in the 1930s accepted. They turned out to be only partially confirmed. The war did break out, causing mass slaughter, immense destruction and misery. It did create revolutionary situations in Italy, France, Belgium, Yugoslavia, etc. The war did generate a rising wave of struggles for national liberation in the colonial countries, which forced imperialism to retreat and grant formal independence. All this is true, as Bill Hunter is at

pains to point out. He also defends the Trotskyists from their critics by pointing out that even bourgeois theorists and politicians were themselves very worried about the future of capitalism and the threat of revolution.

But – and this is a big *but* – capitalism survived the war and the near-revolutionary crises at its end, and recovered to enjoy an unprecedented period of growth. How explain this? There are several possible explanations. One is that we were mistaken in our basic assumption about the terminal crisis of capitalism and its inability to expand the productive forces. Personally, I think this explanation is valid. It explains why capitalism was able to dampen the revolutionary thrust in postwar Europe by making concessions; by conceding improved wages and conditions, by social welfare measures, housing, health, pensions, etc. Of course, it was helped in this by the social democratic and trade union leaders and the policy gyrations of the Stalinist communist parties. But the basic reason was the ability of the working class to continue to win improvements and reforms. The perspectives of the founding conference of the Fourth International deemed this impossible.

Bill Hunter ignores all the evidence. For example, that by 1964 the gross national products of Germany had increased by 220 per cent, of France by 135 per cent, of Italy by 132 per cent, and of Holland by 152 per cent, compared to the last prewar year of 1938. Between 1953 and 1965, real wages rose by 36 per cent in the United Kingdom, by 58 per cent in France, by 80 per cent in Italy, and by 100 per cent in West Germany. In Germany, just recovering from the war, real hourly wages were in 1948 at the level of 1914. But they trebled in the next 15 years. (Walter Laqueur, *Europe in Our Time*.)

Hunter will probably reply that to quote these figures is to be impressionistic or empirical. *His* picture of reality ignores embarrassing empirical facts. He writes: "We lived – and still live – in an epoch of the decay of capitalism. I have answered here those who try to pin on Trotsky and Trotskyism an error in believing this, and have shown that fear about the collapse of the system and its democratic institutions was widespread at the end of the Second World War and was not a Trotskyist fantasy" (p.402). "Our expectations of a revolutionary crisis coming out of the war were absolutely vindicated" (p.182).

What, then, is his explanation for the failure of these revolutionary crises to develop into actual revolutions, and the failure of the Trotskyists to build mass revolutionary parties? How does he explain capitalism's survival of the revolutionary threats of 1943-48 and its continued expansion thereafter? According to him, it was all due to the betrayals of the masses by the social democrats and Stalinists.

It is true that the survival of the shaky regimes in post-liberation France, Belgium and Italy were greatly helped by the socialist and communist parties which joined or supported the coalition governments and curbed strikes. But is this a sufficient explanation? After all, in 1938, the Fourth International was predicting that the social democrats and Stalinists would act precisely as they did. And they also predicted that these "betrayals" would "expose" these misleaders and – given the continuing worsening of conditions – the masses would turn away from these misleaders, and the Trotskyists would be able to break out of isolation and win a mass following.

In addition to discounting the possibility of economic recovery, the Fourth International dismissed any possibility of the survival of bourgeois-democratic regimes. The Revolutionary Communist Party declared at its 1945 conference: "Only if the series of revolutions fails can the bourgeoisie hope to save its system once again by resorting to a neo-fascism of monstrous reaction and repression." These predictions were false. Not only did the bourgeois-democratic regimes survive – although precariously – the immediate post-war period up until 1948 (helped, as Hunter points out, by social democracy and Stalinism), but consolidated themselves after 1948. Again one must ask, could this have happened if capitalism – as Hunter insists – was in terminal crisis? Whilst admitting some errors, Hunter nevertheless fails to face up to this. It was all due to the Stalinist betrayals, and the weakness and mistakes of the Trotskyists.

He continues: "What of the RCP leaders? They were correct in referring to a democratic counter-revolution and in criticising a minority perspective of a slump worse than 1931. But already some of the RCP leaders were attributing the economic developments and reforms to capitalism's strength and were thus minimising the role of Stalinist and social democratic leaders. To be sure there was a 'democratic phase' in Europe. To be sure there was an economic uplift, following the defeat of the revolutionary upsurges.... The possibility of more stable economic relations, however, arose and was maintained out of class and political relations established as a result of the treacherous working-class leaderships which checked, diverted and defeated the upsurges of the working class" (p.213).

Of course, the survival or overthrow of bourgeois rule is not a question of economics alone. Even in the worst economic conditions, capitalism will not collapse automatically. It will still have to be overturned politically. Similarly, economic recovery alone did not, of itself and automatically, restore parliamentary regimes in post-liberation and postwar France, Belgium, Italy, etc. This arose as a result of the political interplay of social forces. In this sense, Hunter is correct. But to fail to ignore the fact that the continued economic strength of capitalism, the

"base", had little effect on the "superstructure" is surprising from some one who claims to be an orthodox Marxist. Hunter mentions the Marshall Plan. Undoubtedly the Marshall Plan was motivated by the USA's fear of European capitalism's collapse and the threat of communism – and it was a major factor in Europe's recovery. But would the Marshall Plan and its success have been possible if capitalism (including US capitalism) had indeed been in terminal crisis, if capitalism had indeed already become an absolute fetter on the expansion of the productive forces?

Another fault in Hunter's account is his failure to explain the continued hold of reformism, and the Trotskyists' failure to win the workers away from it, even when they were seriously attempting to relate to workers' existing concerns. Seeking some justification from me, Bill Hunter quotes approvingly my defence, in *Reluctant Revolutionary*, of the Club's strategies and policies in the Labour Party in the 1950s – particularly the demands we were formulating in *Socialist Outlook*. Hunter says: "Ratner goes on to show that the attempt had to be made to deal with the actual questions around which the workers or their advance guard, were prepared to struggle. The Trotskyists were therefore helping to develop consciousness *against reformism*" (p.172, my emphasis).

But Hunter does not quote the passages just before and after this extract. If he had, it would have been clear that I was saying that, though these campaigns by the Club were correct, they did not flow from the Club's erroneous perspectives of deepening capitalist crisis generating increasingly revolutionary struggles, but were rather a pragmatic adaptation by the Club to the existing situation. In the passage Bill did not quote, I went on to say: "The situation in 1949-50 was that there was an economic boom, full employment and no mass radicalisation. This was the situation as it was – not as we pictured it at the time. In fact, the policies and activities we actually adopted did not flow from our apocalyptic perspectives, but were a pragmatic adaptation to existing reality." (*Reluctant Revolutionary*, p.134.)

All the struggles on the industrial front that Hunter mentions never developed beyond attempts by the workers to improve conditions within the framework of capitalism. The demands of the activists and left wingers in the Labour Party never went beyond demands that the Labour Party should go faster and more vigorously along the road of 1945, that is, a peaceful transformation of society in a socialist direction through parliamentary means, supplemented by campaigning from below. Far from their demands on the Labour leadership – demands which *Socialist Outlook* took up – helping to develop consciousness *against reformism*, as Bill Hunter imagined and hoped, they were in fact directed against the Labour Party's retreat from previous reformist commitments, and were pushing in the direction of *more vigorous reformism*.

Of course, "reform" and "revolution" are not mutually exclusive. And, if sufficiently radical, "reforms" are part of the transition to socialism. But the Trotskyist concept that Hunter defends – that the struggle for reforms, or "transitional demands" which cannot be achieved under capitalism, necessarily leads to revolutionary consciousness and revolutionary struggle – is highly debatable. I have attempted to tackle this problem in various articles in *New Interventions* and elsewhere.

Hunter fails to see that the whole period from 1948 until the 1970s was one of capitalist expansion throughout Western Europe, of full employment and rising living standards. He rightly points out that the working class was full of self-confidence, it had not been defeated since before the war, it was militant. But its self-confidence and militancy in this period of rising prosperity, during which it was successful in building up its shop stewards organisation and rank-and-file movements, did not lead to a qualitative transformation of its consciousness from reformist to revolutionary. Its confidence was *reformist*, directed at winning better conditions at work, higher wages, etc.

As I pointed out in my postscript to *Reluctant Revolutionary*: "The immense gap between the general political consciousness (or lack of it) of the broad labour movement and our own ideology meant that whatever the strategy or tactics we adopted – within the Labour Party or outside it – our success was limited. It is not without significance that it was precisely when we [the Healy tendency] were, according to our critics, trying to camouflage ourselves as good Labour Party members and left social democrats, that we had our greatest successes" (p.249).

Elsewhere in his book, Hunter is – rightly – concerned with revolutionaries' relation to and integration with workers in their struggles. Hunter's record as a shop steward and convenor, and his participation in struggles in the engineering industry at Chryslers during the war, and at the ENV factory in Willesden after the war, is something to be proud of. At Chryslers, he obviously won the support and confidence of the workers. But this was both because of and despite his being a revolutionary Marxist. The workers appreciated his defence of workers' conditions and his fearless opposition to the bosses *despite* disagreeing with his revolutionary views. But one of the reasons he was such a good shop steward was *because* he was personally motivated by his commitment to revolutionary Marxism. And this is the contradiction. Despite their support for him as a shop steward, how many of the several thousand workers at Chryslers and ENV were won to revolutionary Marxism? Maybe he

recruited a few more than I did in my years as a shop steward in Manchester. As I pointed out, this was a measure of the yawning gap between our revolutionary Marxism and the political consciousness of the workers – a gap we were unable to bridge. In many of the interventions and participation by Trotskyists in industrial struggles recounted by Hunter in this book – on the docks, in the mines, building industry, engineering factories, in the ETU, etc – we did occasionally achieve modest successes, but nowhere were we able to establish a long-term influence. Nowhere were more than a handful of workers won to revolutionary politics.

Hunter devotes two chapters to Pabloism and the 1953 split in the Fourth International in which he played a prominent role as one of Healy's staunchest supporters. Space does not allow me to deal with this, except to say, with admittedly the benefit of hindsight, that both sides were wrong because both based themselves on a mistaken analysis of the nature of the epoch. Healy and Hunter saw the immediate future as one dominated by the collapse of capitalism and the rise of a revolutionary working class. The "Pabloites" shared the same mistaken view of terminal crisis, but combined war and revolution, and were wrong about the potential of Stalinist parties to give birth to revolutionary currents spurred on by these same revolutionary masses; both discounted the possibility of capitalist stabilisation. After accusing his opponents of "capitulating to Stalinism" and predicting that the Soviet workers would, as Trotsky had asserted, bar the road to capitalist restoration by routing the bureaucracy, Healy ended his life hailing Gorbachev's perestroika as "the highest point" reached by the world revolution!

Those awaiting from Bill Hunter an explanation of this and of how the internal regime in the SLL and the WRP degenerated, and how the latter imploded, will have to wait until the second volume Hunter has promised. The present book, Volume 1, ends in 1959. Bill Hunter several times dismisses critics of Trotskyism as academics or bystanders not motivated by the desire to improve effective participation in the struggle. Many of those who will criticise this book did participate in the struggle – and many probably still do. This critic fought side by side with Bill Hunter during the whole period described in this volume. I share with him the desire that lessons be learnt that will help save future generations of activists from banging their heads against brick walls – doing more damage to their heads than to the wall. Unfortunately, Bill seems to want to continue in the same old way. There must be better ways of working for a better society!

The *Transitional Programme* Reasessed

I AM largely in agreement with Bob Pitt's verdict ("The Transitional Programme and the Tasks of Marxists Today", *What Next?* No.11) on the *Transitional Programme* adopted by the founding conference of the Fourth International. This contribution is an attempt to enlarge on some of the issues he raised.

Pitt very correctly pinpoints the fundamental error in perspectives: the belief that capitalism had reached a complete impasse "Because it is no longer capable of developing the productive forces ... Mankind's productive forces stagnate". As Pitt points out, and as we now know with the benefit of hindsight, since 1938 the productive forces have expanded at a previously unknown rate, despite repeated crises. As Pitt states: "From the vantage point of the end of the twentieth century we can see that the inter-war years were in fact merely a particularly unstable *phase* in the overall development of the capitalist mode of production. The error that Trotsky committed was that he mistook this unstable phase for the terminal crisis of the system – the 'death agony of capitalism'."

However, orthodox Trotskyist defenders of the 1938 programme might concede that, admittedly with hindsight, Trotsky may indeed have mistaken the *middle-age crisis* of capitalism for its terminal agony, but nevertheless this terminal decline though postponed is still to come and therefore the *Transitional Programme* and its method is still valid or will be when the terminal crisis finally develops in the 21st century. Will this be the case? It is not clear what Bob Pitt's answer to that question would be. He argues that programmatic aspects of the *Transitional Programme* – the "transitional method" – cannot be separated from the false perspectives. "The transitional method", he writes, "was developed in response to ... a *transitional situation* – a pre-revolutionary crisis on the eve of transformation into a revolutionary crisis, during which the struggle for workers' power would be directly posed." In this case, Pitt seems to argue, the transitional method would be applicable when this situation develops in the future.

If this is indeed so, then the Fourth Internationalists were merely premature. The *Transitional Programme* (suitably updated of course) should be reissued in the year 20?? in preparation for the at last arriving "terminal crisis".

I think this is wrong. For two reasons. One is that there is no such thing as a "terminal crisis". The second is that the "transitional method" – if not completely flawed – poses some problems.

The "terminal crisis" theory is based on the assumption, drawn from Marx's *Capital*, that at some stage the capitalist economic system will come up against a "ceiling" above which production or the productive forces will not be able to rise; production will either stagnate or go down resulting in increased misery for the mass of the exploited, leading to revolutionary situations.

I have tried to show in numerous articles, mostly in *New Interventions*, that this is not so. Even though Marx talked famously of capitalism being a "fetter on the productive forces", other passages of *Capital* accepted that after each "crisis" production could recover and reach new levels; also that, so long as the productivity of labour increased, the same amount of exchange-value would represent a greater quantity of use-values, and with no change in the "rate of exploitation" or even its increase both the labourer and the employer could appropriate an increased mass of use-values.

This, let me emphasise, does not mean that capitalism is free of contradictions and problems. On the contrary, it is inherently unstable and has to expand exponentially at an ever increasing rate in order to maintain itself. This in itself brings it up against the capacity of the planet to sustain growth, leads to ever increasing pollution and environmental disasters. This, combined with its inherent instability, creates repeated crises. However, as Bob Pitt rightly points out, "crises arise from a combination of factors, among which economic [and, I may add, environmental] dislocation may well prove decisive, but which will also include ideological forms, established political traditions, the specific character of the workers' movement and so on, all of which will vary from country to country". In other words, unless politically overthrown capitalism will recover or

limp on after each crisis.

This brings us to the second question: the validity of the "transitional method" in these periods of crisis and increased social conflict. Why did I say it poses some problems?

Pitt put his finger on the crucial weakness when he quoted Trotsky as saying: "It is easier to overthrow capitalism than to realise this demand [sliding scale of hours] under capitalism. Not one of our demands will be realised under capitalism. That is why we are calling them transitional demands." The unspoken assumption here is that the workers do not yet understand the necessity to overthrow capitalism. But they do support various transitional demands (for example, preventing unemployment by a sliding scale of hours) and they are prepared to fight for them. Obviously they must believe these demands are achievable (at least partly), otherwise they would not go on strike or demonstrate for them.

But we, ever-so-clever revolutionists, know that workers will not win these demands and will then draw the conclusion that they must now overthrow capitalism; or, at least, support the revolutionary party in its bid for power. For Trotskyists the achievement or otherwise of the demands the workers originally fought for is irrelevant. All that matters is the experience of struggle which will – somehow – imbue the mass of the working class with the required revolutionary consciousness. That is the theory. But in real life it doesn't work that way.

Let us take the example quoted, the demand for the sliding scale of hours – the reduction of working hours, without loss of pay, in order to absorb the unemployed. According to the theory, the employers will resist such demands to the death rather than concede – resulting in permanent strike or permanent lock-out, increasingly violent confrontation between workers and the forces of the state. It is of course *possible* that, given the right conditions, a substantial enough number of workers will decide to support the revolutionary party in a bid for power. But that is only one possibility. If in the first place workers took up the demand for the sliding scale it was because (a) they believed it was achievable at least in part, and (b) either they had no confidence in the possibility of overthrowing capitalism or they were not convinced anyway that there was a viable socialist alternative to it.

For the working class to make the transition from fighting for transitional demands to fighting for a socialist overturn they must *believe that socialism is a realisable and feasible alternative*. It has, indeed, been the case that during certain periods large layers of the working class did have this belief in both the feasibility and desirability of socialism. From the latter part of the nineteenth century right up to the First World War, there were mass socialist parties which, while fighting more immediately for reforms, nevertheless did publicly assert the desirability and possibility of socialism. Millions of workers, petty bourgeois and intellectuals held these views. Then from 1917 onward – and even more so after the victory over Nazi Germany in World War II – this view was bolstered by the perceived actual fulfilment of these expectations in Russia – actually existing socialism worked! (The criticisms of the Trotskyists and non-Stalinist lefts, anarchists, etc about the reality of Stalinism were largely ignored – and the faithful dismissed all "evidence" about the negative features of the Stalinist regimes as "capitalist propaganda".)

Given these perceptions, the possibility of even more numerous sections of the working class and petty bourgeoisie and intellectuals progressing from reformist or transitional demands to support for a socialist transformation in times of crisis could not be entirely discounted. (The other ever present possibility was of course that defeat in the struggle for immediate and transitional demands would demoralise the workers, lessen their confidence and lead to passivity until the effects of the defeat wore off.)

However, since the collapse of the "actually existing socialisms" (the Stalinist regimes) in Eastern Europe and the former Soviet Union, the belief mentioned above in the viability of a socialist alternative has been eroded. Today there are in the advanced capitalist countries fewer socialists of any kind – revolutionary, gradualist, parliamentarian, libertarian, etc – than at any time since the formation of the Second International. With the continuing problems of capitalism impacting on consciousness, the socialist alternative can regain credence, but this will not happen overnight nor without active propaganda by socialists.

In "Revisionist Thoughts – Reformist Conclusions" (*New Interventions*, Vol.8 No.3, Spring 1998), I wrote: "Reformism is still an option, not only because it is still objectively possible, but also because working class people will not abandon attempts to win improvements within the capitalist framework and opt for the revolutionary alternative until they become convinced that, firstly, the reformist road is closed, and, secondly, the revolutionary alternative is both desirable and feasible.... Even if reformist policies should fail to win improvements, people will need to be convinced that the revolutionary Marxist alternative is feasible and desirable. On both counts this is unlikely in the near or foreseeable future.... The negative features of 'existing socialism' in the former Soviet bloc and its ignominious collapse have discredited the idea of socialism in the eyes of millions. At the moment no significant parties or movements exist which stand for a socialist alternative, and are seen as capable of replacing existing governments. The communist parties have collapsed and the social

democratic parties, including the British Labour Party, have accepted that there is no alternative to the capitalist market. In these circumstances, it is likely that most protests and conflicts will remain within the bounds of seeking changes within the framework of capitalism – whether it be a 35-hour week, better public services, improved pensions, etc."

If the "transitional method" is flawed, what, then, should we put in its place? Bob Pitt's reference to Marx's approach points the way: "This approach – combining propaganda for workers' power and socialism with agitation around basic demands *that could be achieved within the framework of capitalism* [my emphasis] – was later formalised in the minimum-maximum programme. The most famous example of this is the programme adopted by the German social democrats at their Erfurt Congress in 1891."

As Bob pointed out, both Engels and Lenin defended the minimum-maximum approach, and it was the revisionists led by Bernstein who rejected this approach *by playing down if not renouncing entirely the maximum part*.

I think the minimum-maximum approach is still relevant both in non-revolutionary and pre-revolutionary situations, and I will explain why. And as part of this I want to make a distinction, which is seldom made, between (a) fighting to impose demands on hostile governments and employers and (b) measures carried out by socialist governments in power as steps on the transition from capitalist to socialist economy.

The first are for example the fight for a 35-hour week to absorb the unemployed, the fight against the poll-tax, against hospital closures, more funds for the NHS etc, i.e. reformist demands – the minimum programme. It is true these are harder to win in a period of economic recession because the resistance to them will be fiercer and the relationship of forces may be less favourable. But they are still at least partially winnable. If, as orthodox defenders of the *Transitional Programme* still assert, these demands are unachievable, then they are guilty of leading people up a blind alley when they encourage workers to engage in struggle. The workers will sense this and understandably be reluctant to be used as pawns and guinea pigs.

The maximum programme, i.e. the transition to socialism, requires the coming to power of socialist governments. This in turn requires such parties to win the support of the majority of the working class and its allies. They can do this by combining practical support of those in struggle for the immediate demands with general propaganda and education – explaining and popularising the concepts of a feasible socialist alternative to capitalism – and most importantly working out a concrete programme of measures which, once in power, they intend to carry out, and explaining how this would resolve the problems of unemployment, poverty, etc.

These would include such measures as ensuring social control of all major investment through public ownership and/or restructuring of the banking network, measures to nationalise industries and utilities that need planning on a national or international scale (with democratic input), transfer of other enterprises into cooperative ownership and control by their workforce and interested local communities, investment (via the now publicly-controlled financial network) in hospitals, public transport, education, etc, reduction in hours to create jobs, etc, etc.

In other words, the minimum and maximum programmes must be fought for in parallel and simultaneously. One or other component of this two-pronged strategy will take precedence at different times and in different countries, depending on circumstances.

There remains something to be said about the road to governmental power – by winning a parliamentary majority or through insurrection and soviets?

The *Transitional Programme* has little to say about parliamentary activity. This is understandable since it argued that "in the present epoch the class struggle irresistibly tends to transform itself into civil war". Referring to the fascist countries, it said that "the revolutionary wave ... will immediately be a grandiose sweep and under no circumstances will stop short at the experiment of resuscitating some sort of Weimar corpse.... As soon as the movement assumes something of a mass character, the democratic slogans will be intertwined with the transitional ones.... soviets will cover Germany before a new constitutional assembly will gather in Weimar. The same will be true of Italy and the rest of the totalitarian and semitotalitarian countries".[1]

In fact, on this issue too, the *Transitional Programme*'s prognosis was proved wrong. Not only in Italy and Germany but also in the victorious countries, and in the whole of Western Europe and North America, parliamentary-democratic regimes continue to this day. Moreover, the overwhelming majority of the population, and indeed of the working class and their organisations, accept the rules of parliamentary democracy.

Instead of the *Transitional Programme*'s cavalier dismissal of the possibility of the working class using parliamentary democracy – won by past struggles such as those of the Chartists – I suggest the following approach, which I argued for in "A Programme for the Left" (*New Interventions*, Vol.7 No.3, Autumn 1996):

"So long as parliament is still relatively freely elected, so long as alternative structures have not arisen naturally, as a result of social movements,

it is ludicrous for socialists to talk of 'destruction of the state machine' and its replacement by non-existent 'soviets'. When the Tory Heath government was forced to resign by the miners' strike in the 1970s, even the most militant miners accepted as natural that the government to replace it should be decided by a general election. As long as parliamentary democracy exists and is accepted by the mass of the working class and middle class, socialists must have the perspective of winning a socialist majority in parliament. True we must be aware of the possibility, even probability, that reactionary forces would attempt to subvert an elected socialist government by military coups d'états, etc (as in Chile), and that in any case a socialist majority would have to undertake a radical transformation of the state machine.... It is quite possible that the scenario might be a re-run of the English Civil War of the seventeenth century with Parliament versus the modern Royalists in the course of which a New Model Army and new popular institutions would develop. But this does not justify rejecting the 'parliamentary road' in advance, or calling for non-existent soviets as if the Russian revolutionary road of 1917 had universal application."

To sum up what I have said so far. I agree with Bob Pitt's contention that because the perspectives of terminal collapse and revolutionary situations from which the *Transitional Programme* and its method flowed did not materialise, it could not be applied as intended during the long post-war period of boom and rising living standards. I also think that the parallel pursuit of both strands of the minimum-maximum programme (the relative weight of each strand depending on the specific situation) is correct.

However, I would differ with Bob Pitt's argument that demands such as the sliding scale of hours were irrelevant during the post-war period. In *Reluctant Revolutionary*[2] I related how as a shopsteward in the engineering industry I proposed this demand and got it accepted in my own factory. This took the form of demanding that redundant workers be kept on until alternative work at union rates was found for them elsewhere, and that meanwhile working hours be reduced without loss of pay to absorb the redundant workers. This was fought for in the Platt's strike of 1949 and was later adopted as policy by a shopstewards' conference representing over 10,000 workers in the textile machinery industry. There were several strikes in support of these demands which, though they did not succeed in preventing redundancies, forced the employers to concede longer periods of notice with pay in lieu and eventually resulted in statutory redundancy payments guaranteed by law.

Thus these demands, intended by we Trotskyists as "transitional demands", though they did not – and could not, due to the actual economic and political situation – lead to revolutionary struggles, nevertheless did win partial concessions from the employers and the state. They in fact became minimum demands.

Postscript

SINCE WRITING this article I have read in *A History of Contemporary Italy* by Paul Ginsborg (Penguin Books) some interesting references to "transitional demands" achieved by the working class movement in Italy. One was the sliding scale of wages:

"The *scala mobile*, introduced in the national contracts of 1945 and 1946, was a system to safeguard workers' real wages against the effects of inflation. Every two months price rises were calculated in relation to the 'shopping basket' of an average working class family. An increase in the cost of the basket led automatically to a proportional rise in the size of the workers' pay packets."

Ginsborg goes on to comment: "The employers granted the scheme without any real battle having to be waged. They feared the unpredictable consequences of galloping inflation and viewed the *scala mobile* as an instrument both to protect a weakened and numerically reduced working class, and to guarantee productivity. With hindsight, it is possible to say that they underestimated the system's utility as a permanent defence of workers' living standards. In future years the importance of the scheme was revealed by the repeated attempts made to modify its workings, attempts which were finally crowned with success in the referendum of 1985" (pp.97-8).

That the workers saw the benefits of this measure was underlined when in September 1947 60,000 landless labourers in the Po Valley went on strike for twelve days. As well as an eight-hour day, an increase In family allowances, the *imponibile di mano d'opera* (contracts to oblige landowners to employ a certain number of labourers in strict proportion to the size of the estate) and greater security of tenure, they also demanded that the *scala mobile* be applied throughout the region. By no means all these demands were granted, but the strike was certainly a partial success. It won the eight-hour day, index-linked increases and the *imponibile*.

Throughout the post-war years the Italian workers also fought vigorously against unemployment with lengthy factory occupations against redundancies and factory closures (for example, the occupation of the British-owned Leyland-Innocenti factory in Milan which lasted throughout the winter of 1975-6). Though they often failed to reverse closures, the militancy of the working class secured the setting up of a *Cassa Integrazione* – the state-financed fund for workers

made redundant, paying out 90% of previous wages in the first year of redundancy.

This confirms my argument that so-called "transitional demands" which Trotskyists say cannot be won under capitalism – but the fight for which must always be related to the conquest of power – can in fact be, at least partially, won short of overthrowing capitalism and that they do in practice help workers' living standards.

Notes

1. Trotsky, *The Transitional Program for Socialist Revolution*, Pathfinder, 1977, p.141.
2. Harry Ratner, *Reluctant Revolutionary: Memoirs of a Trotskyist 1936-1960*, Socialist Platform, 1994. See also Harry Ratner, "Struggles Against Redundancies in the Textile Machinery Industry in the North West", *North West Labour History Journal*, No.23, 1998/9.

Historical Materialism: A Critical Look at Some of its Concepts

THIS ESSAY is an attempt critically to reappraise certain key concepts in the Marxist interpretation of history – historical materialism – in the light of actual historical events. These concepts are the class theory of the state and the role of the individual in history.

I: The Class Theory of the State

In his introduction to *In Defence of the Russian Revolution: A Selection of Bolshevik Writings 1917-1923*, Al Richardson, in discussing the collapse of the Soviet regime, wrote:

"for those of us who envisaged it at all, the circumstances attending the disintegration of the Soviet state in no way accorded with our expectations. Trotskyists always expected the workers would fiercely resist any counter-revolution, and a Marxist party would be present to lead the struggle to restore working-class control over social property And what was not at all expected was that these states would collapse without an armed counter-revolutionary overturn accompanied by a civil war. Can one property form really change into another with so little dislocation in its state apparatus, no visible destruction of it caused by revolution or counter-revolution? *Is not this phenomenon a direct challenge to the class theory of the state? The tools of analysis used by thinkers of the left are quite inadequate for a true appreciation of the problem*" (my emphasis).

I took up and enlarged on this in a letter that was published in *Revolutionary History*, Vol.6 No.3. I wrote:

"From 1917 to 1991, the *same state apparatus* (superstructure) presided over a number of *different economic systems* (economic bases). From October 1917 to mid-1918, the young Soviet state presided over a disintegrating capitalist economy. The enterprises had not yet been nationalised and were still under nominal capitalist ownership, although the owners' actual control was effectively challenged from below by the workers' committees and from above by the Soviet state apparatus. From 1918 to 1921, the economic base was War Communism, characterised by centralised military control of industry and the abolition of commodity exchange and money. From 1921 to 1929, the New Economic Policy saw the development of a mixed economy, combining private ownership, petty production for the market by independent producers, and state ownership.... Stalin's forced collectivisation and industrialisation cut across this whole process, and from 1929 to 1991 the Soviet state presided over and directed a centralised state-owned command economy, and from 1991 to now we have seen basically the same state apparatus carry out the privatisation of state enterprises, the replacement of the command economy by the free market and the reintegration of the Soviet economy into the capitalist world market. And yet all these different economic bases and property relations succeeded each other under the same superstructure And not only this, but the changes in the economic base – from War Communism to the NEP, from the NEP to the command economy, and back to capitalism – were brought about by the conscious decisions and actions of the superstructure. So much for the economic base determining the political superstructure! It was the other way round."

But it is not only in relation to the Soviet regime that the class theory of the state does not tally with reality, but also in relation to wider aspects of history – to the transition from feudalism to capitalism, to the English and French revolutions, to the emergence of capitalism in Germany and Japan – and by extension to the probable course of any future transition from capitalism to socialism.

Briefly, the class theory of the state argues that since the state is the organ of the existing ruling class, and is a political superstructure resting on, and in the final analysis determined by, the economic base of society, that is to say, the property relations, any change in these requires the destruction of the existing state machine and its replacement by another state machine representing the new class that comes to power. In my view, Marxists are trapped in this mechanical and reductionist view of the relations between states and societies. A consequence of this mechanical and reductionist view is to seek a rigid one-to-one correspondence between the economic base and the political superstructure which is not

confirmed by actual historical experience.

Marxists consider the English Civil War and the French Revolution to be classical bourgeois revolutions. So what happened to the state structures? Was the old monarchical state of Charles I simply destroyed and replaced by a brand new bourgeois state? Hardly. What actually happened was that the opposition to the Stuart monarchy, though developing in the country as a whole, also found its expression within a part of the state machine – parliament. The struggle took the form of a struggle between one part of the state machine – parliament – against another part of the state machine – the court and ministers of Charles I. Adopting Marxist phraseology, we can say the *bourgeoisie* captured control of part of the state machine – parliament. At first they would have been quite happy to have had a constitutional monarchy limiting the powers of the monarchy. But the manoeuvrings and intransigence of the king forced them eventually to behead him and abolish the monarchy. Some Marxists may argue that the clash of social classes, the objective situation, made a compromise impossible. In the end, they might argue, the old state machine had to be replaced by a new one, the republic and the Cromwellian protectorate. But then how explain away the fact that after the restoration of 1660 the economic base (that is to say, the property relations) continued to develop in the direction of capitalism? And which class controlled the state after the restoration? The as yet hardly existing industrial bourgeoisie? Or the landed aristocracy (admittedly eventually to become fused over the coming centuries with the new industrial and banking bourgeoisie)? The industrial bourgeoisie did not even get the vote till the 1832 Reform Act.

Let us look at the French Revolution. Here again, we saw not the simple replacement of the monarchy by brand new state structures formed outside the existing state apparatus, but the capture by the revolution of a part (admittedly a subordinate and hitherto inactive part) of the existing state – the Third Estates – and then the transformation of these Third Estates into the Convention and a revolutionary assembly.

In both these cases, we saw not just simply the destruction of the old state apparatus and its replacement by a brand new one. Instead, we saw a more complex development; the seizure by the new social forces of part of the existing state machine and its transformation into a weapon against the other parts of the state machine still controlled by the old ruling elite.

It would seem that a feature of history is that new ascendant social groupings and classes will, if at all possible, take the easier route of infiltrating and capturing existing structures and then transforming them, rather than develop entirely new ones.

Does this have implications for the transition from capitalism to socialism? I think it does, and I shall discuss this later.

In the case of England and France, it may be argued in defence of the class theory of the state that nevertheless there had to be revolutions – bourgeois revolutions – and the eventual elimination of the old ruling elite – the king and his ministers and servants – and their replacement by new administrations deriving their power and legitimacy from elected parliaments; even though this change had to come about through transformations rather than simple replacements of old by brand new state machines.

So Marxists may on this basis still argue that the transition from pre-capitalist to fully capitalist property relations and economic systems did require a replacement of the old feudal and monarchical state machines by bourgeois ones. But what of Germany and Japan?

There was no bourgeois revolution in Germany. The existing Prussian monarchy and the multitude of German statelets survived the 1848 upheavals with only minimal modifications. German industrial capitalism developed without a bourgeois revolution under the aegis of state machines staffed by the old Junker aristocracy and German nobility. The historian James Joll writes:

"The unification of Germany, bringing as it did the removal of the last barriers to internal trade as well as a common banking and currency system, helped to speed the industrial development which was already under way before 1870 . . . Germany's emergence as the strongest military power in Europe was paralleled and sustained by her emergence, in a short period of time, as a leading industrial power." (James Joll, *Europe Since 1870*, p.2.)

And who presided over this national unification and rapid industrialisation? A new bourgeois political ruling class, or a Prussian Emperor, his Iron Chancellor Bismarck, and a multitude of minor kings and princes?

Bismarck and the Junker ruling elite encouraged the development of German industry, and thereby capitalism, because their aim – to build up a powerful military machine – required industrial development. The new industrialists and the Junkers and military elite had a common interest; and the imperial state machine and those of the various German statelets were modified and developed new departments and functions to cater for the new economic and social imperatives resulting from the development of capitalism. But there was no classical bourgeois revolution accompanied by civil war and the destruction of the old state machine. Nor was there the political overthrow of an existing ruling class and the coming to power of a new class. Rather, there was an alliance and partial fusion of the new class of industrial capitalists and bankers with the old landed nobility.

Even the reforms and modification of the existing state machine in the direction of parliamentary forms, associated by Marxists with bourgeois as compared to pre-bourgeois state machines, were initiated by Bismarck. To cite Joll:

"The political force behind Bismarck in his creation, first of the North German Confederation after the war of 1866 [against Austria], and then of the German Empire after the victory over France, was the National Liberal Party. One of the measures which Bismarck hoped to use as a means of controlling the liberals by mobilising loyal and ignorant peasants against the urban middle classes was the introduction of universal suffrage in the elections to the Diet of the North German confederation, and this had also applied to the elections to the Imperial Parliament (Reichstag) after 1871. This concession to democratic ideas was perhaps not as important as it seemed: the government, embodied in the office of the imperial chancellor and in the person of Bismarck, remained responsible to the emperor alone and not to the Reichstag Moreover, many of the individual states which composed the German Empire, and notably Prussia, did not have universal suffrage for the elections to their own parliaments, while their governments retained control over important areas of administration directly affecting the ordinary lives of their citizens – including education, direct taxation, the police and the laws regarding the press and public meetings." (Ibid, p.4)

Capitalism developed in Germany without a bourgeois revolution. The "classical" political superstructure, associated by Marxists with a capitalist economic base, did not in fact emerge till November 1918 – as a result, according to Marxist orthodoxy, of a betrayed proletarian revolution!

I should also mention Japan, where capitalism developed after the Meiji restoration under Imperial leadership. Here the introduction of "bourgeois democracy" had to wait till the American occupation of 1945!

So we see that the transition from one economic or social system to another does not necessarily require the violent and rapid replacement of one state form for another. There is no rigid correlation or correspondence between economic base (relations of production) and political superstructure as postulated in the class theory of the state. The mechanical reductionist class theory of the state must be replaced by a holistic approach seeing society as a complex unitary whole in which economic base and political superstructure mutually react without giving permanent and exclusive causal precedence to either.

It also follows that a social class can be economically dominant without necessarily exercising direct political rule. As Marx himself remarked, the economically dominant class and the political elite are not identical. By 1914, the industrial and banking capitalists in Germany surpassed the old Junker landed nobility in wealth and economic influence, but the latter still controlled and staffed the state machine.

Even in present-day developed capitalist countries, the economically dominant class and the political rulers are not identical. It is true that insofar as the state presides over and defends the economic and legal frameworks which enable capitalist industry to function profitably, the state can be described as a "capitalist" state. But it not simply and only the executive of the ruling class. It has a certain autonomy. There is a separation of functions. In the normal daily round, the directors and executives of banks and other financial institutions and of industrial firms are wholly engaged in running them; they leave the running of the state to professional politicians, whose full-time job it is. Of course the financial, industrial and political elites are united by social and family ties; retired ministers join the boards of banks, and governments – especially so-called Labour governments! – recruit ministers and political advisers from the ranks of big business. Despite this intermingling of the personnel of the economic and political elites, the state has a relative independence. It can at times act in opposition to the will of big business, or at least a large section of it. A striking example of this was Roosevelt's New Deal in the United States in the 1930s. The New Deal was pushed through by the Roosevelt administration in spite of the opposition of corporate giants like Ford and General Motors. In fact, the bulk of the American business community looked on Roosevelt and his New Dealers as dangerous reds, or at least pinkos. Yet Roosevelt saved American capitalism – despite the opposition of a large section of big business. He was able to do this partly because he was able to use the support of organised labour and discontented farmers; even more important was the perceived danger of labour and poor farmers being driven towards communism by the continuing economic crisis that in the final analysis ensured that big business accepted, albeit reluctantly, the New Deal. This is only one example among several of the capitalist' state saving capitalism despite the capitalists.

However, a more important reason for saying that the present-day state is more than just "the executive of the ruling class" is that since the early days of the nineteenth century the organisations and movements of the working class, with the support of other social groups, have been able to win democratic liberties, including universal suffrage and parliamentary rule. Marxist-Leninists are wrong to belittle parliamentary democracy as merely a fig-leaf to hide the naked rule of capital. Why, after the victory of Nazism in Germany and Germany's occupation of most of Europe, was one

of the central demands of the Resistance movements, backed by the working class, the restoration of parliamentary democracy? However imperfect it is, however emasculated it is by the power of money to distort its functioning, through the control of the media and the bankrolling of pro-capitalist parties, it is a fact that in order to govern capitalist parties *have to win elections*. And where it is impossible sufficiently to rig the elections, this means that even pro-capitalist parties, such as the British Conservatives, have to win the votes of a large proportion – if not an absolute majority – of the electorate. In industrially developed countries, this must include a substantial proportion of the working class. It is not enough for them merely to pretend that, for example, the National Health Service is "safe in our hands". They actually have to deliver. Thus the very existence of parliamentary democracy acts as an important constraint on attacking the conditions of the working class and middle class. It also provides the organisations representing the working class and the underprivileged with an important lever for exacting concessions and reforms. This why the working class, to the dismay of ultra-lefts, will not easily abandon the parliamentary road.

The achievement of parliamentary democracy means that the oppressed classes and their organisations can make the state an arena of struggle. They can, as happened under Cromwell, capture part of the state – parliament – as a first step. It is unlikely that a radically reforming or socialist government based on parliament would be allowed to function without the reactionary forces attempting to overthrow it by sabotage and military coups, as in Chile. But to adopt the Marxist-Leninist view, which flows from the class theory of the state, that the parliamentary road can never be trod in case it is blocked, and to announce in advance that the "soviet" road is the only one, is to abandon an important field of battle to the enemy. It needs to be said that socialists must not limit themselves purely to parliamentary and electoral activity. A radical transformation of society requires the development of grass-roots popular initiatives and structures to implement the transformation and overcome the resistance of reactionary forces. In this process, parliament itself will be transformed as will the other parts of the state machine – just as they were at the time of Cromwell.

In order to free the left from ultra-left abstentionist politics, it is necessary to revise the class theory of the state and to replace a crude mechanistic and reductionist view by a holistic one, seeing base and superstructure, state and economy as a *totality* of interrelated parts.

II: The Role of the Individual

Linked to the question of the role of the state and the relationship between base and superstructure is the question of the relative importance to be assigned to the activities of individuals. This is another aspect of the seeming contradiction in Marxist theory (and practice) between determinism and voluntarism. If, according to some Marxists, history is determined by large-scale objective forces and Marxism has uncovered the "laws of motion" which govern the development of human societies, are the activities of individuals of any consequence? One of the arguments constantly aimed at Marxist historical materialism is that it leaves no room for the conscious activities of individuals. The Russian Marxist Plekhanov answered this criticism, and set out the Marxist view in his celebrated pamphlet *The Role of the Individual in History*, first published in 1898. Plekhanov did not deny the role of the individual. He admitted that in many instances individuals had had a great influence upon history, but he argued that the extent of this influence, whether it was great or minimal, was determined by the objective situation.

Plekhanov gave as an example the influence of the Marquise de Pompadour on Louis XV as a cause of the defeat of France in the Seven Years War. This defeat led to France losing many of its colonies, and obviously affected the subsequent history of Europe. Plekhanov points first to the general social causes, that is, objective factors:

"[This] deplorable state of military affairs was due to the deterioration of the aristocracy, which, however, continued to occupy all the high posts in the army, and to the general dislocation of the old order, which was rapidly drifting to its doom. These *general* causes alone would be quite sufficient to make the outcome of the Seven Years War unfavourable to France. But undoubtedly the incompetence of generals like Soubise greatly increased the chances of failure for the French army which these general causes already provided." (G.V. Plekhanov, *The Role of the Individual in History*, Lawrence & Wishart, p.39.)

Plekhanov then explained that Soubise was kept in his post because of the influence of Madame Pompadour, Louis XV's mistress. After the battle of Rosbach, there were calls for Soubise's dismissal. But Madame Pompadour persuaded Louis XV to keep Soubise on. So both Madame Pompadour and Louis XV, as individuals, had an important role in France's defeat. But Plekhanov asks why was this so. He answers that it was because the French society of that day had no means of compelling Louis XV and Pompadour to sack Soubise:

"It was prevented from doing so by its form of organisation, which, in turn, was determined by the relation of social forces in France at the time. Hence it is the relationship of social forces which, in the last analysis, explains the fact that Louis XV's character, and the caprices of his favourite,

could have such a deplorable influence on the fate of France. Had it not been the King, who had a weakness for the fair sex, but the King's cook or groom, it would not have had any historical importance. Clearly it is not the weakness that is important here, but the official position of the person afflicted with it." (Ibid., p.40.)

Plekhanov continued: "It follows, then, that individuals can influence the fate of society. Sometimes this influence is very considerable; but the possibility of exercising this influence, and its extent, are determined by the form of organisation of society, by the relation of forces within it. . . It is the form of organisation that in any given period determines the role and, consequently, the social significance that may fall to the lot of talented or incompetent individuals." (Ibid., p.41.)

Having admitted that in some circumstances individuals can have a great influence on history, Plekhanov then drastically limits the extent of this influence as against impersonal social forces, particularly economic ones:

"The final cause of social relationships lies in the state of the productive forces. This depends on the qualities of individuals only in the sense, perhaps, that these individuals possess more or less talent for making technical improvements, discoveries and inventions.... No matter what the qualities of the given individual may be, they cannot eliminate the given economic relations if they conform to the given state of productive forces. But the personal qualities of individuals make them more or less fit to satisfy those social needs which arise out of the given economic relations. The urgent social need of France at the end of the eighteenth century was the substitution for the obsolete political institutions of new institutions that would conform more to her economic system. The most prominent and useful public men of that time were those who were more capable than others of helping to satisfy this most urgent need." (Ibid., p.45.)

Plekhanov then identifies Mirabeau, Robespierre and Napoleon as such men. But then he argues that the influence on events of even such prominent individuals was minimal; that if some accident had led to their premature death and removed them from the scene, their places and roles would have been filled by others stepping into their shoes:

"All such changes in the course of events [their premature deaths] might to some extent have influenced the subsequent political, and through it, the economic life of Europe. Nevertheless, under no circumstances would the final outcome of the revolutionary movement have been the opposite of what it was. Influential individuals can change the individual features of events and some of their particular consequences but they cannot change their general trend, which is determined by other forces." (Ibid., p.49.)

So despite acknowledging the influence of individuals in some circumstances, Plekhanov asserts a fundamentally determinist view of history. Individuals cannot alter the general trend of history, which is determined by large-scale social and economic forces. Individuals only have significance as *the agents of these historical forces*. These social forces needed a Robespierre or a Napoleon. If an accidental fall of a brick had prematurely killed Robespierre, or if Napoleon had been killed by a stray bullet at the battle of Arcole, some other individuals would have fulfilled their historically determined role, maybe a little better or a little worse, but would still have fulfilled it.

Plekhanov was thus articulating the determinist strand that runs through the Marxist interpretation of history. If society develops according to objective laws of history, if the past, present and future are determined by these objective forces, then how can the individual alter things? It is as if history is a play already written. Of course, it requires people to play the parts called for in the script, the heroes, villains, victims, etc. But they cannot alter their roles or the outcome of the drama. And if they fail to turn up to play their roles, then the casting director – history – will find someone else to fill that role. So Lenin, Stalin, Margaret Thatcher could not have acted otherwise than they did. They were mere players acting according to an already written script. Their decisions were already determined by the overall historical situation they were in.

If this is the case, then what is the point of ordinary rank-and-file activists in political movements working their guts out, marching in demonstrations, selling papers, going to jail, and, in dictatorships, being tortured and killed if everything is historically determined, and even people like Robespierre and Napoleon – and, by implication, Lenin and Trotsky – made no difference, or could be replaced. An activist would be tempted to conclude that he might as well take it easy, drop out of activity and enjoy himself, since the outcome of the struggle for socialism is already determined, and, in any case, does not depend on his contribution.

Yet many others active in socialist politics, though accepting Marxist theory, did not and do not take that attitude. They believe that their contribution could make a difference. So who is right?

Let us examine Plekhanov's arguments a little further. His examples seem to imply that only in exceptional circumstances do individuals have more than a minimal influence on events. Louis XV's decisions had an influence because he was king in an absolute monarchy. By implication, modern dictators like Stalin and Hitler also had that sort of influence on events. Or at least they and a small body of their closest advisers. Historians point out that Hitler's decision, against

the advice of many of his generals, to refuse to allow the German Sixth Army to retreat at Stalingrad resulted in its encirclement and annihilation, and thus, possibly decisively, led to Germany's defeat; as did his refusal to release the Panzer reserves to repel the Allied landings in Normandy before they had consolidated their beach-heads. The victory of the Allies during the 1939-45 war was by no means assured. It was a very close run thing. It is quite possible that had the commanders and general staffs on both sides taken decisions other than they did, the outcome would have been a German victory with far-reaching consequences for the future history of Europe and the world. Here Plekhanov's observation that the extent of the individual's influence is determined by his position is apposite. Just as in the case of Louis XV mentioned by Plekhanov, Hitler's disastrous influence was only possible because the political structure of Nazi Germany at the time provided no mechanism whereby Hitler's decisions could be challenged.

This importance of the actual position of the individual in the social, political or military structure in determining the effect of his actions applies in all situations. If at the battle of El-Alamein a lowly platoon commander had made a blunder, it might only have resulted in the loss of a skirmish or of a strongpoint. But if General Montgomery had had a breakdown or got blind drunk at a crucial moment, the whole battle might have been lost. As against this, it might be argued that since the Allies had such an overwhelming economic and material superiority over the Axis powers, even a different outcome of the battles of Stalingrad and El-Alamein might have delayed but not prevented the eventual Allied victory. But at the time and in the consciousness of those involved no such certainty existed. All was in the balance. And even from the point of view of a lowly platoon commander and an even more lowly private soldier, he could not know whether the fortunes of battle were so evenly balanced that his own failure to advance or hold his position might not just tip the balance. The historian can with the benefit of hindsight come to the conclusion that the balance of social, economic, political and military factors was so overwhelming that only one result was possible. The actual participant cannot know in advance whether his actions, choices and decisions will be decisive or not.

Going from the military to the political field, two further examples spring to mind. Was the Russian Revolution of October 1917 inevitable? And was the manner of its future degeneration? It can be argued that the whole history of Russia, the large-scale historical factors, its whole previous history and social development, its participation in the 1914-18 war, made the overthrow of Tsarism and the February Revolution inevitable. And that the further developments from February onwards made the Bolshevik revolution of October also inevitable. But for the October Revolution to happen, the Bolsheviks had to decide to take power. The October Revolution depended on 12 members of the Bolshevik Central Committee taking a decision to launch the insurrection on the eve of the meeting of the Congress of Soviets. If they had decided against, *there would have been no October Revolution*. Even if one accepts that large-scale historical and social movements prepared October and led to the situation that existed when the Bolshevik Central Committee met, it is still a fact that the decision of just 12 individuals was a necessary link in the chain of cause and effect. And the influence of one individual, Lenin, was vital in forcing this decision on a reluctant Central Committee.

In his biography of Trotsky, Isaac Deutscher quotes him as writing that had Lenin not managed to come to Petrograd in April 1917, the October Revolution would not have taken place. Deutscher comments:

"If Lenin is not yet a 'demiurge of history' here, this is so only in the sense that he did not make the revolution *ex nihilo*: the decay of the social structure, the 'steam' of mass energy, the 'piston box' of the Bolshevik party (which Lenin had designed and engineered) – all these had to be there in order that he should be able to play his part. But even if all these elements had been there, Trotsky tells us, without Lenin the Bolsheviks would have 'let slip the revolutionary opportunity for many years'. For how many years? Five – six? Or perhaps 30 – 40? We do not know. In any case, without Lenin, Russia might have continued to live under a capitalist order, or even a restored Tsardom, perhaps for an indefinite period; and in this century at least world history would have been very different from what it has been." (I. Deutscher, *The Prophet Outcast*, p.242.)

It has been argued that, given the failure of revolutions in Western Europe and the subsequent isolation of Soviet Russia plus its economic and social backwardness, the degeneration of the revolution into a Stalinist dictatorship was inevitable – whatever the outcome of the factional struggles within the leadership of the Bolshevik party. If Trotsky and his faction had secured the leadership instead of Stalin, they would still have been unable to avoid this degeneration which the above-mentioned factors made inevitable – the only difference is that Trotsky, not Stalin, would have presided over the growing inequalities; and he would have been forced to impose the same kind of terror to defend the regime. The Soviet state, whoever led it, could not have avoided falling prey to the overwhelming social factors that led to its transformation into a repressive apparatus. But is it really the case that the actions of this leadership were predetermined by the social conditions? For example was it really inevitable

that the development of a mixed economy of state-owned large-scale industry and a private market-driven agriculture under the New Economic Policy would be replaced by the forced collectivisation of agriculture and the accelerated growth of a "command economy" under the Five Year Plans? Was this made inevitable by the existing social and economic conjuncture? No: this drastic change in the economic and social development of the Soviet Union was the result of a decision taken by a handful of individuals comprising the Politbureau of the Communist Party. The decisive influence was that of Stalin. Of course, Stalin's influence was dependent on the support of a majority of the Politbureau; and in turn their ability to enforce their decisions was dependent on their control of a whole structure of party and state organisations and repressive police forces comprising hundreds of thousands of individuals – all created by the whole gamut of events since 1917. But it is still undeniable that the decisions of the Politbureau could have been different. If Bukharin and his faction had been able to defeat Stalin, the NEP might have continued, and the subsequent history of Russia might have been substantially different.

What all these historical examples show is that in certain conjunctures the balance of social forces is such, the relative possibilities of different courses so evenly balanced, that the decisions of individuals or small groups of individuals can have widespread consequences for the whole future development of societies. Plekhanov observed: "The possibility – determined by the form of organisation of society – that individuals may exercise social influence, opens the door to the influence of so-called *accident* upon the historical destiny of nations." (Ibid., p.42.)

III: Conclusions

I mentioned earlier that one interpretation of the Marxist view of history – historical materialism – can lead to a fatalistic attitude. Why should you or I bother? The course of history, hence the success or failure of the struggle for socialism, is determined by large-scale historical forces in relation to which the influence of the individual is minimal. Que sera ... sera. This was in fact my attitude when I dropped out of political activity many years ago.

However, in view of all that has been discussed above, I must conclude that this fatalistic view is wrong. The individual can make a difference. How much of a difference depends on the overall objective situation and the individual's position in the social context. A Lenin has more influence than a rank-and-file party member. A Tony Blair or Gordon Brown has more influence than a member of a Labour Party Management Committee. But no one can tell in advance how much influence he or she may have in the future.

Even a marginal individual can, thanks to the accidents that Plekhanov mentioned, have a considerable influence on history. As already mentioned, Lenin and Hitler had a decisive influence. And this depended on their actual positions in the political hierarchy.

This raises two further questions. Were their paths to these positions of leadership and influence accidental, or determined by previous causes? Lenin was not born a Bolshevik, nor was Hitler born a Nazi. Obviously, genes have an influence on character, but so have life experiences and the social environment. At some early stage in his life, certain events and individuals must have influenced Lenin in the direction of political commitment rather than, say, developing a career as a lawyer or in the ranks of the Tsarist bureaucracy in the footsteps of his father. We are told that the execution of his brother for an attempt on the Tsar's life had a great influence. But this of itself might not have been decisive. It is interesting to speculate that some schoolmate or fellow student might have, at a critical stage in his growing up, handed the young Vladimir Ilyich a revolutionary publication, or had been the first to introduce him to other revolutionaries and thus set him irrevocably on the revolutionary path. And would Hitler have become as involved as he did in right-wing nationalist movements had not some unknown individual pressed anti-Semitic pamphlets into the hands of the young Adolf? If this is the case, even less significant individuals can have a great impact on history, at second-hand so to speak, by being decisive influences on other individuals who do reach positions of power. In this case, Hitler's unknown anti-Semitic pal has a lot to answer for!

One further question needs to be examined. If the actions of one individual or a small group of individuals can have a major effect as instanced above – the so-called *accident* as Plekhanov defined it – are these actions really accidental or are they predetermined? A determinist would argue that they are. The actions and decisions of a Lenin, Stalin, Hitler and others were determined by a combination of preceding factors; their genetic make-up, their whole life experiences, the total social environment in which they lived, all predetermined what action they would take in a given situation. Thus Lenin could have acted in no other way than he did in building the Bolshevik party, or in advocating an armed uprising in October 1917; nor could Zinoviev, Kamenev or Stalin have acted other than they did either in relation to October or the decision to collectivise. Nor could Hitler have acted differently.

But even if one interprets Marxism in the most determinist manner, it is still a fact that even so-called "impersonal" social and economic forces are made up of the actions of myriads of *individuals*, even if these are themselves determined. Even so-called "impersonal" economic forces are the

cumulation of the actions of individuals; individuals investing in businesses, workers selling their labour, traders buying and selling; all seeking to satisfy their personal needs through economic relations. There would be no classes or class struggles without individual workers, no trade unions or parties without individuals. So in the final analysis, there is really no mutual incompatibility between the so-called "impersonal" and the personal, nor between the actions of individuals and the action of social forces. Social forces are the cumulation and summation of the interrelated actions of individuals. There is no incompatibility between determinism and voluntarism. The actions of individuals in their totality and interactions are the necessary links in the networks of cause and effect that make up so-called "impersonal" social forces and determine the course of history.

According to a fully determinist interpretation of history, everything that happens, whether as a result of large-scale forces or the actions of individuals or a combination of these, has been determined since the beginning of time. If this is a truth it is a useless truth (as Al Richardson once observed), since no one can tell in advance what has been determined, nor what consequences his or her actions and choices will have.

So, in the final analysis, even the hard-line determinists have to act as if they have free will and hope that their actions will have the consequences they desire, while at the same time understanding that these consequences are in turn determined by their position in society and the overall social conjuncture.

Plekhanov described the views of the subjectivist historians of the eighteenth century who reduced everything to the conscious activities of individuals as the *thesis*. He called the fatalistic views of later historians Guizot, Mignet and others who completely denied the role of the individual the *antithesis*. We may describe the view that the actions of individuals, even though themselves determined, are necessary links in the networks of cause and effect that determine history as the synthesis. In the same way, the attempt to place the actions of individuals within the framework of large-scale social forces, and the reconciling of free will and determinism in the actions of individuals that I have made above may be described as a *synthesis* between the determinism and voluntarism that coexist in Marxism and historical materialism.

One further thought occurs. If we accept that ideas and ideologies, even though arising from and reflecting material processes, also become material forces when embraced by individuals and classes, and, in turn, change material conditions, should we not abandon the term "*materialist* interpretation of history", which implies a one-way causal direction, and adopt a new term – say – an "holistic interpretation" of history?

The Fourth International in Perspective

This is the transcript of a speech given at a conference organised by *Socialist Outlook* on 14 November 1998 at the University of North London to commemorate sixty years of the Fourth International. The conference was also addressed by three other veterans of the movement – John Archer, Bill Hunter and Charles van Gelderen.

BEHIND ME you will see the symbol of the Fourth International, in front of me on the platform are red roses – the symbol of New Labour. Whether that is a sign of the ambivalence of what you are about to hear is for you to decide!

If you had asked those who attended the founding conference of the Fourth International, or were already members of Trotskyist organisations, whether they would live to see the revolution, most would probably have said no. For two reasons.

First, that being committed to building a revolutionary leadership they didn't expect to survive. And they were correct: because there is a long roll of honour of Trotskyists who lost their lives fighting for Trotskyism either in the concentration camps of Nazi Germany or in the gulags of Stalinism. The chances of committed Trotskyists in Europe and other countries dying in the concentration camps, in the cells of Stalinist Russia, in the torture chambers of Argentina and Chile, was very high. For that reason alone they didn't expect to live to see the triumph of the socialist revolution. In the democratic countries Trotskyists such as Jock Haston, Roy Tearse, Heaton Lee and Ann Keen saw the inside of gaols. James Cannon and members of the Socialist Workers Party in the USA were imprisoned as a result of the Smith Act during the war.

The second reason is that the transition from capitalism to socialism is not a matter of a day's work but of years and decades. Those are the two reasons why those who joined the movement in the thirties were unlikely to see the victory of the socialist revolution.

However, one would have expected that in the sixty years since the foundation of the Fourth International it would have made more progress than it has done. Particularly seeing that we were supposed to be witnessing the death agony of capitalism – an epoch of "wars and revolutions". If we compare the conquest of power with the conquest of the Himalayas, then you would have expected that at least we would have climbed some peaks, got out of the valleys and established some base camps for the conquest of the heights.

Unfortunately we have to say that these expectations were not fulfilled. And if we are today to discuss the history of the Fourth International, then we must be critical of our mistakes and our failures, and try to understand where our perspectives and analyses were wrong and where we have to revise them.

Though I no longer consider myself a Trotskyist I am proud to have belonged to the movement and to have made that contribution. Though we may not have achieved our aims and perspectives, nevertheless the Fourth International, if it has been a failure, has been an honourable one.

One of the things we have to be proud of is that, throughout the Second World War, Trotskyists held high the banner of international working class solidarity when the masses and the labour movement and the Stalinists wallowed in national chauvinism and national hatred – I remember that the slogan of the French Communist Party during the German occupation was "à chacun son Boche", which meant "let everyone kill his own Hun". In that period the French Trotskyists in collaboration with German Trotskyists published an illegal paper *Arbeiter und Soldat* aimed at the German soldiers in the occupation forces, fought for an internationalist policy and organised Trotskyist anti-Nazi cells in the German army. They were betrayed: the German comrades were shot and many of the French comrades ended in concentration camps.

Now for some criticism. Let's remember what the perspectives of the founding conference were. Capitalism was in its death agony. The productive forces were stagnating. Reformism and Stalinism would be exposed and all the objective conditions for the socialist revolution were present except one – a revolutionary leadership. The task the Fourth International set itself was to provide that leadership. How far has this perspective been vindicated now sixty years later? What progress has the Fourth International made towards accomplishing this task?

The Fourth International has had some successes in Sri Lanka, Bolivia and Indochina. But in no advanced capitalist country has the FI succeeded in winning mass support or been anywhere in sight of achieving power.

Trotsky characterised the regime in the Soviet Union as a transitional one with no future. Either the bureaucracy would open the road to capitalism or the working class would rise up in a political revolution to defend socialist property relations. The first part of this prognostication has unfortunately proved correct. The Stalinist regimes have collapsed into Mafia-style capitalism. But contrary to our hopes and predictions the working class has failed to defend socialist property relations.

We have to recognise without illusions that our analysis was wrong. Sixty years after we pronounced the death agony of capitalism we still have a capitalism which undoubtedly has its problems and its crises, but there is no prospect of its overthrow in the near or intermediate future. And at the same time the influence of Marxist and socialist ideas is at its lowest since 1848. It's no good – and I make no apology for being critical – it's no good coming here and celebrating the sixty years of the FI without asking ourselves what went wrong and what we need to criticise and to revise.

Let's compare the perspectives described with what actually happened. The war did come and ended with the radicalisation of the working class and the revolutionary situations we predicted. The collapse of Nazism saw armed resistance movements in Italy, France and Belgium, largely under Communist Party leadership. We saw bourgeois regimes on their knees. But we were unable to break through, and the Stalinist and social democratic leaderships maintained their mass support.

Now, Bill Hunter argues in his book [*Lifelong Apprenticeship: The Life and Times of a Revolutionary*] that the only reason capitalism survived was due to the treachery of the social democratic and Stalinist leaderships. This is only a partial explanation. We have to ask ourselves why, despite our correct criticisms and their betrayals, the reformists and Stalinists continued to have mass support. I think the first self-criticism we have to make is that we underestimated the hold of reformist and nationalist and even bourgeois ideology on the working class.

Bill Hunter says that our predictions of capitalist collapse were not that ludicrous. He quotes bourgeois politicians and academics who were themselves extremely pessimistic about the survival of capitalism. But is it sufficient to say that if we were wrong at least we were wrong in bad company?! From 1947-48 we saw the longest and most extensive boom and expansion of capitalism. We saw not the destruction of bourgeois democracy or decline of reformism but the continuance of stable parliamentary democratic regimes and improved standards of living. Yet year after year we continued to base our policies on the perspective of imminent slump, a radicalised working class and revolutionary situations.

This was a very unfavourable situation for the development of revolutionary movements. Even if we had made no mistakes we have to say – admittedly with hindsight – that the period after the war from 1948 onwards was one in which no revolutionary movement could have broken out of isolation. Nevertheless, we attempted to break out of this isolation and, to do so, attempted to apply the *Transitional Programme* adopted in 1938.

Let me give you two examples. In 1945-46 there were discussions in the Revolutionary Communist Party on our policies to combat the unemployment and redundancies we expected at the end of the war. Some argued that our comrades in industry should put forward the demand that non-unionists go first, others that we should fight for the principle of last in first out. Others of us said this was a policy of retreat, of accepting unemployment. Instead we should apply the *Transitional Programme* – the demand for a sliding scale of hours. In other words, absorb the redundant workers through a reduction of hours without loss of pay.

In the factory in which I worked in Manchester we were faced with precisely that problem in 1949. 300 workers out of 2,000 were declared redundant. As a Trotskyist I moved in the shop stewards' committee that we resist this and demand that the redundant workers be kept on until they found alternative employment and until then be absorbed by adopting four days' work for five days' pay. Nobody on the shop stewards' committee ever put forward the idea of "nons first" or "last in first out". A mass meeting was called, the workers came out on strike. We attempted to spread the strike through the Manchester area, and throughout the textile machinery makers' combine in Lancashire and Yorkshire. A shop stewards' conference called by the Platts' strike committee and which I chaired was attended by shop stewards representing 50,000 workers in the Manchester area – it supported our demands and formed an action committee to campaign for a one

day general strike.

Now, remember this was 1949. It was an isolated packet of redundancies in a period of full employment. Within the first fortnight of the strike most of the redundant workers had walked into other jobs. Our demands had become academic. The strikers decided to go back to work without our demands having been met. Nevertheless, the Platts' shop stewards' committee campaigned to have this policy adopted throughout the engineering industry in the event of any future redundancies. We got this accepted by the Textile Machinery Makers (TMM) shop stewards' central committee representing 10,000 workers in Lancashire and Yorkshire. And these demands were taken up elsewhere in the country. For example, in 1953 a strike at S. Smith Ltd in Cricklewood in London took place against redundancy with these demands. They won four weeks' pay in lieu of notice, compared with the one week's pay then prevalent in the industry. This was a partial victory. We were not able to prevent further redundancies but won concessions. By the 1970s redundancy payments based on one week's pay for each year of service became law. If in the 1949 strike the employers had granted this, the workers would have considered it a significant victory.

Here was an example of Trotskyists trying to apply the *Transitional Programme* – which was designed for a revolutionary situation – in a non-revolutionary situation. Was it a waste of time? In my opinion, no. Today redundant workers get relatively large sums – which is better than a kick in the teeth. Though our fight for transitional demands did not bring about the revolutionary results we expected, we did make a contribution in improving conditions. Of course, the reverse side of that is that those concessions can be used by the state and the employers to defuse the opposition to redundancies and unemployment.

The other thing I want to mention is our attempt to relate to the mass labour movement. There was a bitter division within the Revolutionary Communist Party at the end of the war as to whether we should enter the Labour Party. I was one of the minority which eventually did do, with the agreement of the International. There are two ways of looking at revolutionaries entering a mass reformist party. One is the concept of a short term raiding party – you go in with fifty members, you come out with a hundred. This was not our conception. We believed that a revolutionary party can develop out of the struggles in a reformist movement, but as an organic process, as the result of the development of a left wing movement which would eventually split from the Labour Party and of which the Trotskyists would be the hard core.

When we entered the Labour Party in 1947 we attempted to overcome the sectarianism and dogmatism that had characterised our movement. For example, we started the *Socialist Outlook* in 1948 together with a number of left trade unionists and left Labourites, such as Tom Braddock MP, Jack Stanley, general secretary of the Constructional Engineering Union, and Jim Figgins of the National Union of Railwaymen. I remember that we deliberately ensured that we were a minority on the editorial board and on the management committee of the Labour Publishing Society that published the paper. I think that was correct because our aim was to bring people with us, to develop a general consciousness and not to make the *Socialist Outlook* a narrow Trotskyist paper but a catalyst for the development of socialist and Marxist consciousness.

Some of our fellow Trotskyists criticised us on the grounds that we were disguising ourselves as left reformists. I don't take that as a criticism. What else could a revolutionary movement do in a non-revolutionary situation? Either we say reforms are impossible: only the building of the revolutionary party will solve your problems. OK we can do that. But then we become a sect, like the SPGB, and abstain from participation in daily struggles. On the other hand, if you try to participate in such struggles you always face the danger of being seen as reformists. In fact the people that supported us in the *Socialist Outlook* and when the Socialist Fellowship was formed (not on our initiative but on that of left Labourites), and who supported our policies for extending nationalisation, workers' control, support for colonial liberation struggles, opposition to the Korean War – demands that we put forward as revolutionaries – didn't see these policies as inconsistent with their own gradualist and reformist approach. Now that is a problem: how do you, as a revolutionary movement in a non-revolutionary situation, prevent yourself from becoming a pure sect without the risk of being seen as reformist?

I understand my speaking time is up. I hope in the closed sessions to continue to try and find an answer to these problems. Let me just finish by saying that I make no apology for being extremely critical of the history and actions of the Fourth International. Nevertheless, at least we participated in and are part of the history of the development of the working class struggle.