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CONCERNING "SOCIALIST REVIEW"

SPECIAL APPEAL

Since the first issue of the "Socialist Review" the costs of producing a duplicated magazine have continued to rise with every issue. Due to this constant increase the position today is that to produce a magazine of this size is almost as costly as printing. This, coupled with the fact that the circulation of the paper has risen steadily, has led to the decision that given an extra effort by comrades who support the "S.R", a PRINTED journal can be achieved.

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With this as the aim, a fund is being opened to finance printing the paper. All donations, no matter how small, will be received with thanks, and acknowledged by individual receipt.

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Editorial

THE PERSIAN CRISIS

The crux of the Persian crisis is the struggle over the division of the profit of its oil industry. Up to now, the overwhelming majority of these profits have gone, in one form or another, into British hands, as can be seen from the following figures:

	Received by British Govt. in taxation	Royalties to Persian Government	Gross Profits
	£Mn.	£Mn.	£Mn.
1947	15	7	34
1948	28	9	53
1949	23	13½	41

That the financial arrangements were too much against the interests of Persia is clear from the fact that after the outbreak of the crisis, even the representatives of the A.I.O.C. did not dare to pretend that the royalties paid to the Persian Government were anywhere near sufficient. Accordingly they proposed temporarily to fix the sum of royalties, which had been £7 million in 1947, £9 million in 1948 and £13½ million in 1949, at an interim payment of £10 million, plus £3 million monthly, i.e., a total of £46 million a year.

The Persian Government was not satisfied with these concessions and insisted on nationalisation of the oil industry, and so the strange situation has come about that a Persian Government of large absentee landowners is fighting for the nationalisation of industry, while a British Government which claims to be Socialist is opposing this measure tooth and nail.

To add another paradox, the Persian ruling class, which for generations had been an absolutely loyal agent of British imperialism, which was a "quisling", totally indifferent and even opposed to any national movement, is now raising high the banner of national independence. Besides this, they even come out with a so-called "socialism": the fight against the poverty of the Persian masses has become the battle cry of Mossadiq and Co., for which the foreign imperialist company, A.I.O.C., serves as the butt.

The Persian Government put the blame for all the social ills, for the terrible poverty of the mass of the people, on the British exploitation of the oil wealth of the country. And to drive the point home, when Mr. Jackson, the head of the A.I.O.C. delegates to Teheran, went to see Dr. Mossadiq, the Persian Premier insisted that he go and see the notorious slums of Teheran, which are "all the fault of the Oil Company".

While British imperialism had found allies in the feudal landowners of Persia for its social policy of keeping the country backward

and thus the wages low, now the same landowners try to put the blame for the backwardness and poverty solely on British imperialism.

This strange policy of Mossadiq and Co. reflects the deep social and national contradictions in which the country finds itself. Mossadiq tries to raise himself above the two contending basic forces, British imperialism on the one hand, and the exploited anti-imperialist masses on the other, with the threat of the British navy which keeps the masses "in their places", and with the help of the masses which compels imperialism to retreat and leave the oil industry - the only important industry in the country - to the landowners' government.

To add to the complications of this situation there is the intervention of Russia and of its agency, the Stalinist (Tudeh) Party.

For 150 years Persia was a field in which two Powers fought for influence: Britain and Russia. During the last forty years, since the beginning of the extraction of oil, the struggle for control over Persia has sharpened considerably. Since the Second World War the issues have become even more vital, as Persia and the countries round it have come to be of paramount importance in the world production of oil, the life-blood of both peace and war industries and of transport. In 1950 Persia produced 32.3 million metric tons of oil, Saudi Arabia, 26.9; Kuwait, 17.3; Iraq, 6.5. Together they produced 82 million tons. As against this the target of the oil industry of USSR as a whole for 1950 was only 35.4 million tons. What is more natural than that the Stalinist bureaucracy should be attracted to the rich Middle Eastern oilfields, including Persia? What better conditions could exist for the Tudeh Party than the present crisis in Persian-British relations? That nevertheless the Tudeh Party is not reaping the fruits, is due first of all to the fact that Russia has exposed her imperialist greed for Persian oil and has thus taken the wind out of the sails of the "anti-imperialist" propaganda of the Tudeh Party. It was only five years ago that Russia demanded an oil concession in northern Persia similar to the present British one in the South. The people's outcry against any oil concession to a foreign country - whether Britain or Russia - was so great that when the Persian Government refused to grant the concession to Russia, the Tudeh Party not only was not able to raise opposition to the Government, but lost nearly all the mass influence it had formerly had.

The position of U.S. imperialism in the Persian crisis is full of contradictions. On the one hand it is in competition with the British oil interests, hence its successful effort in monopolising the oil of Saudi Arabia, its success in getting control over 50 per cent of the Kuwait oil and 25 per cent of that of Iraq. Persian oil, closed to American companies, was always a tempting object. And it must be a great temptation for American companies to send their tankers to carry away the Persian oil and thus get a foothold in this field. On the other hand, their experience of the nationalisation of the oil industry in Mexico must make it clear to the American capital-

ists that the nationalisation of the oil industry of Persia could be the first step towards the eviction of all the foreign imperialist oil companies in the Middle East. Hence the "solidarity" of U.S.A. with Britain in the Persian crisis. This "solidarity" is enhanced by the needs of the American struggle against Russia over the division of the world.

The present policy of the British Government in Persia is blatantly anti-socialist. To oppose nationalisation of the oil industry, to insist on the "right" of Britain to draw profits from Persia by exploiting the Persian workers, is a capitalist-imperialist policy which can have one of the following results: (1) A continuation of the exploitation of the oil works of Iran by British capitalism, with a greater or lesser part of the profits going to the ruling class and Government of Persia which collaborates with British imperialism. (2) The Persian landlords and capitalists with their Government can make use of the hatred of the Persian workers for their imperialist exploiters in order to transfer the oil industry from the hands of imperialism to the hands of the Persian Government; thus changing the exploiters, but not the fate of the exploited. (3) Russia can use this hatred of British imperialism to gain mass influence in Persia and turn the country into another Russian gubernia, thus changing one exploiting imperialism for another. (4) The Persian workers can expropriate the British owners and establish workers' control over the oil industry and workers' power in Iran as a whole. The duty of British socialists is to help the Persian workers to achieve the last result.

A British Socialist Government should take the following steps in the Persian crisis: Declare that Britain has no right to get a penny out of Persian oil. Renounce the property rights of Britain in Persia. Call on the Persian workers to take hold of the former A.I.O.C. With the voluntary renunciation of ownership rights in Persia, such an appeal would have a tremendous echo among the Persian workers, making it practically impossible for Mossadig and Co. to take hold of the oil industry. With the only significant industry of Persia under workers' control the rule of the feudal landlords and capitalists over the country as a whole would become impossible. The oil workers would attract the rest of the Persian workers and peasants to them and a workers' and peasants' government would be established. Such a government would be a true and loyal friend of Socialist Britain, a reliable antagonist of both Russia and American imperialism.

With the help of capital investments British imperialism held, exploited and oppressed hundreds of millions of people. With an active anti-imperialist policy of renouncing and fighting these capitalist investments, a Socialist Britain would be able to find hundreds of millions of allies in the struggle for socialism, against the imperialist war for the division of the world, for peace.

N A T A L I A T R O T S K Y

B R E A K S W I T H T H E
F O U R T H I N T E R N A T I O N A L

The following is the text of the letter sent by Natalia Sedova Trotsky to the leadership of the Fourth International and of the Socialist Workers Party, breaking off all political connection with these organisations. It was printed in the American press.

Executive Committee of the Fourth International
Political Committee of the Socialist Workers Party
Comrades:

You know quite well that I have not been in political agreement with you for the past five or six years, since the end of the war and even earlier. The position you have taken on the important events of recent times shows me that, instead of correcting your earlier errors, you are persisting in them and deepening them. On the road you have taken, you have reached a point where it is no longer possible for me to remain silent or to confine myself to private protests. I must now express my opinions publicly.

The step which I feel obliged to take has been a grave and difficult one for me, and I can only regret it sincerely. But there is no other way. After a great deal of reflections and hesitations over a problem which pained me deeply, I find that I must tell you that I see no other way than to say openly that our disagreements make it impossible for me to remain any longer in your ranks.

The reasons for this final action on my part are known to most of you. I repeat them here briefly only for those to whom they are not familiar, touching only on our fundamentally important differences and not on the differences over matters of daily policy which are related to them or which follow from them.

Obsessed by old and outlived formulas, you continue to regard the Stalinist state as a workers' state. I cannot and will not follow you in this.

Virtually every year after the beginning of the fight against the usurping Stalinist bureaucracy, L.D. Trotsky repeated that the regime was moving to the right, under conditions of a lagging world revolution and the seizure of all political positions in Russia by the bureaucracy. Time and again, he pointed out how the consolidation of Stalinism in Russia led to the worsening of the economic, political and social positions of the working class, and the triumph of a tyrannical and privileged aristocracy. If this trend continues, he said, the revolution will be at an end and the restoration of capitalism will be achieved.

That, unfortunately, is what has happened even if in new and unexpected forms. There is hardly a country in the world where the authentic ideas and bearers of socialism are so barbarously hounded. It should be clear to everyone that the revolution has been completely destroyed by Stalinism. Yet you continue to say that under this unspeakable regime, Russia is still a workers' state. I consider this a blow at socialism. Stalinism and the Stalinist state have nothing whatever in common with a workers' state or with socialism. They are the worst and the most dangerous enemies of socialism and the working class.

You now hold that the states of Eastern Europe over which Stalinism established its domination during and after the war, are likewise workers' states. This is equivalent to saying that Stalinism has carried out a revolutionary socialist role. I cannot and will not follow you in this.

After the war and even before it ended, there was a rising revolutionary movement of the masses in these Eastern countries. But it was not these masses that won power and it was not a workers' state that was established by their struggle. It was the Stalinist counter-revolution that won power, reducing these lands to vassals of the Kremlin by strangling the working masses, their revolutionary struggles and their revolutionary aspirations.

By considering that the Stalinist bureaucracy established workers' states in these countries, you assign to it a progressive and even revolutionary role. By propagating this monstrous falsehood to the workers' vanguard, you deny to the Fourth International all the basic reason for existence as the world party of the socialist revolution. In the past, we always considered Stalinism to be a counterrevolutionary force in every sense of the term. You no longer do so. But I continue to do so.

In 1932 and 1933, the Stalinists, in order to justify their shameless capitulation to Hitlerism, declared that it would matter little if the Fascists came to power because socialism would come after and through the rule of Fascism. Only dehumanized brutes without a shred of socialist thought or spirit could have argued this way. Now, notwithstanding the revolutionary aims which animate you, you maintain that the despotic Stalinist reaction which has triumphed in Eastern Europe is one of the roads through which socialism will eventually come. This view marks an irremediable break with the profoundest convictions always held by our movement and which I continue to share.

I find it impossible to follow you in the question of the Tito regime in Yugoslavia. All the sympathy and support of revolutionists and even of all democrats, should go to the Yugoslav people in their determined resistance to the efforts of Moscow to reduce them and their country to vassalage. Every advantage should be taken of the concessions which the Yugoslav regime now finds itself obliged to make to the people. But your entire press is now devoted to an inexcusable idealization of the Titoist bureaucracy for which no ground exists in the traditions and principles of our movement.

This bureaucracy is only a replica, in a new form, of the old Stalinist bureaucracy. It was trained in the ideas, the politics and morals of the G.P.U. Its regime differs from Stalin's in no fundamental regard. It is absurd to believe or to teach that the revolutionary leadership of the Yugoslav people will develop out of this bureaucracy or in any way other than in the course of struggle against it.

Most insupportable of all is the position on the war to which you have committed yourselves. The third world war which threatens humanity confronts the revolutionary movement with the most difficult problems, the most complex situations, the gravest decisions. Our position can be taken only after the most earnest and freest discussions. But in the face of all the events of recent years, you continue to advocate, and to pledge the entire movement, to the defense of the Stalinist state. You are even now supporting the armies of Stalinism in the war which is being endured by the anguished Korean people. I cannot and will not follow you in this.

As far back as 1927, Trotsky, in reply to a disloyal question put to him in the Political Bureau by Stalin, stated his views as follows: For the socialist fatherland, yes! For the Stalinist regime, no! That was in 1927! Now, twenty-three years later Stalin has left nothing of the Socialist fatherland. It has been replaced by the enslavement and degradation of the people by the Stalinist autocracy. This is the state you propose to defend in the war, which you are already defending in Korea.

I know very well how often you repeat that you are criticizing Stalinism and fighting it. But the fact is that your criticism and your fight lose their value and can yield no results because they are determined by and subordinated to your position of defense of the Stalinist state. Whoever defends this regime of barbarous oppression, regardless of the motives, abandons the principles of socialism and internationalism.

In the message sent me from the recent convention of the SWP you write that Trotsky's ideas continue to be your guide. I must tell you that I read those words with great bitterness. As you observe from what I have written above, I do not see his ideas in your politics. I have confidence in these ideas. I remain convinced that the only way out of the present situation is the social revolution, the self-emancipation of the proletariat of the world.

Natalia Sedova TROTSKY

Mexico, D.F.
May 9, 1951

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STALINIST RUSSIA - THE FACTS

WOMEN IN THE U.S.S.R.

by T. Cliff

(from a series of articles appearing in INFORMATION DIGEST in March, April, May, 1949)

We publish here the fourth of a series of articles on Russia with the object of bringing before the British workers the real situation in Stalinist Russia, based on facts. The workers in Britain are becoming more and more uneasy about what is taking place in Russia, and in order to answer these growing doubts, the Stalinist Parties have poured out a spate of lying propaganda about the situation in Russia. These articles are based entirely on official Russian material and their accuracy cannot be challenged. Even when other sources have been quoted, they have been checked with the original Russian sources.

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The degree of humanity's progress is measured by the condition of women. When inequality prevails, even biological differences become the source, on the one hand, of subjugation, and on the other, of privileges. If, therefore, we examine the changes in the position of women in Russia from the October Revolution until today, it will throw a clear light on changes in the regime as a whole during that period.

WHAT DID THE OCTOBER REVOLUTION GIVE TO THE WOMEN? On December 19 and 20, 1917, two decrees appeared over the signature of Lenin, "About the Dissolution of Marriage" and "About Civil Marriage, Children, and the Registration of Marriages". These two laws deprived the man of the privilege of domination in the family, gave full freedom to the woman to decide her marital fate, and, as a self-evident right, to decide her surname, domicile and citizenship. Neither had the right to keep the other in the marital tie against the other's wish: and a divorce was granted freely to anyone demanding it. The decree went on to explain that as Russian society was poor and had not sufficient children's institutions, the father would be obliged to give alimony in case of separation.

No legal difference whatsoever existed between a registered and an unregistered marriage, the children of an unregistered marriage having exactly the same rights as those of a registered one. If man and wife separated, the property was divided equally between the two.

Since the bearing of children is connected with the most intimate aspect of life, and society has no right whatsoever to prevent the woman who bears and nurses the child from deciding whether she is to have it or not, but on the contrary should assist her in carrying

out her decision, all women were allowed to practise abortion in the first three months of pregnancy. (In this connection the state did its best to penetrate the remotest corners of Russia in order to carry out these decisions; thus, for instance, special trains equipped with everything necessary for birth control toured all parts of the country). The pregnant woman received maternity leave of eight weeks before the birth, and eight weeks after, with full pay.

All these decrees, whose aim was to bring equality to women, could not be carried out in full owing to the poverty of Russia at that time. Nurseries were few and far between, there were few kindergartens and, most conspicuously lacking were public kitchens which could take the place of the private kitchen and eliminate its drudgery.

THE RESTORATION OF THE CAPITALIST FAMILY. On June 27, 1936, a decree was promulgated instituting a fee for divorce: instead of three roubles formerly requested to cover expenses, for the first divorce, the couple now had to pay 50 roubles, for the second 150, for the third or any subsequent one, 300 roubles. A decree of July 8, 1944, declared that:

"Prospective applicants for a divorce will henceforth be obliged to state their reasons and satisfy the courts that these reasons are serious and valid. Both parties must appear personally before a lower court which hears all the evidence and then seeks to determine if it can effect a reconciliation. If this is believed impossible, the petition can be carried to a higher court. Witnesses must be heard in both courts."

The same decree raised the divorce fees to 2,000 roubles. That this put divorce quite out of the reach of the average worker will be readily understood when one remembers that the average wage, which includes everybody's earnings from the salary of the most highly-paid director to the wage of the lowest paid unskilled workers, was 3,437 roubles in 1938. (We have no figures for 1944 itself). For the elite of Russian society, 2,000 roubles is a mere trifle!

The same decree of July 8th abolished unregistered marriages, declared that only the children of a registered marriage had legal rights against their fathers, and that only legally married people had the rights of pension, inheritance, alimony etc.

The courts are not to recognise any demands from unmarried women, not to investigate the paternity of an illegitimate child for the sake of granting alimony or getting any other help from the father. The words "Head of the Family" were absent from the population census of 1937. The Russian press of these years is full of rosy stories about the family life of Marx and Engels: they forgot that Engels' marriages were never registered!

PREACHING PRIESTS' MORALS. In the book "Letters to the Parents" A.S. Makarenko (1940) writes: "...social morals demand that sexual life be restricted to marriage, an covert union of man and woman for the purpose of happiness and the breeding of children."

The youth paper "Komsomolskaya Pravda", of July 27 1935, writes that sexual life outside the family "drives us into meanness, filth and barbarism." The same paper, on November 21, 1938, attacks promiscuity among young men and women, referring to girls' chastity with honour and respect. The whole press follows this line.

THE PROHIBITION OF ABORTION. That abortions were very widespread in Russia is clear from the following figures from the "Statistical Review" (Moscow 1929). For every thousand of the Moscow population, there were, in the year 1925, 31.6 births, 9.7 abortions; 1926 - 29.7 and 16.3 respectively; 1927 - 25.6 and 19.2; 1928 - 22.7 and 27.9; 1929 - 21.7 and 35.2.

On June 26, 1936, abortion was declared a criminal offence. "Pravda" explains the reason for the law: "... abolition of capitalist exploitation in the U.S.S.R., the rise in the material situation, and the tremendous rise of the political and cultural level of the toilers make it possible to revise the decisions of 1920." (25.5.36.) If life has become so rosy, why the prohibitive law?

Fines were imposed on unmarried people and on childless couples. On the other hand, women with many children received grants, as follows:-

	Single Grant. Roubles.	Monthly Allowance. Roubles.		Single Grant. Roubles	Monthly Allowance. Roubles.
Third child	400	-	Seventh and		
Fourth "	1,300	80	eighth child	2,500	200
Fifth "	1,700	120	Ninth and tenth	3,500	250
Sixth "	2,000	140	Above ten	5,000	300

One small quotation from "Pravda" will show us the extent of the "magnanimity". The issue of May 17, 1938, says that the "fee for a child in the Pioneer camps should not be more than the cost of maintenance -- 250 - 350 roubles a month."

While the Bolsheviks under Lenin allowed pregnant women eight weeks' maternity leave before the birth and eight weeks after, with full pay, the decree of July 8, 1944, allowed only five weeks before and six weeks after the birth, while full pay was given only on condition that the woman had worked for six years previously in the same place; she received 80 per cent if she worked from three to six years; and 50 per cent for less than two years.

The instruction of the Commissar of National Health forbids physicians to permit women "to absent themselves from work because of diagnosed menstruation." (Obzor Sotsialnovo Strakhovanya, 1930).

Among the lowest of the pariahs in every society are the prostitutes, and it is no accident that the 1937 census questionnaire included among the professions - servants, vagrants and prostitutes. The fact that the 1937 census figures were not published, and that in the 1939 census these items were not included, speak for themselves.

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A SOCIALIST HOUSING POLICY

The concluding article in a series on the housing problem

by Peter D. Morgan

In this series of articles, attention has been paid to the many obstacles to an adequate housing policy for Britain. In the preceding article, a brief survey showed the potentialities - or should one say the lack thereof? - of the industry in its present archaic and anarchic state. In an earlier article space was devoted to the degradations of the profiteering supply rings which hold the homeless to ransom before a site can be cut or a brick can be laid. It is quite clear that in this shameful situation 300,000 houses a year is not only an idle Tory electioneering slogan - as was stated in dealing with current Tory propaganda in the first article - but is in any case quite impossible of realisation in Britain so long as the capitalist economy remains on a war footing. Furthermore - as was stressed at the same time - not 300,000 houses but at least half-a-million are needed each year in order merely to outstrip current wastage and gradually to remove the worst of the country's slums. The reader may very well be asking the question, "How then CAN this figure be achieved?" Without presuming to possess a monopoly of constructive ideas on this subject, it can certainly be said that the positive proposals set out below would, if acted upon, ensure that this major social problem would be nearer to solution than at any time since 1945.

T H E L A N D The compulsory acquisition of land is absolutely fundamental to any preparation for the large-scale estate construction necessary in our modern industrial society. Equally important is a resolute refusal to allow the twentieth century form of highway robbery practised by landlords to continue. In many cases they have exploited the property for generations and yet added absolutely nothing to its original value. It is high time their parasitic activities were brought to an end.

The Goodwood Report on the Cost of House-Building (H.M.S.O. 1950) estimates the cost of land, roads and services for a house of 1,050 sq. ft. completed in October, 1949, was £158 (i.e. ten per cent of the total cost.) This is equivalent to a proportion of 2s 2d in a total weekly rent of £1-0-6d. Although the Committee insisted that the main post-war increase in this item of expenditure has been in the tender-prices for the cutting of roads and sewers, nevertheless it is undeniable that the high prices for land represent a considerable impost on the final cost of a house and its subsequent rent. It should also be borne in mind that the figure quoted is an average one and that the ever-increasing price of land near city centres and factory sites steadily forces working people further and further away from their places of employment, thus involving them in considerable extra expense.

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It is often contended by apologists of the Labour Government that land has been "nationalised" by the legislation of the Town and Country Planning Act, 1947. Even Dick - now Sir Richard - Coppock and Harry Heumann (in "Man the Builder", St. Botolph Publishing Co., 1948) foster this illusion in a chapter entitled "Missing and Dis-missing the B.U.S. (Reports)".^x They criticise the war-time Coalition Government for not legislating on the basis of these Reports and seem to discern no social evil in the buying and selling of land for private profit. For instance, they complacently consider that "the minority cannot be blamed for promoting its own welfare even if this clashes, as it invariably does in capitalistic society, with the welfare of the majority." And they believe that with the passage of such Bills as the Town and Country Planning Act, "the people... own and control the means of production, distribution and exchange."

Yet the terms of reference of the much-lauded Uthwatt Report remind us very forcibly that we still live in a capitalist society, for they were "to make an objective analysis of the payment of compensation and the recovery of betterment in respect of the public control of the use of land".

In the official description of the Town and Country Planning Act occurs the significant phrase: "To provide for payments out of central funds in respect of depreciation occasioned by planning restrictions" - and therein lies the key to the Act. By this legislation the Labour Government may have vested in the State the right to decide the future of any particular plot of land in Britain: but the House of Lords had no real need to worry - the question of expropriation never even occurred to the Cabinet! The main fight put up by landed interests has been against the development charge on the use of land. Incidentally, even this part of the Act is in jeopardy: the Court of Appeal has referred to the House of Lords the case of Earl of Fitzwilliam's Wentworth Estate Co. vs. Minister of Town and Country Planning. The Lords will decide whether the Central Land Board has powers to compel an owner to part with land at existing use-value and no more (vide "Economist", April 21, 1951). Moreover it should be noted that money collected from this tax is distributed among those owners lucky enough to "lose" land to a public authority.

Another example of "nationalisation" often quoted by Right-wing politicians (of both main parties) is the power of compulsory purchase conferred by the Government on public authorities. They ignore the fact that the purchase price is fixed by the District Valuer. And while the ultimate figure is undoubtedly below what a rapacious owner might have demanded in the heyday of capitalism, nevertheless the Valuer is bound to take into account the prevailing selling-prices of surrounding property of a similar nature.

All these reforms have had the effect of greasing the wheels of capitalism and restraining the more exorbitant demands of the broad-acre

^x The initials refer to the Barlow Report (CMD 6153 - HMSO 1940), the Uthwatt Report (CMD 6386 - HMSO 1942) and the Scott Report (CMD 6378 - HMSO 1942).

barons. But in no way do they represent a Socialist approach to the problem. One cannot do better in these matters than to consult the views of the fathers of modern scientific socialism, Marx and Engels. In "The Housing Question" (International Publishers edition, New York, p. 99) Engels wrote that "the transfer of ground rent to the State is identical with the abolition of individual property in land". Now, has the Labour Government really introduced such a revolutionary change in Britain? By no means! - they have merely insisted that the State shall get a rake-off and shall have the right to poke its thumb in the land-pie. Far from ending the operations of the land-pirates, it has, in many respects, sanctified their plunder, because it entrenches existing owners more deeply into the economic life of the nation and provides their activities with a halo of respectability by making them part of large-scale State enterprise. Proudhon started from the axiom "property is theft", and although he wrote much rubbish that misled contemporary Socialists, his name will live if only for this apt phrase, for nowhere is this more true than in the landed form of property.

THE CONSTRUCTIONAL INDUSTRY As was shown in the previous article in this series, there exists in this country scant means for the all-out drive needed to rehouse our population. The industry is atomised and consists of tens of thousands of small one-man businesses, capable of odd-jobbing and repair work, but in no way suitable for providing real assistance to the building of large estates. Amongst the conclusions in the First Report of the Goodwood Committee (HMSO 1948) at least half the recommendations for improved productivity are necessitated by the inefficiency of private enterprise - viz:-

- (1) The poor wages paid.
- (2) Unimaginative personnel management.
- (3) Inadequate welfare facilities.
- (4) The low incidence of mechanisation.

The fourth criticism, which is due to the impoverished capital structure, falls into a rather different category from the other three, but all these strictures imply an obvious condemnation of private enterprise and its drive for profits at the expense of overheads. Private employers are quite incapable of improving wages or providing canteens, toilet facilities etc. unless profits are cut and this, of course, they are quite unprepared to do.

One of the quack remedies which proved a red herring for many honest militants (and was used by some trade union bureaucrats until Bevan trounced them at successive Labour Party Conferences) was the institution of a separate Ministry of Housing. As Bevan pointed out, the creation of an extra army of planners in Whitehall could neither increase the flow of materials nor speed up the rate of construction. In any case, one cannot plan the completely unplannable. Private enterprise, so multifarious and variegated in this field, utterly defies integration.

But Bevan refused to draw the inescapable conclusion - that it is necessary to supersede this inefficient, outmoded machine and to treat the provision of homes for the people as a social service, in the

same way as the ambulance and fire services are supplied: for the benefit of all, irrespective of income qualification.

At its 1950 Conference, the National Federation of Building Operatives agreed upon a modus operandi for the nationalisation of the major part of the constructional industry. The scheme covers 9,000 firms employing 700,000 workers. It excludes the direct labour departments of Local Authorities and of the Co-operative Wholesale Society, as well as small businesses employing less than 20 workers. To quote "The Building Worker", organ of the Building Trade Workers Union (October, 1950), "under the interim arrangements the individual firms would remain in being but would all become sub-contractors of the National Building Corporation to be set up under the policy control of the Ministry of Building which would absorb both the Ministry of Works and the Housing Section of the Ministry of Health. The new Ministry would be responsible for planning and output in the industry... if a single body instead of a number of quite independent firms were responsible for the entire planning of work on, say, a big council estate, and if a single agency were entrusted with the entire supply of materials, very considerable economies could be made... these firms could be supplied with common services - e.g. transport; labour could be shifted round among them so as to ensure a better-balanced working force at all stages; and pre-planning and pre-assembly of materials on the site could be much better arranged. A great deal of the present bother about getting separate licences for all sorts of supplies would at once be cut out and work could proceed much more smoothly and expeditiously than it does at present."

Without disagreeing with the idea underlying this plan, it must be said that - like many other trade union plans today - it reveals tremendous illusions. Due to the complicated inter-relationships of modern industrial society, socialisation in one sector of heavy industry is not possible without socialisation in all the other major parts. But even as an interim socialist step within a capitalist society, the foregoing plan has two defects which would doom any such reform to failure from the outset. (1) The finances would be unsound and (2) it provides no suggestion as to the relationship of the workers vis-avis the proposed National Building Corporation. One would have thought that it had now become abundantly clear that NATIONALISATION - as we know it - IS NOT ENOUGH....

One proposal that would certainly cripple the plan is that "The firms taken over would... be gradually bought out and taken into the corporation's hands". Bitter experience in the coal and transport industries has amply proven that "Compensation does NOT pay" - as far as the workers are concerned: it saddles the particular industry with a mill-stone of debt against which all demands for improved wages and conditions for the workers in the industry and lower prices for the consumer are continually weighed. The document also displays a naive view of private profit, for it continues: "Profits, over and above fair remuneration for services, passing into a Corporation fund, would be used in buying them out." This raises the old question - who shall decide what represents fair remuneration? The prospect of Messrs. MacAlpine, for example, peacefully permitting part of their "legitimate" profit to be creamed off as part of the purchase price of their business is too farcical for words.

However, even more serious is the second defect mentioned above: that the plan fails to provide any mention of control by the workers in their own industry. As has been pointed out above, the continued existence of the old firms (in whatever curtailed form) would prejudice any hopes of workers' control. The active control by operatives on the job - at all levels of production - is absolutely essential. If these two major defects were remedied, the N.F.B.T.O. Plan would not only be practicable but would provide a valuable contribution towards the early remedy of the tragic position of the homeless.

THE MATERIALS It has been the fear of all who have proposed building by public works authorities that the supply-rings would sabotage such schemes by withholding vital materials. The threat is a very real one, despite the fact that private enterprise exists for private profit and must sell the fruits of production in order to maintain its profits. But it is conceivable that the Federation of British Industries, for example, would be prepared temporarily to subsidise certain individual manufacturers in order to defeat the operation of such a plan as the one discussed above, especially if it were altered as suggested.

The N.F.B.T.O. adopts a rather pessimistic attitude towards this threat. The document states that "Nationalisation of the supply of materials ought to come first", seems to hold that "nothing much can be done without it" and finally side-steps the difficulty entirely with the following platitude. "A central Supply Agency...could greatly facilitate standardisation even if actual manufacture were left mainly in private hands". Such ideas bear no relation to reality and contain the same fatal canker that would destroy the whole plan - the dream that the capitalists could be trusted to guide the knife that would slit their own throats.

Whilst the N.F.B.T.O. is merely confused about this question, the Labour Government's attitude is downright shameful. The following statement reveals with startling clarity the psychology of many of His Majesty's Ministers. Addressing a luncheon given by the London Master Builders' Association, Mr. Stokes, Minister of Works, said:^x "The steel is there. The great thing is to see that it does not get into the wrong hands". He was answering a complaint by Mr. R.R. Costain, president of the Association, that builders could not expect steel deliveries in less than six months. The Minister declared, "As a person who has spent five years of nightmare scrounging for steel, I can only say, 'If you don't know how to do it, for God's sake learn how to scrounge.' But don't quote me. For years I have been dealing with a year's delay or more and we have always had enough. I don't believe that builders are so backward that they can't find a way over their difficulties. I don't like to throw out too definite a hint but there is an odd crowd of middlemen knocking around."

Well, there it is - in black and white. A "Socialist" Minister of the Crown advising fellow-manufacturers to team up with the spivs and smooth racketeers of capitalist society to get black-market steel at under-the-counter prices. Of course, it was not splashed on the

^x "Daily Telegraph", January 19th, 1951

front page of the Daily Express; of course it may have been denied the following day - although Mr Stokes has since repeated the advice to another body of industrialists. But it so closely resembles actuality as to be characterised as a statement of de facto Government policy. As an official of the Master Builders' Association complained after his no-doubt excellent lunch, "It is now up to Mr. Stokes to tell the industry, and the people, who they are, and, what is more, what he intends to do about it".^x But, far from rooting out these anti-social tycoons, it is very evident that they are condoned and even assisted in the highest government circles. After all, what has suited Ransome, Sims and Rapier "for years" is surely good enough for Great Britain (Inc.)...? The writer need hardly add that THIS is not the way to Socialism - not even the so-called "British way"!

As a footnote to this revelation in modern socialist theory and practice, it only remains to remind the reader that this man has now been promoted High Priest of Raw Materials in the Labour Government. "Peterborough", the socio-political correspondent of the "Daily Telegraph" approvingly remarked of this promotion (April 28th, 1951). "Raw materials are his subject. His reputation as a prosperous businessman - the only one in the Government (this is incorrect - P.D.M.) - would command attention in Washington."

As we have seen, the plan of the N.F.B.T.O. provides no concrete solution to this problem. The Labour Government's solution is... a capitalist one. What is the Socialist answer?

It is accepted that the constructional side of the industry more readily admits of socialisation than the supply channels. But - as has been emphasised - the N.F.B.T.O. plan omits two factors vital to success - the denial of compensation and direct control by the workers. If these pre-requisites were guaranteed, the transformation in the workers' psychology (and thereby on the rate of production) would be of immediate and immense value. But of equal importance would be the effect on workers in other branches of the industry. It would provide a goal toward which those in the transport and supply ancillaries could continually direct their efforts. From these, too, would come the demand for workers' control, for the bosses' books to be open to inspection by the workers, for the fantastic profits amassed by profiteers in building materials to be exposed to public view in the trade union press. Is it seriously suggested that the manufacturers would DARE to sabotage a National Building Corporation if the eagle eye of shop stewards committees constantly and intimately surveyed their every move and if sharp penalties awaited the transgressor?

F I N A N C E One of the greatest blows dealt at the housing programme was an action of the Government on January 3rd, 1949, when the interest on housing loans of 15 years or more duration (i.e. the majority) was increased from 2½ per cent to 3 per cent. This is equivalent to an advance of 1s 9d per week in the rent of a £1,200 house. The Ministry of Health, when taxed by three Metropolitan Borough councils on the matter, stated it was due to "the recent change in

^x "Daily Telegraph", January 19th, 1951

the money market", cynically adding that "the extra cost of loans could be met from the rates where councils were opposed to higher rents". A pistol was thereby pointed at the head of progressive local authorities - either to raise municipal rents or to court electoral disaster by raising the rates.

The writer is at present engaged on a survey of the incidence of interest charges on municipal undertakings, and will report further when more complete data is available. Already, however, the conclusions are becoming clear - whether house-building is to be managed by local authorities or by a National Housing Corporation, the finance should be provided by interest-free loans or by direct subsidy from the state.

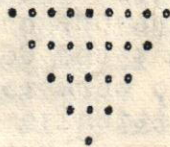
Finally, one thing must be very evident to the reader - no such programme as that envisaged above could possibly be carried out at the same time as a gigantic rearmament budget is sucking the life-blood from the social services and dragging down the living-standards of the workers. We are in good company in this supposition: the former Minister of Health seems to have arrived at the same conclusion - albeit somewhat belatedly and only in part. But neither sufficient raw materials, capital nor labour will be made available until the workers realise that guns and homes do not mix, and until they act on this realisation. Against that day, the writer proposes the following minimum programme:-

(1) The vesting of all land-rents in the State without compensation to the old landlords. Any cases of hardship to be adjudicated - in the form of a Means Test - by a Workers' Tribunal.

(2) The socialisation of the house-building industry without compensation to the former owners (except on a Means Test as outlined above). The integration of the workers into a programme to build a minimum of half-a-million houses per year.

(3) The statutory enforcement of control by the workers (with power to oversee the employers' books) in the supply industry to ensure a ready flow of materials to the sites.

(4) The finance of such a Plan by State interest-free loans or by direct subsidy to ensure that housing is regarded as a social service.



THE STALINIST STATE IN CHINA.

THE SOCIAL MEANING OF MAO TSE-TUNG'S VICTORY

by M.Y. Wang

We are very happy to publish the following part of a study by a Chinese Marxist, which appeared a few months ago in Chinese, published illegally in Hong Kong. The study as a whole, it seems, deals with the general nature of Stalinism, but the portion translated into English and given here (published for the first time in the American monthly, "New International", March-April, 1951) deals only with the significance of the victory of Mao Tse-tung. M.Y. Wang comes to the conclusion that the Chinese Stalinists are moving in the direction of the establishment of state capitalism. He shows very clearly the motive forces of Chinese Stalinism. In his definition of the Stalinist regime as a state capitalist regime, he comes to conclusions similar to those of the Socialist Review. But we believe that there is a scientific inexactitude and some confusion in his effort to find a bridge between state capitalism which is one of the forms of capitalism, and "bureaucratic collectivism", an abstract, undialectical, total negation of capitalism. Despite this deficiency we believe the study to be of great importance, and we are happy to bring it before our readers.

EDITOR

1. Now that the CCP's military forces have conquered the entire mainland, the People's Republic in official existence for five months, and the New Democracy in effect in some of China's principal cities for approximately one year, we possess sufficient material and facts to judge the nature of the CCP and its state machine and to test the accuracy of our past views concerning them.

2. In judging and estimating the nature of a movement, a political party, or a state, for the proletarian revolutionist there is one unchanging standard: What is its relation to the working class, that is, to the only revolutionary class in the modern world? For us there can be no more decisive standard than that, nor can there be any other point of departure.

3. What is the relation of the CCP, the Liberation Army led by it, and the People's Republic which it has established, to the Chinese working class? What attitude does it take toward that working class? Notwithstanding the fact that the CCP calls itself a working-class party, notwithstanding the fact that the CCP proclaims this new state to be a "people's" state led by the workers, nevertheless a variety of facts demonstrates that the political and economic position of the workers has not only failed to improve, but in certain respects has even deteriorated. The working class is the victim of this "War of Libera-

tion". "The liberation of the working class is the function of the working class itself". Consequently, "liberators" drawn from another class cannot confer genuine liberation upon it. And this has in fact been the case. Politically speaking, the position of the working class has not changed at all. The military governments established by the conquerors are composed entirely of a new nobility, and have no connection with the working class. Not only could workers' soviets not be formed in practice, they were not permitted to exist even as a concept. All that the workers got from their "liberators" was the designation - on paper - of "leaders" of the new society. A new government which proclaims that the working class occupies a position of leadership within it has not given the working class an ounce of such latitude as would enable it to advance to political power.

In the early period of the "liberation", because of the long-standing prestige of the Communist Party and because of the revolutionary illusions entertained toward it by the workers, the working class got out of hand in some of the big cities and went so far as to demand an improvement in living conditions, even confiscation of factories (as, for example, the Lien-ch'ang iron works in Tientsin), the liquidation of certain capitalists, and so forth. But this period came to an end very quickly. In Tientsin from February to April and in Shanghai during June and July there was extensive activity on the part of the workers, but after the suppression in April of the Tientsin movement by Liu Shao-ch'i and the promulgation in Shanghai on August 19 of Military Government regulations for the adjustment of labour-management disputes, the working class was robbed completely of its right to fight and of its fundamental right to strike. In other words, it was made the victim of exploitation at the hands of private entrepreneurs. This new slave status of the working class was finally fixed in September by governmental fiat, and the workers have been unable to win an improvement in living conditions by striking. In order to disguise this act of barbarism, the new rulers have given the working class the right of "factory control". But this right, as a glance at the Regulations for the Conduct of Factory Committees will indicate, is a patently worthless piece of trickery. For example:

7. The factory Committee shall be presided over by the Head of the Factory (or the Manager)...

8. If a decision passed by a majority of the Factory Committee shall be judged by the Head of the Factory (or the Manager) to be in conflict with the said Factory's best interests, or when the said decision shall be in conflict with the instructions of higher authority, the Manager or Head of the Factory is empowered to prohibit its implementation.

In other words, everything depends on the decision of the factory head or the manager, who is not elected by the workers but is appointed by the "people's" government, which has no connection with the working class. Basically, what is the significance of this sort of "workers' control"? Let us have our answer straight from the mouth of one of the "national capitalists," Sung Fei-ch'ing:

In my opinion, it is not such a bad idea to let the workers participate in factory management. While on the face of it the workers would appear to be detracting somewhat from the rights of the factory head, in reality the purpose of the participation of workers' representatives in the administration

of personnel, material, profits, finances, etc., is merely to assure the implementation of all decisions passed by the Factory Committee. Since the workers participate in the formation of these decisions, they cannot later oppose them. Thus much friction is eliminated, and in any case the final right of decision remains in the hands of the manager.

These few words constitute a frank and honest description of the real nature of this "workers' control of production". It merely exalts the workers "on the face of it," while retaining control of the factory "in reality!" This is the Chinese Communist regime's general attitude toward the working class, one of paying it lip-service in theory while oppressing it in practice. And besides this, the CCP has yet another poisonous weapon to use against the working class, the system of heroes of labour", which divides the workers on the one hand while oppressing them more cruelly on the other. Therefore we may affirm that politically the Chinese Communist regime has not improved the position of the working class, while economically it has lowered its standard of living. The Chinese Communist regime, while characterizing itself the "representative of the working class" and making use of the words "people" and "nation", has in reality, like the Kuomintang, in effect enslaved the Chinese working class. This view must constitute the point of departure for our interpretation of the nature of the CCP and its government.

4. Any political party or state apparatus which enslaves the working class is, in this day and age, from a proletarian, socialist, revolutionary point of view, fundamentally and completely reactionary. Therefore the CCP and the state apparatus which it has set up are also reactionary. Therefore the CCP and the state apparatus which it has set up are also reactionary. Yet at the same time we must recognize the following facts: They have overthrown the Kuomintang government, which represented foreign imperialism and the native bourgeois and landlord class; they are wiping out the anachronistic agrarian relationships in China's farming villages; they have dealt a mighty blow to the foreign imperialist powers led by the United States. All of these actions, from the point of view of Chinese nationalism and democracy, have an undeniably progressive character.

5. The difficulty is this: How and why can a fundamentally reactionary political party and government perform objectively progressive acts? At bottom, what class does such a political party represent? To answer these questions we must first make a brief study of the development of world capitalism over the last twenty-some years, of the processes of political and economic change within China itself, and of the history of the first proletarian state in the history of mankind. Within this space, naturally, we can point out only with the utmost simplicity and brevity the principal peculiarities in the history of these developments, since our immediate purpose is merely to shed light on the international background and historical origins of the CCP's victory and the emergence of this new state, and thence to draw a conclusion as to its fundamental nature.

6. Since the international economic crisis of 1929-33, and particularly since the end of the Second World War, world capitalism, in its imperialist stage, in order, on the one hand, to deal with the proletar-

ian revolution within each country (a task in which it has succeeded) and, on the other, because of ever more intense international competition, has acquired certain new characteristics in its internal structure, characteristics which Lenin could not adequately foresee at the time of his analysis of imperialism. The most important among them is the process by which monopoly capitalism becomes more closely bound up with the state, some enterprises are taken over by the state, and capitalism becomes statified. Hitler's Nazism and Roosevelt's New Deal, carried out at approximately the same time in Germany and the United States, represented fundamentally the same tendency towards statification on the part of capitalism. This movement for a time resolved the internal crisis of capitalism, but intensified the international crisis and culminated in the Second World War. As soon as the war broke out, this tendency was greatly accelerated, because the production of the implements of war reached an unprecedented height. It exceeded the manufacture of the machinery of production and of consumers' goods and wrought a change in the most important sectors of the national productive plant. This one sector is of exceptionally large proportions and of an exceptionally exacting nature and makes it difficult for other capital enterprises to function with complete freedom; hence, the control of it must be directly in the hands of the State, which causes an unprecedented growth in the statification of enterprise. Since the war, this process, far from being retarded, has been intensified in scope.

Beginning with the war itself - except for the Soviet Union, which has a planned economy, and the United States, which gained economically from the war - all of the capitalist empires, victors as well as vanquished, have found themselves in a position from which they cannot extricate themselves. The economy has completely collapsed, the petty bourgeoisie and the workers are exceptionally dissatisfied, the revolutionary crisis is very tense, and at the same time, on the international scene, the world powers, America and Russia, are moving closer and closer to a clash - all of which forces these capitalist countries, for the sake of their continued existence, to concentrate the economic machinery in the hands of the State, to plan for internal stabilization, and, to whatever degree possible, to ward off external attacks. As a result, such countries with traditionally "free" economies as England and France have both carried out "nationalizations" on a very large scale. The United States would seem to be the exception to the rule whereby, since the end of the war, the system of state interference in the individual economy has become more or less solidified. The principal reason, naturally, is that the power of American private monopoly capital is very great, and at the same time the United States is experiencing a period of abnormal prosperity on the back of a bankrupt world, whence these "free entrepreneurs" have a high power of resistance to the incursions of state capitalism. But if we examine more closely, we see that the production of the implements of war, with the atom bomb heading the list, is being more and more concentrated in the hands of the state, while at the same time Truman's so-called "Fair Deal," under the impetus of a future economic panic, could most assuredly take long strides in the direction of state capitalism. (If at such a time a socialist revolution should take place and be successful, then of course the whole picture changes).

7. A phenomenon accompanying the stratification of capitalism and pointed out by Lenin in his study of imperialism, namely, the parasitism and corruption of the bourgeoisie, is also further intensified yet another degree. Broadly speaking, the entire bourgeoisie becomes separated from the means of production and becomes a class of "profit-consumers". The State becomes the agent that reaps the profits for the owners, and the capitalists simply turn into a decayed leisure class.

8. The decay and stagnation of capitalism causes a further change in the polarization of classes within capitalist society. On the one hand, capital concentration and the capitalist class shrink in quantity and size; on the other, the ranks of the proletariat cannot continue to expand, but in some countries the ratio of this class to the total population decreases. The bankrupt, impotent petty bourgeoisie becomes ever larger. At the same time, the so-called "new middle class" formed under conditions of state capitalism, that is, specialists, technicians, bureaucrats, and intellectuals of every type and description - these and other elements of the impoverished petty bourgeoisie at certain times form the base for the Fascist movement, and at others the cadres of Stalinism.

9. These three phenomena, viz., (a) the tendency of world capitalism toward stratification, (b) the thoroughgoing corruption and decay of the individual capitalist, and (c) the numerical increase of the petty bourgeoisie and its rise in importance as a social and political force, may serve to explain the principal events that have taken place throughout the world during the last twenty years, particularly since the end of the war, and can explain very adequately the events that have transpired in China.

10. The semi-colonial, backward Chinese bourgeoisie, under the pressure of the enmity of the workers and peasants from within and the direct blows of Japanese imperialism from without, fell in wholeheartedly with the world current of the nationalization of capital. But precisely because the weak base of Chinese industrial capitalism and China's political and social backwardness caused her "nationalized" capitalism to assume a particularly decadent aspect and the capitalists who controlled these "nationalized" enterprises to exhibit a particularly shameless rapacity, the result has been in the last six or seven years a so-called bureaucratic capitalism and unprecedentedly graft-ridden political setup, the stench of which rises to the heavens. This sort of rule not only enraged the Chinese workers and peasants, but also angered broad layers of the urban petty bourgeoisie and even the medium bourgeoisie, the so-called national capitalists.

11. The Chinese Stalinists, taking advantage of this state of affairs, basing themselves on the overwhelming numerical strength of the impoverished and embittered peasantry, and proposing a program of reformed state capitalism (that is, the New Democracy), rallied the urban petty bourgeoisie and medium bourgeoisie, and gathered to their banner even a part of the working class. Through military might they easily transformed the rotten rule of the Chinese-style "national capitalists" and took over (but by no means abolished) the state machinery and the entire economy under its control.

12. The above constitutes our explanation, on the basis of the development of world capitalism and its peculiarities, of the reasons for the collapse of Kuomintang rule and the rise of Chinese Stalinist rule. Of course, this explanation can account for only one half of the story. It still leaves unanswered questions such as the following: Why did the CCP rely on the peasants rather than the workers? Why did the "communists" at the head of China's impoverished peasantry put forth a program of reformed state capitalism rather than socialist revolution? Why are they carrying out a reform from the top down rather than a revolution from the bottom up? Why did they merely "take over" undisturbed the bureaucratic state apparatus rather than abolish it? Why, although they have transformed the rule of the landlords and the bureaucratic capitalists, have they adopted a friendly attitude toward the bourgeoisie in general while carrying out repressive measures against the proletariat? Why do they proclaim themselves to be a working class party and China to be a "people's republic led by the working class" while giving the workers not the least opportunity to participate in the government or even to organize soviets?

To answer these questions, we can point out the following facts about the internal situation in the country: The Chinese proletariat since 1927, when it suffered a staggering defeat thanks to its adherence to Stalinist policies, has not ascended the political stage. Although a year or two before the struggle with Japan and within the first year after Japan's surrender the labour movement revived for a time, nevertheless, thanks to the weakness of the proletarian parties, the Kuomintang's oppression and deceit, and the degeneration of Chinese industry in the war, and under the influence of the decay and stagnation of world capitalism, the ranks of the working class were scattered and weakened, and these movements could never acquire sufficient political and revolutionary character. The fact that the Chinese proletariat for over twenty years was unable to interfere in China's political processes to a significant extent determined the peasant aspect, the capitalist nature, and the bureaucratic-collectivist direction of Chinese Stalinism. Of course - and this is far more important - we must seek the answer to this question in the nature of the Soviet Union and the CPUSSR and the influence they exerted on the CCP.

13. The Communist Party of the Soviet Union, since the late Twenties, after the elimination of the entire Old Bolshevik leadership, quickly degenerated into a bureaucratic clique exploiting the proletariat. Of course, as far as membership, organization, and ideology were concerned, it ceased to be the vanguard of the proletariat or even a part of the proletariat. As for membership, except for a handful of Stakhanovites, workers simply could not join the party; as for organization democratic centralism gave way to bureaucratic absolutism, and lower-ranking party members (to say nothing of non-party workers) had absolutely no right to criticize, charge, or recall the leaders or their policies; as for ideology, internationalism gave way to narrow Great-Russian nationalism, world revolution gave way to national construction based on the Soviet Union, the class struggle was transformed into "national cooperation" (or a bureaucratic operation), equalitarianism was transformed into the most naked system of privilege and discrimination, collective leadership was transformed into the most arbitrary personal dictatorship. Along with the complete degeneration

of the Bolshevik party, and inextricably bound up with it, was the complete change in the character of the Soviet state. This change expressed itself primarily in the following ways: (a) The soviets on which the working class had relied to control the state remained in name but disappeared in fact, and the workers were not only unable any longer to "recall at will those of their own elected representatives who did not suit them", but even to elect their own representatives. (b) The officials of the state apparatus, the officers of the regular army, the responsible persons and specialists, formed a relatively stable ruling class, became estranged from the working class, then oppressed the working class cruelly. (c) The working masses in general were cheated not only of their right to participate in government but also of any right to fight for the improvement of their own living conditions. (d) Therefore the Soviet Union now stands in the following class relationship politically and economically: On the one hand the bureaucracy collectively holds all political and economic power in the state, and on the other the toiling masses are absolutely without rights. This sort of state is naturally not a workers' state, nor even a degenerate workers' state, because the working class is politically ruled over and economically exploited; and yet it is not a capitalist state, since there is no capitalist class in it which privately owns the means of production. In that state all the means and materials of production are concentrated in the hands of a bureaucracy comprising the party, the governmental machinery, and the army, which collectively owns all the wealth.

Therefore we may say that the Soviet Union of today is a country in which the bureaucracy collectively owns the means of production. The reason this sort of state was able to come into being is that, in the first place, the world socialist revolution was late in arriving and its energies dissipated, thus forcing a backward and isolated workers' state to degenerate completely; in the second place, that the decay of world capitalism itself and the process which is pushing it at top speed in the direction of state capitalism made it impossible for the degenerated workers' state to revert to orthodox capitalism.

14. On the face of it, bureaucratic collectivism, that is, Stalinism, would appear to be a completely new thing. It is neither socialism nor capitalism. But upon closer examination it is not difficult to perceive that it belongs under a subheading of capitalism. One difference between it and traditional capitalism is collective ownership of the means of production as opposed to private ownership. The ownership of the means of production has not been socialized, but it has been collectivized (in the hands of the ruling class). And as for the relationship of owners to producers, exploitation continues to exist, and is in fact intensified. Bureaucratic collectivism has two great advantages over private capitalism and even over state capitalism (under the latter also there is large-scale private ownership): (a) it is possible to regulate capital in a more systematic fashion; (b) it is possible to exploit workers more efficiently. These two advantages are precisely what is needed to overcome the present crisis of capitalism. Seen from this point of view, Stalinism is a special kind of reformism, it is the reformism of the age in which capitalism has developed into imperialism. On the one hand it prevents the emergence and success of

a genuine socialist revolution, and on the other, by means of collective exploitation, it continues the rule of capital over labour. Bureaucratic collectivism or Stalinism is essentially the transitional form which obtains during the delayed and difficult birth of socialism from the womb of capitalism. It cannot create a new historical era, but it can maintain itself for a long time, and in several countries at once. In southeast Europe several such states have already been created, while the New China is being recast in the same mould.

15. To create a bureaucratic-collectivist state, one must first have a bureaucratic-collectivist party to carry out the action. The Chinese Communist Party has been that ever since Communism degenerated into bureaucratic collectivism. Because of a common international situation and long-standing historical ties, also because the class relationships within China after the defeat of the Great Revolution (the destruction of the proletariat, the long peasant wars, the utter corruption of the bourgeoisie, the anger and dissatisfaction of the petty bourgeoisie) were favourable to reformism and unfavourable to the growth of revolutionary socialism, the Chinese Communist Party took over entirely the bureaucratic collectivism perfected by Stalin within the Soviet Union. The ideological change was complete by the early Thirties. Now the CCP, embracing this ideology, has come to power and is organizing the state around it. Hence it is quite natural that it can only carry out a reform from top down, put forth a state-capitalist program, simply and easily take over the Kuomintang's bureaucratic state apparatus, destroy only part of the bourgeoisie, put a strict check on the genuinely revolutionary proletariat, and regard with hostility every mass action from the bottom up. Since the creature spawned by the CCP is a bureaucratic-collectivist state and must continue to enslave the workers, it is reactionary; but since such a state must reform capitalism, change property forms, and increase productive power, it cannot help adopting certain progressive measures. Herein we have found our answer to the question posed in 4: How and why can a reactionary regime carry out certain progressive measures? The contradiction between progress and reaction which characterizes the Chinese Communist Party's regime expresses itself particularly in its relation to the bourgeoisie on the one hand and the proletariat and poor peasantry on the other. To stabilize the rule of the bureaucracy it is necessary to conciliate the former and oppose the latter, while to reform capitalism it is necessary to conciliate the latter and oppose the former.

16. This internal contradiction has caused the Chinese Communist rule for the present to assume Bonapartist features. It attempts to play the part of a supra-class mediator and proclaims "labour-capital unity for the benefit of all society," while in reality manipulating and smoothing over class contradictions for the ultimate advantage of the bureaucratic caste. All varieties of Bonapartism rest primarily on the mass base of the petty bourgeoisie, the present CCP included. All forms of Bonapartism are fundamentally anti-working class, and the CCP at present is no exception. Of course, Stalinist Bonapartism attacks private property, while orthodox Bonapartist dictatorship does not, and therein lies the great difference between them. It is absolutely necessary for us to understand this

point. Therefore we cannot say that the Bonapartism of the CCP will perform a capitalist function in the sense in which we could say it of traditional Bonapartism, of Bonapartism in the literal meaning of the word. It will perform the functions of capitalism in a peculiar way, that is, by substituting the collective ownership of the bureaucracy for the private ownership of the individual capitalist. The capitalism represented by the Stalinists is no longer capitalism in the original sense of the word, but bureaucratic collectivism; the class they represent is not a capitalist class in the original sense, but a bureaucratic class which collectively owns the means of production. This distinction is of exceptional importance. If one points to the Bonapartism of the CCP without understanding this difference, then one will be unable to understand the events taking place before one's very eyes or to predict future developments, because, while others may expect the attitude of the CCP to become daily more conciliatory toward the bourgeoisie, what we shall in fact see is a greater solidification of collectivism and a strengthening of state capital.

Of course, we are under no obligation to make airily optimistic promises about what the CCP will achieve from these sad beginnings. In semi-colonial, backward China, which has suffered the ravages of civil and foreign wars for over ten years, if only because of the power of resistance of the internal "automatic economy" (not to mention the increasingly acute contradictions on the international scene), the construction by the CCP of a bureaucratic-collectivist system will probably be extremely difficult. Thanks to two wars within the last ten years, the decisively significant sectors of the Chinese economy are nationalized. This gives the CCP's future activities a great boost, but they have yet to absorb all private capital, abolish the backward relationships in the farming villages, and collectivize the small farming units which have gone bankrupt in their technical backwardness - all of them uncommonly difficult tasks. To do this the first and most important step is for the Stalinist party to initiate a broad mass struggle, to absorb countless worker and peasant elements and organize them for action, but this is a step that the Stalinist party is wary of taking. To guarantee that the new China shall remain under bureaucratic rule and not turn into a genuine workers' and peasants' state, they must limit this movement to certain well-defined bounds, beyond which it must not be permitted to stray so much as a single step. In its present position of extreme caution, events have naturally made it impossible for the CCP's collectivization to go very deep; however, the general tendency is in the direction just described, and its principal features have been pointed out above.

17. When the Stalinist party, in order to advance the cause of bureaucratic collectivism, very cautiously initiates its mass movement, can the workers and poor peasants, taking advantage of this opportunity, push the struggle further, work free of the limitations imposed upon them by the Stalinist party, and cause a bureaucratically dominated movement to turn into the Chinese socialist revolution - or can they not? In theory, we can never exclude this possibility, and we - the Chinese Proletarian Revolutionary Party - must turn all our subjective efforts in that direction. But, in fact, if we dis-

passionately analyze China's present class relationships, we cannot deny that this possibility is extremely slight. The prestige of the Stalinist party among the general masses is still very great, the illusion that bureaucratic collectivism equals socialism is widespread; the Chinese proletariat and its real vanguard have yet to educate themselves and unite through the bitter experience of Stalinist rule, for only then can they initiate a mighty anti-Stalinist revolution.

Our chief task at present is patiently to interpret and re-interpret the fundamental nature of Stalinist bureaucratic collectivism. Naturally, "patient interpretation" by no means signifies passive observation. We must participate actively in these events. We must, while pointing out the internally contradictory character of the Stalinist party's present struggle, on the one hand advance and broaden in scope the fight against the landlords and rich peasants and advocate and participate in all anti-capitalist struggles; and, on the other hand, oppose simultaneously the fight of the bureaucracy, oppose the enslavement of the workers under whatever guise, oppose the oppression of the poor peasantry, and, above all, consistently advocate the convocation of a Congress of workers, peasants, and soldiers, to exchange the Stalinist military agencies and the so-called "People's Government" for a genuine workers' and peasants' state. We must direct every struggle toward the formation of soviets. Our principal slogan must be for a Congress of Workers, Soldiers, and Peasants.

18. In view of the political and economic evidence, the China of Mao Tse-tung, unless a new world war or an internal revolution stops the course of its development, can "peacefully" turn into another Stalinist Russia (that is, it need not necessarily first go through a proletarian revolution and then degenerate in order to reach the same end result); or, if the China of Mao Tse-tung is to become a workers' state, then nothing short of a proletarian revolution can alter the present rule.

Therefore, not only can we state positively that China is not a workers' state, but we can also prove by the same token that the Soviet Union is no longer any sort of workers' state. The difference between the new China and the Soviet Union at present is one of degree, not of kind. Both are equally bureaucratic-collectivist states, except for a huge difference in degree of thoroughness. Therefore the Fourth International's traditional attitude toward the Soviet Union must be altered. It must reject the view that it is any sort of workers' state. Similarly it must reject the view that the Stalinist parties are parties of Menshevik opportunism, because, although the Stalinist parties are at present indeed fundamentally reformist, their principal crime is not their collaboration with the bourgeoisie but bureaucratic enslavement of the proletariat. Needless to say, it is only by viewing the Soviet Union and the Stalinist parties from the point of view of bureaucratic collectivism that one can understand their nature and their actions. The same is true of the Chinese Stalinist party and its newly established state.

Hong Kong, February, 1950.

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LENIN ANSWERS "PRAVDA".

".....the peoples of those countries threw out the exploiters and all kinds of agents of foreign secret services. But again, such has been the will of the people - the voice of the people is the voice of God. "

"Pravda", Reply to Herbert Morrison, Aug.1st. 1951.

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"God is (historically and socially) first of all a complex of ideas engendered by the ignorance of mankind, and by its subjection firstly beneath the forces of nature, secondly by class-oppression - ideas which perpetuate this ignorance and damp down the class struggle. There was a time in history when, in spite of this origin, and this the real meaning of the idea of God, the democratic and proletarian struggle took the form of a struggle of one religious idea against another.

But this time has long been past.

Now in Europe, just as in Russia, every defence or justification of the idea of God, even the most refined and well intentioned, is a justification of reaction."

Lenin, in a letter written to A.M.Gorky, December, 1913

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