

Does the ‘minority’ critique of the CWI leadership position on the causes of the crisis get to the roots of its empiricist method?

In the last issue of *Class War* ([Vol 1 No 6](#)) we continued with the wider discussion [see [Class Warrior #5](#)] of the Transitional Program and the transitional method and its foundation in dialectics.¹ For us continuing Trotsky’s struggle to defend *dialectics* against *empiricism* is the key to rebuilding a new Trotskyist International based on the 1938 Transitional Program.² To succeed we have to defeat all those fake Trotskyist currents that have liquidated the Trotskyist method, theory and program. Among the tendencies that we regard as having junked dialectics for empiricism is the CWI. We said: “*The CWI lines up alongside all the degenerated Trotskyists who think they can bargain with the bosses to deliver what the workers need. Their whole history is one of covering for reformists from the UK Labour Party to the US Democrats.*”

We welcome the recent attempts by CWI members around Bruce Wallace to challenge the CWI’s rejection of Marx’s Law of the Tendency for the Rate of Profit to Fall (LTRPF), for an eclectic set of causes including neo-liberalism, financialization, and under-consumption. However, we don’t think that the ‘minority’ critique represents a complete break with the CWI’s empiricist method which we trace back to the version of Pabloism that germinated in the tendency founded by Ted Grant in post-WW2 Britain.

We wrote: “*The current public debate in the Committee for a Workers International (CWI) over the TRPF is a case in point. The CWI is a reformist outfit that long ago gave away any pretence to serious Marxism. Yet they have been forced by this public spat to refer to the TRPF as the 'ultimate' cause of crisis, while at the same time denying its role in the Global Financial Crisis (GFC). Even so, blogger and CWI member Bruce Wallace, who challenged the CWI on this inconsistency, shows that he too doesn’t actually see any direct impact of the TRPF on the CWI program. He applauds the victory of Sawant in her election to the Seattle City Council based on a program that rejects the transitional method. That would explain why he can side with Kliman (see [The Failure of Capitalist Production](#)) on defending the TRPF without any worry about the latter's petty bourgeois academic state capitalist position.*”

This tells us that Wallace separates the TRPF from both Marx's method and program. He splits the objective from the subjective aspect of the dialectic. The 'objective' in this case is the mechanical working of the TRPF 'law' but behind our backs, while the 'subjective' aspect is the CWI's reformist program. This is classic Menshevism, the objective laws march on and the petty bourgeois leadership tells the workers what demands to raise to keep pace (a \$15 per hour minimum wage). We use inverted commas here because we don't think the objective and subjective factors can be reduced to their caricature of Marxism.”

Some comrades have claimed that this assessment is unfair to Wallace and others as they specifically blame the CWI’s wrong theory of crisis for failings in the CWI program today. Also, Wallace is not alone in his criticism of the EC (Executive Committee – the leading body of the CWI). To ensure that we are not misrepresenting Wallace or the other comrades involved we will devote this part of our defence of dialectics to a recent article posted by them on [MarxistWorld.net](#), titled *Building a Revolutionary Party in the 21st Century*, and subtitled “A Critique of the Socialist Party Executive Committee’s Methods and Perspectives.” It sets out explicitly “to explain the deeper underlying reasons for the EC’s rejection of the Law [LTRPF] and its subsequent effect on our program, as well as the wider issues that this debate has revealed with the methods of the EC.” Since it was jointly written by three comrades and signed by others as well, we will refer to the authorship as ‘the minority’.

We will proceed by subjecting the ‘minority’ critique of the CWI’s EC theory and practice to our own critique of empiricism in terms of theory, method and their effects on program. First we will summarize the article’s main points and then give our critical commentary. The article has a number of subheadings; we will combine them into three main headings.

Democratic Centralism

The fight of the ‘minority’ inside the CWI over the LTRPF resulted in a partial suppression of the debate and disciplinary measures directed against it. The ‘minority’ explains this as a failure of *democratic centralism* in the CWI. For it there should be no bar on internal discussion and even public discussion of matters that do not require ‘unity in action’. The EC by banning public discussion creates a pretext to discipline the ‘minority’. In response the ‘minority’ cites Lenin and the Russian Social Democratic Workers Party (RSDWP) as the exemplar of “freedom of criticism”.

Generally we agree and think that Lenin's practice was to favor a high degree of "freedom of criticism" so that the whole working class could reflect on the different tendencies and social class standpoints. We also support the 'minority' defending the use of strong polemics after the fashion of Lenin. *More importantly, it is correct to state that "workers are interested in theory" and to reject arguments of the EC that workers get bored with "theory"*. It drives home this point by using the example of Marx's *Critique of the Gotha Program* to demonstrate the necessity for strong polemics to correct important theoretical errors. Obviously, then, none of the EC's objections to a public polemic over the LTRPF justify the suppression of freedom of criticism or expulsion.

The 'minority' concludes that the CWI leadership does not apply "genuine democratic centralism". We would of course agree but ask: when did the CWI and its antecedent, *Militant*, practice genuine democratic centralism? We would suggest that the CWI internal regime is that of 'bureaucratic centralism' and dates back to the time of Ted Grant. In *'Militant after Grant – the unbroken thread?'*, Workers Power in 1994 wrote: "*Schematic, dishonest politics necessitate the construction of a tiny, really sectarian, world where reality does not penetrate.*" This refers to an internal regime that grew up over 40 years of deep entrenchment into the Labour Party requiring *Militant* to dilute its 'Marxist' program so as to remain inside the Labour Party.

There is no possibility of democratic centralism surviving in such a regime since it requires, in dialectical terms, total freedom of criticism to **test the Marxist program** against social reality. The opposite was the case. Ted Grant adopted the 'objectivist' view that socialism was inevitable as workers moved to Labour and the Marxists inside the party would win the majority and pass legislation to "nationalize the 200 monopolies."

In 1989 Workers' Power in *'Militant and the State'* wrote: "*The 'Enabling Bill' is the centerpiece of Militant's strategy. It is the fig-leaf covering its opportunism. Taaffe explains the purpose of the enabling legislation in these terms; 'It is for this reason that Militant, in opposition to the program of piecemeal reforms of the supporters of the Alternative Economic Strategy, have demanded that a Labour Government introduce enabling legislation into the House of Commons to nationalize the 200 monopolies, with minimum compensation on the basis of proven need.'* The difference between *Militant* and the 'parliamentary cretins' was that it would nationalize the 200 monopolies in "*the first few days*".

Had any degree of democratic centralism operated in the *Militant*, Grant's suppression of the Marxist program would have been challenged and his reformist perspective defeated, or a split taken place, so that a revolutionary party could have been built. For example, in 1982 a principled opposition to Thatcher's war in the Malvinas may have led to a Leninist position of defeatism in Britain. Or, during the miners' strike in 1984-85, internal opposition to the *Militant's* line that the police were "workers in uniform" may have won majority support. As it was, *Militant* staggered on after its expulsion from the Labour Party looking for other political movements or currents it could enter, the consequences of which are its political bankruptcy today, held together only by a bureaucratic centralist regime. (see *Militant after Grant- the unbroken thread?*)

The LTRPF and Freedom of Criticism

The 'minority' understands that without freedom of criticism the Marxist program cannot be defended and corrected. This has become very apparent in the debate over the LTRPF. The EC's wrong theory of crisis has to be challenged because "The EC's position on the cause of crisis does not imply revolutionary conclusions, but rather reformist ones." We will see below examples of this. The 'minority' goes on: "It is identical to Kautsky's view that crisis occurs because capitalists 'suffocate' in their own surplus." Specifically, capitalists adopt the wrong policies and socialists must adopt the correct ones. Hence "aspects" of the EC's wrong theory has "compromised program." Freedom of criticism is therefore necessary to correct the program and stop false theory leading to bad program.

For example, the CWI leadership's response to the 'minority' critique is that the LTRPF does operate, but is not the only, or in the case of the 2008-09 great recession, the main cause of the crisis. For the leadership, the crisis is an eclectic mix of financial speculation, neo-liberal policies and under-consumption, all of which are deviations in the normal functioning of capitalism characterised by rising profits. The evidence for rising profits is from one French economist, Husson. His usefulness to the EC is that he shows that profits are rising because he includes in the mass and rate of profit the incomes of the self-employed! The 'minority' as the Marxist opposition in the CWI, says this is not Marx's concept of profit since the self-employed do not create surplus value. The 'minority' is backed up in their critique of Husson, in particular by Andrew Kliman and Michael Roberts.

We agree with the ‘minority’ and many others, that the LTRPF is fundamental to Marxism and to the revolutionary program. Without it the EC’s position does indeed lead to “reformist conclusions”. We would again, however, ask what is new? Even if Ted Grant used Trotsky to give [courses on Capital](#); even if these courses included Vol. 3 and the LTRPF, it would not prove that Militant ever took this law seriously. Why? Because as the ‘minority’ recognises, it implies ‘revolutionary conclusions’ such as the contradictory character of capitalism as a crisis-ridden mode of production creating the conditions for its own overthrow by socialist revolution. *The LTRPF is the most important law in Capital for Marx because it is the logical expression of the contradiction between the forces and relations of production that ultimately leads to the ‘breaking of the integument’ and the socialist revolution.* Since Grant [rejected](#) such a revolutionary transformation for the ‘peaceful parliamentary road to socialism,’ the LTRPF would have always been a closed book for him. Again, we say it is not the EC’s failure to understand or apply democratic centralism, or the Marxist theory of crisis, or the immediate implications for program, that are really at issue here, but the historic liquidation of the *Militant* tendency into a Menshevik reformist current in the 1940’s. We think that the programmatic concerns the ‘minority’ raises today proves this point.

“Compromising” the program

Why, when in the past the CWI, and Militant before it, called for the rapid wholesale nationalizing of the 200 monopolies is there now a *2-stage nationalization* plan; first the banks, then after a delay the rest of the monopolies? The ‘minority’ says this is because the EC adapts to the TUSC’s ‘left reformism’ which favors nationalizing the banks only. The Trade Unionist and Socialist Coalition (TUSC) is the CWI’s own ‘front’ for trade unionists and socialists to fight ‘austerity’. Thus the CWI has diluted its program to tail the consciousness of this ‘front’. The ‘minority’ says this puts the CWI in the company of “a whole bunch of left-reformists and radical Keynesians [who] call for the nationalization of the banks.” But the CWI’s 2- stage nationalization program is compromised most by being legislated in a capitalist parliament. Against this the ‘minority’ quotes Trotsky in the *Transitional Program*: “*However, the statization of the banks will produce these favorable results only if the state power passes completely from the hands of the exploiters into the hands of the toilers.*”

Further, the ‘minority’ argues that adapting to the TUSC’s left reformism “*raises the spectre of political liquidationism; the dissolution of the revolutionary party into a broader, non-revolutionary formation*”, such as the CWI’s liquidation into the Scottish Socialist Party. While the EC claims that its nationalization demand is a ‘transitional demand’, the ‘minority’ says it is not. It adapts to the existing consciousness of workers angry at the banks. In defence of a “*genuine transitional approach*” the ‘minority’ quotes Trotsky on the Transitional method; “*the task of the party is to bring the [workers] mentality into harmony with the objective facts*”. Therefore, it is no use basing the demand for nationalisation on the angry mood of workers, it is necessary to raise demands that prove through struggle that the nationalization of the banks will require the expropriation of all capitalist monopolies; and that can only be done by the revolutionary overthrow of the capitalist state.

The ‘minority’ argues that just as the CWI doesn’t raise its full nationalisation program in the TUSC, it does not raise the demand to occupy workplaces under threat of closure in the unions. In the case of the closure of Grangemouth oil refinery, the CWI tailed McCluskey, the Unite president, and both hid behind the excuse that the workers were “in no mood for occupation”. Taaffe, in criticizing the errors of the CWI at Grangemouth still blames the workers for not being prepared to fight. The ‘minority’ accuses the EC of tailing the Unite union and adapting to the union’s political alignment to New Labour. It quotes Trotsky on how revolutionaries should fight in the unions: “*communists in trade unions...must act as the transmitters of their party’s program and tactics*” and further states that “*Trotsky insisted that all demands must reflect the objective situation. We have to recognise that, if we are in a period of crisis, the faulty slogans of Grangemouth derive from a faulty assessment of the crisis of capitalism and an incorrect application and understanding of Marxism.*” The ‘minority’ conclusion is that the CWI does not understand the united front and does not fight for independence inside the TUSC or the unions.

However, the ‘minority’ fails to see that the CWI does not fight for independence from the labour bureaucracy **because it does not fight for independence from the capitalist state.** Break from the bureaucracy! Break from the bourgeoisie! These were the two main demands Trotsky put to workers in [the unions](#). “*The primary slogan for this struggle is: complete and unconditional independence of the trade unions in relation to the capitalist state. This means a struggle to turn the trade unions into the organs of the broad exploited masses and not the organs of a labor aristocracy.*” In our view, the reason that the CWI does not raise its program in the united front is that it **does not have a Trotskyist program.** After 40 or more years, its program has been revised and diluted so that it bears no relation to Marxism. This is why the EC tails workers consciousness and does not apply Trotsky’s method of changing the mood of workers. This is the underlying reason that the EC does not see the inherent contradiction of capitalism manifest as the LTRPF as the cause of the crisis, but rather the bad policy of financialization and neo-liberalism leading to bloody minded bosses’ austerity and closures/sackings.

The 'minority' doesn't make the connection between the CWI's 2-stage nationalization policy today and Grant's nationalization of the 200 monopolies with "minimal compensation". Since the cause of crisis is the wrong policies of the 'greedy bankers' and bosses, then socialism can be introduced as Ted Grant [once put it](#), by electing "Labour to power with a socialist program". This is why the CWI wants to nationalize the banks now and delay nationalizing the other monopolies. The main problem with capitalism is that the banks are out of control and need to be regulated to restore normal capitalist growth. The 'minority' recognises that the LTRPF as the cause of crisis means there is no room for reforms and that this must contradict the CWI's crisis theory that socialism can be won by legislating reforms within capitalist parliament. This contradiction has clearly put the EC on the defensive and forced it to go through the motions of a debate with the 'minority' in order to maintain its pretence of 'democratic centralism'. Yet the 'minority' does not get to the roots of the problem in the CWI's method.

Assuming that the CWI was capable of adopting true freedom of criticism, and genuine democratic centralism, and as a result the 'minority' was able to convince the majority that the LTRPF is the main cause of the crisis, how would this translate into a genuine Transitional Program? Would adopting the LTRPF imply 'revolutionary conclusions'? The 'minority' argues that this would bring the subjective mood of the working class into line with the objective reality of a deep structural crisis. But this needs to be spelt out. The objective reality of the capitalist crisis today must be transformed into a new objective reality, the revolutionary overthrow of the capitalist mode of production. Workers would discover that fighting for transitional demands to make the bosses pay for the capitalist crisis they would be forced to take power. But to implement such a program the *Militant* empiricist method and Menshevik reformist program which goes back to its roots would have to be overthrown along the way. The CWI today would have to repudiate not only its theory of crisis, but its economist tailing of the prevailing consciousness. That would mean a rejection of the version of Pabloism introduced by Ted Grant into the *Militant* decades ago. It would mean drawing the practical conclusions from the lip service paid by Taaffe to the Paris Commune that the capitalist state cannot be taken over and used by the proletariat to establish its dictatorship by means of 'enabling legislation'. The CWI would need to abandon its empiricist method and return to dialectics and the Transitional Program of 1938.

A return to dialectics would clearly have major consequences for the CWI's sections in other countries where the empiricist method and Menshevik policies are obstacles to the building of a new revolutionary international. The 'minority's' article on building the party in the 21st century takes an important step in this direction, but nevertheless falls far short of what is necessary. In an upcoming part of this series on the Transitional Program we will take up the consequences of the CWI's practices in countries where it has sections as part of its "international". We will show how the CWI has erected another Menshevik barrier on the path to building a revolutionary worker's international and the world revolution.

10th February 2014

Liaison Committee of Communists
Integrating the RWG (Zim), CWG (A/NZ), CWG (USA)

Subscribe to Periodicals of the **Liaison Committee of Communists:**

Revolutionary Worker (Paper of RWG-Zimbabwe)
Class Struggle (Paper of the CWG-NZ)
Class War (Paper of the CWG-US)
Class Warrior (Theoretical Journal of the Liaison Committee of Communists-LCC)

Revolutionary Workers Group of Zimbabwe (RWG-ZIM)

Email: rwg.zimbabwe@gmail.com
Website: www.rwgzimbabwe.wordpress.com
Revolutionary Worker (Paper of RWG-Zimbabwe)

Communist Workers Group -New Zealand/Aotearoa (CWG-NZ)

Email: cwg006@yahoo.com
Websites: <http://redrave.blogspot.com>
<http://livingmarxism.wordpress.com>
Class Struggle (Paper of the CWG-NZ)

Communist Workers Group – USA (CWG-US):

Email: cwgclasswar@gmail.com
Website: www.cwgusa.wordpress.com
Class War (Paper of the CWG-US)

¹ See *Class War* (Vol 1 No 6), "Capitalist crises, Sawant, the CWI and Trotskyism" and *Class Warrior #5*, "BART STRIKES: Once again on the method and relevance of Trotsky's Transitional Program."

² The rejection of the revolutionary transitional program that follows from the quasi denial of the operation of the LTRPF results in accommodations to bourgeois power. For example, the Marcyites in New York adapt to Democrat Charles Barron. While Occupy was occupying and putting people in foreclosed housing in Brooklyn, the Marcyite forces within Occupy put this appendage to the bourgeoisie, to the real estate developers, front and center during and after Occupy.

http://www.workers.org/2012/us/charles_barron_0621/

<http://www.villagevoice.com/2014-01-22/news/charles-barron-inez-barron-east-new-york-politics-black-panthers/>

The *Militant* in Liverpool in the 1980's, abandoned class struggle for the politics of "municipal socialism", issuing redundancy notices.

"On 14 June 1985 Liverpool Council passed an illegal budget, in which spending exceeded income, demanding the deficit be made up by the government.^[52] As bankruptcy loomed and plans for all-out strike action were finally discussed, they were narrowly lost, and not all unions balloted their members.^{[53][54]}

Liverpool councillors were advised in late August 1985 by the District Auditor that the council was about to break its legal obligations and would not be able to pay wages to its staff by December of that year. In September 1985, rather than face immediate confrontation with the law, the Labour group on the council decided on the 'tactic' of issuing ninety-day notices to the 30,000 strong workforce to gain leeway to "campaign more vigorously than ever before".^[55] In his autobiography, Deputy Council leader **Derek Hatton** acknowledges that taking this advice was an enormous mistake, from which the council never recovered.^[56] Although the notices went out with a covering letter explaining the background and stating that the council did not actually intend to make anyone redundant,^[57] many council staff felt the future of their jobs at the council were no longer guaranteed.^{[58][59]} The 90-day notices were seen as three months notice of redundancy in all but name and treated as such by the media. It was, the *Militant's* general secretary wrote, "a major tactical error."^[60] –

http://en.wikipedia.org/wiki/Militant_tendency#Militant_in_Liverpool

"The Labour group [in the Liverpool council] decided on the 'tactic' of issuing 90-day redundancy notices to the 30,000 strong workforce to gain that period as a breathing space in order to build the campaign.... However, the issuing of 'redundancy notices' turned out to be a major tactical error." - *Liverpool – A City that Dared to Fight*, Peter Taaffe, pg. 281

".....your eyes drift to other great social conflagrations of 1984 - principally the miners' Great Strike. Militant's ability to get money out of Thatcher can be put down to the latter's unwillingness to see a second front open up in that battle - like, for instance, a generalised strike movement or other rebellion in one of the UK's major cities. In effect, Militant was bought off with small change from the state in the anticipation that it could be dealt with later. Indeed, it was - Thatcher froze Liverpool out, and the Militant leaders of the council ("a Labour council!" thundered witch-hunter Neil Kinnock) responded by adopting the 'delaying tactic' of issuing 90-day redundancy notices to all its employees. This finally ended all hopes of council workers launching an all-out strike. The Labour leadership had its chance - Militant was purged." - **Two Souls of Socialism, CPGB**

<http://www.cpgb.org.uk/home/weekly-worker/841/the-two-souls-of-socialism>

Socialist Alternative not only refuses to come to grips with this past, but brags about the record of the Liverpool *Militant* councilors:

"In Liverpool, England in the mid-1980s, our sister organization played the leading role in the establishment of a socialist majority on the city council. At the time, there were huge class battles culminating in the heroic British miners' strike where the workers faced a ferocious onslaught from the hated Thatcher government. The Liverpool socialist council, backed up by mass demonstrations and strikes of the city's workers, refused to impose cuts as dictated by the Thatcher government and in fact brought in a range of reforms for ordinary people despite Thatcher's best efforts to shut the council down." – *Why We Run Socialist Candidates, Socialist Alternative*

<http://www.whysocialism.org/2013/09/05/why-we-run-socialist-candidates/>

In addition, the Lambertistes of Socialist Organizer, as well as various Bay Area former U.Sec. members and ex-Grantites, all placed great hopes in the appeal made to Obama in Feb., 2009, by the left labor bureaucracy's "Workers Emergency Recovery Coalition," the "WERC." For us, this amounted to class betrayal.