

CLASS WARRIOR

Theoretical Journal Of the Liaison Committee of Communists

Volume 1 Number 1 Spring 2013 Labor Donated \$3.00

REBOOTING LENIN

The Communists disdain to conceal their views and aims. They openly declare that their ends can be attained only by the forcible overthrow of all existing social conditions. Let the ruling classes tremble at a Communistic revolution. The proletarians have nothing to lose but their chains. They have a world to win.” Marx and Engels, Manifesto of the Communist Party.

Lenin or Kautsky?

Today we are facing a massive retreat from Leninism on the left. Under attack from the global crisis the working class and the oppressed are moving to the left in opposing its effects - austerity, 'precarity', mass unemployment and political repression - and launching Arab Springs, riots, occupations and armed struggles against bourgeois dictators. The masses are hungry for ideas on how to challenge and overcome capitalism. Yet there is no revolutionary mass party to turn to. The ostensible revolutionary left moves to offer this leadership. However this left is afraid to be identified with what is perceived as a failure of 20th century socialism and communism. It runs a mile from the 'Dictatorship of the Proletariat'. To appease the radicalised masses most of the left is re-inventing its Marxism along the lines of the Chavista 21st century socialism, or the broad Marxist party of the 2nd International 'democratic socialism' associated with Karl Kautsky. It either renounces Bolshevism as an historic dead-end, or attempts to make the Bolsheviks and Lenin in particular, no more than Russian Kautskys. Trotsky is also a target because he renounced his conciliation with the Mensheviks and Kautsky to join Lenin and the Bolsheviks in 1917. Trotsky stands or falls with Lenin.

As we will see with bourgeois professors professing Marxism, the WSJ Roubini interview, TIME magazine cover story 'Rethinking Marx', Hugo Chavez painted as 'Marxist' with links to Cuba and China, the left has no credibility unless it stakes a claim to the Marx

The Restoration of Capitalism in China: A Marxist critique of the process of the CCP's counter-revolution

Introduction:

History is unforgiving. In revolutionary politics denying the historical record puts you at disadvantages that in time become a metastasizing methodological cancer. Tendencies whose reason for being discrete groups were shaky to begin with make bigger and bigger political mistakes. A whopper for the ages, and a damning one, is the failure of the Robertsonian groups to recognize capitalist restoration in China!

Capitalist restoration in China is in fact impacting the lives of every wage worker everywhere. The Robertson and post-International Communist League (ICL) tendencies now defend the rule of the Chinese workers' exploiters as maintainers of a variant of a Deformed Workers State (DWS). Worse mistakes lie

in wait for these tendencies when US imperialism decides to launch its inter-imperialist war with China. Far from promoting the Trotskyist program for political revolution (nowadays itself a mistake,) these tendencies will defend the Stalinist Chinese Communist Party (CCP) regime when it is already high time to make the socialist revolution in China and the US and prevent WWII instead! History is on the march, time is flying like warplanes; now is the time every militant worker must decide 'which side are you on?'

For the workers movement the class character of the Peoples Republic of China, the counter-revolutionary capitalist restoration and political dominance by a class of "princelings," stockholders, and entrepreneurs propagated by and hatched upon the top of society by the Communist Party's cadres, technocrats and bureaucracy, has dire consequences for the international working class' historic mission--the abolition of



capitalism and the building of a classless society.

The ascendancy of counter-revolutionary capitalist restorationist forces inside the CCP and the dismantling of the social gains of the Chinese Revolution are a major setback for the Chinese and international working class and confirm a change in both the class character of the CCP and the state it administers. Alongside the counter-revolution in the degenerated (USSR) and deformed (the eastern bloc, China, Vietnam, North Korea*, Cuba*)¹ workers' states (DWS) the reintegration of China into the capitalist orbit and the submission of the Chinese workers social relations to the demands of the Law of Value (LOV) at the expense of the gains--the social guarantees-- previously protected by the central plan, represents a historic setback.

As the size of the working class swells in China so does the wealth gap. The GINI coefficient ratio has the "gloriously wealthy" hiding their opulence as Prime Minister Xi maneuvers to defend the rule of the CCP from the righteous indignation of the masses, who see the Party, the Bureaucracy and the new capitalists (often one and the same--think "Comrade CEO") bathing in expensive perfume and driving Maybachs. The promise of socialism and the social guarantees, "the three irons" were disassembled in a generation. Social guarantees have been replaced with Dickensian superexploitation, sprawling polluted industrial centers, oppressive company housing and massive dislocation of a surplus migrant army of labor. These conditions fuel a class-wide frustration that erupts in thousands of strikes annually as the workers struggle against the implementation and consequences of the capitalist restoration imposed by the "Communist Party."

Capitalist restoration has altered the conditions of production for the worse for the world working class; in just a few years hundreds of millions of workers were made to subject to the rule of the LOV, and at rock bottom wages, permitting the "Wal Mart" phenomenon to metastasize across the world's consumer markets and permitting the rise of the Peter Schiff investment strategy model ("buy Chinese stocks!") in the lead-up to the September, 2008 crash. Needless to say a terrific international siphoning off of manufacturing jobs followed this flight of capital to China. We can't imagine seeing this change through the ICL's rose colored glasses. Just because the social weight of the proletariat in China has increased and theoretically prepares to dig the grave of Stalinism, in reality this has produced a world-wide increase in the misery of the proletariat; joblessness in the west and increased super-exploitation in the east and only theoretically and at some later someday and only if a Chinese Leninist party should arise will the proletariat be digging any graves for Stalinism.

The 1949 Revolution

The gains of the revolution of 1949, which were achieved through the defeat and exile of the big bourgeoisie, established a DWS, which itself was driven forward by the power of the armed workers and peasants, were concretized by carrying out the economic changes that followed. These changes correspond to the tasks outlined in the historical program for the socialist revolution the Transitional Program. The socialist tasks include the expropriation of big capital, the nationalization of the land, the nationalization of finance, industry and manufacturing, the institution of centralized planning, the dominance of the plan over the market, the suppres-

sion of the law of value (LOV), the institution and maintenance of a monopoly of foreign trade (which acted as a buffer against world capital--abating the pressures of the international LOV.) The loss of these core economic features of the workers' states (healthy, degenerated or deformed,) constitutes a historic defeat for workers, both in terms of the toiling masses' daily survival as well as propelling humanity further along the road of capitalist-driven economic and environmental crisis; as well as the barbarism of wars of domination and inter-imperialist wars. It is a grave error to confuse these tasks of the socialist revolution with the very different tasks of the political revolution. We will show how the ICL and derivative tendencies make this tragic error further below.

The core elements of post-capitalist economic organization have the capacity to maximize the socially-produced surplus available for social consumption. Socialist production can eliminate poverty, shorten the work week, and reduce work-related fatalities and hazardous working conditions, and end fear of want and need, while providing jobs, health care, education, and cultural development for all. To one extent or another, all the DWS's which had time to consolidate their relative independence from imperialism benefited from implementing these changes in social and economic relations. Both military spending and the consequences of bureaucratic parasitism limited the social gains made available by the unfettering of the forces of production from the enslaving constraints of the LOV. Material deprivation, imperialist intervention, encirclement and isolation from the world market elevated the bureaucracy's and military's appropriation of large portions of the social surplus in proportions that elevated these functionaries as a materially privileged caste. Due to the economic backwardness and isolation of the countries which abolished capitalism, the bureaucracies became Bonapartist parasitic castes mediating the pressure from imperialism, from the native bourgeois and petty bourgeois interests (the reinstatement of the LOV through the mechanism of market rationalizations,) on one side and the interests of the workers and poor peasants on the other side (the plan, the social guarantees, etc.) This contradiction inside the DWS's was not static; social relations and class forces pushed the bureaucracy in one direction or the other, advancing the economic foundations of proletarian power or toward capitalist counter-revolution.

To claim as the ICL (a.k.a. the Spartacists) does that the state has not dismantled the basic gains of the 1949 revolution and is not leading China's rise as a capitalist and imperialist superpower is to take the side of the "Princelings" against the worker masses and even as we shall show to take the "Princelings" side against the workers of the world. The workers have resisted, in countless thousands of "industrial actions" and political actions. From Tiananmen to Foxcom's suicides, to the militant Tonghua steel workers anti-privatizations fight in 2009, and to the Wuhan Commune of 2012, wave after wave of independent workers actions fought the attacks on the gains of the 1949 revolution! Hidden until recently, under the control of state censorship, are the multi-millions of new proletarians who, driven by the same market forces introduced and promoted by the CCP, have become under-employed itinerants (migrant armies of labor) with little chance of life-long employment, pensions, health insurance and other benefits enjoyed by industrial proletarians and with few rights respected by the police.

The pressures of the global capitalist crisis inevitably drives emergent Chinese imperialism on a collision course with US imperialism's military might, the avoidance of inter-imperialist warfare depends on the American and Chinese workers defeating the rule of their own bourgeoisie in China and the USA in order to avert and end the threat of inter-imperialist wars.

Workers Democracy is the key

Chinese workers never experienced democratic control of their revolution. Unlike the workers who seized power in the 1917 Russian Revolution, the Chinese working class never experienced soviet democracy, shop floor democracy or workers control of the Communist party. These experiences and organizational forms are the key components that distinguish a healthy from a deformed or degenerated workers state. Where Trotsky considered the revolutionary generation to be a force in the mid 1930's which would recall the democratic workers councils and fight to rebuild their power, in China of the 1990's soviet democracy was a concept far removed from most workers experience. Once experienced, workers democracy is not easily forgotten. Thus 1905 prepared the generation of 1917. Lost from the living memory of the working class, these experiences become abstractions--revolutionary history and theory. They can become a guide to program, but without a revolutionary vanguard party popularizing revolutionary theory and asserting those historic lessons during subsequent upsurges the moment is assured to be lost and the workers' uprising, heroic as it may be, will be defeated.

The democracy of the workers' commune in Shanghai was defeated in 1927 because of the treacherous CCP-led bloc with the Kuomintang. Thousands of communist workers were sacrificed. Since then workers democracy was suppressed by the Communist Party itself, whenever it emerged, both inside the party with the attack on the revolutionary Marxists of the Left Opposition (Trotskyists,) and outside the party in the workplaces and unions. Deformed from birth, the Chinese revolution's 'permanence,' it's growing over from an anti-imperialist 'bloc of four classes' to a social revolution was more a reflex and consequence of the escape of the Chinese bourgeoisie to Taiwan than the intention of the CCP. Because of the CCP's adherence to the stagist theory of revolution the party hesitated when it ascended to power, for three to four years before taking up the economic tools of the workers' state. The Chinese revolution threw the Trotskyist movement into a tailspin as it sought to equate reality with its varied understandings of the Marxist theory of the state.

Sam Marcy of the SWP explained that the "...bourgeois-landlord-merchant-comprador class alliance, the main and fundamental prop of imperialism in China, has been broken and shattered, and a new class power erected.... A new class power, basing itself fundamentally on the workers and peasants, has seized the reins of power, and is...attempting to shape the destiny of China in a new direction." Marcy argued that although "...bourgeois relations still predominate in industry and agriculture....," the crux of the matter was the "...political power of the former ruling class has been shattered, their 'body of armed men' disarmed or destroyed, and their nexus to and dependence upon imperialism, shattered...." (Memorandum on the Unfolding War and the Tasks of the Proletariat in the New Phase of the World Permanent Revolution—Marcy, SWP Internal Bulletin November 1950.)²

Determining the Class Character of the State

"When the Third Estate seized power, society for a period of years remained feudal. In the first months of Soviet rule, the proletariat reigned on the basis of bourgeois economy. In the field of agriculture, the dictatorship of the proletariat operated for a number of years on the basis of petty bourgeois economy. (To a considerable degree it does so even now.) Should the bourgeois counter-revolution succeed in Russia, the new government for a lengthy period would have to base itself on nationalized economy.(our emphasis) But what does such a type of temporary conflict between economy and state mean? It means a revolution or a counter-revolution. The victory of one class over another signifies that it will reconstruct the economy in the interest of the victors...." (Emphasis in original.) (Leon Trotsky 1937, Not a Workers' and Not a Bourgeois State Fourth International 1951)³

The conundrum faced by the Trotskyists in the post-war era is adequately dealt with in the Leninist- Trotskyist Tendency's June, 1995 document, The Marxist Theory of the State and the Collapse of Stalinism.⁴ The LRCI/Worker's Power's untenable position dating the formation of the workers state in China, from the institution of the plan and the monopoly of foreign trade is dismissed if not by Trotsky's quote above, then it is done in in the LTT document. The post-war transformations in Eastern Europe were carried out, in all cases (except Yugoslavia), under the occupation of the Red Army and direction from Moscow, not by the masses themselves via their own revolutionary workers party, but because Moscow was losing control of its project to maintain bourgeois "Peoples Republics," which were increasingly being attracted to the benefits offered by the Marshall plan. The material contradiction between the world market guided by the LOV and the economy of the USSR guided by the plan had to be resolved in one direction or the other. The USSR's bureaucracy, adhering to the theory of "Socialism in One Country," required a geographic buffer for defensive purposes and occupied Eastern Europe was made to serve as this buffer. To consolidate their sphere of influence, after attempts to incorporate the bourgeoisie into the governance of the "Peoples Republics," Moscow changed course and 'extended the revolution.' 'Socialism' was born in Eastern Europe by imposing the economic mechanisms of the degenerated workers state (the USSR) onto the occupied nations, accomplishing revolution (transformation of the class character of the state) from above, denying the rightful agency of the proletarian revolution-the proletariat itself-actual power, yet establishing deformed workers states in the image of, yet subservient to, the Soviet planned economy.

The Soviet bloc and imperialism made a deal to partition the world after WWII based on the economic power of the USSR, given its successful defense of the gain of workers' property. This was still, in a degenerated way the Dictatorship of the Proletariat in the USSR forcing imperialism to accept 'co-existence' for the time being. **But the bureaucracy was Bonapartist and balanced between workers and capitalists and defended workers' property only so long as it provided their privileges.** Isolated and forced to compete with the capitalist world economy restored to profitability by depression and war, the 'planned' economies stagnated and with them so did the privileges of the bureaucracies. They re-introduced the LOV as "market reforms" to overcome stagnation.

In Russia the point at which the state became bourgeois was obvious⁵ when Yeltsin seized power from Gorbachev and eliminated the weak opposition within the bureaucracy to the fast road to the 'free market'. Residual opposition to the state coming out openly to restore capitalism was eliminated. This was a world-historic defeat that the Spartacists and their offspring haven't and won't recover from.

In China, when Deng dissolved the village communes and introduced the LOV in the Special Economic Zones (SEZs) this was a gradual preparation for restoration *under the 'plan' of the CCP*. As Trotsky predicted, this 'plan' was actually a plan to restore the LOV, and capitalism was sold as 'socialism with Chinese characteristics,' but inevitably the LOV would become dominant unless overthrown by political revolution.

When did quantity turn into quality? Tiananmen was the smashing of workers resistance to restoration and the CCP Congress in 1992 was the now-dominant 'reform' faction's dressing up of the LOV as 'state socialism.' This is confirmed because there is no way that a healthy workers state, let alone a degenerate one, can develop the forces of production in one country (albeit with internal colonies,) accumulate capital over 20 years and become an emerging imperialist state in competition with existing imperialist states, unless the LOV is dominant.

History does not care which social layer carries out transitions from one mode of production to another. Dogmatists were among the non-dialectical thinkers who were flummoxed by the fact that the working class had not carried out the post-war transitions in their own name, through their own organizations. If a reluctant bureaucracy, proponents of the theory of "Socialism in One Country," committed not to internationalism but to their own material interests derived from their position as a parasitic caste upon the workers state, and maneuvering between the pressure from the workers and oppressed toilers from below and from the imperialists' stranglehold besieging from all sides, can abolish capitalism, advance the revolution in the mode of production and establish an albeit "Deformed Workers State," the question is posed does the working class have an independent role in the tasks of the social overturn or can a "Socialism from above" be established and sustained?

Stalinophilia and Pabloism

This contradiction opened the Stalinophilic path for layers of Trotskyism leading to liquidationism. Some joined the Stalinist parties, some maintained their external groups. In one form or another most Trotskyists abandoned the understanding that the political revolution was not simply the optimal road forward, that the political revolution by bringing workers themselves to power through the (re-)establishment of democratic workers councils and their absolute rule of the socialist transition is itself the only means to defend the workers state. While the crisis of the death agony of capitalism and the long bloody transition period of revolutionary stillbirths, abortions and infanticide that accompanied the transition to a post-capitalist mode of production wore on, the theory came to be entertained that the DWS may be the most advanced transitional form humanity can develop at this point, and as consequence of the extended duration (from decades to possibly centuries) of the proletariat's struggle against imperialism, the

Bonapartist layer that Stalinism represented might indeed rule for an extended duration.

The Freedom Socialist Party (FSP) took this logic almost as far as the Marcyites of the Workers World Party and the Party of Socialism and Liberation (WWP&PSL) would. The FSP only in 2003 took up the call for political revolution in China⁶ and later on produced a new waffle for Cuba.⁷ The FSP now calls for a new revolutionary party to contest for power with the Castroists, but says it is "premature" to call for a political revolution! Will they adopt the Robersonian method and wait until all the gains of the Cuban Revolution are gone before "then" incorrectly calling for the political revolution? The PSL still sees no reason to fight for political revolution in China. And most, in the trajectories spun off from the United Secretariat of the Fourth International (U.Sec) and the U.Sec. itself, while identifying the capitalist restoration in China, have a blind spot in recognizing the restorationist process led by the Castroists in Cuba and still do not call for political revolution there. When the U.Sec. and the American SWP taught generations of militants internationally that Cuba was a healthy worker's state, they themselves were already theoretically disoriented by the rise of the DWS's. When they were revived numerically by the 1960's upsurge, they disarmed a generation by abandoning Leninism and Trotskyism, and then collapsed into a Menshevik stages methodology. They abandoned the Transitional Program, the anti-imperialist principle of opposing the imperialists both at home and militarily in all their interventions, and the permanent revolution. This led to capitulation to semi-colonial 'anti-imperialist' national bourgeois leaderships and popular fronts (from Bolivia through Sri-Lanka and later Nicaragua, Ethiopia, Grenada and South Africa,) while their pretense to building the Fourth International as founded by Trotsky vanished from the world of material reality.

For Trotskyism the DWS could only be defended by the establishment of a healthy workers state. The parasitic caste has to be negated--abolished or incorporated-by one mode of production or the other resolving the contradiction between imperialism and the proletariat. The abandonment of the conviction that the working class itself is the only reliable agency of the permanent revolution is to make a wreck of Marxism and to trivialize the sacrifices of the revolutionary generations.

Murray Weiss, a spokesman for the Trotskyist majority led by James P. Cannon, wrote in answer to the "Third Camp" minority:

*"[I]t was this slight misconception as to who was the main enemy that helped to bury the German revolution. "For the Marxists, the main enemy of the Russian working class, as well as the international working class, is the class enemy.... The Bolshevik-Leninists in the U.S.S.R. will be the best fighters and because of that they will tell the Russian workers the truth: **In order to win this war against imperialism we must overthrow the traitor Stalin and appeal to the revolutionary working class of the world to come to our aid.**"(our emphasis)*

—*"Marxist Criteria and the Character of the War."* [SWP] Internal Bulletin, February, 1940⁸

Thus for Trotskyism the defense of the USSR has never been anything less than the full on struggle by the proletariat for their healthy workers state, if not by reform (until 1933,) then by political revolu

tion, not some half-way formulation or schema to defend the DWS. By the workers and not by any jumped-up Reiss faction. Even when Trotsky advanced tactical military blocs with the Stalinists against imperialism the message to the workers was clear. The defeat of imperialism would require the defeat of the Bonapartist bureaucracy--Stalinism. And vice versa, the defeat the Bonapartist bureaucracy would require the defeat of imperialism. This seems an important link between the open Pabloists (i.e., the Stalinophilic membership described above), and the covert Pabloists we describe below who try to hide their Stalinophilia in a formal recognition of political revolution by workers from below, even while the workers are being turned into wage slaves by a regime and a state they defend! Their Stalinophilia is the obverse of their phobia of the proletariat! The Spartacist ilk want the Stalinists to rescue the workers states without having to defeat imperialism at home, which would destroy their cozy labor-aristocratic positions, which finds expression in their social chauvinism, such as their initial confusion over the 1967 "Six-Day War"⁹, their refusal to defend Argentina during the Malvinas War¹⁰ and their initial applause for the so-called "humanitarian mission" of the US Forces in Haiti¹¹. Being *sure* does seem to determine consciousness and over and over critics have had to correct them.

There is nothing accidental about these mistakes and they are not only to be put down to the social origins of the membership of the Spartacist League. **Like Cannon before him, Robertson, the spiritual-political guide of Spartacism never did make a comprehensive political nor methodological break with Pabloism. They have not understood the way posts of the capitalist restoration in the degenerated and deformed workers states any better than the SWP US¹² understood the Eastern European transformations¹³ in the 1940's.**

Spartacism on China...Yet another Pabloism!

The most exercised proponents today for the idea that China remains a bureaucratically deformed workers state are the various groups of the Spartacist current: the International Communist League (ICL), the Internationalist Group (IG), and the International Bolshevik Tendency (IBT) are the most exercised proponents today for the idea that China remains a DWS. The method of these groups is the same in regard to the class nature of the Chinese state, although the ICL has written the most material through the years in a zigzagging and contradictory manner trying to fit the Chinese reality into successively redefined criteria for a deformed workers state. For the Spartacists, what is left of the nationalized property, the political rule of the CCP and the absence of openly capitalist counterrevolutionary political forces provoking working class defense of the workers state and splitting the bureaucracy into opposing camps in a civil war, are the empiricist criteria of their static position on China.¹⁴ They do not see beneath these criteria that the interests of the bureaucracy and the program of the CCP are now

capitalist-imperialist. They ascribe a pro-capitalist motive to forces in and around the bureaucracy and in and around the party but not to their central directorates. They see China as "On the Brink" of capitalist restoration and have seen China on this brink since 1997, as fantastic as that may seem!¹⁵ Much of the continuity of their present position falls back on Trotsky's formulation in 1933:



"He who asserts that the Soviet government has been gradually changed from proletarian to bourgeois is only, so to speak, running backwards the film of reformism." (The Class Nature of the Soviet State, October 1, 1933)

The ICL runs from the fact that the Stalinist bureaucracy, in order to preserve its privileges, has been the force that capitulated to imperialism in the USSR,¹⁶ the Eastern bloc and now, in China, that initiated and led the gradual restoration of capitalist property relations. The ICL did in fact finally admit that the Stalinist Bureaucracy led the counter revolution in the USSR. Yet the ICL still believes that a bourgeois party would have to come to power in China by some means to be able to carry through the restoration.¹⁷ In this they ignore Trotsky who advanced this possibility:

"...Thus, as long as the European revolution has not conquered, the possibilities of bourgeois restoration in our country cannot be denied. Which of the two possible paths is the more likely under our circumstances: the path of an abrupt counter-revolutionary overturn or the path of successive shiftings, with a bit of a shake-up at every stage and a Thermidorian shift as the most imminent stage? This question can be answered, I think, only in an extremely conditional way...." (The Challenge of the Left Opposition, 1926-27)

"...Two opposite tendencies are growing up out of the depth of the Soviet regime. To the extent that, in contrast to a decaying capitalism, it develops the productive forces, it is preparing the economic basis of socialism. To the extent that, for the benefit of an upper stratum, it carries to more and more extreme expression bourgeois norms of distribution, it is preparing a capitalist restoration. This contrast between forms of property and norms of distribution cannot grow indefinitely. Either the bourgeois norm must in one form or another spread to the means of production, or the norms of distribution must be brought into correspondence with the socialist property system...." Trotsky Chapter 9 Revolution Betrayed¹⁸

The ICL claims that in the wake of capitalist counterrevolution in the Soviet Union in 1991 led by Yeltsin, that "Trotsky had overdrawn the analogy between a social revolution in a capitalist society and social counterrevolution in a deformed workers state..." and that the "...preservation of proletarian power depends principally on the consciousness and organization of the working class." (ICL, How the Soviet Workers State was Strangled, 1993).¹⁹ They

have not understood the process yet.

"...In contradistinction to capitalism, socialism is built not automatically but consciously. Progress towards socialism is inseparable from that state power that is desirous of socialism or that is constrained to desire it." (those constrained to desire it would be the parasitic bureaucrats, ed. note) (Trotsky, *The Workers' State, Thermidor and Bonapartism*, 1935).²⁰

In the absence of the Chinese working class, organized by its revolutionary party, sweeping away the bureaucracy, capitalism was restored in China and the state became a defender of capitalist property relations, a process that began in the 1970's but accelerated decisively during the 1989-1993 period. And this certainly did not happen "peacefully" as the resistance and the repression of the workers and students after the Tiananmen Square massacre demonstrate. The political expressions of the workers movement were crushed alongside and after the suppression of the pro-democracy student elements in Tiananmen Square. Thousands were shot and tens of thousands of workers were arrested, clearing the road for the final consolidation of political power by the "capitalist roaders" in the CCP.

The ICL also sometimes contradict their position that a civil war is necessary and on occasion call on Karl Marx to the effect that counterrevolutions do not always require a military component or a military repression of the revolutionary forces.²¹

The fear of the possibility of a Reiss faction inspired the CCP leadership to send the army against the Party apartment houses in Muxidi in 1989. In Michael Fathers and Andrew Higgins book *The Rape of Peking*, they show the decision to send the army was *"...not merely to disperse the mobs from the barricades, but to create a spectacle of forceful repression so shocking that it could not fail to cow anyone within the party who had dared to sympathize with such defiance". One incident underlines this fact, when troops opened fire on 'one of the best addresses in China', numbers 22 and 24 in Muxidi, which were home to some of the most senior officials in the CCP. "Soldiers shot indiscriminately into Buildings 22 and 24, terrorizing their inhabitants as effectively as they did those on the streets". (Tiananmen – The Rape of Peking) "At least two servants were killed and several relatives of top officials were injured in this episode."* (*Socialism Today*, Issue #129 June 2009, "Tiananmen and the working class")²²

The resistance of the Chinese workers in 1989 was heroic but short-lived. The repression was very sharp, casualties were enormous, but the ICL and associated currents are not satisfied that this constituted or met their expectations of a civil war which forcefully crushes the Dictatorship of the Proletariat (DOP). But by admitting the military ends of the bureaucracy were to cement the "reforms" the entire edifice of the enduring DWS falls alongside the slaughtered at Tiananmen. The only other course is to revise Marxism and claim the slaughter of Tiananmen was to defend the

DOP; it had to be for one end or the other. Along with the fact that the CCP and bureaucracy smashed the resistance of the working class in order to change the project of the state, against the planned economy, they opened China to imperialist exploitation of the proletarians being driven off the land in the wake of the destruction of the rural communes. They elevated the LOV to be the determining factor in most social relations and midwived into existence from their own excrescence a new class of capitalists, entrepreneurs and managerial elite to work the process of exploitation and primitive accumulation.

The Search for the Reiss faction

For the variety of Spartacist currents the existence or non-existence of or even the dialectical necessity for the existence of a "Reiss" faction is a big deal, perhaps of the first order of importance. For us the shop floor of vanguard workers is of the first order of importance. Whether any Reiss faction exists should be determined by observation--the first requirement of the scientific method. For the political revolution the Reiss faction is not essential. What is essential is the revolutionary vanguard of the working class, its program and its Leninist party. How much of a civil war there is during a capitalist restoration has more to do with the level of



resistance the working class can muster than the emergence of any left wing of the bureaucracy. With or without a "Reiss faction" the political revolution requires the army to break ranks from the Bonapartists of the bureaucracy and form up democratic soldiers councils who arm the workers and defend the workers councils.

As a matter of method the Robertson-inspired currents are looking for a substitute vanguard instead of a vanguard that rises from the shop floor. They are looking for a vanguard among the bureaucracy although Trotsky said this layer would be more or less passive. This is most clearly displayed in the IBT with their military support for Zanayev, *whose faction did not oppose capitalist restoration* but only the shock therapy tempo of the Yeltsin wing.²³ The ICL did not support the coup, but only because they considered the coup leaders an inept 'gang of 8 that couldn't shoot straight'²⁴ The IBT knew Zanayev was for restoration and considered the coup to be Stalinism's last desperate stand and called on the working class to make a military bloc with one restorationist wing against another.²⁵

To be fair the IBT in September 1991 came to see that the end had come to the workers state in August with the triumph of Yeltsin. But they nevertheless put their faith in the Zanayev coup to stand at the head of the revolutionary workers in the initial stage of the political revolution.

The Robersonians oversubscribe the Stalinist party to be defenders of post capitalist property relations and when they see the bureaucracy ridden with class enemy capitalist roader consciousness the Internationalist Group and the ICL suddenly²⁶ have an argument over whether to be clinging to or appealing to a Reiss faction as a necessary leadership element for a political revolution to defend the

gains of the DWS's. Substituting a Reiss faction for the working class to defend the revolution is a Utopian schema.

Following the blood bath at Tienanmen the restorationist wing was freed to carry its program forward. The property relations the state defends or strives to develop defines the class character of the state to paraphrase Trotsky (see above). The project of the state had changed. When the masses and their uprising to advance workers rights and workers democracy was militarily defeated, just as embryonic workers self-defense guards and councils were prying open the road to political revolution, this road was snapped shut by the repression and another opened presenting an obstacle-free path for the restorationists. The state became nothing other than a vehicle for the building of capitalism, primitive capital accumulation and the building of a capitalist class from within the cadres, the technocratic layers, from expatriate capitalists, from capitalists who survived the red purges inside the party, and through nepotism, corruption, malfeasance, speculation and labor brokering.

Reviewing the ICL material on China shows they deny very little that others on the left cite as proof of the restoration. The transformations that have been carried out in the mode of production and the wealth accumulation by and under the direction of the parasitic bureaucracy are all accepted as within the defined economic activities of the "DWS." It appears that for the ICL the Rubicon is not crossed until a distinctly bourgeois party challenges the CCP politically and smashes the remnants of the DWS, throwing up forms of bourgeois governance, whether multi-party democracy, or one of their more authoritarian or fascist variants as a result of civil war. We have evidence²⁷ that ICL leader Joseph Seymour held that a civil war is not requisite for capitalist restoration.

Alongside the CCP, the Bolivarians, Green-Left and the Castroists, the ICL contends that the Chinese CCP has not restored capitalism. They see all the intrusions of the market into the economy and the integration of the economy into the world of international finance capital, directed by the Bureaucracy-Leadership-Party as the result of material restrictions imposed on the emerging post-capitalist world fighting within the old world economy for its liberation from Western and Japanese imperialism. Their analogy positing the 'market reforms' that began in 1978 as an extended version of the 1920's New Economic Policy (NEP) comes to mind. We reject all this self-delusional thinking.

They are creating a fictitious chasm between the party and the bureaucracy. Not taking account that the bureaucracy is shot through with capitalist roaders and the class enemy consciousness has triumphed in the bureaucracy and the party and that the bureaucracy doesn't have a separate existence from the state or the party and the rise of bourgeois consciousness has been an evolutionary process, *initiated by the party and not imperceptible at all*. Capitalist restoration has been a conscious goal of the CCP and bureaucracy since the triumph of the capitalist roaders at Tiananmen. That they still take in ostensible Trotskyists with their claims to be building "market" and "21st c. Socialism" more than twenty years later is only a gauge of the credulity of methodological Pabloites.

Trotsky gave some guidance on the question of restoration pointing to the nationalization of big capital in the hands of the workers

state, the monopoly of foreign trade and the increasing dominance of socialist planning over the anarchy of production. Marxists are not static thinkers, they understand that revolution and counter-revolution are processes dependent on the relationship of class forces, the level of cultural, political and organizational development of the counter-posed classes. They understand that during transitions from one mode of production to another the economic forms that fortify the emergent class are yet in flux and that the state power is wielded to crush the remaining obstacles to the emergent class' sustained power. The dominance of the rule of the LOV on the world stage and the military power of the imperialist states are the two main obstacles to the transition to a socialist mode of production. Even now the dominance of the LOV is being further extended into central China as the CCP and the bureaucracy organize the industrialization of the Chinese interior.

The ICL conflates the Political Revolution and the Socialist Revolution

The ICL states "...A proletarian political revolution would implement a centrally planned and managed economy to eliminate unemployment and provide basic economic security for all workers..."²⁸

And furthermore that, "...It would expropriate the new class of domestic capitalist entrepreneurs and renegotiate the terms of foreign investment in the interests of the working people. It would create a centrally planned and managed economy under conditions of workers democracy—not the autarkic, bureaucratic commandism of the Mao years."²⁹

This remarkable statement comes from the political tendency that wants to believe and wants the world to believe they are the champions of Trotsky's Transitional program. But each of these concepts listed above correspond directly to the slogans and demands of the socialist revolution and its tasks, not the political revolution. For Trotskyists who read the Transitional Program the political revolution presupposes that the expropriation of the capitalist class and foreign imperialist enterprises has taken place, it further presupposes the planned economy and the monopoly of foreign trade which would be incompatible with the existence of large property holdings by native capitalists, never mind the existence of SEZs. At this point all that is really planned in China is the state foreign investment policy and the fostering of private enterprises across the country and not only in SEZ's. This was made explicit in changes to the constitution.

"But the pupa is not the butterfly"

Even while Andreyev the Secretary of the Central Committee of the USSR was announcing that the relative weight of the socialist production reached to 98.6% in 1936, Trotsky warned:

"The enormous and wholly indubitable statistical superiority of the state and collective forms of economy, important though it is for the future, does not remove another and no less important question: that of the strength of bourgeois tendencies within the 'socialist' sector itself, and this not only in agriculture but in industry....A bare antithesis between individual proprietors and collective farmers, between private craftsmen and state indus

tries, does not give the slightest idea of the explosive power of these appetites, which imbue the whole economy of the country, and express themselves, generally speaking, in the desire of each and every one to give as little as possible to society and receive as much as possible from it.”³⁰ Chapter 9 Trotsky (The Revolution Betrayed)

Who would deny that these appetites have not only been explosively proliferated across China but have been promoted by the leading bodies of the party, the state, the army and the bureaucracy? The sum result of this dynamic is to kill Trotsky’s metaphorical pupa.

“...In order to become social, private property must as inevitably pass through the state stage as the caterpillar in order to become a butterfly must pass through the pupal stage. But the pupa is not a butterfly. Myriads of pupae perish without ever becoming butterflies. State property becomes the property of ‘the whole people’ only to the degree that social privilege and differentiation disappear, and therewith the necessity of the state. In other words: state property is converted into socialist property in proportion as it ceases to be state property. And the contrary is true: the higher the Soviet state rises above the people, and the more fiercely it opposes itself as the guardian of property to the people as its squanderer, the more obviously does it testify against the socialist character of this state property....”³¹

What influences the life and death of our pupa?

“...To the extent that, in contrast to a decaying capitalism, it (the soviet state) develops the productive forces, it is preparing the economic basis of socialism. **To the extent that, for the benefit of an upper stratum, it carries to more and more extreme expression bourgeois norms of distribution, it is preparing a capitalist restoration. This contrast between forms of property and norms of distribution cannot grow indefinitely.**(our emphasis) Either the bourgeois norm must in one form or another spread to the means of production, or the norms of distribution must be brought into correspondence with the socialist property system....”³²

Not even the ICL denies that the state is developing bourgeois property norms, is participating in the growth of bourgeois consciousness by writing capitalist laws and that the state is administering the capitalist transformation by the selling off of and abandonment of the state sectors of the economy, to the benefit of private, foreign, domestic and corporate ownership and control of the means of production. The ICL has chronicled the death by a thousand cuts of the DWS, yet still clings to fallacy that the state administered by the CCP is not a capitalist state because the privileged bureaucracy still derives its parasitic privilege from the core of the Chinese economy, which they claim is still the state sector. The bureaucracy, they say is not the new bourgeoisie and the new bourgeois as a class are denied political power. Yet what is political power except the ability of a class to utilize the state in its own self-interest at the expense of other classes whose ascendancy would negate theirs?

In the 1937 Trotsky argued that the proletarian state is defined and established by these relations:

“The nationalization of the land, the means of industrial production, transport and exchange, together with the monopoly of foreign trade...”

The bureaucracy was not a ruling class because even though they had, “expropriated the proletariat politically in order by methods of its own to defend the social conquests. ...the very fact of its appropriation of political power in a country where the principle means of production are in the hands of the state, creates a new and hitherto unknown relation between the bureaucracy and the riches of the nation. The means of production belong to the state. But the state so to speak, ‘belongs’ to the bureaucracy. **If these as yet wholly new relations should solidify, become the norm and be legalized, whether with or without resistance from the workers, they would, in the long run lead to a complete liquidation of the social conquests of the proletarian revolution.**” (our emphasis) At that point in history the bureaucracy had, “not yet created social supports for its domination in the form of special types of property.” It was compelled, “to defend state property as the source of its power and its income. In this aspect of its activity it still remains a weapon of proletarian dictatorship”. One crucial aspect of the lack of special property forms that for a whole period and across the DWS’s was that: the “individual bureaucrat cannot transmit to his heirs his rights in the exploitation of the state apparatus. The bureaucracy enjoys its privileges under the form of an abuse of power. It conceals its income; it pretends that as a special social group it does not even exist.” (The Revolution Betrayed)

In China today an entirely different picture emerges when we seek to determine class nature of the state based on which property relations the state defends or strives to develop. In 1992, while in the Revolutionary Trotskyist League (RTL), we identified the Chinese road to restoration as the slow road compared to the 500 day shock treatment employed by the Yeltsinites in the former USSR. The slow road, while just as counter-revolutionary as the fast road, afforded the working class many opportunities to resist even after the Communist Party’s slaughter of workers and students in 1989. Since ‘89 the workers have resisted the implementation of the privatizations and the superexploitation imposed with the integration into the world economy. But without a revolutionary party the class’ resistance failed to coalesce into a political revolution during the survival of the DWS. The contradiction between world imperialism and the proletarian revolution as mediated by the Bonapartist bureaucracy was resolved in favor of imperialism. Today the tasks of the workers revolution are no longer limited to the political overthrow of a privileged bureaucratic caste via the formation of democratic workers councils and armed workers detachments. Today those workers deputies must take up again **the socialist tasks** of establishing a centralized plan and a monopoly of foreign trade through the expropriation of the native bourgeoisie and foreign imperialist holdings as opposed to the ICL claim that the task would be to **renegotiate (!!!)** terms of exploitation with these foreign bosses.³³ The Spartacist insistence that the task is to renegotiate with foreign capital abandons in concrete terms the internationalist nature of the proletarian revolution.

Today worker revolutionists must revisit the social conquests completed between 1949-1953, the expropriation of the bour

geoisie and of the foreign capitalists, the formation of worker-run communal enterprises, the suppression of the influence of the LOV in social relations, and the institution of a revolutionary foreign policy (as short lived as that was). At some point quantity does turn into quality and vice versa. When the quality—the class character of the state—changed, the quantity—the pace of the implementation of capitalist mechanisms accelerated!

Trajectory of Capitalist Restoration in China

Lets look at this trajectory down the road of capitalist restoration in China and at the consequences, that concrete material and legal programmatic changes have had on the nature of the state, the introduction of capitalism, the integration into the world capitalist economy and then determine if the parameters of the DWS that Trotsky applied to the USSR apply to China today:

1972 Mao and Nixon meet. The great opening of China to western imperialism begins. China further distances itself from USSR, and it invades Vietnam in 1978.

1974 Relief of threat from USA, freeing surplus slated for military for “The four modernizations.”

1976 Hua Gou Feng defeats the Gang of Four. As Premier he is the ‘stalking horse’ for Deng Xiao Ping and the Capitalist Roaders. He rehabilitates Deng for the second time.

The ICL is mystified by changes at the top; tells the working class that they are “murky and personality politics.”³⁴

In 1978 Deng becomes Premier and worked to free the bureaucracy from Maoist policy of “putting politics in command.” Deng attacked Maoism after the defeat of the “Gang of Four” with his “*Emancipation of the Mind*,” “*Opening to the Western World*” and “*Getting rich is Glorious*” concepts. He said that the state sector would remain the core of the “socialist economy” and that although individual capitalists existed the bourgeois class as a whole no longer existed so the socialist project would be secure despite the foray into the market. This period embraced the “*Four Modernizations*” resulting not only in the opening of four Special Economic Zones (SEZ’s) but the closing of the “Democracy Wall.”³⁵ (English People Daily)

It appears the ICL believed him until at least 1997 when they introduced that contradictory position that China is on the Brink of restoration, however they maintain that the state sector remains the core of the Chinese economy and the bureaucracy’s privileges to this day.

1979 Following the signing of friendship treaty between Vietnam and the USSR Vietnam invades Cambodia which was endangering the Vietnamese revolution. The autarky that was in Cambodia was the furthest thing from internationalism with massacres

of Vietnamese. China in turn told Jimmy Carter they would be invading Vietnam. The Vietnamese deported many Han Chinese who were running big black market operations. They took a tremendous amount of material goods with them. China saw the USSR as trying to encircle them on their southern border. Not only was China not defending the Soviet Union it was making common cause with imperialism against the Vietnamese revolution and even served as its proxy.

Concrete changes in the economy and the condition of the masses followed:

- The State share of the economy which in **1978** was 78% dropped to 42% by 1996.
- The Value added to the economy through Industry by the State Owned Enterprise (SOE’S) was 100% in **1978** and was reduced to 54.8% in **1998** and to 41.97% by **2003**
- The state share of producer goods transactions **1978** was 100% and this was reduced to 10% by **2003** (everything from ores and diamonds to specialized machine tools--everything that industry consumes to do business.)
- The share of prices set by the state for all commodities in **1978** was 97% and this was reduced to 2.6% by **2003**.



While these market reforms were touted by the largest Communist Party in the world as proof of their method and by the biggest capitalists in the world as proof of theirs, the workers and peasant masses of China were suffering its consequences as the GINI coefficient ratio, which in **1978** was 0.2% would jump to 0.46% by **1998** peaking at 0.491% in **2008** and stood at 0.474 in 2012. A GINI coefficient ration over 0.4% is widely considered the threshold that incites social unrest.³⁷

The GINI coefficient ratio has stayed at a relatively high level of between 0.47 and 0.49 during the past decade, indicating that China must accelerate its income distribution reform to narrow the rich-poor gap, Ma said.”³⁸ (English News)

The ICL and the Committee for a Workers International (CWI) as well as the Freedom Socialist Party (until 1999) buried their heads in the sand claiming these changes were enacted somewhere along the trajectory of an intact DWS and that either reform of the party (the FSP) or political revolution (CWI/ICL) were the objective task of the working class, as the class nature of the state had not changed. So if we look at the class nature of the state asking what class interests it serves and which class’ social conditions it advances in society, we have to look at the social and economic policies enacted by the state. We steal liberally without citation from their publications, as these policies we are reviewing are well known and easily referenced.

Every worker knows that without the right to strike workers have

no power. In **1982** the right to strike and the “Four Bigs” (to speak out freely, air views fully, hold great debates, and write big character posters) were abolished.

Workers know that if our organizations are controlled from the top down and that if those organizations are not independently run by active rank and file, by shop floor action committees, they have a tendency to negate workers power and enforce the control over the work and/or our lives rather than liberate them. What kind of union can you have without the right to assembly, to speak out and to write large posters? They are the mainstay of workers self expression!

“Chinese labor law gives workers the right to form unions. Trade unions are an arm of the state, and are controlled by and provide funding for the Communist Party. The party tells unions which leaders to elect. According to Chinese law a union can be created at any place with 25 or more employees. The approval of the employer is not required. The unions do not negotiate and make agreements with state-controlled management.”³⁹(Facts and Details)

Along side the abolition of the right to strike in 1982 was the promotion of the growth of private capital in the form of “self employed labor.”⁴⁰(English People)

“5 Second paragraph of Article 11: *“The State protects the lawful rights and interests of the individual and private sectors of the economy, and exercises guidance, supervision and control over individual and the private sectors of the economy.”*

(In 1982 this was Revised to): *“The State protects the lawful rights and interests of the non-public sectors of the economy such as the individual and private sectors of the economy. The State encourages, supports and guides the development of the non-public sectors of the economy and, in accordance with law, exercises supervision and control over the non-public sectors of the economy.”*

1985 Reduction of public provisions.

1986 The Law of Gestation of Land opens land leases for 30 years.

1986 Deng message “Do not follow socialism”

1987 The legal introduction of a system to allow SOE’s to make contracts and directly negotiate with overseas companies is the tip of the wedge breaking the state monopoly of foreign trade.

1988 The law of gestation of land extended land leases to a possible 60 years, making millions of surplus agricultural laborers who then leave the land for the cities. Waves of internal migration fill the labor camps of every major city, suppression and exploitation of this migrant reserve army of labor fed the market’s quest for surplus value accumulation. Inflation, previously unknown in the DWS and before 1978 in China, jumps to 19%!

1989 General “liberalization of prices.” Social resistance breaks out at Tienanmen, University of Beijing, the Beijing Autonomous Workers Assn. is formed; millions of workers join student strike. Demonstrations spread across the country. Li Peng declares martial

law. The Communist Party-led Peoples Liberation Army (PLA) crushes workers resistance, murders students and workers, signifying the use of the state to militarily enforce the program of restoration upon the masses.

1991 The law allowing the transfer of land leases marketizes the state “owned” property, promoting private agriculture over communal. This completes the privatization process begun in 1978 with the dissolution of the village communes. Even though nominally the state owns all land in China today.

1992 14th Party Congress eliminates sectors where public investment is limited. The privatization of the SOE’s begins as they must survive the rationalization of the market; 40 million workers are sacked and strikes and protests break out to stop the Communist Party from eliminating the “3 Irons”.

From a peak of 145.1 million in **1992**, the number of jobs in China’s state sector fell to 82.8 million in **2002**.⁴¹

1993 revision of constitution promoted “household responsibility system” to replace the people’s communes.

1994 Labor law changes implement salaried labor, the “iron rice bowl” rusts through. The Communist Party carries out a Thatcherite wet dream as education and health care are privatized and the right to life-long employment replaced with “performance based contracts;” the “iron rice bowl” is eliminated. Deng takes his victory lap to celebrate the integration into the world of capitalism in his touted

“Tour to the South.”

1995-2002 45 workers million were sacked of which 36 million were state sector.

1995-2002 State sector employment peaked at 113 million (1995), down to 71 million by 2002

By all accounts unemployment doubled during this period though government data paints a much rosier picture than academic research has.⁴²

State share of employment declined from 60.5% (1998) to 19.4% (2010)⁴³

While the informal labor employment for migrant workers dropped from 87.3% in 2001 to 60.7% in 2010 the rise in informal employment for local workers jumped from 13.4% to 25.8% while the total informal employment for all workers hovered between 29-37% over the decade. (RCIT pg11)

The distribution of workers protests in SOE’s vs. private enterprises between 2000-2010 made a complete turnaround; with 80% of the protests being at SOE’s in **2000**, in **2010** 80% of the job actions were at private enterprises.⁴⁵

Who does the banking system serve?



The banking sector is totally dominated by the state banks while foreign banks hardly play any role. This may come as a great surprise to the Munzerite FLTI who see Chinese capitalism as an off-shore operation of US imperialism. Far from being a Yankee tool Chinese state banks own large percentages of Morgan Stanley and Barclay's Bank.

The banking sector is also responsible for half of the whole financial system. If one combines this figure with the government bonds, the state sector provides nearly 2/3 of the financial system. Since Lenin developed the category of "state monopoly capitalism", there has never been a more pure form of state monopoly capitalism than in Chinese banking in the last two decades.

Chinese banks have emerged as a major financier over the past few years. It is already lending more money to so-called developing countries than the World Bank. The China Export Import Bank and China Development Bank signed loans of at least \$110 billion to other developing country governments and companies in 2009 and 2010 (the World Bank made commitments of \$100.3 billion from mid-2008 to mid-2010). The purpose of these loans is – as it is usually the case with state loans to foreign governments – to support Chinese exports and businesses overseas.

It is therefore not surprising that China is today close to being the biggest Net Capital Exporter, only slightly behind Germany.

However China's capital is not only active on the international loan and bond market but also as a foreign investor in the industrial and raw materials sector.

One can see that Chinese imperialism has already surpassed rivals like Canada or Italy in Foreign Direct Investment and has already reached the level of countries like Germany.⁴⁶

While it is outside the scope of this investigation to fully record the role of the Chinese state banking sector and state foreign direct investments, it is notable that the ICL, et.al., loathe all discussion of the role of the Chinese banking sectors' OFDI and the relationship that creates between the Chinese state and the world proletariat. We offer only three examples but many more are available to the interested investigator with time and access to the Internet. As we noted (elsewhere in this article pg??) China began moving out of the "safe haven" of US Treasury bills. It redirected these funds, it sought and received permission to purchase a \$3 billion stake worth roughly 8 percent in "...Blackstone, which owns companies that have 375,000 employees..."⁴⁷

In July of 2007 The Guardian reported that "another bank, controlled by the Chinese government has become a major shareholder in Barclay's, and could soon own 8% of the UK bank. Barclay's announced this morning that China Development Bank is spending €2.2bn (£1.5bn) on a 3.1% stake..."⁴⁸ And Reuters reported in August 2010 that the FED approved a request to allow

the China Sovereign wealth fund to purchase 10% of Morgan Stanley.⁴⁹

These banks and financial institutions that the Chinese State has purchased shares of are major exploiters of proletarians worldwide and super-exploiters of workers in China itself and the semi-colonies across the planet. This makes the Chinese state participants in capitalist exploitation in the advanced industrial countries and super-exploiting imperialists in the semi-colonies, not only through direct SOE investments abroad but as large percentage shareholders in some of Western Imperialism's biggest capitals.

It is our view that the exposition of the emergence of Chinese imperialism has been well documented both in our struggle with the FLTI in 2009-2010⁵⁰ (FLTI minority report, later a CWG/HWRS pamphlet The Truth is Concrete: The Rise of Chinese Imperialism, March 2010 and in the RCIT's book The Great Robbery of the South (2013) Chapter 10, "China's Transformation into an Imperialist Power."⁵¹

Is the state sector the core of the economy?



Zhengzhou Crisis of over production in housing

Despite Trotsky's admonition that the restorationist state would for a time base itself on the state sector, for the reductionist and economist schools, continued existence of the DWS hinges on the core of the economy remaining in the state's hands. Since we first heard this argument 20 years ago we have seen that core of the economy diminished significantly, proving concretely the trajectory we identified in 1992. **This is the very heart of the matter; the Stalinophiles hide behind the state as an abstraction when Trotsky has explained that the state is the concrete armed force of the class whose social**

relations it is imposing or defending. After 1989 the state smashed resistance to full-scale restoration, and by 1992 imposed major restructuring of the state enterprises to consolidate wage-slave capitalist relations. The LOV then determined value as opposed to planned prices. By 1992 the state is everywhere enforcing and reproducing capitalist social relations and the results (see data below) show how they transform themselves from state capitalist administrators to privately rich bourgeois. The reductionist and economist schools (or empiricists) make a false distinction between market and state when the qualitative criterion is that the state is imposing LOV to revalue production in place of the plan.

Comrade Richard C. of the IBT does not realize that he has supported the true picture of the economic state of affairs operating in China when he said "*In imperialist countries at the present time, the tendency is deflationary and increasing the money supply will not (right now) generate hyperinflation. It has instead created asset bubbles in less developed countries such as the BRICS.*" The "C" in BRICS being China we have to wonder what kind of workers state comrade C thinks China is to be vulnerable to ma

nipulation by the printing of money in the imperialist countries.

Ergo our timeline continues...

1998-2010 State share of total number of industrial enterprises (with annual sales over 5mnRMB) fell from 39.2% to 4.5% (!!!) State share of total industrial assets fell from 68.8% ('98) to 42.4% (2010)

1997-2010 State share of nation's exports fell from 57% to 15% (2010)⁵³

1999 Private enterprise is lifted from playing a "supplementary role" to being an "important constituent component" of the new "market socialism."

2000-2009 China's share of global manufacturing exports grew from 4% to 15%⁵⁴

2008 Surpasses the USA as the world's largest manufacturer.

2010 Becomes the world's second largest net exporter behind Germany.

While China's foreign-exchange reserves have grown from \$250bn in 2002 to over \$3 trillion in 2011, the percentage held in US securities has dropped from 75% to 54%.⁵⁵

Chinas Outward Foreign Direct Investment (OFDI) jumped from between \$10-12bn in 2005 to between \$70-73bn in 2011⁵⁶

Strong national research and development infrastructure was in place before the 'market reforms.' Without these prior accomplishments of state planning the 'market reforms' are unlikely to have produced the gains they did.

With the 'reforms,' R&D by the state was defunded, forcing alternative funding and profit-seeking. As a result, LENOVO, started by the Chinese academy of Sciences, was privatized. Then it purchased the IBM PC division in 2005 and is now a major world player in consumer electronics.

The Chinese bourgeoisie: spawn of the bureaucracy born with their hands on the levers of power

In the Workers Vanguard #814 of 2003 we read the following fantasy: *"Of the 1,240 companies listed on China's two main stock exchanges, in some cases the government holds a majority of shares, in others a substantial minority. But even the latter remain effectively government-controlled because the CCP has retained a monopoly of political power. There is no workers democracy in China—but neither is there shareholders' democracy. A disgruntled shareholder brash enough to organize a revolt to oust the incumbent management, typically politically well-connected CCP cadre, would likely find himself in a very bad place very rapidly.*

Shareholders in China's corporations do not have ownership rights in the Western capitalist sense. They have the right to income from their financial assets and they can sell their shares, if they are smart or lucky enough, for a net gain over the purchase price. But they cannot determine or even influence the management and corporate policies. These are determined by various and

often conflicting political as well as economic pressures."

What do the Spartacist suppose they are describing if not State Capitalist property and hybrid forms of it, shares of which by 2003 had already long since been for sale. Why do they suppose the lack of shareholders democracy is a qualitative distinction and somehow indicates the survival of the DWS. Do they ever acknowledge what Trotsky said about state capitalism? Or state monopoly capitalism in the epoch of imperialism? So it's OK for all the Western imperialism to take the form of state monopoly capitalism, but not for capitalist restoration in a DWS. In the DWS the ICL insists that capitalism be competitive market capitalism based on individual shareholders. This is theoretical bankruptcy. Obviously the bureaucracy preferred to use state power to ensure that state monopolies that were stagnating could switch from planned prices to market prices and to position themselves as the new Red Bourgeoisie.

*"The Chinese Stalinist bureaucracy created a new indigenous bourgeoisie out of its own ranks the old Chinese capitalist class was expelled after 1949-52.... Of course it also tried to attract the old Diaspora bourgeoisie but it has no appetite to withdraw from the scene and to hand the economy over to the latter. For this reason a process of rapid primitive accumulation was initiated with the result of a growing private capitalist sector as the figures above indicate. However given the huge size of the country's economy and the—in relation to this—small size of the new Chinese capitalist class, the ruling class made sure that a strong state capitalist sector ensures that China avoids the fate of the economic collapse like the former Soviet Union after 1991."*⁵⁷

Not every millionaire is a member of the ruling elite, but class has its privileges a lesson many of the fourteen million millionaires in the United States have learned. In China, figures show that by 2011 over one million Chinese are now dollar millionaires, and for every one identifiable millionaire there are two flying beneath the radar.

The opening of the CCP in 2002 to entrepreneurs and capitalists with the



Mr. Yung, 70, emerged from obscurity after the Cultural Revolution to become the first tycoon among China's 'princelings,' the children and grandchildren of the party elite. (BOBBY YIP/REUTERS)

"Three Represents Theory," an ideological throwback to bourgeois political economy which paints the upper-middle classes as the most advanced productive forces in the economy, was more a recognition of the fact that the party is a capitalist party than an invitation. The properly-positioned party members and bureaucrats, not a billionaire among them or in all of China in 2002, were able to propel at least 100 capitalists to billionaire status (Forbes claims there may be another 100 harder to identify,) while according to the Hurun report there are 317 billionaires in China and that for every one identifiable billionaire there are two additional unidentifiable due to hidden assets.

Take for example Zong Qinghou, the CEO of the Hangzhou Wahaha Group. The Company began as a local government owned sales company (an SOE) which through “rationalizing” into private and Joint Ventures (JV’s), and then through mergers, acquisitions, offshoring, spinning out and sharing out to family members, etc., has amassed a US\$20.1 billion fortune. This makes Zong the third richest man in China. Nowadays 80% of Wahaha group business is controlled by Zong Qinghou’s wife Shi Youzhen and daughter Kelly Zong. Unlike in Trotsky’s time, this fortune, this ownership, these property forms, and these managerial relations are not secret and are public knowledge, openly acknowledged. This is not illegal, it is not corruption, it is not invisible nor does the party pretend that it does not exist.

Or take the capitalist success story of the Fosun group. The ‘reforms’ enabled four University graduates to enter business through market research, extend their business into health care and real estate, list on the Hong Kong stock exchange, and today their CEO Guo Guangchang is considered China’s Warren Buffet, although he had only amassed US\$4.1 billion as of 2007. In 2008 Guo controlled a portfolio valued at \$200bn in assets in the US, (Business Week, 8/08) and these US assets were once again valued at \$200bn when he was interviewed on “60 Minutes.” Guo Guangchang was a representative of the 10th National Peoples Congress (NPC). The NPC, although touted in the constitution as the highest state body of people’s democracy, is widely recognized to be a rubberstamp body following the lead of the CCP, having no real power to legislate or intervene on behalf of their constituents.

Huang Nubo was a party member and Department Chief in The Central Propaganda Department. He formed the Zhongkun Investment Group to subsidize his paltry pay as a party hack and today is listed as a billionaire Forbes ranks 129th among China’s richest people.

The recent storm over ex-Premier Wen Jiabao’s “hidden wealth” reported as up to \$2.7bn is far more than the skimmings of “corrupt” bureaucrat.⁵⁸

Bloomberg reports that now Prime Minister Xi’s family members own an 18% stake of a \$1.7bn rare earths company.⁵⁹

In the two main legislative bodies the 70 wealthiest NPC delegates in 2011 had a combined wealth of US\$90bn and among the Chinese Peoples’ Political Consultative Conference (CPPCC) the top 70 had a combined wealth of US\$100 billion.⁶⁰ This level of wealth accumulation by the members of the CPPCC dwarfs that of the total assets of the members of congress of the USA.

The current developments reveal a crack in the ICL’s crystal ball. *“The aims of China’s would-be exploiters—centrally to secure the right to buy and sell property and hand it down to their offspring—can only be achieved through smashing the existing state apparatus by one means or another and replacing it with a new one based on the principle of private ownership of the means of production....”*⁶¹

Today the bureaucracy has found a way to buy and sell off state property; with the selling of shares and the listing of privatized

companies and joint ventures on the stock markets they have found a means to hand property down to their offspring. Indeed the remnants of the deformed workers state were smashed by the Communist Party, the army changed sides, turning against the workers in 1989, and despite reporting on the event, the ICL/IBT/IG/FSP/PSL and the like all missed its significance.

Out of the darkness and up to Lenin

We have concentrated on delineating the process of capitalist restoration in China, somewhat at the one-sided expense of detailing the rise of Chinese imperialism. So we need to warn worker militants everywhere about Neo-Kautskyianism and Stalinophile Pabloism at this same historical crossroads. US imperialism is in decline and is taking its lumps badly. With the “Pacific pivot” and US diplomacy and the treaty provisions of the TPPA (The Trans Pacific Partnership Alliance) and war-mongering against the DPRK, Washington aims to encircle and cordon off the expansionism of emergent Chinese imperialism.

This policy shift has already led to international incidents on the high seas, as each of Washington’s allies takes a turn as proxy and each presses its own territorial claims. Additionally, China threatens the economic survival of Vietnam and Vietnam is buying arms as fast as it can, including submarines and anti-shipping missiles. The world crisis of capitalism is driving this collision to determine who will win the lion’s share of redistributed world markets sometime in this century, and perhaps very soon. This would be a world war, make no mistake. The capitalists must destroy capitals which they can not profitably employ (just as they did in WWI and WWII) as a result of the Tendency of the Rate of Profit to Decline.

To prevent this outcome workers in the imperialist countries and in the first place China and in the USA need to recognize that their main enemy is their own bourgeoisie. To embrace the truth that the only anti-war program is ultimately but urgently the socialist revolution, a Leninist party is required to pursue this program with single-minded devotion and discipline. Workers of the world unite! Forward to the world party of socialist revolution; forward to its transitional program, based on the demands and method of Trotsky’s 1938 Death Agony of Capitalism and the Tasks of the Fourth International! We have a world to win and nothing to lose but our chains!

END NOTES:

¹We consider the North Korea and Cuba to still be bureaucratically Deformed Workers States (DWS), although with the process towards capitalist restoration, led by the Castro brothers and the PCC is far along in Cuba, North Korea is under attack from all sides its former supporters the USSR and China both support restoration in DPRK.

²Memorandum on the Unfolding War and the Tasks of the Proletariat in the New Phase of the World Permanent Revolution—Marx, SWP Internal Bulletin November 1950.

³Leon Trotsky 1937, *Not a Workers’ and Not a Bourgeois State/ Fourth International 1951* <http://www.marxists.org/archive/trotsky/1937/11/wstate.htm>

⁴The Marxist Theory of the State and the Collapse of Stalinism <http://www.marxists.org/history/etol/document/tt/tt-idom3.htm>

⁵For Socialist Action, as late as 1993 the continued existence of the economic plan equaled the survival of the DWS; The ICL took two years to decide that restorations it took place in 1991-2. This bizarre analysis meant that the workers’ state, the state and not just some surviving economic organizational form, was maintained by the Yeltsin forces for many months after they banned the Commu

nist Party! This is more than a bit disingenuous and over-the-shoulder on their part. In fact in the January, 1992 Workers Vanguard (pg.8) they said, "The dismembering of the USSR does not leave a consolidated capitalist counterrevolution but a bloody mess." So a, "series of 'governments' that are counterrevolutionary through and through, intent on dismantling the Soviet degenerated workers state", nevertheless maintained it. As for the Spartacists the hour for the political revolution was getting late, until at last they conceded that it was not coming. Which for the ICL was the Rubicon.

⁶Freedom Socialist, July 2003, Capitalism's Brutal Comeback in China <http://www.socialism.com/drupal-6.8/?q=node/952>

⁷Freedom Socialism, To save the Cuban Revolution, a new socialist party is needed, volume 31 issue 4, October 2010 <http://www.socialism.com/drupal-6.8/?q=node/1458>

⁸"Marxist Criteria and the Character of the War;" [SWP] Internal Bulletin, February, 1940" <http://www2.cddc.vt.edu/marxists/history/etol/document/swp-us/idb/swp-1938-45/v02n12-1940-ib.pdf>

⁹Spartacist March-April 1968, Turn the Guns the Other Way http://bolshevik.org/history/spartacist/Spartacist_1968_11.pdf
Also see LRP's Proletarian Revolution No. 67 (Spring 2003), Movements, Misleaders and the Role of Revolutionaries <http://www.marxists.org/history/etol/newspape/socialistvoice/SLPR67.html>
"Thus not only did the SL take a neutral stance on the 1967 war, in which the West Bank and Gaza Strip were put under Israeli military occupation; they even retrospectively took the side of Israel in its 1948 war of ethnic cleansing, in which 500,000 Palestinians were put to flight. (Spartacist, March-April 1968). They later "corrected" their stance on the 1948 war—to the same neutrality as in 1967."

¹⁰Workers Vanguard No. 1013 23 November 2012 Britain and Argentina: Between Some Rocks and Losing Face <http://www.icl-fi.org/english/wv/1013/falklandsmalvinas.html>

¹¹Workers Vanguard No. 958 7 May 2010 A Capitulation to U.S. Imperialism <http://www.icl-fi.org/english/wv/958/haiti.html>

¹²James P. Cannonism By Owen Gager From Spartacist: A Marxist Journal Vol 3 No1 1973 <http://livingmarxism.wordpress.com/2012/07/13/james-p-cannonism/>

¹³In Defense of Marxism June 1995, Marxist Theory of the State and the Collapse of Stalinism <http://www.marxists.org/history/etol/document/ltt/ltt-idom3.htm>

¹⁴Spartacist No. 61 Spring 2009 Women Workers and the Contradictions of China Today <http://spartacist.org/english/esp/61/china.html>
Workers Hammer No. 202 Spring 2008 China is not capitalist <http://www.icl-fi.org/english/wh/202/china.html>

¹⁵Workers Vanguard Nos. 814 and 815, 21 November 2003 and 5 December 2003, Defeat Imperialist Drive for Counterrevolution! <http://www.icl-fi.org/english/wv/archives/oldsite/2003/China-814-5.htm>

¹⁶The Internationalist, Stalinists Led the Counterrevolution? ICL Between Shachtman and Trotsky, August 2000 <http://www.internationalist.org/staytuned0800.html>

¹⁷Australasian Spartacist No. 198, Defend, Extend the Gains of the 1949 Chinese Revolution!, <http://www.icl-fi.org/english/asp/198/china.html>

¹⁸Leon Trotsky, The Revolution Betrayed <http://www.marxists.org/archive/trotsky/1936/revbet/ch09.htm>

¹⁹ICL, How the Soviet Workers State Was Strangled, August 1993 http://www.marxists.org/history/etol/newspape/spartacist-us/1988-1993/Spartacist%20Pamphlet_Soviet%20Workers%20State.pdf

²⁰Trotsky, The Workers' State, Thermidor and Bonapartism, 1935 <http://www.marxists.org/archive/trotsky/1935/02/ws-therm-bon.htm>

²¹Spartacist, #45-46, Winter 1990-91

²²Socialism Today, Issue #129 June 2009, "Tiananmen and the working class"

²³1917, #11, Counterrevolution Triumphs in USSR, September 1991, <http://www.bolshevik.org/1917/no11/no11crev.html>

[bolshevik.org/1917/no11/no11crev.html](http://www.bolshevik.org/1917/no11/no11crev.html)

²⁴Workers Vanguard No. 533, 30 August 1991, Defeat Yeltsin-Bush Counterrevolution!
http://www.marxists.org/history/etol/newspape/spartacist-us/1988-1993/Spartacist%20Pamphlet_Soviet%20Workers%20State.pdf

²⁵1917, #12, ICL/LRCI: False Assertions and Foolish Consistencies <http://www.bolshevik.org/1917/no12/no12iclrci.html>

²⁶1917, #11, Counterrevolution Triumphs in USSR, September 1991, <http://www.bolshevik.org/1917/no11/no11crev.html>
also see: The Internationalist, March 2001, ICL Decrees: No More "Reiss Factions", <http://www.internationalist.org/reissfactions0301.html>

²⁷Spartacist, #45-46, Winter 1990-91, http://www.marxists.org/history/etol/newspape/spartacist-us/1988-1993/0045-0046_Winter_1990-91.pdf

²⁸Australasian Spartacist No. 198, Defend, Extend the Gains of the 1949 Chinese Revolution!, <http://www.icl-fi.org/english/asp/198/china.html>

²⁹Spartacist Canada No. 166, Fall 2010 <http://icl-fi.org/english/spc/166/china.html>

³⁰Leon Trotsky, The Revolution Betrayed, Chapter 9 <http://www.marxists.org/archive/trotsky/1936/revbet/ch09.htm>

³¹Ibid.

³²Ibid.

³³Spartacist No. 61 Spring 2009 Women Workers and the Contradictions of China Today <http://spartacist.org/english/esp/61/china.html>

³⁴WV Dec 2 1976 pg. 5 Myths of Maoism Exposed

³⁵English People Daily, WE CAN DEVELOP A MARKET ECONOMY UNDER
Cont pg 23 col 1

Rebooting Lenin Cont from pg 1

is this Marx with or without Lenin? That is the question. How do we know? Who was the real Lenin? Was he the heir of Marx and a proponent of fusing theory and practice, or was he a renegade from 'authentic' Marxism rather than the 'renegade Kautsky'? Was the Marxist party a vanguard party in Marx's sense of not being 'separated from the working class'? Was the 'democratic centralism' Lenin practiced democratic or was it a precursor to Stalin's dictatorship. Was Lenin responsible for the degeneration of today's political sects and their isolation from the masses? It sounds confusing but it's not really. We don't have to 'rediscover' or 'reload' Lenin, his history is written by the Bolshevik Revolution.

Without the Bolsheviks and their undisputed leader Lenin, there would have been no Russian revolution so the left as we know it today would not exist. The history of the 20th century would be very different. Marxism would not have been kept alive in the 20th century and remain a powerful class ideology today. There would be no Marx revival, symbolic or real. But because the Bolsheviks and Lenin did exist they and he will continue to inspire the masses today in the belief that socialist revolution is not only possible but necessary. If we do not defeat the all out attack on Lenin and Bolshevism, reactionaries ranging from centrists who claim to be Marxists (the new batch of Mensheviks) to reformists and anarchists, in the name of 'democracy', horizontalism, of 'not taking power', and so on, will lead new layers or revolutionaries back

into the swamp of reformism, reaction and climate catastrophe. Against all anti-Leninists our task is to Reboot Lenin. This means restoring Lenin as the leading champion of Marx (and Engels) in the 20th century.

For Marx Program came first

“The Communists are distinguished from the other working-class parties by this only: 1. In the national struggles of the proletarians of the different countries, they point out and bring to the front the common interests of the entire proletariat, independently of all nationality. 2. In the various stages of development which the struggle of the working class against the bourgeoisie has to pass through, they always and everywhere represent the interests of the movement as a whole.” Manifesto of the Communist Party

The Communist Manifesto competed in the workers movement of its time with the rival programs of the Bakuninists, Proudhonists and the Blanquists. For Marx the program was a fusion of scientific theory and socialist practice. Marx’s critique of capitalism revealed its laws of development and provided a programmatic guide to the development of the proletariat as the revolutionary class. Marx was almost alone as the drafter of Communist program and of developing that program on the basis of class struggle. In his 18th Brumaire of Louis Bonaparte written 4 years after the Manifesto, Marx revealed the class interests of the bourgeoisie which despite its factions united to maintain its class rule by concentrating state power in the figure of a Bonapartist dictator. But as the Bonaparte personified state power as ‘above classes’, he also represented its fallibility, as the state became ripe for ‘smashing’ and replacement by a proletarian state –the “Dictatorship of the Proletariat”.

This development of the Marxist program was based on Marx’s observations derived from his theory of the class nature of the state as the state of the ruling class. But as a guide to revolutionary practice it had to be tested in the class struggle with the active collaboration of the members of the party. Unless the Marxist program won the support of a majority of politically active workers there could be no revolution. Its first major test came with the Paris Commune of 1871.

Marx wrote later in a Letter to Krugelmann during the days of the Paris Commune:

If you look at the last chapter of my Eighteenth Brumaire you will find that I say that the next attempt of the French revolution will be no longer, as before, to transfer the bureaucratic-military machine from one hand to another, but to smash it, and this is essential for every real people's revolution on the Continent. And this is what our heroic Party comrades in Paris are attempting. What elasticity, what historical initiative, what a capacity for sacrifice in these Parisians! After six months of hunger and ruin, caused rather by internal treachery than by the external enemy, they rise, beneath Prussian bayonets, as if there had never been a war between France and Germany and the enemy were not at the gates of Paris. History has no like example of a like greatness [Our emphasis]

Marx had written 20 years earlier at the conclusion of the 18th Brumaire “...when the imperial mantle finally falls on the shoulders of

Louis Bonaparte, the bronze statue Napoleon will crash from the top of the Vendome Column”. This was now put into practice by the Communards as they took steps to ‘smash the state’.

As Engels puts it:

From the outset the Commune was compelled to recognize that the working class, once come to power, could not manage with the old state machine; that in order not to lose again its only just conquered supremacy, this working class must, on the one hand, do away with all the old repressive machinery previously used against it itself, and, on the other, safeguard itself against its own deputies and officials, by declaring them all, without exception, subject to recall at any moment.

Engels describes this process as the “*shattering of former state power and its replacement by a new really democratic state*”. (Engels, Introduction to The Civil War in France.)

The Commune was a watershed that tested the Marxist program in the throes of civil war and proved that the smashing of the state and its replacement by a workers state was necessary to complete the proletarian revolution, and to defend it from the bourgeois counter-revolution. The failure to smash the state would inevitably mean defeat. The program proved its superiority in practice over the Proudhonists, Blanquists, and the Anarchists in front of the world working class. All had a program that would lead to defeat. The Proudhonists had no conception of organising the proletariat as a class to smash the state and take power. The Blanquists organised as a conspiratorial elite separate from the proletariat.

The Anarchists thought that capitalist exploitation derived from its state power and once the state was smashed the proletariat did not need a state to defend its class rule. (Engels, Introduction to The Civil War in France)

Marx found two weaknesses in the Commune in its failure to implement the Dictatorship of the Proletariat fully. Despite forming a popular militia, it failed to march on Versailles to take advantage of the enemy retreat. “They

did not want to start a civil war, as if that mischievous abortion Thiers had not already started a civil war with his attempt to disarm Paris!” “The Central Committee surrendered its power” to the Commune too soon. [Letter to Krugelman].

In The Civil War in France Marx explains that the Central Committee (made up of a Blanquist majority and Proudhonist minority) was not prepared for an insurrection and tried to compromise with the bourgeois regime. It lacked a firm Marxist leadership and did not understand the necessity to take power. That is why it failed to march on Versailles.

Lenin writing on the Lessons of the Commune comes to the same conclusion – the absence of a Marxist party in the leadership meant the reformists prevailed:

*But two mistakes destroyed the fruits of the splendid victory. The proletariat stopped half-way: instead of setting about “*expro**



priating the expropriators”, it allowed itself to be led astray by dreams of establishing a higher justice in the country united by a common national task; such institutions as the banks, for example, were not taken over, and Proudhonist theories about a “just exchange”, etc., still prevailed among the socialists. The second mistake was excessive magnanimity on the part of the proletariat: instead of destroying its enemies it sought to exert moral influence on them; it underestimated the significance of direct military operations in civil war, and instead of launching a resolute offensive against Versailles that would have crowned its victory in Paris, it tarried and gave the Versailles government time to gather the dark forces and prepare for the blood-soaked week of May. [Our emphasis]

Even in defeat the Commune proved the fundamental correctness of the Marxist program; only the working class organised by a Marxist vanguard was capable of smashing the state and introducing the Dictatorship of the Proletariat (the “really new democratic state”).

20 years later in his Introduction to *The Civil War in France*, referring to the ‘opportunism’ trend in the 2nd International, Engels concluded:

Of late, the Social Democratic philistine has once more been filled with wholesome terror at the words: Dictatorship of the Proletariat. Well and good gentlemen, do you want to know what this dictatorship looks like? Look at the Paris Commune. That was the Dictatorship of the Proletariat. [Our emphasis]



Though the Marxist program was proven correct in by the Commune, the International Workingmen’s Association (the ‘First International’) did not survive long. In the ebb in the class struggle that followed, two Marxist tendencies emerged both drawing on the Paris Commune, one to advance to revolution and the other to retreat to reformism. In the Second International the revolutionary wing came to be associated with Lenin, Trotsky and Luxemburg. The reformist wing was associated with Bernstein and Kautsky. Both trace their Marxist credentials back to the Commune and the revised Communist Manifesto. (Karl Korsch, Introduction to the Critique of the Gotha Program)

Lenin and Trotsky: Kautsky and the Paris Commune

It is no accident that both Lenin and Trotsky went back to the Paris Commune and Marx and Engels for guidance during and after the Bolshevik seizure of power. Lenin did so to get to the roots of the Kautsky’s ‘centrism’ and betrayal of revolution in Russia and Germany. Trotsky did so during the height of the civil war in response to Kautsky’s attack on the ‘Red Terror’. They both traced the ultimate split in the Marxist movement over the question of the proletariat’s ‘authority’ to impose a Dictatorship of the Prole-

tariat back to the Paris Commune.

Engels writing in the immediate aftermath of the Commune’s defeat in 1873 put his finger on the fear that held back the proto-Mensheviks from the military seizure of power:

Have these gentlemen ever seen a revolution? A revolution is certainly the most authoritarian thing there is; it is an act whereby one part of the population imposes its will upon the other part of the population by means of rifles, bayonets and cannon, all of which are highly authoritarian means. And the victorious party must maintain its rule by means of the terror which it arms inspire in the reactionaries. Would the Paris Commune have lasted more than a day if it had not used the authority of the armed people against the bourgeoisie? Cannot we, on the contrary, blame it for having made too little use of that authority? [On Authority]

Both Lenin and Trotsky follow Marx and Engels’ view that the leaders of the Communards made “too little use of that authority” and “stopped halfway” (Lenin’s phrase) because they lacked a Marxist leadership and were still influenced by petty bourgeois socialism (Proudhon’s reforms, Blanqui’s adventurism) and Bakunin’s petty bourgeois hostility to the proletarian dictatorship. They shared the view that conditions were not ripe for revolution,

but that once the armed workers were forced to defend Paris from the Prussian and French armies, it was necessary to pursue the civil war to the end. They agreed with Marx and Engels that the failure to do this was due to the absence of Marxist majority in the Central Committee of the National Guard.

In drafting *The State and Revolution*, Lenin traces Kautsky’s break from the Marxist program back to the Commune. While Marx and Engels amended the *Manifesto* to incorporate the

“smashing of the state” and the “Dictatorship of the Proletariat”, Kautsky is opposed the “*destruction of state power*” and instead speaks of “shifting the balance of forces within state power”.

Lenin exclaims:

This is a complete wreck of Marxism!! All the lessons and teachings of Marx and Engels of 1852-1891 are forgotten and distorted. “The military-bureaucratic state machine must be smashed”, Marx and Engels taught. Not a word about this. The philistine utopia of reform struggle is substituted for the dictatorship of the proletariat. [Lenin, *Marxism on the State: preparatory Material for the book The State and Revolution*. 78 [Not online]

Lenin goes on to point out that the old bourgeois state has to be replaced by a new proletarian state so that the proletariat as a class can “suppress the bourgeoisie and crush their resistance.” While the Commune immediately took on the form of a proletarian state

by replacing the standing army with armed workers, it could not complete its task of workers democracy (in which all officials were elective, responsible and revocable) because it failed to crush the resistance of the bourgeoisie. The Central Committee feared imposing the ‘terror’ of their class authority on the class enemy. It sought ‘compromise’ instead. As Trotsky found, Kautsky writing on the Commune agreed with the Central Committee!

Trotsky, onboard his military train in 1921 replying to Kautsky’s attack on Red Terror [the Red Army putting down counter-revolution ruthlessly], found Kautsky’s fear of the ‘authority’ of the proletarian dictatorship in Russia during the Civil War was already rooted in his fear of the ‘Red terror’ of the Civil War in France. Kautsky could easily agree with Marx that in 1871 the revolution was premature because the conditions were not ripe and the workers unprepared. Yet when facing an actual civil war, instead of following Marx and Engels into battle to defeat the non-Marxist leadership and impose a strong central military command, Kautsky would have sided with the ‘compromisers’ who hoped to do a deal with Thiers by holding an election to make the Commune ‘legal’!

As Trotsky argues, Kautsky put the ‘democracy’ of the Commune ahead of the Central Committee’s military campaign to defeat the National Assembly:

In supporting the democracy of the Commune, and at the same time accusing it of an insufficiently decisive note in its attitude to Versailles, Kautsky does not understand that the Communal elections, carried out with the ambiguous help of the “lawful” mayors and deputies, reflected the hope of a peaceful agreement with Versailles. This is the whole point. The leaders were anxious for a compromise, not for a struggle. The masses had not yet outlived their illusions.

Nor had Kautsky, whose pacifist confusion would have done nothing to help smash those illusions. Trotsky ‘gets’ Kautsky:

When one considered the execution of counter-revolutionary generals as an indelible “crime”, one could not develop energy in pursuing troops who were under the direction of counter-revolutionary generals. [The Paris Commune and Soviet Russia],

In other words Kautsky was already a ‘centrist’. He quoted Marx in theory but then drew reformist practical conclusions. He put bourgeois democracy ahead of the Dictatorship of the Proletariat, because the “workers were not prepared”. His centrism was to go unchallenged for decades by Engels and others in the 2nd International though Engels selected Bebel in his place as literary executor of Marx and Engels after the latter’s death.

Gotha Program abandons Marxist program

Four years after the defeat of the heroic Communards which put the Marxist program to its first test in a revolutionary situation, Marx was forced to come to the defence of the *Communist Manifesto* in his Critique of the Gotha program in 1875. Having dispensed with the Proudhonists who rapidly declined, and split with Bakunin in 1873, Marx was now facing a split with the German ‘Marxists’ the Eisenachers, who at the unity congress with the Lassalleans turn out to be more followers of Lassalle than Marx. Marx argued that the resulting United Workers Party of Germany

abandoned the “Communist” program for that of Lassalle which ignored social relations, surplus-value, internationalism, and the class nature of the state, and “returned” to a reformist view of the German state redistributing ‘aid’ to workers on the basis of ‘equal right’. It was an “extremely disorganized, confused, fragmented, illogical and disreputable Programme”, and had it been perceived as such by the enemies of the proletariat, Marx and Engels stated they would have been forced to dissociate themselves from it. (cited in Korsch, Introduction to the Critique of the Gotha Program)

Marx writes in the Critique:

*Since Lassalle's death, there has asserted itself in our party the scientific understanding that **wages are not what they appear to be** -- namely, the value, or price, of labor—but only a masked form for the value, or price, of labor power... And after this understanding has gained more and more ground in our party, some return to Lassalle's dogma although they must have known that Lassalle did not know what wages were, but, following in the wake of the bourgeois economists, took the **appearance for the essence** of the matter. [Our emphasis]*

Marx reveals here that against his own dialectic science, Lassalle’s theory is pre-Marxist ideology going back to Malthus and Ricardo. Wages are the price of labor (not labor power) so the basis of exploitation is the underpaying of the exchange value of labor. This is the ‘appearance’ since the ‘essence’ of capitalist social relations of production ‘appear’ (are inverted) as relations of exchange. If exploitation occurs by paying labor less than its value, then it can be rectified by ‘equalising exchange’ through state aid. **However, Marx had already proven scientifically that this cannot be the case in Capital, and more popularly in Wages, Prices and Profits. Exploitation occurs when the commodity labor power is bought at its value, and yet because it is the only commodity with a use value that can produce more than its own value, the capitalist appropriates a ‘surplus-value’. Hence the state cannot become the basis of reforms that guarantee the “undiminished proceeds of labour” by means of a “fair distribution” of income based on an ideal of “equal right”. It is necessary to overthrow the state and expropriate the expropriators!**

Thus, Marx makes clear in his Critique that the Gotha Program is a retreat from his Marxism to the petty bourgeois reformist utopia of a ‘vulgar socialism’:

*Any distribution whatever of the means of consumption is only a consequence of the distribution of the conditions of production themselves. The latter distribution, however, is a feature of the mode of production itself. The capitalist mode of production, for example, rests on the fact that the material conditions of production are in the hands of non-workers in the form of property in capital and land, while the masses are only owners of the personal condition of production, of labor power. **If the elements of production are so distributed, then the present-day distribution of the means of consumption results automatically.** If the material conditions of production are the co-operative property of the workers themselves, then there likewise results a distribution of the means of consumption different from the present one. **Vulgar socialism (and from it in turn a section of the democrats) has taken over from the bourgeois economists the consideration and***

treatment of distribution as independent of the mode of production and hence the presentation of socialism as turning principally on distribution. After the real relation has long been made clear, why retrogress again? [Our emphasis]

Lenin recognised that Marx' Critique was a powerful analysis that developed the program of the Communist Manifesto on the transition from capitalism to communism. Not only did he critique Lassalle-anism as a vulgar socialism tied to the German capitalist state, he showed how the capitalist state must be overthrown and give way to a period of transition to socialism (the Dictatorship of the Proletariat) that creates the conditions for communism and the withering away of the state.

"The whole theory of Marx is the application of the theory of development – in its most consistent, complete, considered and pithy form – to modern capitalism. Naturally, Marx was faced with the problem of applying this theory both to the forthcoming collapse of capitalism and to the future development of future communism...it is possible to determine more precisely how democracy changes in the transition..." (The State and Revolution Chapter 5)

Thus Marx in his Critique, destroys all possibility of a peaceful transition from bourgeois to proletarian democracy at the very time when German Social Democracy is opportunistically vulgarising Marxism into a reformist utopian program. First, Marx shows how bourgeois democracy is a formality for the big majority (the working class) because bourgeois democracy can only be a bourgeois dictatorship of the minority over the majority. Second, to bring about proletarian democracy the Dictatorship of the Proletariat is necessary to smash the bourgeois dictatorship.

"Only in communist society, when the resistance of the capitalists has been completely crushed, when the capitalists have disappeared, when there are no classes (i.e. when there is no distinction between the members of society as regards their relations to the social means of production), only then "the state...ceases to exist" and "it becomes possible to speak of freedom". Only then will a truly complete democracy become possible and be realised...Only then will democracy begin to wither away." (ibid)

Korsch spells out the wider reasons why Marx and Engels took their critique so seriously:

"In the middle of the 1870s, then, Marx and Engels thought it was far more possible than they had ten years earlier for the socialist and communist movement in the advanced countries to return to the 'old audacity' of the 1847-8 Manifesto by exhibiting a 'declaration of principles'. In any case, they thought that the movement had developed to an extent that any retreat from what was said in 1864 must appear to be an unforgivable crime against the future of the workers' movement. Thus Marx himself says in the note accompanying his Critique of the Gotha Programme: there was no need to make a 'declaration of principles' when conditions did not allow it, but when conditions had progressed so much since 1864, it was utterly impermissible to 'demoralize' the party with a shallow and unprincipled programme.

This illustrates some of Marx's preoccupations when writing the Critique of the Gotha Programme. He demanded from the 'Declaration

of Principles' of the most advanced Socialist Democratic party as a minimum the same level of principle and concrete demands as he himself had been able to insert into another declaration of principles, ten years earlier. This had been drafted under much less favourable circumstances and was designed for the common programme of the various socialist, half-socialist and quarter-socialist tendencies in Europe and America. Wherever the Gotha Programme failed to meet this minimum condition, Marx considers it to have fallen below the level already reached by the movement. Hence, even if it appeared to suit the state of the Party in Germany, it was bound to harm the future historical development of the movement."

Yet, neither Marx's ruthless critique nor his development of the Marxist theory of transition to communism was understood. It was ignored and the Gotha Program emerged virtually unchanged in a rising tide of opportunism. The 'vulgar' Marxist program that mistook exchange relations for production relations and was to lead to the betrayal of 1914 was adopted. "Why retrogress"? Marx asked. Engels and Lenin provided the explanation later. The emergence of German imperialism could now afford to create a labor aristocracy bought off by rising living standards paid for by colonial super-profits. German Social Democracy was adapting to the formation of a labour aristocracy which voted for state reforms paid for by the super-exploitation of colonial workers and peasants. If the Gotha Program turned it's back on the Communist Manifesto and founded German social-democracy as pre-Marxist 'vulgar socialism', was the Erfurt Program of 1891 any better?

Engels and Lenin critique the Centrist Erfurt Program of 1891

The Erfurt program in 1891 fails to break completely from the Gotha Program in its central aspects. **It is a centrist program at best.** Engels's letter '*On the Critique of the Social Democratic Draft Programme of 1891 (the Erfurt Programme)*' is a continuation of Marx and Engels critique of the Gotha Program. Engels was clearly prepared to continue the fight for the Communist program against the emerging opportunist German Social Democracy and its main theoretician, Karl Kautsky. He published for the first time Marx's Critique of the Gotha Program alongside his own Introduction to Marx's: *The Civil War in France* in 1891 to publicly champion the lessons of programmatic development since 1947, yet his *Critique of the Erfurt program* was not published by Kautsky until 1901! The substance of Engels critique, like that of Marx at Gotha, was ignored. The gulf between the *Communist Manifesto* and the reformist German SPD, behind the hollow Marxist phrases, was growing wider.

Engels main critique is of the "opportunism" of the political demands:

These are attempts to convince oneself and the party that "present-day society is developing towards socialism" without asking oneself whether it does not thereby just as necessarily outgrow the old social order and whether it will not have to burst this old shell by force, as a crab breaks its shell, and also whether in Germany, in addition, it will not have to smash

the fetters of the still semi-absolutist, and moreover indescribably confused political order... In the long run such a policy can only lead one's own party astray. They push general, abstract political questions into the foreground, thereby concealing the immediate concrete questions, which at the moment of the first great events, the first political crisis, automatically pose themselves. What can result from this except that at the decisive moment the party suddenly proves helpless and that uncertainty and discord on the most decisive issues reign in it because these issues have never been discussed? ... This forgetting of the great, the principal considerations for the momentary interests of the day, this struggling and striving for the success of the moment regardless of later consequences, this sacrifice of the future of the movement for its present may be 'honestly' meant, but it is and remains opportunism, and 'honest' opportunism is perhaps the most dangerous of all... [Our emphasis]

Kautsky evades the critique. He claims that Engels critique was of the first draft and not of his draft which was the one adopted. Yet a comparison of the two shows that Kautsky's version does not reflect Engels critique of the political demands. Kautsky's book *Class Struggle*, an extended commentary on his Erfurt draft, was published in 1892. It becomes the popular presentation of the Erfurt Program. Do Engels criticisms still hold of Kautsky's book?

Kautsky's book, *Class Struggle*, expounds 'orthodox' Marxist 'economics' from surplus-value to crises of overproduction which create the conditions for the transition to socialism. **But there are no dialectics, only an evolutionary schema of capitalist development. The proletarian side of the class struggle is rendered 'objective' as the subjective agency of the proletariat is suppressed and replaced by the petty bourgeois socialist intelligentsia.** Capitalist 'development' is expressed by Vulgar Marxist intellectuals who lecture the workers on their level of development. The transition to socialism is managed by a socialist bureaucracy that by means of reforms brings about the transition of the capitalist state into the socialist state.

"From the recognition of this fact is born the aim which the Socialist Party has set before it: to call the working-class to conquer the political power to the end that, with its aid, they may change the state into a self-sufficing co-operative commonwealth." [Our emphasis]

So for Kautsky, "conquering political power" means "change the state". How? There is no armed insurrection or 'smashing of the state' but rather a relatively peaceful transition through the gradual take-over of the state or as Marx put it the "transfer the bureaucratic-military machine from one hand to another" (18th Brumaire). Therefore the political demands of Erfurt as presented by Kautsky for the transition to socialism fall far short of the Communist Manifesto and the critical development of the program in the period 1852- 1875 spanning the Commune to Gotha.

Lenin's recognition that the Erfurt program was centrist did not come until after the great betrayal of 1914. From that point he

went back searching for the material roots of the degeneration of German social-democracy. State and Revolution and the Renegade Kautsky were the result. In this process Lenin revisits Engel's suppressed critique of Erfurt and in the process finds that Kautsky, the German leader who bases his authority on Erfurt, actually rejects all the decisive developments in the Marxist program since 1847. Referring to Kautsky, Lenin exclaims in marginal notes in his drafting of *State and Revolution* "This is as a complete wreck of Marxism...a step back from 1852-91 to 1847"! [Marxism on the State: Preparatory Material for the book *The State and Revolution*. Not online]



Why was Lenin taken in by Kautsky's centrism for so long? The short answer is, first centrism itself, and second, Tsarism. It is the nature of centrism that it disguises its treachery with hollow phrases. While Engels chided the German Social-Democracy as 'opportunist' he thought this was an aberration probably resulting from self-censorship to avoid trigger-

ing Bismarck's anti-socialist law. However, centrist opportunism is not exposed as a counter-revolutionary retreat from Marxism until it is tested in revolutionary conditions and is exposed by its treacherous actions. So the revolutionary phrases carefully qualified by vague euphemisms such as "conquering political power" in Kautsky's program were not put to the revolutionary test of practice in Germany until 1914.

Second, developments in the SPD were not central to the class struggle that was developing in Tsarist Russia. The SPD was a legal party with millions of members, a large official apparatus, and many elected MPs in the Reichstag. Formally, it was standing on the Erfurt program and the "conquest of political power". In Russia however, the pressing task for the Marxists was the smashing of the Tsarist state bringing with it a whole set of challenges to the program and to the form of revolutionary party needed to overcome these challenges. The necessary debates over theory and tactics became the focus of the factional disputes and machinations in the RSDWP. This is evident in the fact that the RSDWP leaders while in exile in Europe conducted disputes in their own papers and congresses almost independently from the 2nd International parties in their host countries.

Currently there is a debate around whether the RSDWP was a Marxist party in the mould of the SPD of Kautsky, the 'mother' party in the 2nd International, or a party of a 'new type' as a result of Lenin winning a majority in 1902. The SPD was a 'mass' party but it was also a 'broad' party of Marxists, centrists, and reformists where the Marxist faction was marginalised by the centrists and was unable to defend the Marxist program of the dictatorship of the proletariat against the opportunists. This question was glossed over since workers were experiencing rising living standards via parliamentary reforms and the program was watered down by the reformist wing of Bernstein under the cover of Kautsky's centrist wing. So while the reformist wing was critiqued by the centrist Kautsky at the same time he opens the door to the retreat from

‘smashing the state’.

Lenin asks: *How, then, did Kautsky proceed in his most detailed refutation of Bernsteinism? He refrained from analyzing the utter distortion of Marxism by opportunism on this point. He cited the above-quoted passage from Engels' preface to Marx's Civil War and said that according to Marx the working class cannot simply take over the ready-made state machinery, but that, generally speaking, it can take it over—and that was all. Kautsky did not say a word about the fact that Bernstein attributed to Marx the very opposite of Marx's real idea, that since 1852 Marx had formulated the task of the proletarian revolution as being to “smash” the state machine.* (Lenin Chapter 6, State and Revolution)

In Russia the “task” of the RSDWP was not the working class “conquering political power” from the bourgeoisie, but that of leading all the oppressed masses in the overthrow of the Tsar. The RSDWP began as ‘broad’ party like the SPD but its Marxist faction (Bolsheviks) from 1902 dominated the opportunists (Mensheviks) and the conciliators (Centrists) in its militant defence and development of the Marxist program. The showdown between Marxist and opportunist factions came to the surface in Russia even before 1905 as theoretical differences on strategy and tactics had life or death practical consequences in combating the Tsarist autocracy.

Lenin and ‘What is to be Done?’

Unlike the SPD which could vote its representatives into Parliament, the Russian party faced a Tsarist autocracy. The immediate task was that of ‘political freedom’, that is the bourgeois revolution, in which the proletariat would be the leading class. Lenin’s conception of the party was not as a professional elite separated from the mass membership, but of both intellectuals and workers who took the Marxist program to the workers *already* organising against the Tsarist regime. The differences in the RSDWP didn’t arise over the program to overthrow of the Tsar but over the role of the proletariat in this revolution. For Lenin and the Bolshevik faction the proletariat must be independent of the bourgeoisie and lead all the oppressed classes. For the Mensheviks, like the centrists of the SPD including Kautsky, the proletariat was not capable of taking the place of the bourgeoisie in leading the bourgeois revolution alone.

Thus between 1902 and 1917, the main fight inside the RSDWP was between those who argued over whether that working class was ready or not to take the place of the bourgeoisie in overthrowing the Tsar. The Bolsheviks thought it was ready, the Mensheviks thought that the workers would have to ‘compromise’ with the bourgeoisie.

On the question of the nature of the vanguard party, this is determined by the Marxist program in which **the proletariat is the only revolutionary class capable of fusing Marxist theory and practice as the agency of revolution.** Specific national conditions are the immediate concrete workings of this historic and international class dialectic. The Tsarist regime oppressed not only workers but poor and middle peasants. It also oppressed elements of the bourgeoisie. Lenin argues that the working class will lead the revolution bringing behind it the poor and middle peasants. The rich peasants are becoming capitalist and they and the weak bourgeois-

sie cannot lead a revolution against the Tsar. Thus the proletariat will be ‘hegemonic’ in leading all the oppressed classes. For that to happen the Marxist party must include the vanguard of workers who have a ‘socialist consciousness’ and not those who are only ‘trade union’ conscious.

In What is to be Done (WITBD) Lenin famously says that this ‘socialist consciousness’ is brought from outside to the workers. Rather than an admission that the Marxist party is separate from the workers, the so-called ‘dictatorship of the Party’ criticised by Luxemburg and Trotsky, it’s the opposite. Both the workers movement and the Marxist intellectuals must ‘converge’ and ‘fuse’ for the revolution to happen.

That is why the Bolsheviks split organisationally from the Mensheviks in 1912, while the Marxists in the SDP failed to build a Bolshevik type party until the KDP (Spartacists) in 1919. The party that would lead the overthrow of the Tsar and organise the socialist insurrection became a ‘mass’ Marxist party in which the members were in agreement with the Bolshevik program for Russia. Tragically, in Germany the Spartacists founded the KDP too late in 1919 and were ‘smashed’ by the SDP reformists and by Kautsky’s USDP who joined a popular front bourgeois government in the ‘peaceful transition to socialism’ that was neither peaceful nor a transition.

So in 1902 Lenin is already providing answers to the questions posed above: the RSDWP is not yet a vanguard party. Its leaders and members are Marxists but there are differences on how to overthrow the Tsar. After 1905 the party fragments into numerous weak factions but around 1909 the Bolsheviks and Mensheviks reform and their differences deepen over strategy and tactics. A split looms and comes to a head over whether the working class will lead the overthrow of the Tsar or do so in a political coalition with the bourgeoisie. Lenin mobilises to reorganise the RSDWP on a Marxist program of a worker-led revolution, against Mensheviks and others who want a cross class coalition. The program comes first and the Bolsheviks and Mensheviks split in 1912. From this point on both factions organise and meet separately presenting a clear choice for Russian workers. They enter the period of rising struggles and prove to the masses which program is correct and which class will lead the revolution against the Tsar. This will happen first in 1914 when the Bolshevik faction becomes the core of the Zimmerwald Left and an embryonic new international. It will come to the ultimate test when the Bolsheviks convince Russian workers to make a revolution, and the Mensheviks side with the peasant petty bourgeoisie and the bourgeoisie to oppose the revolution. **This is democratic centralism in practice, tested in its presence, and in its absence, with positive and negative results in the Russian and German Revolutions.**

Some neo-Kautskyites today who want to recruit Lenin to the ‘broad’ party fail to grasp that while the Bolsheviks and Mensheviks did not form separate parties in 1912, they split as factions over a fundamental principle of the Marxist program. The RSDWP that resulted contained two parties, except in name, the Bolsheviks standing on the principle of worker ‘hegemony’, the Mensheviks on ‘class conciliation’ (what is called today the popular front with the bourgeoisie) in the Russian revolution. Far from being a ‘broad’ party that tolerated all political differences, a split

over this question was a matter of life and death. **The failure to form the Bolsheviks as a separate political organisation would have wrecked its ability to implement democratic centralism and prevented it from rapidly developing its program and winning the masses' support in the Soviets for a workers' revolution.**

Even so, in the Bolshevik faction in April 1917 all the leadership apart from Lenin were conciliating with the Provisional Government – that is, proposing a popular front with the bourgeoisie! The situation was rescued by Lenin because he could appeal to the mass base of the Bolsheviks won to the faction/party since 1912 on a Marxist program, and convince them of the correct strategy and tactics. Had the RSDWP not split and stayed as a 'broad' party of Marxists and class collaborationists like Kautsky's SPD the outcome would have been a defeat for the Russian revolution at the hands of Kerensky and Kornilov! The outcomes of the Russian and German revolutions are the ultimate testimony to this fact.

Bolshevism and the Russian and German Revolutions

In April 1917 Lenin proved that the RSDWP were two factions in name only while in reality two separate parties. Moreover he proved that the Bolshevik 'faction' was not free of would-be Mensheviks in the leadership ready to 'conciliate' with the bourgeoisie. It was necessary to go to the mass membership of the RSDWP. He read his April Theses to the Bolsheviks and then to both Bolsheviks and Mensheviks together. Lenin then goes outside the Party Leadership and addressed the Petrograd branch of the party directly. He won them to the socialist insurrection. (Trotsky, *History of the Russian Revolution*, (HRR) Chap 15).

Again in October Lenin is in a minority of one in the Central Committee. He demands an insurrection and the Central Committee burns his letter. Accusing the Central Committee of 'Fabianism' he then goes to the Petrograd soviet and the Regional Conference of Northern soviets and speaking on his own authority demands "an immediate move on Petrograd". (Trotsky, HRR, Chap 24.). Then when the Central Committee finally agrees to the insurrection, Zinoviev and Kamenev disclose these plans in Pravda, the Menshevik newspaper. Lenin calls for their expulsion but is defeated on the Central Committee. This was how the Bolsheviks under Lenin's leadership, and organised as a de-facto mass vanguard party, were able not only to survive a revolutionary crisis, but to win the leadership of the workers and peasants, defeat the counter-revolution and **make the first socialist revolution in history.** Not so in Germany.

As we have noted, not till August 4, 1914 was the theoretical bankruptcy of 2nd International and in particular its main party, the German SDP put to the test and exposed as a 'stinking corpse'

(Luxemburg cited in Lenin). The centrists around Kautsky and the Zimmerwald Left revolutionaries around Luxemburg and Liebknecht split to form the united SDP (USPD) but the left Spartakusbund faction inside the USPD failed to break away to found an independent Bolshevik-type party until December 1918. Only in 1917 did the paths of the Russian and German revolutions converge in a Marxist leadership that understood the two revolutions must unite as one to succeed. But the German 'old guard' around Luxemburg lacked the experience in organising a mass base. Their reliance of on worker 'spontaneity' against Lenin's 'centralism' meant that when the soldiers and sailors rose up against the Junker regime there was no Bolshevik-type democratic centralist party at its head to 'smash the state'.

Like Lenin, Luxemburg facing a revolutionary crisis in Germany, returned to Marx and Engel's to draw the lessons about the 'smashing of the state in order to refound the Communist Program:



"...Down to the collapse of August 4, 1914, the German Social Democracy took its stand upon the Erfurt programme, and by this programme the so-called immediate minimal aims were placed in the foreground, whilst socialism was no more than a distant guiding star. Far more important, however, than what is written

in a programme is the way in which that programme is interpreted in action. From this point of view, great importance must be attached to one of the historical documents of the German labour movement: the Preface written by Fredrick Engels for the 1895 re-issue of Marx's Class Struggles in France. It is not merely upon historical grounds that I now reopen this question. The matter is one of extreme actuality. It has become our urgent duty today to replace our programme upon the foundation laid by Marx and Engels in 1848. In view of the changes effected since then by the historical process of development, it is incumbent upon us to undertake a deliberate revision of the views that guided the German Social Democracy down to the collapse of August 4th. Upon such a revision we are officially engaged today...." (On the Spartacus Program [our emphasis])

Too late! The delay of the revolutionary Marxists in splitting organisationally from the USPD was fatal. It meant that they did not have time to build a Marxist vanguard and win a mass base before the revolutionary crisis came to a head. By the time the Spartacists founded the KPD in 1919, the SPD and USPD were collaborating in a Bourgeois government led by the SPD leader, Ebert! The revolution was betrayed, its main social democrat leaders were murdered and its armed workers' militia 'smashed' by the Freikorps.

So the problem of the party is not that Lenin abandoned the 'broad' party for an elitist party, but that without a revolutionary program tested in the struggle the vanguard party is

sucked back into opportunism and conciliation with the bourgeoisie. The problem is not therefore historic Bolshevik/Leninism but its absence. Russia and Germany are the test cases. The Bolsheviks won the masses in Russia because they split from the Mensheviks, but in Germany where they failed to split from the Kautskyites until too late, the revolution was defeated.

For both Marx and Lenin the vanguard party is the party of the Marxist workers not the party of non-Marxist workers. This was true even when the vanguard was of no more than one; Marx on Gotha, Lenin on the April Theses. But at the same time the Marxist vanguard is obliged to fight to win the non-Marxists to the vanguard. But to do this the backsliding conciliators, compromisers, opportunists, centrists, Mensheviks etc have to be defeated. This is what the Russian revolution proves. Like Marx confronting the retreat to Lassalleism at Gotha, Lenin also finds himself alone in April 1917 carrying the banner of the Marxist vanguard.

As the crisis of war and revolution unfolded Lenin drew further conclusions. After 1914 he writes a series of articles and pamphlets accusing Kautsky of reneging on the 1912 Basle Manifesto on war. (See Preface to ...Renegade Kautsky). In his Imperialism written in 1915 Lenin shows that Kautsky's opportunism explains his theory of 'ultra-imperialism'. During the 1917 July Days when he is in hiding, he drafts the State and Revolution. He now shows that Kautsky abandoned the theory of 'smashing the state' in 1871. He "wrecks Marxism" and goes back to 1847. Then in 1918 Kautsky's condemnation of the Bolshevik revolution in his pamphlet 'The Dictatorship of the Proletariat' provokes Lenin's brilliant The Proletarian Revolution and the Renegade Kautsky, in which he sums up Kautsky in the phrase "How Kautsky turned Marx into a Common Liberal" by reducing the 'Dictatorship of the Proletariat' in the Paris Commune to 'bourgeois (i.e. pure) democracy' i.e. and electoral majority! The final nail in Kautsky's coffin is that his centrism is exposed as the key to the defeat of the German Revolution. It is Kautsky and the USPD that delays the founding of the German KDP until it is too late, then takes responsibility for the state repression of the Communists, defeating the revolution and thus preventing the Russian revolution from spreading to the world. Yet this is the Kautsky of the Erfurt program that the neo-Kautskyists like the CPGB wants to return to today!

The Party embodies the Program

For Marx the proletarian party is the Marxist party. The Gotha Program retreated from Marx's method and his critique of Capitalism to Lassalle's pre-Marxist exchange theory. The Erfurt Program restored the Marxist critique of Capital formally by returning to the production of surplus-value, but didn't escape the Gotha Program in its reformist approach to the capitalist state. In the SPD the 'broad' party submerged the revolutionaries in a swamp of opportunism. Engels critique of Erfurt was ignored as was Marx's at Gotha. **Kautsky vulgarised Marx, ignoring the laws of capitalist development, the crises of overproduction and the growing competition between the imperialist powers.** The approaching imperialist war was something that could be stopped by a SPD majority in the Reichstag acting with 'legality'! The betrayal of August 1, 1914, had tragic practical consequences for millions of workers the world over 1000 times the scale of the defeat of the Paris Commune. And this time it was done in the name of Marx-

ism!

Today against the program and party of Kautsky, we need the program and party of Marx. From Marx and Engels in 1847 to Lenin in 1924 the Marxist mass party was always based on workers who understood that to escape inevitable capitalist crises and imperialist wars they had to smash the bourgeois state and impose the Dictatorship of the Proletariat. If it fell short of that when its leadership adapted to imperialist super-profits and the labor aristocracy then it's 'party' would end up being used by the bourgeoisie to destroy the revolution. Such a retreat into vulgar socialism was inevitable unless a Marxist vanguard was built capable drawing the important lessons of organising and arming the proletariat to smash the state and replace the crisis and war ridden capitalist system with socialism. The German Revolution was defeated because it abandoned the development of the Marxist program from 1847 and so lacked a revolutionary program and party. Marx and Engels fought to test and develop the communist program all of their lives against non-Marxist and then revisionist Marxist currents. Lenin and Trotsky took on the responsibility of defending and developing that program after Engel's death. Lenin in particular took the lead in the fight against opportunism in the period before WW1. That is why the RCP (Bolshevik) under Lenin and later Trotsky, and not the German SPD under Kautsky and Co. was the only Marxist party to defeat reformism and centrism and make a revolution.

Let Lenin have the last word on Kautsky: *"Kautsky takes from Marxism what is acceptable to the liberals, to the bourgeoisie (the criticism of the Middle Ages, and the progressive historical role of capitalism in general and of capitalist democracy in particular), and discards, passes over in silence, glosses over all that in Marxism which is unacceptable to the bourgeoisie (the revolutionary violence of the proletariat against the bourgeoisie for the latter's destruction). That; is why Kautsky, by virtue of his objective position and irrespective of what his subjective convictions may be, inevitably proves to be a lackey of the bourgeoisie."* (The Proletarian Revolution and the Renegade Kautsky)

Who is the renegade, Lenin or Kautsky! The renegades of Marxism are those who abandon the program for the Dictatorship of the Proletariat. Most of what passes for the revolutionary left today are longstanding centrists known for their revolutionary phrases and reformist practice! They emerged out of WW2 with Stalinism intact and a '2nd world' opposed to the imperialist 1st world. The Trotskyist Fourth International lacked roots in the working class and its efforts at keeping the Leninist/Trotskyist program alive founded on the long boom and reformism of Stalinist and Social democratic parties. Most revised Marx's Capital into some form of exchange theory and drew the practical consequence of a minimal program of 'equal rights' via 'state aid'. Thus most became adjuncts of social democracy, Stalinism, or 3rd World freedom fighters. The restoration of capitalism in the Soviet Union and other former 'degenerate workers states' has deprived them of their defence of workers property. Some like the Spartacist family insist that hope lives on in China. Others liquidate into 'anti-capitalist' formations which are 'broad parties' including reformists and revolutionaries. Those who still pay lip service to Leninism (and/or Trotskyism), and

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³⁷Reuters, *China lets Gini out of the bottle; wide wealth gap*, 01/18/2013
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³⁸English News, *China Gini coefficient at 0.474 in 2012*, 1/18/2013
http://news.xinhuanet.com/english/china/2013-01/18/c_132111927.htm

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⁴⁰English People, *CONSTITUTION OF THE PEOPLE'S REPUBLIC OF CHINA*
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⁴²China Economic Review, *What is China's True Unemployment Rate?*, October 2004
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⁴³RCIT, *China's transformation into an imperialist power*, pg.7
<http://www.thecommunists.net/theory/why-china-is-imperialist>

⁴⁴Ibid., RCIT pg.11

⁴⁵Ibid., RCIT pg.16

⁴⁶Entire section above is reprinted from RCIT, *China's transformation into an imperialist power* <http://www.thecommunists.net/theory/why-china-is-imperialist>

⁴⁷New York Times, *China to Buy \$3 Billion Stake in Blackstone*, 05/20/2007
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⁴⁹Reuters, *Fed lets China firm buy Morgan Stanley shares*, 08/31/2010
<http://www.reuters.com/article/2010/08/31/us-usa-fed-morganstanley-idUSTRE67U4U320100831>

⁵⁰redrave, *China: FLTI Minority Report on the Current World Situation*, 12/2009
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⁵¹HWRS, *The Rise of Chinese Imperialism*, March 2010
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....and in the RCIT's book *The Great Robbery of the South (2013) Chapter 10 China's Transformation into an Imperialist Power*

⁵²Online discussion of the *Occupy Oakland Labor Solidarity Debate:1570*, Yahoo Groups

⁵³RCIT, *China's transformation into an imperialist power*, pg.7
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⁵⁴Ibid., RCIT pg.5

⁵⁵Ibid., RCIT pg.17

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⁵⁹The Guardian, *Friday 29 June 2012, China blocks Bloomberg for exposing financial affairs of Xi Jinping's family*
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Rebooting Lenin Cont. from pg 22

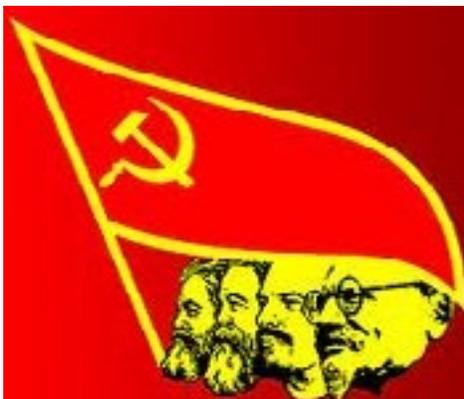
are openly anti-Leninist, all end up on the same centrist swamp. They are a new batch of Mensheviks with minimum programs and petty bourgeois leaderships that they substitute for the Marxist vanguard. For example, the Spartacists substitute the Maoist bureaucracy in China; the Morenoists substitute the trade union bureaucracy; the Cliffites, the student intellectuals; and the Woodites, populist demagogues like Chavez—all trapping the proletariat in popular fronts with the bourgeoisie.

Yet these petty bourgeois pretenders cannot suppress the class contradictions as they re-emerge in current and future crises, wars, revolutions and counter-revolutions. Revolutionaries have to act as a vanguard of hundreds and thousands to expose the centrists by building militant internationalist united fronts everywhere with demands that advance the workers cause and force the centrists to declare themselves as class traitors. In the process the embryonic vanguard will like Lenin's Bolsheviks, converge, and fuse with the millions of rising militants to build a new world party of revolution. A Marxist revolutionary international will be reborn as the terminal crisis of capitalism exposes the new batch of Mensheviks as class traitors. Arising out of the ashes of historic betrayals and defeats of the 20th century marked by the first Bolshevik revolution will be the revolutionary Marxists based on the Leninist/Trotskyist program of 1938 who go into the working class to build the Marxist vanguard to make the second Bolshevik Revolution in the 21st century.

"The victory of communism is inevitable, Communism will triumph!" Lenin, *Greetings to the Italian, French and German Communists*. October 1919

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What we Fight For

We fight to overthrow Capitalism

Historically, capitalism expanded world-wide to free much of humanity from the bonds of feudal or tribal society, and developed the economy, society and culture to a new higher level. But it could only do this by exploiting the labour of the productive classes to make its profits. To survive, capitalism became increasingly destructive of "nature" and humanity. In the early 20th century it entered the epoch of imperialism in which successive crises unleashed wars, revolutions and counter-revolutions. Today we fight to end capitalism's wars, famine, oppression and injustice, by mobilising workers to overthrow their own ruling classes and bring to an end the rotten, exploitative and oppressive society that has exceeded its use-by date.

We fight for Socialism.

By the 20th century, capitalism had created the pre-conditions for socialism – a world-wide working class and modern industry capable of meeting all our basic needs. The potential to eliminate poverty, starvation, disease and war has long existed. The October Revolution proved this to be true, bringing peace, bread and land to millions. But it became the victim of the combined assault of imperialism and Stalinism. After 1924 the USSR, along with its deformed offspring in Europe, degenerated back towards capitalism. In the absence of a workers political revolution, capitalism was restored between 1990 and 1992. Vietnam and China then followed. In the 21st century only Cuba and North Korea survive as degenerate workers states. We unconditionally defend these states against capitalism and fight for political revolution to overthrow the bureaucracy as part of world socialist revolution.

We fight to defend Marxism

While the economic conditions for socialism exist today, standing between the working class and socialism are political, social and cultural barriers. They are the capitalist state and bourgeois ideology and its agents. These agents claim that Marxism is dead and capitalism need not be exploitative. We say that Marxism is a living science that explains both capitalism's continued exploitation and its attempts to hide class exploitation behind the appearance of individual "freedom" and "equality". It reveals how and why the reformist, Stalinist and centrist misleaders of the working class tie workers to bourgeois ideas of nationalism, racism, sexism and equality. Such false beliefs will be exploded when the struggle against the inequality, injustice, anarchy and barbarism of capitalism in crisis, led by a revolutionary Marxist party, produces a revolutionary class-consciousness.

We fight for a Revolutionary Party

The bourgeois and its agents condemn the Marxist party as totalitarian. We say that without a democratic and a centrally organised party there can be no revolution. We base our beliefs on the revolutionary tradition of Bolshevism and Trotskyism. Such a party, armed with a transitional program, forms a bridge that joins the daily fight to defend all the past and present gains won from

capitalism to the victorious socialist revolution. Defensive struggles for bourgeois rights and freedoms, for decent wages and conditions, will link up the struggles of workers of all nationalities, genders, ethnicities and sexual orientations, bringing about movements for workers control, political strikes and the arming of the working class, as necessary steps to workers' power and the smashing of the bourgeois state. Along the way, workers will learn that each new step is one of many in a long march to revolutionize every barrier put in the path to their victorious revolution.

We fight for Communism.

Communism stands for the creation of a classless, stateless society beyond socialism that is capable of meeting all human needs. Against the ruling class lies that capitalism can be made "fair" for all, that nature can be "conserved", that socialism and communism are "dead", we raise the red flag of communism to keep alive the revolutionary tradition of the Communist Manifesto of 1848, the Bolshevik-led October Revolution, the Third Communist International until 1924, and the revolutionary Fourth International up to its collapse into centrism, with the closing of the International center. We fight to build a new Communist International, as a world party of socialism capable of leading workers to a victorious struggle for socialism.

Join us: where overthrowing capitalism is all in a days work !!

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