

The Life and Death of Stalinism

Introduction

Theories of Stalinism

The Bolshevik revolution of 1917 that created the Soviet Union was the decisive event of our era. For the first time a modern proletariat won state power and raised the banner of socialist revolution for the exploited and oppressed of the world. The possibility of ending human degradation was proved once and for all. No socialist can escape the responsibility of coming to grips with the destruction of that monumental working-class achievement.

The “Russian question,” the class character of the Soviet Union, has been hotly debated ever since 1917. We start from the understanding that the USSR after the revolution was a workers’ state, a society transitional between capitalism and socialism and therefore necessarily burdened with many capitalist leftovers. The obstacles that any newborn workers’ state would have faced were particularly onerous in backward Russia, isolated by the defeats of revolutions abroad.

In the aftermath of the revolution the Soviet workers’ state degenerated rapidly: workers’ gains were stripped away and the international revolution was dammed up and defeated. By the mid-1920's the USSR had become a bureaucratically degenerated workers’ state, and the world revolutionary party — the Communist International — had become counterrevolutionary. Stalinism sabotaged the advance towards socialism at home and abroad, leaving the USSR open to capitalist restoration.

PSEUDO-SOCIALIST CAPITALISM

In the mid-1930's Leon Trotsky, who together with Vladimir Lenin had led the victorious revolution, advocated a “political revolution” to restore proletarian power and preserve the socialist gains. By the end of the decade he believed that counterrevolutionary Stalinism had taken the USSR to the verge of capitalist restoration. Still, as a workers’ state however deformed, it merited the unconditional loyalty and defense of the working class against attack by the capitalist powers.

We agree with Trotsky’s outlook up to 1939. But we hold that the counterrevolution culminated on the eve of World War II. It created a new ruling class by transforming the state apparatus and destroying the Bolshevik party; contrary to Trotsky, the restoration of capitalism was completed. Accompanying the well-known centralized power of the Stalinist state were qualitative steps toward the effective decentralization of state property, forerunners of the “markets” and anarchy clearly visible today.

Since then the Stalinist societies have been capitalist in the most fundamental sense: they are based on the exploitation of wage-labor by ruling classes alien from the proletariat. In this epoch of decay, capitalism’s internal and external operations are everywhere distorted from the traditional bourgeois norms. But nowhere are they as deformed as under Stalinism, where they are warped by the socialistic remnants of the workers’ state that the counterrevolution usurped.

By the end of the war the Stalinist Soviet Union had become a world power dedicated to the

survival of capitalism. It ensnared millions under its own domination. As well, in the interests of the dominant Western imperialists, it smashed workers' revolutions in Europe and betrayed liberation struggles in the colonies. Because of this worldwide defeat of the working class, we live today in a world of poverty enslaved to wealth and of famine amid plenty. Capitalist exploitation, which once stood on the brink of extinction, now seems an unchallengeable fact of life everywhere. The immense forces of production have great potential for human use, but under capitalist rule they continue to foreshadow immiseration, ecological doom and nuclear war.

For decades the USSR and its satellites were outcasts from the family of nations. However much they exploited their workers and helped stabilize imperialism, the world bourgeoisie refused to embrace them. Their claim to socialism, their nationalized property and the USSR's proletarian history all inspired bourgeois mistrust. Nevertheless, whenever there was a prospect of proletarian revolution in the Stalinist world, from the Polish workers' councils and the Hungarian revolution of 1956 to the present, Western authorities swallowed their hatred and called for reforms and stability, not the overthrow of the threatened Stalinist regimes. In the crunch, class tells.

Our analysis of Stalinism contrasts with all the would-be Marxist theories. These divide into four descriptive categories: that the Stalinist states are 1) socialist, 2) transitional between capitalism and socialism (workers' states), 3) state capitalist, and 4) a third system antagonistic to both capitalism and socialism. This classification is only a beginning, since there are disputes within each of the categories as important as those between them. Theorists within the same category often disagree, for example, on when the USSR turned into its present form and whether the same characterization applies to all the Soviet-type states.

More deeply, we will show that the seemingly wide-open debate over the Russian question is in reality quite narrow. Despite their surface differences, the four theories share a common world outlook: they deny the proletarian class struggle at the center of Marxism. Therefore, although we hold Stalinism to be capitalist, we have no fundamental agreement with the standard state capitalist analyses. And, precisely because we are Trotskyist, we reject the "orthodox Trotskyist" position that Russia is still a degenerated workers' state.

We take up the four categories in turn. Our introductory survey asserts conclusions that are proved in depth later in the book.

SOCIALISM THEORIES

The idea that the Soviet-type states are socialist usually depends on the simple observation that their economies have been nationalized. Engels long ago countered the notion that socialism can be identified with state ownership:

"Recently, however, since Bismarck went in for state ownership of industrial establishments, a kind of spurious socialism has arisen — here and there even degenerating into a kind of flunkeyism — that quite straightforwardly declares *all* state ownership to be socialist."¹

1. Engels, *Socialism: Utopian and Scientific*, Part III (1877).

The title “socialism” was awarded to the USSR by Stalin after the elimination of private entrepreneurs in the mid-1930's. It startlingly contradicted the early Bolshevik understanding that the Soviet revolution had achieved not socialism but rather a workers’ state (or “dictatorship of the proletariat”) governing a society transitional to socialism. Socialism itself, a specific stage in the development of classless society, was impossible even for isolated countries that were economically advanced — and therefore all the more so for the backward and internationally quarantined USSR.

Today the “socialist” thesis is upheld, of course, by the Soviet and allied Communist Parties. Their chief argument is that nationalized property creates a qualitatively different mode of production from capitalism. They regard their socialism as a society that, whatever its problems, is progressive in two senses: it defends the interests of the working people, and it develops the productive forces beyond the capacities of capitalism. In the Soviet-type societies human consciousness is said to dominate blind laws; social planning reigns over the law of value that governs capitalist economy. The evidence usually cited is that these countries have little or no unemployment, no mass misery comparable to capitalism’s, no excessive differences of wealth and no wasteful duplication of labor through competition.

In the 1930's one could point to Soviet industrial expansion (despite the contraction of Soviet workers’ rights and living standards) and compare it favorably with depression-ridden capitalism. Not today. Poland’s collapse in the early 1980's was the worst of any country since World War II; Yugoslavia leads all Europe in unemployment and inflation; Soviet leaders openly speak of the economic disasters they have to deal with. The Stalinist states’ technological and financial subordination to Western capitalism renders absurd the claim that they represent a new stage in human progress.

In the 1960's some leftists applied the socialist thesis to China out of sympathy with the Chinese bureaucracy’s efforts to align with revolutionary nationalist struggles. Calling China socialist, however, required a particularly voluntaristic and anti-materialistic approach, since revolutionary China was even more retarded by imperialism than early Soviet Russia. A leading theorist wrote that “What is taking place in China demonstrates, in effect, that the ‘low level of development of the productive forces’ is not an obstacle to the socialist transformation of social relations.” The ruling party’s “correct political line” is sufficient.² By this logic human misery could have been avoided from the start — if only Adam and Eve had found a Little Red Book instead of an apple.

A different sort of “socialist” thesis is that of academic Marxists who accept (or are unwilling to challenge) prevailing bourgeois conceptions. Such people write erudite articles on “Marxist economics” which speak of socialism’s “systemic” crises — without the slightest qualm over what this says about their grasp of the Marxist theory of socialism.

Stalin first proclaimed “socialism” in the USSR in order to deny its proletarian character and decree it a “people’s” state. The anti-working class meaning of the term extends to all current usages.

2. Charles Bettelheim, *Class Struggles in the USSR, 1st period* (1974), p. 42.

WORKERS' STATE THEORIES

After Trotsky's death the majority of Trotskyists formally maintained his appraisal of the USSR as a degenerated workers' state heading for either capitalist restoration or a new workers' revolution. But when the dust of World War II settled, Stalinism had proved itself capable of carrying out revolutions in Eastern Europe, China and elsewhere. To maintain Trotsky's term (but without its content), most neo-Trotskyists added the qualification, implied if not stated, that Stalinism was not really counterrevolutionary. For many years the leading theorist of this position has been Ernest Mandel.

Similar positions are held by Eurocommunist figures like Santiago Carrillo and authors influenced by Maoism.³ They differ from the Trotskyists in that they do not call for revolution in the Stalinist states; as well, their main arguments are made in less sophisticated fashion.

Against the socialist thesis, the workers' statist argue that nationalization of the means of production does not in itself mean socialism. But they weaken their case by insisting that Stalinist nationalization is not only progressive in itself but also enough to make genuine socialization possible, without further transformation of the economic base. Such conclusions stand out as wildly optimistic today, in the light of the collapse of so many Stalinist regimes. Moreover, they were never drawn by Trotsky, who understood that the USSR's backwardness and isolation subjected it to the laws of capital operating internationally, and that value relations applied internally despite nationalized property. To achieve socialization the USSR would have to achieve qualitative economic progress over capitalism. The backwardness and crises now typical of the Stalinist countries vitiates the "workers' state" thesis just as much as "socialism."

In addition, these theories face an overwhelming contradiction. After World War II Stalinist rule spread across East Europe by military force (and in several countries, notably China, through armed revolution). These new states in time adopted the Soviet model, although in most cases they called themselves some form of "new" or "people's" democracy. That is, they claimed (at first) to be not proletarian but simply more democratic versions of capitalism, leaning towards socialism. Most of the workers' state theorists of the USSR chose to label the new states "deformed" or "bureaucratized" workers' states.⁴ But not only had these states been established without working-class revolutions; most were formed only after workers' attempts to control factories and set up governing councils had been smashed by the Stalinists. Styling such creations "proletarian" with whatever modification flies in the face of history.

The proletarian label for the Stalinist states amounts to a cynical rejection of the Marxist conclusion that a workers' state can be established only through the workers' own conscious activity: "the emancipation of the proletariat is the task of the proletariat itself." The neo-Trot-

3. Santiago Carrillo, *"Eurocommunism" and the State* (1977); Philip Corrigan, Harvie Ramsay and Derek Sayer, *Socialist Construction and Marxist Theory* (1978); Michael Goldfield and Melvin Rothenberg, *The Myth of Capitalism Reborn* (1980).

4. One exception is the French group Lutte Ouvriere, which holds that Russia remains a workers' state while the other Stalinist states are capitalist. This classification leaves unsolved the problem of why such similar societies have different dynamics. The Japanese Fourth International group also distinguishes between the USSR and the other Stalinist states, in a way not clear to us.

skyist conception also calls into question Lenin's teaching that a workers' socialist revolution requires the guidance of a vanguard party. The Stalinist parties that seized power while denying that socialism was their intention could hardly be considered vanguards of proletarian consciousness.

Marx's principle of proletarian self-emancipation is no abstract dogma. It derives from his analysis of capitalism: the system organically creates a class whose inherent struggle forces it to try to overthrow it and establish communism. In granting another class this proletarian characteristic, the deformed workers' state theorists reject a Marxist understanding of capitalism as well as of Stalinism. In later chapters we will analyze the material roots and practical consequences of their misconception.

STATE CAPITALISM THEORIES

This broad category has several subdivisions. "Ultra-leftists" describe the USSR as capitalist because of its retention of capitalist forms like wage labor; they see Soviet capitalism originating with Lenin's New Economic Policy (NEP) of 1921, or even earlier. Along with the anarchists who reject Marx's theory of the state, they deny the need of a workers' state to retain capitalist hangovers for a time. Their best known theorist, Paul Mattick, denies that the law of value, the underlying law of motion of capitalist society, applies under Stalinism. Thus his is really a third-system theory.⁵

A second subdivision consists mainly of former Trotskyists who do not accept the degenerated workers' state category for any period of Soviet history. They typically date the restoration of state capitalism to the start of the first Five-Year Plan in 1928, which initiated Stalin's forced industrialization policy and the expropriation of the peasantry. Tony Cliff is the leading advocate of this view.⁶

Like Mattick, Cliff believes that value is not the motor of the Soviet economy's internal relations. Russia is tantamount to "one big factory" governed internally by the rulers' conscious will, not the anarchy of competitive capitalism. Capitalism's laws of motion are induced into the economy only through military competition with West, which drives the Stalinists to undertake massive capital accumulation. By introducing the law of value only from outside, this argument effectively denies that the system is capitalist in the Marxist sense, so Cliff's too is at bottom a third-system theory.

Another current within the ex-Trotskyist framework was the "Socialism or Barbarism" tendency in France in the years after World War II. They adopted the name "bureaucratic capitalism" for the USSR and its satellites, even though they held that the law of value could not possibly apply in a country where planning had eliminated the unconscious functioning of the economy. This may be the most explicit formulation of non-capitalist "capitalism."⁷

5. Paul Mattick, *Marx and Keynes* (1969).

6. Tony Cliff, *Russia: A Marxist Analysis* (1955). A shortened version, *State Capitalism in Russia*, was reissued in 1988.

7. See the reprints from *Socialisme ou Barbarie* in Cornelius Castoriadis, *Political and Social Writings* Vol. 1 (1988), especially pp. 9, 39, 138.

A stronger attempt at a capitalist analysis was made by the Johnson-Forest tendency led by Raya Dunayevskaya and C.L.R. James in the U.S. in the 1940's.⁸ Johnson-Forest *did* regard the law of value in the USSR as generated by wage labor, a point fundamental for our own theory. But like Mattick and Cliff they rejected the idea that capitalist forms are inherent in a workers' state. Further, they saw state capitalism as the result of a "world tendency to centralization" applying to the U.S. and all capitalist countries. They thought that complete centralization of the U.S. economy was possible without a proletarian revolution, a position shared with several ultra-left tendencies (as well as with Karl Kautsky's "ultra-imperialism"). A central point of this book is to show that Stalinism's *inability* to centralize the economy and therefore to plan scientifically marks it as a form of capitalism.

A third subdivision of state capitalists is made up of Maoists who broke with the Soviet Union after Khrushchev's repudiation of Stalin's "proletarian line." Since for them the party's correct line is all that a country needs to overcome desperate economic circumstances and achieve socialism, it is equally logical that a change in that line could alter its class character again. Thus Maoists asserted that the class nature of "socialist" Russia switched back to capitalism after the death of Stalin — without the slightest change in class relations or economic conditions; some reasoned likewise about China after Mao died. The Maoists' idealist theory of Soviet capitalism in reality corresponded to an opportunist turn of *their* political line: toward accommodation with Western imperialism. That the USSR is capitalist and a "greater danger" than the West was key to this goal.

Some ex-Maoists have reconsidered, reacting against such sleight of hand and against China's collaboration with imperialism. They no longer swallow Mao Tsetung's dictum that the USSR became capitalist when Khrushchev denounced Stalin, but they hold the equally sterile conception that the USSR must again be considered socialist.⁹

The Chinese Communist Party originated the idea that Khrushchev's change of line made Russia capitalist, leaving to others the tricky task of giving their anti-materialist position theoretical support. This was accomplished chiefly by pretending that decentralization of the Soviet economy and deproletarianization of the state had begun only after Stalin's death.¹⁰

Charles Bettelheim was the most sophisticated Maoist theorist and a writer with genuine insight into the operation of capitalism's laws in statified form. But his fundamental idealism overwhelmed his attempts to hold to any remnant of a Marxist analysis. At the start of his four-volume opus on the USSR, he implied that the "proletarian line" had been abandoned in the late 1920's when Stalin destroyed the worker-peasant alliance embodied in the NEP. By the end he chose to reject the revolution as well as the counterrevolution (offering pathetically little justification: a few paragraphs in a total of almost two thousand pages). He now claimed that the Bolshevik revolution brought to power a "radicalized fraction of the intelligentsia," so that it was

8. Raya Dunayevskaya, *Russia as State-Capitalist Society* (1973); C.L.R. James, *State Capitalism and World Revolution* (1950).

9. Jonathan Aurther, *Socialism in the Soviet Union* (1977); Albert Szymanski, *Is the Red Flag Flying?* (1979); Jerry Tung, *The Socialist Road* (1981).

10. Martin Nicolaus, *Restoration of Capitalism in the USSR* (1975); Revolutionary Communist Party, *How Capitalism Has Been Restored in the USSR* (1974); Progressive Labor Party, "Soviet Capitalism," *PL Magazine*, Spring 1981.

“essentially a ‘capitalist revolution’ leading finally to the radical expropriation of the direct producers.”¹¹ The Maoist method of determining material reality by asserting the correctness of the party line, previously used to reject Stalin’s heirs and then Mao’s, led him to the repudiation of Lenin as well.

Mattick, Cliff et al, in denying the central functioning of the law of value under state capitalism, in effect define a capitalism without a true proletariat, the class that produces value.¹² The idealist Maoist versions extend this denial even further: since the nature of the system depends on the will of the rulers, workers are left only as a moral category (“the deserving poor”), not a self-active class.

THIRD-SYSTEM THEORIES

The idea that the Soviet system is neither capitalist, socialist nor transitional between the two is an empirical, common-sense view held by theorists who agree only on what the Soviet Union is not. They observe that the USSR obviously lacks prominent features of both capitalism and socialism. As opposed to capitalism, it has no private ownership of the means of production and therefore supposedly no competition between different capitals. As opposed to socialism or a workers’ state, it lacks mass political power and democracy.

Given their essentially negative analysis, “third-system” writers naturally differ over whether Soviet-type societies are progressive as compared to the capitalism they replace. “Progressive” versions are offered by Rudolf Bahro, Paul Sweezy and Umberto Melotti.¹³ An early theory of the non-progressive kind was the “bureaucratic collectivism” of Bruno Rizzi and Max Shachtman.¹⁴ (Shachtman originally saw bureaucratic collectivism as progressive; a major article in his book was altered without notice to conceal this sin of the past.) Several “non-progressive” theories have been produced by writers from East Europe, starting with Milovan Djilas.¹⁵ There is also a strange variant describing the USSR as a society with no dynamic at all, characterized by the lack of any mode of production and the predominance of systemic waste.¹⁶

Leftist third-system theorists face the danger that, under the pressure of bourgeois opinion, they will find the “democratic” West to be progressive over the East. The classic example is Shachtman, who led a whole current from Trotskyism to Western imperialism on the grounds that the trade union rights forbidden under Stalinism are the decisive concern of the working class. Today the Shachtmanites guide several wings of the U.S. trade union bureaucracy as well as the AFL-CIO’s international operations. In this capacity they sanctimoniously help suppress trade union struggles at home and abroad in order to prevent workers from undermining the profits

11. Bettelheim, *Les Luites de Classes en URSS, 3eme periode*, tome 1 (1982), p. 13.

12. Cliff has been challenged on this by his co-thinker, Alex Callinicos. But Callinicos only amends Cliff’s theory without objecting to its full implications. See Chapter 7.

13. Bahro, *The Alternative in Eastern Europe* (1977); Sweezy, “Post-Revolutionary Society,” *Monthly Review*, November 1980, reprinted in *Post-Revolutionary Society* (1981); Melotti, *Marx and the Third World* (1977).

14. Rizzi, *The Bureaucratization of the World* (1938; English edition, 1985); Shachtman, *The Bureaucratic Revolution* (1962; written in the 1940’s).

15. Djilas, *The New Class* (1957); Mark Rakovski, *Towards an Eastern European Marxism* (1978); George Konrad and Ivan Selenyi, *The Intellectuals on the Road to Class Power* (1979).

16. *Critique* magazine (Glasgow), notably the articles by editor Hillel Ticktin. See also Donald Filtzer, *Soviet Workers and Stalinist Industrialization* (1986). The theory of Frank Furedi (*The Soviet Union Demystified*, 1986) is similar; see *Proletarian Revolution* No. 29 (1987).

that give the bureaucracy its material stake in capitalism.

Most third-system theories present no scientific analysis — laws of motion — that would justify the discovery of a new form of class society. Perhaps the only version that did propose laws of motion was that of the Polish Marxists Jacek Kuron and Karol Modzelewski. Their “Open Letter to the Party” in the 1960’s won them jail terms for advocating the overthrow of the regime.¹⁷ To the extent that their analysis succeeds it amounts to an incomplete theory of stratified capitalism. Some insights from their work have been incorporated into our own theory, but it has serious problems as well (Chapter 5).

The theoretical carelessness of third-system conceptions is exemplified by two opposite variants. One sees Soviet bureaucratic collectivism starting to evolve peacefully into capitalism in 1965 through deep economic reforms.¹⁸ The other sees post-revolutionary but still capitalist Cuba transformed into bureaucratic collectivism under Castro’s rule.¹⁹ To a Marxist, either transformation should signify that a society which can turn itself into or out of capitalism without a revolution must have been capitalist all along. The same, of course, applies to the actual transformations that the Stalinist societies underwent in late 1989.

A deep theoretical flaw of third-system theories is that they label the system non-capitalist while they call the main class of producers “workers.” The proletariat, however, is a class only in relation to capital. As Marx put it, “Capital presupposes wage labor; wage labor presupposes capital. They reciprocally condition the existence of each other; they reciprocally bring forth each other.”²⁰ Indeed, any relationship of exploitation requires two specific classes. A propertyless class that sells its labor power can only be exploited by a class that buys that labor power, a class of capitalists — those who embody capital.

Some third-systemizers have recognized the dilemma. Shachtman toyed with the idea that the Soviet workers were slaves or “a new kind of state-serf,” not proletarians.²¹ But workers under Stalinism behaved like workers under capitalism. Indeed, in their uprising of June 1953, the East Berlin workers marched against the Stalinist regime chanting “We are workers, not slaves.” Shachtman retreated to calling them what they are — thereby surrendering to the dilemma that destroys the basis of his or any other third-system theory. The Berlin workers had it exactly right: the essence of their exploitation is its wage-labor content, not its superficial form. They proved that third-system theories remain caught at the level of appearance.

THE COMMON THEORY

With such a variety of theories for describing the Stalinist system, one might think that some of

17. Kuron and Modzelewski, *New Politics* (1965); reprinted as *A Revolutionary Socialist Manifesto* by International Socialism of Britain. An apparently more complete translation is in the Merit Publishers pamphlet, *Revolutionary Marxist Students in Poland Speak Out* (1968). Both authors were prominent in the Solidarity movement of 1980-81; by then they were no longer revolutionary.

18. Antonio Carlo, *Telos* (Fall 1974); the evolution was said to be completed in the case of Yugoslavia (*Telos*, Summer 1978).

19. Samuel Farber, *Revolution and Reaction in Cuba* (1976).

20. Marx, *Wage Labor and Capital*, Part III.

21. Shachtman, “The Program of Stalinist Imperialism,” *New International* (1943); in *The Bureaucratic Revolution*, p. 120.

them would have anticipated the pivotal historical changes now taking place. After all, the proof of a theory is practice, and there has been a great deal of practical opportunity for Marxist thinkers to test their ideas. All the more remarkable, therefore, that none of the standard theories predicted, or could even explain, the current crisis of Stalinism and its devolution towards traditional forms of capitalism.

A few years ago a prominent theoretician raised a challenge. Concerning the “post-revolutionary societies,” Sweezy wrote: “I don’t know of anyone who claims to be able to analyze their development in terms of capitalism’s ‘laws of motion’.”²² We *do* so claim; moreover, we will show that our use of Marx’s laws of capital predicted the present direction of Stalinism. But otherwise Sweezy is right: most Marxists ignore Marx’s laws, and without laws of motion it is no wonder that their theories have no predictive capacity.

The omission of laws of motion is especially glaring on the part of those who believe the Soviet system is capitalist. As already noted, Mattick and Cliff do not recognize the law of value at the heart of the system, and therefore their state capitalist analyses are little more than third-system theories in a more Marxistical disguise.

The transitional-state theories also deny laws of motion. If these states really were workers’ states, we would see conscious planning replacing, over time, the blind laws of capitalism. But the notion of “post-capitalism” held by Mandel and others asserts only that the Stalinist states are progressive with respect to capitalism — it is not claimed that they undergo qualitative progressive development. In Mandel’s term, the transition to socialism in the bureaucratized workers’ states is “frozen.” It ought to follow that without an internal dynamic there is nothing transitional about them; they cannot be workers’ states at all. Mandel is internally consistent only if we take his to be a theory of a third-system positioned between capitalism and socialism.

Thus the major theories of the Soviet system all reduce, in effect, to one category: a third system neither capitalist nor socialist. Moreover, they postulate a mode of production that does not generate capitalism’s laws of motion or any other; it is governed by central decisions, not blind laws. Therefore there can be no *inherent* reason for its stagnation and breakdown, no fundamental class conflict. The system-wide crisis can only be caused by bad planning or oppression.

The conception of a static Stalinism has serious political consequences. A society whose internal motion does not compel fundamental change offers little hope for socialism. The masses may rebel against hardship and despotism, but they are not driven to develop revolutionary forms of self-organization and acquire socialist consciousness.

Contrast Marx’s analysis of capitalism as a society whose development and change is powered by class struggle. This motion leads to crises and decay, on the one hand, and the strengthening of the proletariat’s consciousness and organization, on the other. The laws of motion drive the proletariat both to resist exploitation and prepare itself to rule; the dual power councils (or soviets) of every working-class revolt in this century confirm this urge. This is the reason for revolutionary Marxism’s characteristic optimism.

22. Sweezy, “Post-Revolutionary Society.”

The absence of revolutionary confidence in the proletariat is the key to the universal choice of a third-system analysis under so many pseudo-Marxist disguises. The program against Stalinism offered by third-systemists (and state capitalists and workers' statistes) — “revolutionary” democracy — is in reality non-revolutionary. It is a partial answer to oppression but none at all to exploitation. It contributes to the belief that the proletariat consists solely of heroic or manipulable victims who are capable of seeking justice — but not power. (We will see telling examples in Chapter 8.) Such an analysis goes hand in hand with an unmistakable cynicism that pertains not only to Stalinism but to ordinary capitalism as well.

MIDDLE-CLASS MARXISM

The defeatist attitude towards the revolutionary capacity of the working class is a disease symptomatic of the social outlook of “new middle-class” layers that have arisen within capitalism in the last century. This is not simply because most leftists today come from the middle class (although that is true). Rather the problem is that, middle-class or not, they hold a middle-class view of the world, primarily because of the defeats of the authentic proletarian communist tradition. Either, like the traditional petty-bourgeois shopkeeper, they regard the cutthroat struggle among capitalists as paramount. Or, like many layers of the intelligentsia, they see society dominated by the powerful forces of the proletariat and bourgeoisie and seek to control the state as their own center of power independently of the two major classes.²³

Middle-class Marxists believe that socialism requires a rejection of the base material considerations that corrupt capitalist society. What is needed is a “new socialist man” and woman who have overcome the greed and materialism of old. Clearly capitalists will not fill the bill; but proletarians too, also compelled under capitalism to compete among themselves to scrape out their existence, are largely ineligible. Socialism requires advanced, socially conscious people — planners, scientists, theorists, etc. — in a word, the economically disinterested middle class. Related to this outlook is the notion that Marxism has to be conveyed to workers by middle-class leftists, an idea supposedly derived from Lenin (but see Chapter 2). The middle-class Marxist version of socialism is a society ruled by the benevolent for the benighted.

Of course, people who regard themselves as Marxists are not conscious of the underlying class roots of such ideas. That they cast their programs as *proletarian* tasks shows that they have no desire for a mythological world dominated by small businesses. For most, their goal instead is some form of democracy where stability is achieved through the countervailing powers of mass institutions controlled by the workers or “the people.” Despite their intentions, they fit the same mold as liberals who fight monopoly by trust-busting or decentralization. Both urge local control — or in its workerist form, shop-floor control — to counterpose democracy to the power of a leviathan state.

The superficiality of this view comes to a head in revolutionary periods, when middle-class leftists, confronted with the great power that the proletariat can wield, end up appealing to the

23. These notions are explicit in the “professional-managerial class” of John and Barbara Ehrenreich, which serves both as the home of the New Left and as the ruling class of the USSR. See Pat Walker, ed., *Between Labor and Capital* (1979).

authority of the old rulers. Thus the Mensheviks in 1917 stood by the bourgeois Provisional Government of Russia, the German Social Democrats in 1919 crushed the workers on behalf of capital, the French Communist Party in 1968 proved itself the last-ditch defender of DeGaulle — even the Spanish anarchist leaders in 1936 joined the bourgeois state apparatus. Claiming to oppose concentrated power, they end up in the arms of the anti-working class bourgeois state. As Trotsky once observed, that would-be Marxists ignore the dialectical development of capitalism does not mean that the dialectic ignores them.

In recent years a renewed crisis of capitalism has reconfirmed the urgency of authentic communism. The proletariat has powerfully made its presence felt throughout the world. In response, middle-class leftists have cheered the workers' rebelliousness — but worked overtime to detour attempts at class independence and tie them to their social-democratic or Stalinist misleaders. Examples: in Poland leftist advisers were central in making the 1980-81 revolution "self-limiting." In Britain, instead of exposing a Labour Party that helped bury the British miners' strike of 1984-85, the left dug itself ever more deeply into it. In the U.S., when Jesse Jackson astutely perceived mass discontent and demagogically worked to corral it within the capitalist Democratic Party, the left twice eagerly enlisted in the entrapment campaign.

The left's deadliest efforts were in the third world. In Chile it helped prevent the proletariat from breaking with the popular-front Allende regime that preserved the bourgeois military in full force. In Iran the left was instrumental in convincing the workers that Khomeini's Islamic Republic was a necessary step in the fight against imperialism — while in fact it led straight to a quasi-fascist defeat. In Nicaragua the leftist Sandinistas held back the workers' and peasants' anti-capitalist struggles in a futile and disastrous attempt to curry favor with U.S. imperialism.

For the reawakening of Marxism, the weary idea that communism is a utopia, that the working class has proved its incapacity for revolution, must be put to rest. It is a cry for order by the frightened middle classes, cushioned temporarily by imperialism's postwar revival but now feeling the pressure of crises and class forces beyond their control.

THIS BOOK

Our analysis of Stalinism is based on previous Marxist work. As already indicated, any understanding has to start with Trotsky's analyses of the degeneration of the Soviet workers' state in the 1930's. Others (James/Dunayevskaya, Kuron/Modzelewski) took steps toward grasping the specific nature of capitalist property relations under Stalinism. The decisive impulse for us to rethink previous theories was the revival of working-class revolt in the 1960's: notably the great French general strike, continuing resistance of workers in the Stalinist countries (as in the Chinese cultural revolution), and the black ghetto uprisings in the United States. These events brought home the centrality of the proletariat in modern society and forced us to seek to reestablish its centrality in Marxism as well.

To prove our analysis of Stalinism as capitalism we have to elaborate three fundamental themes. These are: 1) that the possibility of stratified capitalism flows from the Marxist theory of capitalism; 2) that a ruling class was formed out of the decay of the state and party bureaucracy in the Soviet workers' state of the 1920's and 1930's; and 3) that the post-World War II Stalinist

states exhibit the laws of motion of capitalism in operation.

The book is organized historically but not always chronologically. It traces the development of Marxist theories of capitalism and Stalinism as these grew out of historical reality itself. Of course, for every question taken up, we have also to contrast our analysis with the standard misinterpretations.

Chapter 1 presents Marx's labor theory of value as the underlying law of the system determining its surface appearances. We show that value is inherent in any system based on wage labor — in contrast to the common assumption that it is inapplicable to a monopolistic (and above all, a stratified) economy. As well, in discussing capitalist crises we present a new interpretation of Marx's law of the falling tendency of the rate of profit which later is applied to the Stalinist economies.

Chapter 2 extends these laws to show how the contradictions of capitalism bring about its epoch of imperialism and decay. The new epoch produced two proletarian perspectives whose intertwined relationship is rarely understood: Lenin's theory of imperialism and Trotsky's theory of permanent revolution.

Chapter 3 presents the Marxist theory of the transition to socialism as well as the Bolsheviks' use of it as a guide for the Russian workers' revolution. We emphasize the unavoidability of bourgeois forms in the transitional workers' state, in contrast to prevailing notions that such a state is either "post-capitalist," on the one hand, or necessarily non-proletarian, on the other.

Chapter 4 analyzes the stages of the Stalinist counterrevolution, showing both its practical destruction of the workers' gains and its ideological corruption of Marxism. We disprove the notion that Stalin's breakneck industrialization policy of the early 1930's abolished the law of value. Instead, a new capitalist bureaucracy was consolidated at the end of the decade. In this chapter we also consider in depth Trotsky's developing theory of Stalinism.

Chapter 5 is the pivotal chapter of the book, illustrating why the Stalinist bureaucracy is capitalist and how the laws of motion operate in stratified capitalism. Stalinism's "violations" of value reflect those inherent in capitalism's epoch of decay; its distortions of normal capitalist methods are determined by the remnants of the workers' state it usurped.

Chapter 6 examines the impact of Stalinism on world politics. We extend the theory of permanent revolution to take into account the massive defeat suffered by the working classes during and after World War II. We reconsider the conception of the imperialist epoch and challenge "new epoch" theories developed under the influence of the postwar economic boom. Lastly we explain Soviet imperialism as a subordinate but essential component of world imperialism.

Chapter 7 looks at the degeneration of the Trotskyist movement, with special attention to the theories of postwar capitalism and Stalinism that developed within it.

Chapter 8 takes up the Soviet system today, spectacularly in decline. We assess Gorbachev's

reform campaign and other proposals from the bureaucracy, the reformist middle class, and workers' organizations. This leads to a final section on the revolutionary program for the Stalinist countries.

Throughout the book, of all the theorists we criticize, Ernest Mandel and Tony Cliff take first place. They are the most rounded: their positions on the Russian question are linked to analyses of capitalism as a whole. This is because they are leaders of international tendencies claiming the mantle of Trotskyism and trying to establish themselves as leaders of workers' struggles. Seeming to attack old-style reformism from the left, they have the potential to attract the best elements of our class.

It would be a disaster of world-historical proportions if the working class were once again blocked from reaching the Marxist consciousness it desperately needs. Preventing this means cleansing Marxism of its Stalinist, social-democratic and centrist corruptions. At the present stage of history, the Stalinist forces that kept world capitalism alive for half a century are in collapse. As the proletariat takes center stage again, the middle-class Marxists are the only force that can hope to take up where Stalinism left off. But the material base for their illusions is crumbling as well. This book is an effort to provide a theoretical, programmatic and therefore practical basis for guiding the movement of class struggle now beginning to rise.