

## BT Debates LRP

# On the Nature of the USSR

The Bolshevik Tendency (BT) and the League for the Revolutionary Party (LRP) held a public debate on the Russian question on December 10 1988, in New York City. Approximately forty people attended, including supporters of both groups, a variety of unaffiliated leftists, as well as representatives of the Freedom Socialist Party and the Fourth Internationalist Tendency (FIT). One of the FITers was Frank Lovell, a long-time cadre of the Socialist Workers Party (SWP). Myra Tanner Weiss who, like Lovell, had a long and distinguished career as an SWP leader, was also in the audience.

Jim Cullen, who made the main presentation for the BT, opened with a spirited defense of Leon Trotsky's analysis of the Soviet Union as a degenerated workers state which revolutionaries must defend against both external capitalist attack and internal counterrevolution.

Walter Dahl responded for the LRP with the assertion that social relations and property forms in the USSR (as well as in China, East Europe, Cuba, Vietnam, etc.) are fundamentally the same as those in the capitalist West. He argued that:

"The reason the Soviet Union is capitalist is because they exploit the workers by means of wage labor. For Marx, the fundamental question that distinguishes all class societies is how is the surplus product extracted from the workers, from the producers. If it's done through slave labor, that's one kind of class society. If it's done through wage labor, it's another....on the basis of that, the entire structure of the society develops."

It is true that workers in the Soviet Union are paid wages, and it is also true that a significant portion of the social surplus is not returned to the workers in the form of consumer goods. But "wages" in the USSR do not constitute variable capital as they do in a capitalist economy.

In the *Critique of the Gotha Program*, Marx observed that under the dictatorship of the proletariat, and even during the lower phase of communist society itself, bourgeois norms of distribution—including payment in accordance with the amount and quality of work—remain in force. Marx explained that, "the individual producer receives back from society—after the deductions have been made—exactly what he gives to it." He explicitly stated that in this, "the same principle prevails as in the exchange of commodity-equivalents: a given amount of labour in one form is exchanged for an equal amount of labour in another form."

The system of wage payment in the USSR is distinguished from that of a capitalist economy in that wages paid to Soviet workers are not money, the universal equivalent of all commodities. They are more like generalized ration tickets—exchangeable for a definite portion of the consumer goods mandated in the central plan. The means of production cannot be purchased with these ration tickets. This feature of the Soviet economy anticipates Marx's projection for socialism in the second

volume of *Capital*:

"With collective production, money capital is completely dispensed with. The society distributes labour-power and means of production between the various branches of industry. There is no reason why the producers should not receive paper tokens permitting them to withdraw an amount corresponding to their labour time from the social consumption stocks. But these tokens are not money; they do not circulate."

—*Capital* (Penguin) Vol. 2

### The Law of Value vs. Centralized Planning

Dahl asserted that the Soviet economy has, for the last half-century, been driven by the law of value, citing various Stalinist bureaucrats as his authority. He argued that if one denies that the Soviet economy is governed by the law of value, "you have to say that it's consciousness that applies, but if you say that it's consciousness that applies and you look at what the conscious planners say, they say they're operating according to the law of value, so you're back at the law of value coming or going."

All this proves is that these Stalinist bureaucrats do not themselves understand the law of value—the law of spontaneous equilibrium of a market economy. Each factory in the USSR produces in accordance with the instructions it receives in the central plan. Its products are sold at the price specified by the planners. Whether or not the products eventually find buyers has little effect on the future activity of the enterprise. Future allocations of machinery, labor and raw materials are also specified in the supply plan.

In a capitalist economy, each company is free to produce as many commodities as it thinks it can sell. It is only limited by the capital at its disposal. The market imposes upon each enterprise a standard of socially-necessary labor time required for the production of each commodity. Enterprises that fail to meet this standard will prove unprofitable and eventually be forced out of business.

Virtually all economists distinguish between "command" and "free" (market-driven) economies. Alec Nove, a reputable liberal economic historian of the USSR, described the operation of the Soviet economy of the 1930s as follows:

"The overriding criterion at all levels was the plan, embodying the economic will of the party and government, and based not on considerations of profit or loss but on politically determined priorities....Prices were out of line with costs, changed at infrequent intervals and not even conceptually related to scarcities, so the profit motive, had it been allowed, would have operated extremely irrationally."

—*An Economic History of the U.S.S.R.*

Planners in a collectivized economy who ignore the totality of available inputs in drawing up an economic

plan invite massive economic dislocation, as Stalin discovered in the early 1930s. But allocating available economic resources in accordance with a predetermined plan, however unbalanced, is a fundamentally different manner of organizing a modern industrial economy than the spontaneous flow of investment from one sector to another in accordance with the law of value, i.e., on the basis of differential rates of profit characteristic of a system of generalized commodity production.

### LRP: Rates of Growth and “Capitalism”

One of the peculiarities of the state capitalist fraternity is that apart from using the same label for the Soviet Union, the various proponents of “state capitalism”—who range from Maoists to Bordigists to various Third Camp “Trotskyists”—cannot agree on *why* the USSR should be considered capitalist. Each political tendency has manufactured its own “theory” and a corresponding date at which the reversion to “capitalism” is supposed to have occurred. The LRP claims that “capitalism” was consolidated by 1939, during the third five-year plan. According to the LRP, the high rates of growth of the first two plans prove that the USSR must still have been a workers state.

The LRP recognizes that the Russian Revolution “nationalized and centralized property, established a monopoly over foreign trade, centrally controlled credit and banking, etc. in a way that the bourgeoisie could never have accomplished.” Yet even when the workers state was transformed into a “capitalist” one, “These gains were not erased by the Stalinist counterrevolution but seized, utilized and turned against the proletariat” (“Exchange on State Capitalism,” *Socialist Voice* No. 6). Thus, according to the LRP, for half a century capitalism has ruled the Soviet Union on the basis of the property forms created by the proletarian revolution of 1917! This is an idealist perversion of one of the most fundamental propositions of Marxism, i.e., that it is changes in the forms of property which characterize the historical succession of class societies.

### LRP and the Unresolved Contradictions of Left Shachtmanism

Max Shachtman was one of the founders of the American Trotskyist movement. In 1939, in response to petty-bourgeois outrage over the Hitler-Stalin pact and the Soviet-Finnish war, Shachtman began to back away from the historic Soviet-defensist positions of the Fourth International. The next year, after a sharp factional struggle, Shachtman and his followers split from the Socialist Workers Party to form the Workers Party (WP). According to the WP, the Soviet Union was no longer a workers state, and should therefore no longer be defended against imperialism. It was, according to Shachtman, a new form of class society, which he labelled “bureaucratic collectivist.” The Workers Party accordingly advocated the creation of a “third camp,” equally opposed to both the Soviet Union and capitalism.

For the next decade and a half, the WP maintained an ostensibly Marxist “third-camp” position, but Shachtman’s political evolution was steadily to the right. He

eventually found his political home among right-wing trade-union bureaucrats of the likes of Albert Shanker. In 1962, he supported the Bay of Pigs invasion of Cuba, and was later a staunch supporter of U.S. imperialism in the Vietnam War.

The interesting thing is that Shachtman, in adopting these reactionary positions, did not explicitly renounce his socialist past. In his own mind, he was still as much a socialist as he had ever been. The LRP, which is descended from the Workers Party, wishes to distance itself from Shachtmanism because it correctly perceives that the explicitly pro-imperialist positions Shachtman wound up adopting in the 1960s were not unrelated to the “third-camp” position he elaborated shortly after leaving the SWP.

The connection is this: if one says that the Soviet Union and similarly structured economies embody a new form of class society, then one must ultimately answer the question: how does such a new social system stand in relation to capitalism? Is it a progressive step, as compared to capitalism? Or is it a step backwards? If the answer is the former, one must defend the Soviet Union and the various other non-capitalist societies against imperialism, because imperialism is constantly threatening them. If, on the other hand, one adopts the latter position, that the Soviet Union represents a historical regression, one is logically obligated to support imperialism against the Soviet Union and its allies. Shachtman for many years shied away from making this choice. But in the end he had to, and he chose the side of U.S. imperialism. His rationale was that workers in the capitalist West at least enjoyed democratic rights, which were denied to their counterparts in the Soviet Union.

The LRP’s leader, Sy Landy, received his political apprenticeship from Shachtman and remained within the orbit of Shachtman’s organization and its immediate continuator for nearly twenty years. The LRP says that, in hindsight, it would have sided with Cannon against Shachtman in the 1940 split in the American Trotskyist movement. But the Russian question was the principal issue in that fight and, like Shachtman, the LRP considers that by 1939 the USSR could no longer be considered a workers state of any type.

The LRP realizes that embracing any “new class” or traditional “state capitalist” position entails revising Trotsky’s appraisal of the whole nature of our epoch—and postponing indefinitely the fight for a revolutionary socialist program. The comrades of the LRP want to avoid the dilemmas of traditional third-campism, but not at the price of abandoning their historic attachment to it. So instead they attempt to reconcile these conflicting imperatives by asserting that the Soviet Union is “capitalist.” We can understand why the LRP, which is, after all, subjectively revolutionary, would like to distance itself from the political logic of the third camp. The impulse to depart from a road that leads straight into the arms of Albert Shanker and the CIA, is a healthy one. But the LRPers can never break from Shachtmanism without embracing the Soviet defensism which their progenitors renounced fifty years ago.

This ambivalence toward their own roots explains the many contradictions in the LRP’s writings on the Rus-

sian question. Among these contradictions is the LRP's attitude toward insurgent petty-bourgeois movements which threaten to overthrow capitalist property relations in the third world. In the New York debate, Dahl argued that Stalinism is analogous to fascism, not merely in the methods of its political apparatus, but in terms of the operation of the social system over which it presides: "Most of the pseudo-Marxist arguments that the Soviet Union is non-capitalist would apply equally well to the private economy of Hitler's Germany." At the same time, the LRP has taken a defensist position toward the Nicaraguan Sandinistas (who are armed and equipped by the Soviets) against the American-funded contras. Indeed the LRP has criticized the Sandinistas for failing to expropriate the Nicaraguan bourgeoisie. But the LRP cannot explain why it makes such a call if the result (a "statified capitalist" society along the lines of Cuba or Vietnam) is going to have "close similarities" to fascism.

The October Revolution was an event so important that, despite the profound degeneration which the Soviet state has undergone and six decades of endless Stalinist betrayal, it continues to shape the world in which we live. You cannot be wrong on the Russian question and be right on the vital political questions which confront the international workers movement today.

We reprint below an edited version of the main presentation for the BT by Jim Cullen:

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When I was a New Leftist in the 1960s, I thought that the so-called Russian question was of interest only to old CPers and hopeless sectarians. The conventional wisdom among us at the time was that the U.S. and the USSR were the world's two great superpowers; their mutual hostilities were far outweighed by their joint interest in maintaining the international status quo; the Cold War was a thing of the past and detente was here to stay. The main political conflict in the world was not between the U.S. and the USSR, but rather between various national liberation struggles on the one hand, and the two superpowers on the other.

This attitude could not survive the next decade, however—at least not in the mind of anyone who thought seriously about world politics. By 1978 Carter was rattling the American nuclear saber at the Soviet Union. By the time Reagan came to office, Carter's anti-Soviet fulminations had grown into a full-fledged crusade. Against this background, only the willfully blind could continue to belittle the importance of the Russian question. The second Cold War demonstrated beyond a doubt that the conflict between the USSR and the capitalist powers is still, in the 1980s, as much a central axis of world politics as it was in 1948 or '58. To deny this, as many leftists and "Marxists" still attempt to do, is to deny what is obvious to anyone who reads the newspapers or watches TV.

Today the conflict between the USSR and the West is a little more muted than it was seven or eight years ago. This is because Mikhail Gorbachev has surrendered to U.S. imperialism on one international front after another—from Afghanistan to Angola to Kampuchea. These retreats are being carried out in the service of the

economic reforms, known under the collective head of perestroika. By cutting "costly foreign commitments" and placating imperialism, the current Soviet leadership hopes to concentrate greater resources and energy on what it considers its main task: the modernization of the flagging domestic economy. To this end, Gorbachev intends to introduce a series of economic reforms which will give greater scope to the market. There has even been talk of issuing shares in certain state enterprises and opening a stock market in Moscow, but this is only in the talking stage.

While not in and of themselves a restoration of capitalism, these measures only give aid and comfort to those within and outside the Soviet bureaucracy who desire to move in that direction. So, once again, events might seem to argue on the side of those who would stress the similarity or gradual convergence between the capitalist and Eastern bloc economies. Yet such a conclusion is possible only on the basis of the most superficial reading of events.

Of course, all the so-called opinion-makers in the West agree with Gorbachev that increasing the role of market forces in the economy will provide the magic answer to all the Soviet Union's problems. And to read the American press, one would get the impression that the Gorbachev reforms are wildly popular with the Soviet masses. But, just occasionally, we receive reports that hardline bureaucrats are not the only source of opposition.

We all know that China is several steps ahead of the USSR on the road to take-the-money-and-run "socialism." Yet a couple of months ago we read that the Chinese government is significantly slowing the pace of its reforms. Why? Not because a few bureaucrats in the planning ministries were becoming disgruntled, but rather because the higher prices, increased inequality and ruthless profiteering spawned by these reforms had given rise to massive popular resentment against the regime, particularly in the cities.

And even the *New York Times* lets slip an occasional hint that a similar popular opposition to perestroika may be forming inside the USSR. For instance, Boris Kagarlitsky, a spokesperson for the newly arisen socialist clubs, writes:

"Naturally, conservative Western experts approve of these ideas [the economic reforms]. But should we in the Soviet Union approve of them? Letters to newspapers, occasional public opinion surveys and conflicts arising here and there provide evidence of public resistance.

"Workers are understandably apprehensive that propagandists of 'free competition' simply want to force them to work harder for their former salaries. This may not worry the scientific and managerial elite, protected by its privileges. But perestroika for the elite may contradict perestroika for the people."

Or consider the following from the 10 May 1988 issue of the *New York Times*:

"Mr. Gorbachev's economists (says the reporter, in an article dealing with the problems of perestroika) tell him that if he is to lift this backward country to a modern standard of living and make it competitive in the world, the Soviet Union will have to begin loosening the safety net of cheap prices, job guarantees and cradle-to-grave

entitlements that stifle initiative.

“In principle, Mr. Gorbachev agrees. He argues that people should be rewarded for their work and for their initiative, not for simply showing up—and that society should not coddle those who refuse to pull their weight. “But the ruthlessness of the marketplace violates the sense of justice and equality reinforced by 70 years of Soviet rule.”

The above snippets tell us something very important about the Soviet Union and China. They tell us that Russian and Chinese workers, unlike their Western counterparts, are possessed of the curious idea that they are alive not on sufferance of the rich and powerful, but by right. This belief, peculiar as it may seem in this country after eight years of Reagan, is not an illusion; it is based upon an economic reality: the reality is that in the USSR, China, Eastern Europe and Cuba, the means of production are not privately owned, but are the property of the state, which regulates the economy by means of a plan.

The reality is further that bureaucrats entrusted with the formulation and execution of the plan, no matter how incompetent, no matter how much they may abuse their authority, must still, as a matter of necessity, provide for the basic needs of the population. Thus the Soviet economy is in at least some sense based on the principle that human need, not private profit or the anarchic forces of the market, are the proper foundations of economic life.

This principle of planning stands at the core of the economies of the Soviet type. This is why they are resistant to all attempts at the gradual reimposition of capitalism, which will never occur without violent social upheaval. It is also the existence of this planned economy that continues to make the Soviet Union the object of the unrelenting hostility of the capitalist powers. This non-capitalist foundation of the Soviet economy is what we of the Bolshevik Tendency consider worthy of defense. We affirm, contrary to the prevailing wisdom of Reaganites, Thatcherites and Gorbachevites that the Russian and Chinese workers’ belief that they have a right to be alive is a good thing, and that the economic conditions that sustain such a belief are to be preserved and not discarded; that the inertia that today afflicts the Soviet Union is the result of the bureaucratic mismanagement and not the principle of planned economy itself; that the introduction of the “free market” is not the answer; that the Soviet worker, when restored to his rightful place as master of the country, will be capable of working efficiently and responsibly without hunger at his back or dollar signs in his eyes. If we did not believe these things, we would cease to be socialists.

Important theoretical problems arise, however, when we begin to consider the “class character” of the Soviet Union and societies of similar nature. According to the classical Marxist tradition, the only class of modern society capable of overthrowing capitalism is the working class. Once the working class had triumphed over the bourgeoisie, according to the classical scenario, it would bring the economy under its democratic, collective rule. Yet the twentieth century has effected at least a temporary disjunction between collectivized property and the

political rule of the working class. Although, as we will argue, socialized property exists in the Soviet Union, no one but the most willfully deluded Communist Party hack will claim that the Russian workers exercise political power. All the decisions about the economy—as well as every other public matter—are made by an insular group of party and state bureaucrats who guard their privileges and power with an iron hand. How do we characterize this bureaucratic stratum and the society over which it presides?

Leon Trotsky, as most of you know, insisted to the end of his life that Russia remained a workers state despite the fact that the workers were disenfranchised. In what sense, according to Trotsky, was Russia still a workers state, albeit a degenerated one? Trotsky argued that, although the Stalinists crushed the workers politically, and physically liquidated the revolutionary cadres who remained loyal to the ideals of the revolution, there was one conquest of the October Revolution they could not so easily do away with: the economic foundations of the Soviet state, i.e., state ownership of the means of production and exchange and state control of foreign trade.

These institutions were the basis not only for the democratic rule of the workers in the early years of the revolution, but also for the rule of the Stalinist usurpers. This is why even the Stalinists are at times forced to defend those economic foundations from capitalist forces. But Trotsky argued that the methods used by the Stalinists in defense of the Soviet Union are inherently inadequate. The Soviet power could only be saved in the last analysis by a broadening of workers democracy and a further unfolding of the international revolution. Precisely because the bureaucracy could only consolidate its rule by undermining proletarian democracy and strangling world revolution, it would prove incapable of defending the Soviet Union in the long run. The Stalinist bureaucracy was therefore an inherently unstable social formation, with no independent historical role to play. It would either be overthrown by the international bourgeoisie, or by the Russian workers. If the second, optimistic variant came to pass, then Stalinism, in Trotsky’s words, would be remembered as nothing more than an “abhorrent relapse” on the road to socialism. Trotsky thought that, in this regard, World War II would provide the decisive test.

Well, the relapse has undeniably been a little more drawn out than any of us would like. World War II did not prove to be as decisive a test as Trotsky thought it would. The Stalinist bureaucracy was not overthrown either by Hitler or the Russian workers. Furthermore, the postwar period saw the extension of regimes similar to Stalin’s Russia to new parts of the world. These latter developments posed a host of theoretical problems for Trotsky’s followers. Trotsky had of course, assumed that the proletariat was the only social class that could bring into being collectivized ownership. But not only were the new Soviet-style states of the postwar period not run by the workers, the working class played almost no part in creating them. They were brought about either by the intervention of Russian tanks, as in most of Eastern Europe, or by the triumph of peasant-based armies led

by the Stalinists, as in China and Yugoslavia. By what logic could they still be called workers states?

These postwar developments also raised an equally significant and related question. Assuming that collectivized property could be brought about by non-proletarian forces, was it not necessary to reassess the entire Marxist tradition regarding the revolutionary role of the proletariat? Had not the Soviet bureaucracy and various third-world peasant leaders proven themselves adequate to the historical task that Marxists had always assigned to the working class? Those who answered these questions in the affirmative came to comprise a trend called Pabloism. (The comrades of the LRP accuse us of being Pabloists, an accusation we of course reject.) These are the questions that perplexed Trotsky's followers in the aftermath of the Second World War and continue to confound many self-proclaimed Trotskyists today.

If we claim to be orthodox Trotskyists (as opposed to Pabloists), it is not because we deny the existence of the problems posed by postwar developments, or because we think that Trotsky's writings contain the answers to all the difficulties that have arisen in the half century since his death. We are orthodox though, in the sense that we think that Trotsky's *essential* appraisal of the Stalinist bureaucracy and its significance in world history has stood the test of time, in broad outline if not in detail.

We begin with the facts. In the USSR, Eastern Europe, China, Vietnam and Cuba, the bourgeoisie has been expropriated and vanquished as a class. I have already spoken of the undoubted benefits that the masses derive from these new property forms that have replaced capitalist ownership. But the larger question for Marxists, I think, is what do these societies signify historically, to what kind of human future do they point? We contend that these societies, in a partial, fragmentary and distorted way embody significant elements of the socialist future. And I think this argument can be made without falling into any Pabloist trap.

It is true that most of the states to which we refer were created without the active intervention of the working class. But the proper question to ask is not whether they have come into being through a workers revolution *in the past*, but whether they are capable of surviving without being brought under the democratic control of the working class *in the future*. And, despite the fact that the Stalinist bureaucracy has lasted a lot longer in Russia than Trotsky thought it would, we would still argue that the collectivized property over which the Stalinists preside is inherently unstable and insecure under their tutelage; that, to secure a solid foundation for itself, collectivized property must be complemented by the democratic rule of the working class in the state. Workers democracy, in other words, is not a pious wish on the part of Trotskyists, but a practical necessity for the survival of collectivized property. Whatever future collectivized property has, is intimately linked to the ability of the working class to make a political revolution and bring these economies under its control. In this sense, these societies can be said to be *deformed workers states* (with the exception of the Soviet Union, which remains

a degenerated workers state).

I think that this way of looking at the problem highlights both the undoubted achievements, but also the limitations, of the societies in which collectivized property prevails. Most are underdeveloped countries. By driving out the old ruling classes and laying hands on the main levers of the economy, the ruling bureaucracies have been able to eliminate some of the most hideous injustices and effects of material backwardness. There have been vast improvements in health care, housing, literacy and the status of women. But these backward countries have not been able, on their own, to achieve the level of material abundance possessed by the West, which is the prerequisite for socialism. Indeed, although far behind the West, they are subject to its constant military and economic pressure. They may have the capacity to withstand this pressure temporarily; but in the long run, their only hope lies in the conquest of the West for socialism.

It is precisely on the road to international revolution that the various Stalinist bureaucracies stand as obstacles, and must be swept aside in a political revolution of the working class armed with the internationalism that inspired the Petrograd workers in 1917. But this cannot happen without preserving the gains already made—chief among them the social ownership of the means of production. The preservation of this conquest in turn demands the unconditional defense of these states against imperialism. This is the essence of the position Trotsky incorporated into the program of the Fourth International, and the one we uphold today.

I would like to turn now to the position of our opponents in this debate, the League for the Revolutionary Party (LRP). And by way of introduction, I would like to recall an instructive episode in the history of the Trotskyist movement. For a number of decades, the ostensibly orthodox wing of the Trotskyist movement was headed by a Briton named Gerry Healy. Round about 1961 and 1962, events confronted our man Gerry with something of a theoretical dilemma. The events of which I speak are known under the general heading of the Cuban Revolution. Castro had just seized power in Havana and nationalized the major means of production. Any ordinary person looking at these developments would conclude that a social revolution had just occurred on that Caribbean island. But Gerry had a problem. You see, Castro and the guerrillas he led were neither Trotskyists nor Stalinists. In fact, they were not part of the workers movement at all, but rather radical petty-bourgeois nationalists. Gerry's problem was that, according to Trotsky and the good old books, petty-bourgeois democrats were not supposed to lead social revolutions. How to account for this turn of events?

Comrade Healy, no doubt after much profound theoretical meditation, hit upon a solution which was extremely elegant in its simplicity. According to Healy, no revolution had taken place in Cuba at all. It simply remained a capitalist country, as it had before Castro rode into Havana. The fact that the Cuban bourgeoisie, now resident in Miami, might have a different opinion didn't seem to perturb Comrade Healy in the least. With this masterful application of the "dialectic," Trotsky re-

mained untroubled in his theoretical ether and all was right with the world.

I mention this episode in order to illustrate a phenomenon that has become all too familiar in the ostensible Trotskyist movement. I call it explanation by denial. The method is really very simple. When confronted by a phenomenon in the real world that presents any challenge to your theory, deny the existence of the phenomenon. In this way, the theoretical problem also ceases to perplex.

But alas, Gerry Healy has no monopoly on explanation by denial. It has, in fact, been carried to new and previously unscaled heights by the comrades of the LRP. According to them, not only was there no social revolution in Cuba but no non-capitalist regime exists anywhere on the face of the earth. They say that Russia reverted to capitalism long ago, and that no social revolutions have ever taken place since then.

Now when we hear the claim that the Soviet Union is capitalist, some of us may think of the work of Tony Cliff, who argued nearly forty years ago that the Soviet Union represents a distinct type of capitalism—state capitalism—in which the means of production are owned by the state. But the LRP will have no truck with this ordinary state-capitalist theorizing. They rather claim to possess an absolutely unique, totally unprecedented, completely unparalleled theory whereby they are able to deduce that the Soviet Union represents not even capitalism of any special type, but rather, a perfectly ordinary, garden variety, competitive capitalism. At most they will allow that certain economic survivals of the October Revolution place obstacles in the path of Russian capitalism. But, since no workers revolutions took place outside Russia, then Eastern Europe, China and Cuba are completely run-of-the-treadmill capitalist societies. And they are all, we are further told, governed by the law of value.

Most people I know associate capitalism with such phenomena as the private ownership of the means of production, i.e., the existence of capitalists, and the competition among them for markets and profits. And most people I know also believe, whatever else they may think of the Soviet Union, that none of these things exist there in any major or important way. This is certainly what Ronald Reagan and Margaret Thatcher think, to name just a couple of people. Now we may all be deluded by false appearances. But it would seem incumbent upon anyone making an assertion so radically at variance with all received opinion and apparent evidence, to come up with some pretty strong arguments in support of such an assertion. The burden of proof would seem to rest on them.

Well, the LRP has written quite copiously on the subject of capitalism in the USSR. The articles on this subject have even been compiled into a separate pamphlet. Yet I challenge you to find a single argument in support of its main contention: the existence of capitalism in the Soviet Union. The LRP may write quite a bit about the advantages of believing that capitalism exists in the USSR, what theoretical, political and moral dilemmas are to be avoided by postulating its existence, why other theories of the Soviet economy are inadequate, or

about the nuances and complexities of the workings of the law of value. But in support of the main contention—upon which all these other secondary points must rise or fall—not a single, solitary grain of argumentation is to be found.

Instead, we get a mass of rather bizarre and contradictory assertions that seem to go something like this: as a result of the Russian Revolution, industry and banking in the Soviet Union were nationalized and foreign trade brought under state control. But, sometime in the mid to late 1930s, the Stalinist bureaucracy stole nationalized property, turned it against the working class and proceeded to restore capitalism.

First, it should be noted that this is quite simply a bald assertion, and not an argument from historical evidence or anything else. Secondly, the LRP never quite tells us *how* the Stalinists restored capitalism. Did they denationalize state property? If so, when? And how come nobody other than the LRP seemed to notice this? Social revolutions and counterrevolutions usually tend to be a little more conspicuous. If, on the other hand, the LRP is claiming that the Stalinists restored capitalism without reestablishing private property in the means of production, this reduces itself to the absurd notion of capitalism without capitalist property or a capitalist class.

For the rest, the comrades of the LRP seem to be convinced that by juxtaposing the words “Soviet Union” and the word “capitalism” on the printed page often enough and in as many contexts as possible, the conviction that the Soviet Union is capitalist will somehow follow. Fortunately, there is a real world against which we can judge various theories and determine their practical consequences. In one small corner of that world—Nicaragua—the Sandinistas have spent the past decade under siege by U.S. imperialism for the crime of having smashed a U.S. client state. The Sandinistas have attempted to straddle the class divide. But what if they had taken one defensive course open to them and expropriated the Nicaraguan bourgeoisie and nationalized the major farms and factories of that country and driven what remains of the native bourgeoisie to Miami along with the gusanos? What would be the attitude of the LRP toward such an act? According to the LRP, it would make no difference whether the means of production remain in the hands of private owners or are taken over by the state. Both modes of ownership are for them equally capitalist.

The LRP has the same problem with all of the defeats for imperialism that have occurred in the last forty years. The Chinese revolution, deformed as it was, placed a vast market and pool of exploitable labor beyond the reach of capital. This is what was at stake in the Vietnam War as well. We all know that the U.S. rulers couldn't have cared less about “freedom” for the Vietnamese, but were vitally concerned that no one anywhere be allowed to make a social revolution against imperialism. Yet, according to the LRP, the entire counterrevolutionary war waged by the U.S. and its Vietnamese puppets, like that of the U.S.-bankrolled Kuomintang in China, the imperialist “United Nations” in Korea and the gusanos at the Bay of Pigs, were the result of an unfortunate misunderstanding on imperialism's part. Had the impe-

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rialists heeded the counsels of the LRP, they would have been apprised that all these perceived foes were really friends in disguise—and had no other aim but to establish a slightly modified form of capitalism.

The imperialists were routed in Vietnam. This, in our view, was a victory for the oppressed and exploited of the earth just as it was a defeat for the exploiters. And it was because of this victory—deformed as it was by Stalinist leadership—that the Ford administration could not intervene in Angola in 1976, and why Ronald Reagan, for all his bluster, will leave office without having toppled the Sandinistas. And for the oppressed of the world, the example of the imperialist defeat in Indochina gave impetus to other forces struggling against neo-colonial rule—from the Sandinistas to the New People's Army of the Philippines. We are thankful that the

American Century met a premature death in the jungles of Vietnam. But, according to the comrades of the LRP, this gigantic event was merely a petty wrangle within the framework of international capitalist rule. And, once again, they are, or logically should be, neutral.

We are not neutral. We are convinced that, behind all the danger and the bloodshed of the “East-West” conflict during that part of the century through which most of us have lived, there stands an issue of very great moment to the working class: whether or not humanity is to continue along the capitalist road. And in this struggle, we take a side: the side of all those forces who have broken or are trying to break the rule of capital. In these struggles, the LRP has no side. All the differences between ourselves and the LRP on the Russian question ultimately boil down to this. ■