# What is State Capitalism?

INDEPENDENT or third camp socialism seems forever doomed to wrestle with the divergent views of Stalinism as bureaucratic collectivism or state capitalism. One day perhaps the conception of Stalinism as a form of industrial feudalism will be reprised as well. Because these debates all too often fail to advance fresh insights into the workings of contemporary society, the entire exercise has always struck many comrades as a barren exercise in Marxist scholasticism — a wearing succession of superficial propositional distinctions in search of a difference. The "state capitalist" views of say Yvon or Ciliga, to take but two well known examples, are merely ideological slicks floating on a powerfully graphic sociology of totalitarian swill. They provided the generic raw material for any meaningful theory of Stalinism. Yet, however weakly they knit together the empirical data, such pioneering efforts had the great merit of drawing a fundamental demarcation between their subject matter and revolutionary socialism; between a modern slavery which had in its sheer sweep few antecedents and a liberation movement with an ambition no less immodest of uprooting all exploitation and oppression, of establishing a classless society of free and equal citizens.

Clearly then the first and evidently — given the lamentable state of what passes for a left — the most decisive step towards political clarity continues to be the repudiation of Stalinism as antithetical and repugnant to every principle and value of revolutionary socialism. Of course, this is a never ending struggle given the degree of romantic nonsense and sappy nostalgia that still surrounds Stalinist movements and certain charismatic ruling Stalinist personalities. The necessary next refinement in political understanding is to provide a coherent and convincing account of Stalinism's origins, how this antisocialist collectivism reproduces and what factors explain its fundamental dynamics and decline. Whether new facts fit old patterns is more than a matter of terminology and classification. Engels says somewhere that although brushes are bristle-bearing entities, classifying them as mammals won't make them lactate. If state capitalists are to provide more than a mammalian-brush theory they might, for instance, explain how Lenin's theory of imperialism is applicable to Stalinism, or how the law of value operates in parallel fashion and what forms of crises endemic to that society are rooted in the self-expansion of capital.

Martin Thomas [*WL*34], it seems to me, instead raises a tenth rate objection to bureaucratic collectivism by advancing a proposition which few in the Workers' Party camp after 1941 would challenge, namely that Stalinist barbarism was neither post-capitalist, nor transitional to socialism. That bureaucratic collectivism, including those that manifest themselves in non-Stalinist forms, represents an "aberrant episode within the capitalist era" however is a proposition where anti-Stalinists such as Martin and adherents to bureaucratic collectivism might part company.

As a matter of historical record, the original 1940 Shachtmanite position contained formulations of "bureaucratic collectivism" as inimical to socialism yet economically superior to capitalism owing to its foundation in a "more advanced form of property, namely state property." This pained and unconvincing effort at reconciling bureaucratic collectivism with Trotsky's argument in *The Revolution Betrayed* was jettisoned in later formulations and in any case challenged at the outset by a more farseeing and theoretically rounded formulation on the part of Carter and others. This version flatly denied Stalinism's potential "to establish either a progressive or stable economic and social order " and held it to be a "bastard path backward" that "arrive(d) on the scene of history as an expression of world social reaction at a time ... when the working class is the only social power which can bring about the progressive transformation of society." Thus even in 1940, the issues that Martin insists on highlighting were already germinating within the political culture of the Workers' Party.

Martin takes umbrage at Shachtman's apparent reliance on Hilferding and "common sense," as unworthy conspirators against the originator of the theory of state capitalism, namely Engels himself. Martin's spiritual forebears on this matter, the Johnson-Forrest tendency, all but claimed Engels as a factional member. Worse still for poor Shachtman — and perhaps it was pure charity on Martin's part to have left this unsaid — Hilferding not only denied the capitalist character of Stalinism, but the logical viability of bureaucratic collectivism as well. The "bureaucracy," Hilferding averred, "is not an independent bearer of power. In accordance with its structure as well as function, it is only an instrument in the hands of the real rulers...It receives but does not give orders."

The totalitarian state in all its forms was in Hilferding's formulation the monstrous product of an unlimited personal dictatorship. If discrediting Hilferding leaves old Shachtman with only "common sense," then, as Chesterton once pointed out, in the real world it is sometimes necessary to alert theoreticians and scholars of earthquakes in progress and elephants jumping from skylights. It seems to me that it must truly be raining pachyderms when one insists that capitalism can exist without individual capitalist property, without individual capitalist profits and where workers are state slaves.

Is there in Engels the faint outline of a theory of an "integral" state capitalism? First it might be noted that Engels fits his exposition in a broad schematic suggesting that state capitalism, far from being an aberration, is a step along the *marche générale* of history. This is not a trivial point, since state capitalist proponents annex tendencies which are held to appear in advanced stages of Western capitalism and apply them to formations which developed from the degeneration of a proletarian revolution in a backwards capitalist nation or to particular problems of decolonization.

More important, Engels provides the image not of a bureaucratic capitalist class or a bureaucracy which is in some metaphysical sense the agent of capitalism, but of a functionless capitalist class, now historically meaningless to the advance of society, but one which still nevertheless privately appropriates the profits generated from bureaucratic exploitation owing to its control of the state. "All social functions of the capitalist are now performed by salaried employees. The capitalist has no longer any other social activity than that of pocketing revenue, clipping coupons and gambling on the stock exchange..." This then, is not an "integral" state capitalism, but the outline of a hybrid state. The social relations of production are no longer capitalist. Indeed the capitalist class is no longer indispensable to the existing and evolving property relations. But the state, operating in Engels words as "a capitalist machine" for the private appropriation of surplus-labor, remains decisively in the hands of the bourgeoisie. For this reason and this reason alone, state property does not eliminate the capitalistic character of the productive forces. All that Engels' theory suggests is that capitalist concentration eventually brings a new class to possess the means of production. But there is nothing in the theory that assures that this new class will necessarily be the class of producers, although neither he nor Marx envisioned any alternative scenario. What is assured is that once the state passes from the hands of the rentier capitalist class the last tie would be severed between the emerging system and anything remotely resembling capitalism; that the productive forces would loose their capitalist function, a function retained under such circumstances only in the most tentative and derivative of manners.

The attempt to provide state capitalism with a deeper meaning as a "surplus-value" producing system, in effect a non-capitalist capitalism, is similarly unconvincing. To the extent that Stalinism maintains basic social antagonisms in the unequal distribution of the conditions of production and the means of subsistence, in social and managerial hierarchy and in exploitation as does capitalism, merely proves

that it as well as all other class societies share common social attributes. Moreover merely because Stalinism is a social economy, where needs are satisfied through exchange — as opposed to one composed of self-sufficient producers — hardly indicates that it is a commodity producing society. Even socialism would be exchange-based. It is not the satisfaction of wants however which drives commodity production, but the amassment of values.
Exploitation under capitalism alone is effected through the exchange of labor power as commodity in the marketplace. This transaction has no meaningful analog under Stalinism, because the worker does not possess labor-power as a commodity. The pricing process considered comprehensively is not merely a matter of social accounting under capitalism, but a manner of spontaneous self-regulation. The production of commodity values performs the parametric functions of signalling profitable sectors as poles for additional accumulation, adjusting market competition, fixing the rate of exploitation and choking off excess accumulations of value through crises. The surplus product under Stalinism no longer requires market competition to be realized; it derives its specific material character and its distribution from the conscious decision of state planning agencies. To the extent that quasi-market relations exist under classical Stalinism they do so as an expedient, rather than a necessity even if forced upon the system through external circumstances.
Bukharin summarized the situation tellingly: "Were the commodity character of production to disappear (for instance, through the organization of all world economy as a gigantic state trust…) we would have an entirely new economic form. This would be capitalism no longer for the production of commodities would have disappeared; still less would it be socialism, for the power of one class over the other would have remained (and even grown stronger). Such an economic system would, most of all, resemble a slaveowning economy where the slave market is absent."

If Shachtman judged any theory of state capitalism resting on Engels to be a half-digested distortion as applied to Stalinism, it was Trotsky, one should recall, who denied the theory itself, much less any application of it, all conceivable coherency; an offense, it is also worth remembering, that he did not extend to the theory of bureaucratic collectivism. "Such a regime (of state capitalism — BF) never existed, however, and because of profound contradictions among the proprietors themselves, never will exist — the more so since, in its quality of universal repository of capitalist property, the state would be too tempting an object of social revolution."

On an even more basic level, the corporate bureaucracy under capitalism does not develop into a new class, because as soon as it becomes an owner of capital it is absorbed into the already existing social structure. But other hybrid social formations did exist and do exist — the most striking current exemplar being Stalinist China. There the bureaucracy, with its roots in state property, increasingly seeks to sustain itself by a secondary plundering of the ever expanding capitalist base. Still too, the phenomenon exists in Western capitalism as well, where the state bureaucracy accesses and controls — without private ownership — vast sectors of capitalistically generated surplus value and does so arguably far beyond that minimally required to secure the general conditions of capitalist exploitation and social cohesion. The "Republican revolution" in the US and the downsizing of "big government" are reflections of the current stage in that struggle and have their echoes throughout the capitalist world.

Bureaucratic collectivism sought to provide a unified explanation for the emergence of an independent state bureaucracy as third social force in society. The theory accounted for this rising phenomenon in the disintegration and degeneration of capitalism and capitalist imperialism following the first world war and the failure of the working class to organize its forces to overcome the system. This created a social vacuum that was filled by the state bureaucracy, which stabilizes and holds society together in a collectivist, albeit anti-socialist and reactionary fashion. This new system emerged in the Soviet Union first because the indigenous capitalism had already been uprooted by a workers' revolution and because the international forces supporting capitalist restoration were at their economic nadir. It rose later in the Western nations, both under fascist and democratic regimes, due to the unliquidated nature of the Great Depression, and persists to this day owing to the inability of private capital accumulation to provide the vigor and momentum necessary to roll back the state sector without the reoccurrence of massive and prolonged social dislocation.

"State Capitalism" adds little to advance the analysis of modern society. It remains terminally mired in confusion, a futile exercise in banging round pegs into square holes.

*Barry Finger*

# Yes, but what is the "revolutionary party" for?

TOM Macara's account of the left and defence of Bengali Brick Lane in 1978 [*Workers' Liberty* 36] raises questions for socialists about the balance between socialists' proper concern with building their own organisation — in 1978, the SWP — and responsibility to the broader struggle. It is a sad fact that the Communist Party in 1936 despite everything behaved better than most of the "revolutionary left" at Brick Lane, 1978.

For socialists, the correct response to fascism must be — stamp on it. We cannot rely on the state to disperse the fascist gangs who — if our class achieves a revolutionary situation — will be the last defence of capitalism. This means physically opposing fascists wherever they appear, unless it is physically impossible; no other excuse will suffice. Quite aside from being dangerous this can be inconvenient, and in 1978 for some so-called socialists opposing fascism was 'inconvenient' or, rather, not as much political capital could be gained from fighting fascism in East London as from singing about it at a rock concert.

In the late 1970s fascism was on the march. The National Front had thousands of members — far more than their spawn the British National Party do today — and they were organising in East London.

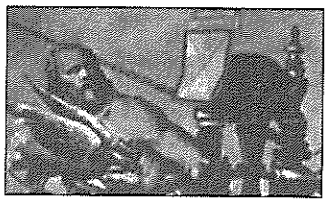
In the summer of 1977, despite the protection of the police, their attempt to march through South London was defeated by a combination of socialist anti-fascists and local black youth in the Battle of Lewisham. Partly as a result of this anti-fascist victory, the SWP launched the Anti-Nazi League in tandem with Rock Against Racism, supposedly as a broad body dedicated to fighting racism. Its principal purpose was in fact for the SWP to gain recruits.

The ANL had the involvement of other socialist groups, but fundamentally it was run by and for the SWP. The ANL organised opposition to the fascists nationally, made propaganda against them and shared platforms with liberals, churchmen, and anyone who nominally opposed fascism and would speak on an ANL / SWP platform.

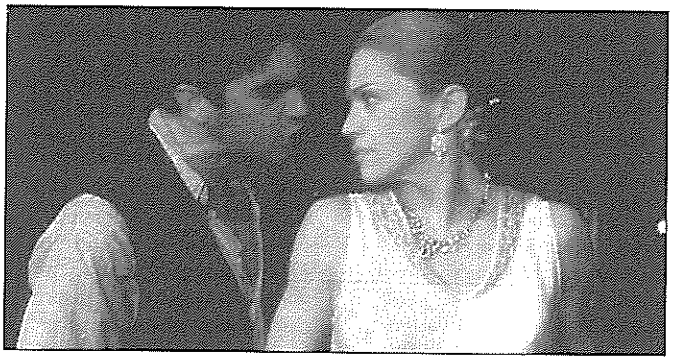
The most valuable work the SWP contributed to anti-fascism was the way it brought huge numbers of young people into politics through huge carnivals and concerts. These events were great as a means of building support, but they were not in and of themselves political. They were no substitute for the bedrock activity of anti-fascists — physical opposition. But they were highly successful for the SWP in terms of "visibility" and recruits. Objectively there is nothing wrong with a 'front' group like this provided that it does not boost "the party" to the detriment of the movement. For the SWP, the main if not the only reason these events were held was to serve "the party", not the movement — certainly not the blacks and Asians being subjected to racist attack. Brick Lane '78 proved that.

The conflict of interest between narrow SWP recruitment and doing the job of a revolutionary party in the world around us came to a head in the summer and autumn of 1978 — in race conflict terms the real "summer of hate". By July skinheads had murdered three Asians, the most notable murder, of Altab Ali, sparking off sit-downs and protests throughout the Asian East End. An anonymous policeman killed Blair Peach — who had recently been expelled from the SWP — with a weighted cosh. Hundreds of blacks and Asians had been assaulted, some maimed; and the NF were growing in numbers and organisation — they organised systematic attacks in the East End. Using a local mini-cab firm's radio equipment, they co-ordinated their attacks.

*Continues on page 46*



# Springtime for Eva and Argentina



THE sometimes inspired vulgarian Mel Brooks once put prancing Nazis on a stage and had them perform a musical comedy number, "Springtime for Hitler and Germany". That was in the 1968 film, *The Producers*. For reasons of their own the producers of an expensive stage show wanted it to be a flop and thought the "Hitler" number would sink it. But no. People took it for satire and the show was a hit.

Nobody could mistake *Evita* for satire or believe Andrew Lloyd-Webber and Tim Rice wrote the show intending it to be a flop. Yet the fundamental idea — a musical about Eva Peron, wife and political partner of the Argentinian dictator Juan Peron — is nearly, not quite but nearly, as awful as having mincing SS men do a high-kicking stage musical number in celebration of Hitler.

Peronism was not quite fascism. It was a nationalist-populist movement created around one faction of the Argentinian military, but modelled on Mussolini's fascist movement. (Peron went to Italy to study it.) In the mid forties and after, its closest international links were with Franco's fascist Spain.

In an act of deliberate political solidarity, Peron's Argentina provided vast numbers of fleeing Nazi war criminals with a refuge. The regime was notoriously anti-semitic.

True, the Peronists, destroying the old Argentinian labour movement, did build up their own labour movement as one element of the populist support on which they rested themselves, using Argentina's accumulated reserves of wealth for a while to placate and buy off layers of the working class. In that Peronism was, if you like, "better" than both fascism and Stalinism. But it was nevertheless a nasty right-wing authoritarianism.

The story of Eva Peron's rise from 'showgirl' and high class prostitute to the position of almost-equal partner with the dictator is, to be sure, a spectacular one. For a parallel you have to look to the story of Theodora, the Constantinople 'sex worker' who married the 6th century Emperor Justinian. Eva Peron built her popularity by taking control of the institutions of charity and identifying their activities with herself and her husband's regime.

Peronism is not the most obvious subject for a musical show, yet, over two decades, *Evita* has been spectacularly successful. One of its songs, "Don't Cry For Me Argentina" — the tune of which is in part plagiarised from the old song, "Rose Marie" — was a great pop success. Now we have *Evita* the film.

The production has tremendous energy and pace, the performances are powerful and convincing, especially Madonna as Eva Peron. The music — opera-like, the 'dialogue' is sung — is non-stop and the story, from Eva's childhood to her death, unfolds like a pageant, explained and sometimes counterpointed by a continuous singing commentary. The dramatic confrontation-points are hurried through, with commentary, more illustrated show or time-starved TV advert story than drama. The effect is of distancing and alienation.

I hated it — not only the idea of it, but what they make of it. I love old musicals but I longed for this to stop. My two companions felt the same. I would have left if I had not been reviewing it.

The commentator is Che Guevara, no less! His comments are presented as a critical counterpoint to Eva's doings and concerns. Antonio Banderas as "Che" appears in various roles in innumerable scenes as The Witness, the "Chorus". He is Eva's alter ego.

This is the movie's device — vinegar on greasy chips — for making the story of the dictator's moll palatable, and evidently it works for many people who could not otherwise stomach "Springtime for Eva and Argentina". Yet it is entirely spurious. "Che" displays angry body language and sometimes spits out his words, but — except for one dream exchange in which Eva excuses herself for not aiming at 'impossible' things — little of substance is said. It is style and form, not substance. TV advert stuff, in fact.

Everything here is banality. You notice that the sung language is flat, everyday, cliché ridden, leavened only by a few bad rhymes and half-rhymes. Then you notice that the clichés are the high points!

And it is enormously, overwhelmingly, astonishingly vulgar — what it depicts, how it depicts it, and the language in which it expresses it. Eva engages in ostentatious and very conspicuous consumption. The "high life" is that of the vulgar rich. That is the show's own measure of Eva's "success".

*Evita* loves Eva and approves of her. This show's hit song "Don't Cry for Me Argentina" is "I Did it My Way" — the self-worshipping anthem of middle aged narcissistic dimwits who in real life always did it someone else's way, and are now forever stuck with the match — only with more sombre music.

What is *Evita*? Though it dates from the mid-70s, *Evita* is really a camp celebration of the values, the concerns, the morality and the shameless vulgarity of the Thatcher era. Right now, the smug Tories, Lloyd-Webber and Rice, are possibly busy writing "Maggie, the Musical" or maybe "big-hearted Eva" — Braun this time.

*Sinead Ash*

# Blair: a suitable case for treatment?

THE bungled attempt to rig Radio 4's *Today* Programme "Personality of the Year" poll in favour of Tony Blair was one of the more amusing contributions to the panto season. It also told us a lot about the mentality of the young sycophants who inhabit Millbank Tower, whose sole mission on earth appears to be to build a bizarre personality cult around a grinning nonentity.

But what of the mentality of the 'personality' at the centre of this rather feeble cult? Most of the rank and file of the Labour Party appear to regard A. Blair Esq. as a personable opportunist who can get the Tories out and might just prove to be a bit more radical in government than he is in opposition. A growing band of us think he is a devious, sanctimonious Christian Democrat who has already succeeded in destroying much of what made the Labour Party worth supporting and who, in government, would usher in an authoritarian neo-Thatcherite regime.

Former Labour MP Leo Abse

clearly agrees with the latter thesis in all but one respect: Blair isn't devious, he's mad. As an accomplished amateur Freudian, Abse doesn't put it as bluntly as that. He talks in terms of a "fractured psyche", a desire for "permanent adolescent androgyny" and a "yearning to return to the womb" (Abse's explanation for Blair's much-vaunted enthusiasm for rock music).

As with his previous work on Margaret Thatcher, Abse locates the source of his subject's psychosis in a dysfunctional childhood and an ambivalent relationship with a domineering father. In Thatcher's case (according to Abse) the resultant psychosis was tempered by marriage to the relatively stable Dennis: in Blair's, the problem was compounded by marriage to the equally psychotic Cherie.

Most of this stuff is, of course, no more than highly speculative psycho-babble. But there are moments when Abse hits the nail on the head: the fascistic overtones of the rhetorical obsession with "youth" and "rebirth", for instance. Abse is at his most perceptive in his description of the Blair court, heaving with "homoerotic" rivalries and driven by an Oedipal need to deny and destroy the 'Old' Labour heritage: "As they seek to kill off the fathers, the courageous youngsters, manned with piss proud erections, dare to obliterate the reality that the most radical Labour government was led by old men."

As you have probably gathered by now, this book is essentially a gutsy, 'Old' Labour diatribe against the Blair entry-job on the party and its accompanying personality-cult. You can take or leave the psycho-babble, but in a political culture that encourages the rigging of radio popularity polls and Labour spokespersons (the egregious Janet Anderson in a *Daily Telegraph* interview) claiming to be sexually excited by the Great Leader, Abse's pseudo-psychoanalysis is a timely breath of fresh air.

And it suggested to this reviewer that in campaigning to destroy Tony Blair the politician we are bringing a life-affirming catharsis to Tony Blair the human being.

*Jim Denham*

*"The Man Behind the Smile: Tony Blair and the Politics of Perversion" is published by Robson at £16.95*

# Not yet the brackets

**THE best-known of the Liverpool poets who came to prominence in the 1960s is Roger McGough, recently voted Britain's favourite poet. Another, Adrian Henri, once wrote a poem as a preface to the Labour Party manifesto.**

**Brian Patten, who has just brought out a new volume, *Armada*, is perhaps the least recognised of the Liverpool poets. McGough and Patten have also produced collections of children's poetry. All three are known for mixing humour with bleak pictures of reality.**

**Brian Patten is preoccupied with love. *Storm Damage* [1988] was for middle-aged people contemplating how far their love lives have veered from their youthful ideal. Disillusion appears in other areas of life. One of the most vivid poems in *Storm Damage* is about the junked idealism of the hippy generation.**

*Where are all those long-haired optimists now?*
*The barbers are standing over their graves, gloating.*

*In attics and basements*
*Their children are playing*
*With junk-beads,*

*Inside the yellow, infantile magazines*
*That celebrate ghost-revolutions*
*Earwigs are nesting,*

*In crematoriums*
*Old protest songs are regurgitated*
*As piped muzak.*

*So much hoped for, so little altered:*

*On the stock market*
*Community workshops*
*Appear as listed companies.*

*Outside*
*The same truncheons*
*Rising and falling,*

*Batons conducting*
*Man's history, ignoring*
*His passing fashions, his illusions.*

**His political poems are sometimes trite — he doesn't spend as much time analysing society as readers of this magazine! — but this one is excellent. Patten still thinks the world stinks.**

**Now, in *Armada*, Brian Patten writes for people whose parents are dying. Romantic love takes a back seat as he remembers his mother.**

**The final poem in *Storm Damage* was a funny parody of the history of English literature. The final poem in *Armada* is "The Brackets", a funny, grim poem reminding his contemporaries they are about to drop off the assembly line of life.**

*I look down the contents list at the poets' names —*
*de la Mare (1873–1956)*
*Farjeon (1881–1965)*
*Graves (1895–1985)*

*... Henri, Mitchell, McGough — watch it mates,*
*The brackets, any day now.*

**He has a way to go yet, though, and hopefully he'll cheer up soon, because, however miserable he gets, or however much his poems reflect the thoughts of a middle-aged and soon to be old man, he can still jump into the head of younger people and write about bullying or dyslexia or disaffection — from their perspective.**

*The Minister for Exams*
*When I was a child I sat an exam.*
*The test was so simple*
*There was no way I could fail.*

*Q1. Describe the taste of the moon.*

*It tastes like Creation I wrote,*
*it has the flavour of starlight.*

*...Yet today, many years later,*
*for my living I sweep the streets*
*or clean out the toilets of the fat hotels.*

*Why? Because constantly I failed my exams.*
*Why? Well, let me set a test.*

*Q1. How large is a child's imagination?*
*Q2. How shallow is the soul of the Minister for Exams?*

*Joan Trevor*

*"Armada" is published by Flamingo and costs £5.99.*

*From page 44*

Once the fascist intention to march on Bengali East London at the same time as the carnival was clear, the duty of socialists was also clear: cancel the carnival and organise for the defence of Brick Lane. A real revolutionary movement could have done that. Fundamentally concerned with "party advantage" rather than the struggle, the SWP could not do this. So, to begin with they hummed and hawed over the accuracy of reports of fascist intentions, and then, when decision time came, they refused to cancel the carnival, or even to organise a serious additional effort in Brick Lane.

Their reason: 'We won't let the NF spoil our carnival, we won't be intimidated.' And so as a result a small group of socialists and anti-fascists rallied to "defend Brick Lane", while 100,000 crammed into Brockwell Park. Even ten percent of these carnival goers would have been enough to see off the 1,500 thugs who marched, and then plausibly boasted 'we can march anywhere in England.' Some shop windows were smashed, a few people were attacked, a community was besieged, scum were allowed to march with impunity and subsequently encouraged to continue terrorising and maiming.

The disgrace of Brick Lane hastened the demise of the ANL as a serious organisation. (The SWP revived it in the early '90s). Their betrayal of the East End — and black and Asian people in general — earned them the title of 'white wankers' who played at anti-racism, and discredited the "white left" in general.

After the Battle of Lewisham in 1977, *Socialist Worker* made the conclusive argument: "The NF are Nazis — and there's only one way to deal with them... every successful march, every successful attack on black people, builds up the mood of exhilaration that stops their followers seeking for the real causes of their despair... to those who denounce us we say: if you had been in Germany in 1933, and you knew then what you know now about the Nazis, would you have sat at home and waited for reason to prevail?" — or danced in Brockwell Park?

*Bobby Baker*