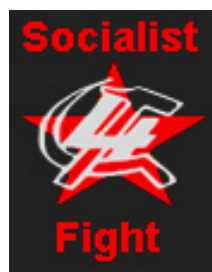




# In Defence of Trotskyism No. 6

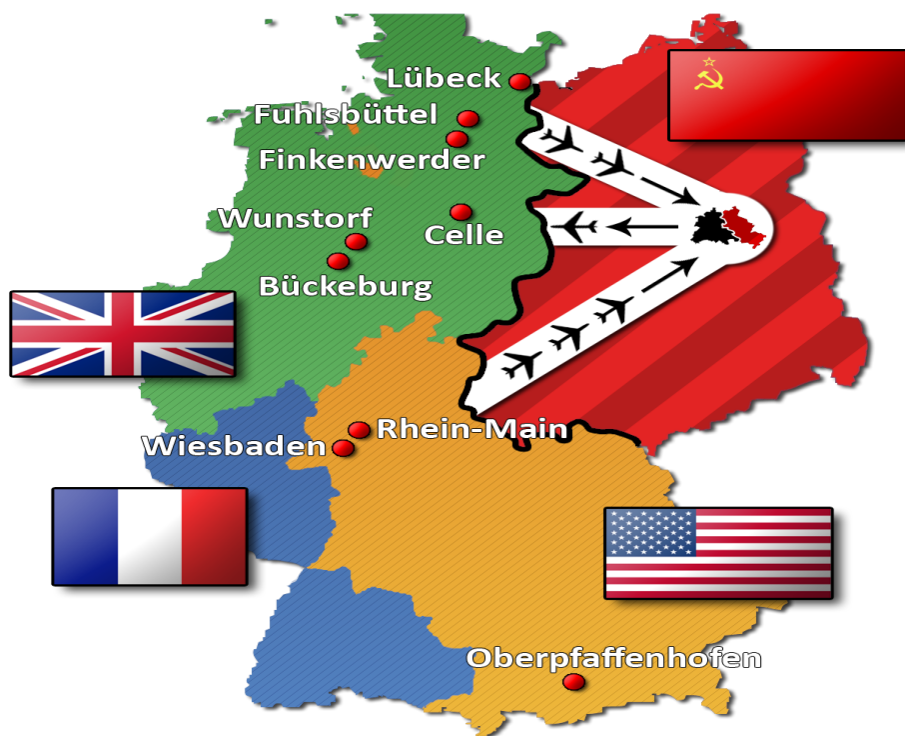
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## The Marxist theory of the state:

Deformed and Degenerated Workers' States and Capitalist States

Reply to RCIT Part 3 (assessment also of the positions of Workers Power/LFI, Ted Grant and the Socialist Party/CWI, Socialist Appeal/IMT, the Spart family ICL/IBT/IG, Mandelites/USFI/US SWP, David North's SEP/WSWS/ICFI and a passing look at the Cliffite UK SWP).



**Berlin Airlift-June 24, 1948 to May 12, 1949 and debate on Buffer States**

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### Where We Stand

1. WE STAND WITH KARL MARX: 'The emancipation of the working classes must be conquered by the working classes themselves. The struggle for the emancipation of the working class means not a struggle for class privileges and monopolies but for equal rights and duties and the abolition of all class rule' (The International Workingmen's Association 1864, General Rules).

2. The capitalist state consists, in the last analysis, of ruling-class laws within a judicial system and detention centres overseen by the armed bodies of police/army who are under the direction and are controlled in acts of defence of capitalist property rights against the interests of the majority of civil society. The working class must overthrow the capitalist state and replace it with a workers' state based on democratic sovi-

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Editor: Gerry Downing

Assistant Editor: John Barry.

ets/workers' councils to suppress the inevitable counter-revolution of private capitalist profit against planned production for the satisfaction of socialised human need.

3. We recognise the necessity for revolutionaries to carry out serious ideological and political struggle as direct participants in the trade unions (always) and in the mass reformist social democratic bourgeois workers' parties despite their pro-capitalist leaderships when conditions are favourable. Because we see the trade union bureaucracy and their allies in the Labour party leadership as the most fundamental obstacle to the struggle for power of the working class, outside of the state forces and their direct agencies themselves, we must fight and defeat and replace them with a revolutionary leadership by mobilising the base against the pro-capitalist bureaucratic misleaders to open the way forward for the struggle for workers' power.

4. We are fully in support of all mass mobilisations against the onslaught of this reactionary Con-Lib Dem coalition. However, whilst participating in this struggle we will oppose all policies which subordinate the working class to the political agenda of the petty-bourgeois

reformist leaders of the Labour party and trade unions

5. We oppose all immigration controls. International finance capital roams the planet in search of profit and Imperialist governments disrupts the lives of workers and cause the collapse of whole nations with their direct intervention in the Balkans, Iraq and Afghanistan and their proxy wars in Somalia and the Democratic Republic of the Congo, etc. Workers have the right to sell their labour internationally wherever they get the best price. Only union membership and pay rates can counter employers who seek to exploit immigrant workers as cheap labour to undermine the gains of past struggles.

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### Introduction

This is the third part of a reply to the Austrian-based Revolutionary Communist International Tendency (RCIT) on a wide range of political and historical issues that have been controversial in the history of Trotskyism. In tackling these issues we found it necessary to address the whole history of Trotskyism and how various groupings saw it. In particular we addressed the 'left-Trotskyist', groupings, the Spart 'family', the ICL, the IBT and the

IG and Workers Power/LFI, who parted company with the RCIT just a few years ago. We also looked at the history of Ted Grant and his successor groups because these have been neglected by left Trotskyists for far too long. Other groups are dealt with as occasion arises during the polemic. This publication concentrates on the Marxist position on the state.

The post WWII debate in the Fourth International of the late 1940s and early 1950s on

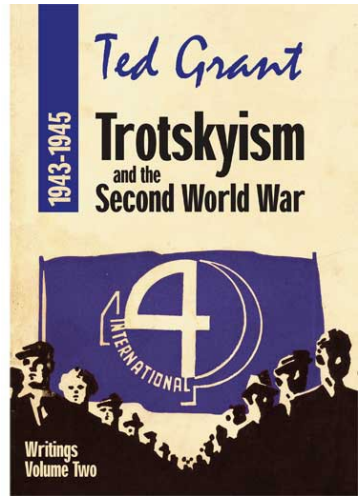
## The Marxist theory of the state Page 3

the class character of the 'Buffer States' in Eastern Europe was resurrected in 1989-92 with the fall of the Berlin Wall and the collapse of the USSR following the Yanayev coup and Yeltsin's counter-coup of August 1991. We will see from the struggles we have outlined below that the Stalinist bureaucracies became divided into three camps following the defeat of the Brezhnevites by Gorbachev in 1989; those Gorbachevites on the left who wished to retain the degenerate and deformed workers' states by opening up the economic plan by glasnost (openness) and perestroika (restructuring), those in the middle (Yanayev and Deng in China) who sought the restoration of capitalism by slow, planned measures, maintaining the Stalinist bureaucracy as the vehicle of restoration and those on the right like Yeltsin who sought a rapid capitulation to western Imperialism and their own enrichment by plundering the state assets in alliance with western transnational corporations. We can observe at least elements of these three tendencies in most of the counter-revolutionary overturns of 1989-92.

The first debate on the nature of the East European countries behind the 'iron curtain' in the FI in the late 1940s eventually resulted in the correct conclusion that they were deformed workers' states, but much confusion remained. We will look at the position again as it emerged in the debate over the class character of Cuba in the early 1960s and the debate about the class character of Cambodia in the late 1970s following the invasion by Vietnam on 25 December 1978. And of course, as we have mentioned, the debate following the victory of the counter-revolutionary restoration of capitalism in Eastern European and Asian states in the late 1980s and early 1990s.

We will look at the politics of Workers Power Britain (WPB) and Ted Grant's groups (CWI and IMT today) as it manifested itself

on this question. And also the politics of the International Bolshevik Tendency (IBT) as it intervened in these events. But first we will look at Grantism and the state, its prime revision of Marxism as identified by almost every other far left group.



### Problems of Grantism On The State

The problems of Grantism on the state go back at least to 1949 [1] when Ted Grant wrote his *Reply to David James* in which his erroneous theory of *Proletarian Bonapartism* first made its debut, as far as we know:

“Stalinism is a form of Bonapartism that bases itself on the proletariat and the institution of state ownership, but it is as different from the norm of a workers' state as fascism or bourgeois Bonapartism differs from the norm of bourgeois democracy, which is the freest expression of the economic domination and rule of the bourgeoisie. Now it seems that Stalinism, once having become the government, is based on the proletariat because it is based on proletarian property forms, “the institutions of state ownership”. Thus it has ceased being counterrevolutionary in NATURE because it has performed a progressive historical act. The confusion here is between its essential class character and its manoeuvres. Stalinism, leaning on the prole-

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ariat can, under given conditions, balance between the opposing classes to strengthen itself for its own ends. We have seen how this was accomplished in Eastern Europe. We now have a similar development taking place before our eyes in China.” [2]

Stalinism was and is not really “leaning on the proletariat” at all but using the working class threat to lean essentially if indirectly on Imperialism and far more directly on the peasantry to accomplish this. However the above quote is also wrong because it directly equates the assumption of state power by the Stalinists with “the institutions of state ownership”, as if that represented a deformed workers’ state. In fact this phrase does not define any real Marxist scientific category at all. In some cases Stalinists conquered territory and never overthrew capitalist property relations at all (Austria, Finland and Afghanistan to name but a few). In some cases they only did it after attempts to maintain capitalist property relations failed (Eastern Europe from 1945 to late 1947/ early 1948, Yugoslavia and Albania in 1943-48 [3], China in 1951-53). It was never the case that the degree of nationalisation determined the class character of the state. If we take a quote from Trotsky’s *The Revolution Betrayed* we can see how essential the subjective factor is; how the will of Lenin and the Bolsheviks and the will of the Stalinists were both capable of creating workers’ states when they controlled the entire state bureaucracy. But Lenin’s state was based on the programme of the world revolution; the Stalinist states were based on finding a compromise with world Imperialism to maintain their own privileges in their own bailiwick. And Mussolini only wished to save capitalism by smashing the workers’ organisations in his corporate state:

“The words of Mussolini: “Three-fourths of Italian economy, industrial and agricultural, is in the hands of the state”(May 26, 1934), are not to be taken literally. The fascist state is

not an owner of enterprises, but only an intermediary between their owners. These two things are not identical. Popolo d’Italia says on this subject: “The corporative state directs and integrates the economy, but does not run it (‘dirige e porta alla unita l’economia, ma non fa l’economia, non gestisce’), which, with a monopoly of production, would be nothing but collectivism.” (June 11, 1936) Toward the peasants and small proprietors in general, the fascist bureaucracy takes the attitude of a threatening lord and master. Toward the capitalist magnates, that of a first plenipotentiary. “The corporative state,” correctly writes the Italian Marxist, Feroci, “is nothing but the sales clerk of monopoly capital ... Mussolini takes upon the state the whole risk of the enterprises, leaving to the industrialists the profits of exploitation.” And Hitler in this respect follows in the steps of Mussolini. The limits of the planning principle, as well as its real content, are determined by the class dependence of the fascist state. It is not a question of increasing the power of man over nature in the interests of society, but of exploiting society in the interests of the few. “If I desired,” boasts Mussolini, “to establish in Italy – which really has not happened – state capitalism or state socialism, I should possess today all the necessary and adequate objective conditions.” All except one, the expropriation of the class of capitalists. In order to realize this condition, fascism would have to go over to the other side of the barricades – “which really has not happened” to quote the hasty assurance of Mussolini, and, of course, will not happen. To expropriate the capitalists would require other forces, other cadres and other leaders.” [4]

Of course there was never any doubt of Lenin’s intentions because his entire programme was based on fighting for the world revolution and overthrowing capitalism globally. The Stalinist ideology was based on the theory of socialism in a single country in

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order to reach an appropriate compromise with Imperialism internationally. If they could do so without overthrowing capitalist property relations they would do so as is evidence by Mao's bloc of four classes theory (the peasantry, the working class, the urban petty bourgeoisie and the nationalist [as opposed to the comprador] bourgeoisie), the theory with which he took power at the head of the 'Red Army' in 1949. Later compromises with Nixon in 1972, for instance, after the institution of the deformed workers 'state in 1952-3 when immediately threatened by Imperialism via the Korean War were entirely in line with this narrow, nationalist outlook of Stalinism, concerned primarily with its own country and the bureaucracy's privileged position as the prime beneficiary of the state feed bag.

Therefore having not understood what the essence of the Marxist theory of the state as applied to Eastern Europe after WWII he cannot understand what a workers' state is. Trotsky says the class character of a state is defined by the property forms that a given state guards and defends. We put forward the following from the Leninist Trotskyist Tendency – Comrades for a Workers Government (South Africa) fusion document of January 1993 as the correct understanding of the Marxist theory of the state under the heading *The class nature of Eastern Europe and the ex-Soviet union*:

“The states of Eastern Europe and the ex-Soviet union can no longer be categorised as deformed or degenerated workers' states. At root, a workers' state is one in which the bourgeoisie is politically suppressed, leading to its economic expropriation as a class. This is what such apparently disparate events as the October revolution of 1917 and the bureaucratic overturns in Eastern Europe, Asia and Cuba after 1945 have in common. The class nature of a given state is determined by the property relations it defends and / or



President Richard Nixon and China's Premier Mao Tse Tung in 1972.

strives to develop. We reject both purely 'economic' and purely 'political' definitions of a workers' state. The former stresses the continued existence of nationalised property and the continued suppression of the law of value, irrespective of the political regime, while the latter equates Stalinist bureaucracy with the workers' state. Precisely the weakness of capitalist development in the former workers' states makes a normative restoration of the law of value unlikely in the short to medium term. As Trotsky anticipated, the restorationists will be obliged to retain a significant sector of nationalised property. This inheritance from the past will continue to distort the 'normal' operation of the law of value.” [5]

We would add China, Vietnam, Cambodia and Laos to the list of states where capitalism has been restored now. The analysis was fleshed out by the LTT in a long document in 1994; *The Marxist Theory of the State and the Collapse of Stalinism*, [6] based on Trotsky's *Not a Workers' and Not a Bourgeois State?* and some other of his writings. [7]

### Did Stalinism Change its Nature?

But it is the confusion contained in the capitalised word 'NATURE' above that is Grant's real weakness. Because the illusion is

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fostered that, “*it (Stalinism) has ceased being counterrevolutionary in NATURE because it has performed a progressive historical act*”. This is totally wrong and as we will see it was not long before Grant was assigning a progressive ‘nature’ to all manner of bourgeois nationalist regimes which also became deformed workers’ states according to him. It is also analogous to the position taken by the CWI/IMT on the left trade union bureaucracies. And it prepared the ground for the notion of transforming the state via parliament, from above like Mao, although the circumstances were just not at all comparable to those in Britain. Stalinism did not change its NATURE but changed its orientation in its own interests because of its changed circumstances. It remained counter-revolutionary but not in the “through and thought and to the core” way advocated by Joseph Hansen of the US SWP against Pablo; it performed a dual or contradictory role or function forced on it by its circumstances, as a TU bureaucrat might call a strike and so perform a progressive function thereby, despite remaining a ‘labour lieutenant of capital’ in the workers’ movement. In fact this erroneous formulation was initially coined by Brebtraau-Farve in his 1951 document *Where is Pablo Going?* which opposed only the later degeneration of Pablo but not his initial ideological capitulation to Stalinism by asserting that it had a progressive, revolutionary side:

“All the experiences since 1933 have shown the role of the Soviet bureaucracy with increasing clarity and simply express its dual character—working-class and counter-revolutionary—its fundamentally contradictory nature, and its impasse.” [8]

Dave Bruce’s document, *Trotsky and the Materialist Analysis of Stalinism* fully explains this error:

“It cannot be over-stressed that, in spite of widespread claims to the contrary, Trotsky never referred to the ‘dual nature’ of the

workers’ state, the bureaucracy or anything else. As a complex of institutions comprising millions of people, it would be absurd to talk of a ‘dual nature’ of a bureaucracy. On the contrary, in *The Transitional Programme*, he had written:

“... from genuine Bolshevism (Ignace Reiss) to complete fascism (F. Butenko). The revolutionary elements within the bureaucracy, only a small minority, reflect, passively it is true, the socialist interests of the proletariat. The fascist, counter-revolutionary elements, growing uninterruptedly, express with even greater consistency the interests of world imperialism . . . Between these two poles, there are intermediate, diffused Menshevik-S.R.-liberal tendencies which gravitate toward bourgeois democracy.”

What he did write about was the dual role, the dual function of the workers’ state and the bureaucracy, more or less interchangeably. And that was no accident, the bureaucracy had usurped the state, leaving the working class no role or function within it. The Marxist conception of the workers’ state assigned the role of defence of the state and of control of its bureaucracy to the working class, organised in Soviets. The capacity of the class to perform this role had been portended by the short-lived Paris Commune of 1871 and, to a degree, proved by the early experience of post-revolutionary Russia. However, under the appallingly difficult conditions of the first, backward and isolated workers’ state, the working class surrendered the role. By the mid-1920s, if Trotsky is to be believed, the Thermidorian reaction had occurred and the bureaucracy had become the state.” [9]

From the ICL’s Anti Sep-tic blog the Sparts make the same mistake. [10] In refuting David North they repudiate the essence of Joseph Hansen’s progressive if undialectical instinct in seeking to repudiate Michel Pablo’s assigning to Stalinism a ‘revolutionary orientation’ by themselves basically asserting



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the correctness of Pablo against Hansen by equating “role” with “nature” in the following piece. It is undoubtedly the source of the Spart family’s neo-Stalinism as in “Hail Red Army in Afghanistan” (ICL-LFI) and continued characterisation of China and Vietnam as deformed workers’ states by ignoring the direction of the economy and the social relations those states defend by relying solely on the continued existence of the Stalinist parties at the head of these states:

“But North could well be hoist on his own petard. In *The Heritage We Defend* he writes that “Trotsky had branded the Stalinist bureaucracy as ‘counterrevolutionary through and through’....” One can look through everything Trotsky ever wrote and never find this falsely and stupidly one-sided formulation. On the contrary, as he said in “*The Class Nature of the Soviet State*”(October 1933): “Whoever fails to understand the dual role of Stalinism in the USSR has understood nothing.” The formulation “counterrevolutionary through and through” which North embraces was the work of... none other than the devil incarnate of Healyism, the arch-agent himself – Joseph Hansen.”

“It first issued from the big and unwise mouth of Dave Weiss (D. Stevens) during the 1952-53 fight against the pro-Stalinist liquidators in the Cochran-Clarke faction in the SWP. And it was Hansen who landed the assignment of defending Weiss’ statement. This Hansen did with his usual quite capable vigour, including the amplification that the Kremlin Stalinists were not only “counterrevolutionary through and through” but “to the core” (“What the New York Discussion Has Revealed,” Joseph Hansen, SWP Internal Bulletin, Vol. 15, No. 4, February 1953). Indeed Hansen was the biggest exponent, if the number of pages count, of the view North falsely ascribes to Trotsky. Yet who in the Soviet Union could be characterized as “counterrevolutionary through and



Part of a mural occupying an entire wall on the second floor of the Fine Arts Palace (Palacio Bellas Artes), in a corner of the Alameda Central in the Centro Historico of Mexico City.

through”? Only an out-and-out Great Russian fascist, something out of the present-day Pamyat or perhaps a CIA mole in the KGB could fit this bill. But this certainly doesn’t describe the Stalinist bureaucracy. A conservative nationalist caste resting on the proletarian property forms established by the Russian Revolution, the Kremlin bureaucracy is the product of and reflects the contradictions of a bonapartist regime issuing from the degeneration of a workers revolution in a backward country surrounded by imperialism.”

In “*Not a Workers’ and Not a Bourgeois State?*” (November 1937), Trotsky explained: “If in the words ‘a ruling and at the same time an oppressed class’ there is a contradiction, then it flows not from the mistakes of thought but from the *contradiction in the very situation of the USSR*. It is precisely because of this that we reject the theory of socialism in one country.”

Far from characterizing the bureaucracy as “counterrevolutionary through and through,” in the Transitional Program, the founding document of the Fourth International, Trotsky wrote that “all shades of political thought are to be found among the bureaucracy: from genuine Bolshevism (Ignace Reiss) to com-

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plete fascism (F. Butenko)” The *dual nature* of the Kremlin oligarchy is fundamental to the Trotskyist position of unconditional military defence of the Soviet Union combined with the call for political revolution to oust the bureaucracy.

Trotsky presented his fullest analysis of the *contradictory nature of the Stalinist bureaucracy* in the last political battle of his life, against the repudiation of Soviet defensism by the petty-bourgeois Shachtman/Burnham opposition in the SWP in 1939-40. Even in the context of some of the most heinous counterrevolutionary crimes of the Soviet government – the destruction of the Bolshevik Party, the strangulation of proletarian revolution in Spain by the Kremlin bureaucrats, the beheading of the Red Army – Trotsky never characterized the bureaucracy as “counterrevolutionary through and through.” But Shachtman certainly did. (Our emphasis)

If the ICL are confused between the role of Stalinism i.e. the material basis from which it draws its privileges and the nature of Stalinism as a political phenomenon, i.e. the fact that it is counter-revolutionary then Jan Norden’s International Group is far worse. Here he is in making the confusion explicit in a polemic against the ICL in March 2001; he is arguing, as Pablo did in the late 1940s and early 1950s that Stalinism has a dual character because it performs a dual role, i.e. as Pablo asserted it can “project a revolutionary orientation”:

“Such revisionist arguments directly contradict Trotskyism. Trotsky repeatedly stressed the “dual position,” “dual function,” “dual role” and “dual character” of the Stalinist bureaucracy:

..In claiming that the Stalinists *led* the counterrevolution, the ICL in effect declared that the bureaucracy had lost its dual nature that it ceased to be a contradictory layer. If today the SL/ICL leadership takes a quarter-step backwards when their revision becomes too

blatant, opining that some bureaucratic sectors may “balk at the consequences “of counterrevolution (in China but not in the DDR or USSR?), *they nonetheless oppose seeking to split*



Leon Trotsky, with staff in Mexico, Summer 1938. Left to right: Joe Hansen, English Secretary; Leon Trotsky; Jean Van Heijenoort, French and German Secretary; Natalia Trotsky (Sedova); Raya Dunaevskaya (Rae Spiegel), Russian Secretary.

*the bureaucracy in the course of a workers' political revolution [11]*

This confusion has clear implications today for assessing the likely trajectory of the left Stalinist leadership of the Numsa split from the ANC and SACP. Trotsky is clear on the role of Stalinism and he certainly does not think like the Spart family that because they are obliged to do certain progressive things in defence of their privileges that this means that they are counter revolutionary most of the time but revolutionary on some occasions, as Pablo thought. Here he spells it out in October 1939:

### **“A Counter-Revolutionary Workers’ State”**

Some voices cry out: “If we continue to recognize the USSR as a workers’ state, we will have to establish a new category: the counter-revolutionary workers’ state.” This argument attempts to shock our imagination by opposing a good programmatic norm to a miserable, mean, even repugnant reality. But have-



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n't we observed from day to day since 1923 how the Soviet state has played a more and more counter-revolutionary role on the international arena? Have we forgotten the experience of the Chinese Revolution, of the 1926 general strike in England and finally the very fresh experience of the Spanish Revolution? *There are two completely counter-revolutionary workers' internationals.* (our emphasis – SF). These critics have apparently forgotten this "category." The trade unions of France, Great Britain, the United States and other countries support completely the counterrevolutionary politics of their bourgeoisie. This does not prevent us from labelling them trade unions, from supporting their progressive steps and from defending them against the bourgeoisie. Why is it impossible to employ the same method with the counter-revolutionary workers' state? In the last analysis a workers' state is a trade union which has conquered power. The difference in attitude in these two cases is explainable by the simple fact that the trade unions have a long history and we have become accustomed to consider them as realities and not simply as "categories" in our program. But, as regards the workers' state there is being evinced an inability to learn to approach it as a real historical fact which has not subordinated itself to our program. [12]

The weakness of Bleibtreu's document on the nature and the role of Stalinism and the USSR bureaucracy in particular comes out clearly in its Pabloite line on Yugoslavia and China. Its oppositional line is driven by the emergence of an ultra-Pabloite opposition in Lyon, as the document's endnote 5 observes: "Once the war breaks out ...the bureaucracy *will no longer have any reason to oppose the development of mass revolutionary struggles* in the imperialist camp. Quite the contrary the bureaucracy will have every interest in developing anything that will help undermine the military strength of the imperialist camp, including

revolutionary movements of great scope. ...' (Thesis of the Lyons cell as reported by Bleibtreu).

In the following extract from *Where is Pablo Going?* Bleibtreu sides with Pablo against the far more 'orthodox RCP leadership of Haston and Grant:

"As for us, we think that the method that guided the international discussion on the problems posed by the people's democracies is the correct method; each thesis was fully presented by various comrades (we are speaking of the comrades of the majority who at the Second World Congress came out against the revisionist tendencies, which dissolved after having fought us with a series of indirect attacks [Hasten is the prototype in this regard—F.B.]).

He then attacks Pablo from the right for thinking Mao was still a Stalinist and advances the 'Pabloite' notion of unconscious Marxism (first time out? – SF) that whilst not understanding Trotsky's theory of permanent revolution Mao was actually implementing it: "(1) The birth of the Chinese revolution was the beginning of the end of the Chinese CP's 'Stalinism.'

(2) The Chinese CP stopped being a Stalinist party and became a centrist party advancing along with the revolution. This doesn't mean that the Chinese CP became a revolutionary party ipso facto. It retained from its past a series of incorrect and bureaucratic concepts that came to be reflected in its actions:

He (Pablo) shares the same erroneous criteria concerning the 'Stalinist' nature of a Communist Party. The Stalinist nature of a CP is constituted by its direct and total dependence in respect to the interests and policy of the Kremlin. A refusal on the part of the Chinese CP to accept the legal existence of a Trotskyist tendency—either inside or outside its ranks—and even the repression against this tendency would in no way constitute a criterion that 'demonstrates its bureaucratic and

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Stalinist character' (Pablo), but solely its lack of understanding of the permanent revolution, a lack of understanding that is not specifically Stalinist. We have often been served up such absurdities to 'prove' the 'Stalinist' character of the Yugoslav CP, which petty-bourgeois idealists don't hesitate to define as *Stalinism without Stalin!*" [13]

In 1957 W Sinclair (Bill Hunter) produced *Under a Stolen Flag*. [14] It is a far better document than Bleibtreu's but nonetheless it refers to the French events of 1951 thus: "In France, Pablo placed the PB and the CC of the French section under the discipline of the IS, refused to allow the PCI to designate its own PB, forced a split in the party and bureaucratically expelled the orthodox, proletarian majority". However he failed to tell us that he himself had voted for the expulsion of this "orthodox, proletarian majority" in the 1951 Third Congress and he makes no explanation whatsoever of the previous history of 'Pabloism' of Healy and the British group. There is no examination of the major problems with Bleibtreu's document; its Pabloism of an earlier vintage.

Even though David North of the US WSWS/SEP and others claim Hunter's document as proof of the continuity of Trotskyism for us it is an example of left centrism. The 1946 *American Theses* set the course for the catastrophism of both SWP for a decade and a half and for Gerry Healy for the rest of his life. This mindless and objectivist dogma was correctly opposed by both the Goldman/Morrow opposition in the US and the Haston/Grant leaders of the RCP in Britain. The catastrophism had a useful side-effect on Healy. He was able to use the formulation Lenin used in *What is to Be Done* in 1903 to demand the powers that would have to operate in illegal conditions for the leadership, i.e. for himself. The infamous Fifth Congress of the WRP in 1981 where he demanded and got extraordinary powers to override all the

party's constitutional bodies was simply an extension of the methods he had used since he gained the franchise of the IS and JP Cannon in particular in the middle to late 1940s.

### **'Red Army' control does not necessarily equate to a workers' state**

In July 1978, Grant's *The Colonial Revolution and the Deformed Workers' States* revealed that he had moved far to the right on the question of the state:

"Because of the incapacity of the sects to apply Marxism and 'Marxist philosophy' in a concrete manner they have landed themselves in ludicrous contradictions. Thus they declared Eastern Europe to be state capitalist in 1945-47 – while Russia, which occupied Eastern Europe with the Red Army, was a 'degenerated workers' state'... This did not prevent these sects from simultaneously declaring Eastern Europe still to be capitalist. China remained 'state capitalist' according to them until 1951 or 1953. Then, 'Hey Presto', China, from being 'state capitalist', was mysteriously transformed into a 'healthy workers' state!'" [15]

Here the major problem is the overturn of capitalist relations are taken to be synonymous with the occupation of Eastern Europe by Stalin's 'Red Army' in 1945, Tito's victory in 1943 and the victory of Mao's 'Red Army' in 1949. But occupation and property overturn are distinct processes; the 'Red Army' seizing control of a country after the collapse of the capitalist states did not define the class character of the new state regimes thus formed or signify the institution of deformed workers' states. Stalinism maintained capitalist property relations in Eastern Europe in pursuance of its peaceful co-existence with Imperialism in the very same popular frontist way that it entered post war capitalist governments in Western Europe to defend capitalism against revolution there. Trotsky discuss-

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es here why Stalin did not sovietise Finland in 1939:

“I specified several times that *if* the war in Finland was not submerged in a general war, and *if* Stalin was not compelled to retreat before a threat from the outside, then he would be forced to carry through the sovietising of Finland. This task by itself was much more difficult than the sovietising of Eastern Poland...Nevertheless the military victory of Stalin over Finland would unquestionably have made fully possible an overthrow of property relations with more or less assistance from the Finnish workers and small farmers.” [16]

So these are two distinct events whereas Grant is convinced they are one; he suggests that it was ridiculous that these two could be counterposed in any way: “Thus they declared Eastern Europe to be state capitalist in 1945-47 – while Russia, which occupied Eastern Europe with the Red Army, was a

‘degenerated workers’ state’.” Likewise when Mao defeated Chiang Kai-shek: “China remained ‘state capitalist’ according to them until 1951 or 1953”, again a ludicrous proposition, according to Grant. In fact Mao took control of the state with the perspective of the ‘bloc of four classes’, these classes being the peasantry, the working class, the urban petty bourgeoisie and the ‘nationalist’ bourgeoisie. Excluded and expropriated were the ‘comprador bourgeoisie’ who had collaborated with the Imperialists in seeking to defeat the ‘Red Army’. So he maintained capitalist property relations because he was programmatically wedded to that position and he wished to establish a position of class collabora-

tion with world Imperialism. And he never abandoned the bloc of four classes position, imposing it on the Indonesian Communist party with disastrous consequences in 1965; over half a million communists were massacred. [17]. This is the account of how Mao’s line worked at the time:

Already in 1965, the Chinese regime, based on its prestige as the centre of “Marxist-Leninist” opposition to Soviet “revisionism” after the Sino-Soviet split, had encouraged the powerful Indonesian Communist Party (PKI) into a close alliance with Indonesia’s populist-nationalist leader, Sukarno. It was an

exact repeat of the CCP’s alliance with Chiang Kai-shek in 1927, and it ended the same way, in a blood-bath in which 600,000 PKI members and sympathizers were killed in fall 1965 in a military coup, planned with the help of US advisers and academics. Beijing said nothing about the massacre until 1967 (when it complained that the Chinese embassy in Jakarta had been stoned during the events). In 1971,

China also openly applauded the bloody suppression of the Trotskyist student movement (this is incorrect, the JVP were not Trotskyists- SF) in Ceylon (now Sri Lanka). In the same year, it supported (together with the United States and against Soviet ally India), Pakistani dictator Yaya Khan, who oversaw massive repression in Bangladesh when that country (previously part of Pakistan) declared independence. [18]

After the Korean War erupted in 1950 and Mao embarked on the ‘Three Anti’ campaign in 1951, essentially expropriating the comprador bourgeoisie but retaining the nationalist, patriotic bourgeoisie. But the threat from the US invasion of Korea grew ever closer and



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new capitalists were arising profiting from the war industries in Northern China; he now could not afford to have a 'fifth column' in his government whilst the Imperialist armies threatened. He hit back, launched the counterattack by sending the Chinese 'Red Army' to the assistance of the North Korean forces. He then unleashed the 'Five Anti' campaign, essentially entirely overturning property relations in 1952 -53, modelled on the USSR because he had no choice:

Eventually the Communist Party revealed that it would no longer protect private business, and that Chinese capitalists would receive treatment no better than foreign. The Korean War initially provided opportunities in Northern China, giving rise to a new class of capitalists, many of whom would be prosecuted under the Marxist policies of the Communist Party. "[19]

### **The Buffer States Debates And**

#### **Cuba**

As The LTT document, *The Marxist Theory of the State and the Collapse of Stalinism* and particularly section 4. *Stalinism and the Post-War Social Overturns: Problems of the Transition* explained:

"The FI's Second World Congress met in April-May, 1948, after the decisive overturns had taken place. Its main document was "The USSR and Stalinism", presented by Mandel. "To deny the capitalist nature of these countries", it claimed, "amounts to an acceptance, in no matter what form, of this Stalinist revisionist theory, it means seriously to consider the historic possibility of a destruction of capitalism by "terror from above" without the revolutionary intervention of the masses."

Amendments proposed by the RCP (Britain, led by Jock Haston and Ted Grant), arguing that the overturn of capitalism in the buffer zone, and the control of the bourgeoisie over the government and state apparatus was ei-

ther complete or approaching completion, were heavily defeated.

...While the decision to reverse this position and extend the FI's defence of the Soviet Union to the deformed workers' states was a step in the right direction, the discussion during the "buffer zone" debate demonstrated a high degree of methodological confusion, which sowed the seeds of future crises. The debate surrounding the Cuban revolution demonstrated that none of the theoretical issues had been resolved. The United Secretariat (USFI) was formed in 1963 around broad agreement that Fidel Castro had created a "healthy workers' state". Meanwhile, the rump of the International Committee around Healy's SLL and Lambert's PCI refused to recognise that anything had qualitatively changed, and clung to the untenable position that Cuba remained a bourgeois state.

...The Fourth International responded to the post-war developments inadequately. Not only was the FI's timing belated; its method was defective, and prepared the political collapse which followed. It remained the prisoner of the prognosis that capitalism could only be destroyed in Eastern Europe as a result of "structural assimilation" into the Soviet Union, as had been the case with the eastern zone of Poland and the Baltic States in 1939-40. Once it abandoned this perspective, it readily accepted that Stalinism could after all "project a revolutionary orientation". [20]

However in assigning a progressive role to Tim Wohlforth theory of structural assimilation (1964) the LTT ignores his June 1961 document *Cuba and the Deformed Workers' state*. [21] By the time Wohlforth had produced his version of the theory of structural assimilation he was already seeking to abandon his earlier document and bend his political analyses and conclusions to suit Healy and Lambert. The LTT document also manages to avoid Jim Robertson's conclusion which de-

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fends Wohlforth's earlier document, a product of joint discussion according to Robertson. He correctly identifies two fundamental problems with Wohlforth document, the anti-Marxist theory of a 'transitional state' i.e. one with an undefined class character, in Cuba between 1959 and September-October 1960 (this was also current in the earlier buffer states debates in the late 1940s and early 1950s) and the belief that a peaceful political revolution was possible in Cuba because the state was similar to the USSR between 1924

and 1933, when Trotsky's project was reform of the Stalinism and not a political revolution. Suffice it to say that Tom Kerry had no problem in demolishing Wohlforth's structural assimilation theory in the following way: "So we have the following theoretical conclusion: Castro is a "Bonaparte" independent of the "direct or indirect" control of the workers and peasants of Cuba, and completely dependent on the Kremlin to survive. Doesn't that make Castro a pawn of the Moscow bureaucracy and Cuba therefore eligible for the title of a "structurally assimilated deformed workers' state"? Make sense of it those who can! Trying to grapple with Wohlforth's theoretical lucubrations is like trying to wrestle a greased eel!" [22]

Shane Madge proposed that Cuba became a deformed workers' state with the pervasive nationalizations in the summer and fall of 1960, which liquidated the bourgeoisie as a class. This was accepted by Robertson and became central to the Spartacist line ever since.

But Wohlforth put his finger on the real criterion for determining the class character of the state in that June 1961 document, one

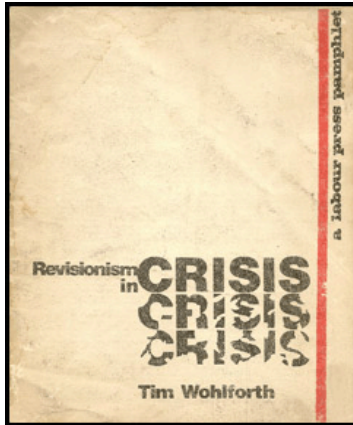
which accords completely with Trotsky's position in *Not a Workers' and Not a Bourgeois State?*—that is the class character of the state

is defined by the property forms it guards and defends. Wohlforth says that not until the Bay of Pigs invasion in April 1961 were matters finally resolved in the state apparatus and the decision irrevocably taken to maintain indefinitely the sovietisation of the economy:

"The September-October nationalizations raised the question of whether the bonapartist governmental

apparatus, continuing to be free of control by the working masses, would firmly base itself on the new property forms in Cuba or whether it would seek to return Cuba to essential capitalist relations. We can say that while the sweeping nationalizations of the September-October period laid the basis for Cuba becoming a deformed workers' state, it was not automatically determined that the petty-bourgeois state apparatus would defend and develop these property forms. It was therefore incorrect, in my opinion, to characterize Cuba at that time a deformed workers' state.

It was the invasion of April 17<sup>th</sup> which clearly showed that the Castro regime, for all its weaknesses, was definitely committed to the defence of the new property forms. This was shown first of all in the defence of the revolution which Castro carried through so well. More important, the invasion made it perfectly clear that imperialism was not interested in an accommodation with Castro. The imperialists were seeking first of all to overthrow the regime if at all possible. Should this not be possible, as I am sure they now realize, the imperialists wish to force Castro



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precisely into the arms of the USSR—into becoming a Stalinist country. For this way the imperialists are able to limit the appeal of Castro and contain the revolution. The policy of the U.S. State Department only makes sense if interpreted in this way (and believe it or not, there is a bit of method in their madness!)” [23]

That is up to that point Castro was doing as an independent petty bourgeois leader of a movement what every petty bourgeois Stalinist government initially did once the state was in their hands either through the conquest of the ‘Red Army’ or via a victorious guerrilla war; they tried to maintain bourgeois property relations on the basis of socialism in one country and its corollary, the two stage revolution. And they tried to do this to appease Imperialism, to show they were not really international revolutionary socialist at all but were prepared to cut a deal with Imperialism; they would not seek world revolution or encourage revolution in any other country provided they were allowed to remain in power in their own country. But US Imperialism just would not play ball, which forced the hand of the Stalinist plenipotentiaries; they initiated deformed workers’ states modelled on the USSR to defend their own power and privileges.

The political capitulation of Wohlforth as an independent thinker to Gerry Healy and Madge’s exit from the struggle left Robertson as the sole remaining ‘orthodox’ Trotskyist at that time but later events were to demonstrate his sectarian methods and the problems of his understanding of Stalinism, visible only in that absence of a material analysis of the role and not the nature of Stalinism and in not accepting Wohlforth’s correct estimation of when the state was sovietised fully after April 1961 and the Bay of Pigs invasion.

### Debate on Vietnam’s invasion of Cambodia

Grant’s 1978 document *The Colonial Revolution and the Deformed Workers’ States* must be seen as a response to the renewed debate that broke out within the USFI between the US SWP and Ernest Mandel on the class nature of Cambodia/Kampuchea following the war with Vietnam which culminated in the invasion of late 1978. Mary-Alice Waters, Fred Feldman and Steve Clark wrote the US SWP position which was adopted because the SWP defended the use of Cuban troops in the African continent in pursuit of USSR foreign policy (including supporting some very dodgy regimes in the Horn of Africa) and they supported the Vietnam invasion because Cuba supported it.

Their position basically came down to the assertion that a deformed workers’ state only comes into existence when state power had fallen into the hands of the Stalinists because of the victory of their so-called ‘Red Army’ (their armed forces), the old state had therefore collapsed and they had utilised at least a partial mobilisation of the working class from above to overturn capitalist property relations and institute a planned economy, albeit bureaucratically deformed. The prior existence of the USSR was also a prerequisite, they correctly claimed. But see Peng Shuzi on the real reasons behind this position, confirming they were uncritically defending Cuba foreign policy (without endorsing his position either). [24] Mandel cannot accept this and objects:

“Once one accepts the utterly revisionist idea that one can have a capitalist state without capitalists, without a ruling capitalist class, without capitalist property and production relations, and without the economy obeying the laws of motion of capitalism, then 99 per cent of the traditional Marxist case against the various theories of state capitalism – commencing with those of the Mensheviks and the Social Democrats, throughout those of the Bordighists, C.L.R. James, and Tony



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Cliff, up to those of the Maoists and Bettelheim – collapses. The miserable remnants of that case then hang on the single thin thread of the “origins” of nationalisations and on them alone. The razor-sharp factional minds of the state capitalists will find no difficulty in cutting through that thread.”

But as we have noted above whilst the state was in the hands of the Stalinists from the beginning, they had not yet overturned “capitalist property and production relations”. Of course one might point to the fact that Lenin and the Bolsheviks did not overturn capitalist property relations in Russia until late 1918 but then, unlike the Stalinists, Titoites, Maoists and Castroites, there was no doubting the revolutionary intentions of the Bolsheviks, there was never a question of Lenin handing the state back to the capitalists, he was for driving forward the world revolution. One might note that this empiricism that the state was in the hands of the revolutionary leader who had expropriated the majority of the capitalists so it must be a workers’ state was exactly the line of thinking that led James Robertson to conclude that Cuba must be a deformed workers’ state and led to his witty response in 1966 to Healy and Lambert’s line that it remained capitalist with a weak bourgeoisie (Healy) or with a ‘shadow of the bourgeoisie’ (Lambert):

“While the nationalization in Algeria now amounts to some 15% of the economy, the Cuban economy is, in essence, entirely nationalized; China probably has more vestiges of its bourgeoisie. If the Cuban bourgeoisie is indeed “weak,” as the I.C. affirms, one can only observe that it must be tired from its long swim to Miami, Florida.” [25]

Amusingly demolishing Healy like this caused Robertson to be ejected from the 1966 I.C. ‘Third World Congress’. But this is also the position that Grant accepts, although he



Apprehensive counter-revolutionaries trained and funded by the CIA captured during the Bay of Pigs invasion.

would not have dreamt of telling us that he agreed with any outside the ranks of Militant. However this was empiricism because up to the point of property overturns it is clear that Stalin, Tito, Mao and Castro really did want to maintain bourgeoisie property relations and did, partially at any rate, bring back elements of the ‘national bourgeoisie’ (as opposed to the pro-imperialist comprador kind) and if circumstances had allowed they would all have happily allowed the market to function in production apart from bourgeois-type nationalisation. This was because of their popular frontist orientation (saving capitalism post WWII by participation in its governments in western Europe) and this in turn was based on their theory of socialism in a single country; they wanted to establish and maintain relations of ‘peaceful co-existence’ with global imperialism and so sought to maintain the regime that was least offensive to it which was compatible with maintaining their own rule and privileges, as we have previously observed. They were prepared to allow the remaining capitalists (nationalist, i.e. patriotic bourgeoisie) to continue to exploit the working class at will. They only abandoned this plan when Imperialist manoeuvres became very threatening with the Marshall Plan in Eastern Europe, conflict with Imperi-

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alism over Trieste for Tito, the Korean War for Mao and Kim Il Sung in North Korea and the US economic blockade for Castro.

And the Stalinists always did mobilise the working class to overturn of property relations even if they did it in a bureaucratically controlled way from the top. And it was always on the basis that the independent mobilisations of the working class had been previously crushed by the 'Red Army'. We cannot fault the left centrist Bleibtreu-Favre on this:

"On the other hand, its (Stalinism's – SF) liquidationist attitude toward the revolution that began in France in 1936; the way it brutally crushed the conscious cadres of the Spanish revolution; its complicity with Hitler in order to allow him to crush the Warsaw uprising; its Yalta policy against the interests of the revolution in Greece, Italy, Yugoslavia, and France; its blockade and military pressure against the Yugoslav workers' state in the hope of delivering it bound hand and foot to imperialism (contrary to the interests of defending the USSR itself) unequivocally express the *incompatibility between the Soviet bureaucracy and the development of the proletarian revolution. Such a revolution would represent an immediate and direct threat to the bureaucracy's existence* and it would do so even more sharply if it were to take place in an economically less backward country." [26]

Ted Grant's 1948 article, *Czechoslovakia, the Issues Involved* tackles very well this issue of what might happen in an "economically less backward country", showing that in this far more culturally advanced nation workers' Action Committee could sustain the organised workers in control of the state far better than Russia in 1917 and after. And the 1949 article, *Against the Theory of State Capitalism* is also an excellent demolition of Tony Cliff's positions. If we have a quibble it is in the section on the state, *Nationalisation and the Workers' State*:

"Has Cliff forgotten that one of the main lessons taught by Marx and assiduously learned by the Bolsheviks, was the failure of the French proletariat to nationalise the Bank of France? So we see a state can be a proletarian state on the basis of political power, or it can be a proletarian state on the basis of the economy; or it can be a transition to both of these as we will show."

The notion of the transitional state is wrong, and the 'either or' proposition is also wrong. It is not either on the basis of political power or on the basis of economic power (the seeds of later degeneration are visible in this 'scratch') but in the dialectical relationship between the two. But just to show that it is indeed a very minor scratch back then he informs us a few lines later:



October 1, 1949: At a huge rally on Tiananmen Square, Mao claims the birth of the People's Republic of China (PRC).

"The same laws would apply to the counter-revolution on the part of the bourgeoisie. The Old Man correctly argued that in the event of a bourgeois counter-revolution in Russia, the bourgeoisie might, for a time, even retain state ownership before breaking it up and handing it to private ownership. To a scholar it would appear then that you can have a workers' state and a bourgeois state on the basis of state ownership, or you can have a workers' state or a bourgeois state on

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the basis of private ownership. However, it is obvious that one could only arrive at this mode of reasoning if one failed to take into consideration *the movement of society* in one direction or another.”

In other words it is a dialectical relationship and the next section is headed *The Dialectical Conception of the State* and explains very well that we cannot take either one or the other in isolation. Truly the Grant of this period was very different to that later Grant with the neo-reformist line on the state contained in the notions of the armed forces being workers in uniform and the state being overthrown via an enabling act through parliament.

### **Razor Sharp Factional Minds**

The polemic on Kampuchia/Cambodia was picked up by the SWP's Pete Goodwin in '*Razor sharp factional minds*' –*the Fourth International debates Kampuchea* (International Socialism Summer 1979) as proof that all these states were state capitalist and the notion of degenerated and deformed workers' states was simply rubbish and that Trotsky simply did not understand the matter at all. And he can point to Mandel again:

“Comrades Feldman and Clark claim that the Chinese state remained bourgeois after the proclamation of the Chinese People's Republic in 1949. But leaving aside the fact that one will not find a single Chinese capitalist who believes that he remained in power in 1950 or 1951 in his country, the extension of land reforms and the generalized nationalisations of the subsequent years were obviously realized by the state power (the army, the government, the administration, the state apparatus) established in October 1949. How could a bourgeois state be used to abolish capitalism? Under the “pressure of the masses”? Under the “compulsion” of imperialist pressure? Aren't those the very revisionist theses of the Social Democrats, the Stalinists since 1935 and the Eurocommunists?” [27]

As we have indicated above it is not the control of the state machinery and government that determines the class character of the state. The Spart tradition and others are lost in this contradiction still today, continuing to defend China, Vietnam and Laos as deformed workers' states whilst it is perfectly obvious that they are fully capitalist states now, as we show in *In Defence of Trotskyism No 1*. [28] Nor is it widespread or even total nationalisation of industry and services that makes the difference.

It is the dialectical relationship between the two; in all these cases the state is the Communist party resting on the 'Red Army', although there may be episodic conflicts between the army and the party, there is no civil authority other than that remaining and therefore the choice that that State/political party makes and implements determines the class character of the state; “the class nature of a given state is determined by the property relations it defends and / or strives to develop. We reject both purely 'economic' and purely 'political' definitions of a workers' state” as the LTT document says as cited above.

So Grant is under the impression that merely seizing control of the state is sufficient in itself and, in fact, means the overturning of property relations. He finishes this section by boasting that “Only recently – some 30 years too late – some reluctantly concluded that the Chinese revolution was deformed from the start. Our tendency explained the process in advance of Mao's victory.” But then the assess ears poke through when he spells out in detail what his understanding has led him to in the following passage from the same 1978 document:

None of these worthies have understood the peculiar character of the epoch as far as the colonial or ex-colonial areas of the world are concerned. Nor have they understood the inevitable perversion of the revolution under

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The invading Vietnamese troops entering Phnom Penh around 7th January, 1979.

either open Stalinist – or pseudo-communist leadership – or that of radical sections of the officer caste. They have not understood the inevitable consequences when a colonial revolution is led to its progressive and ‘final’ conclusion of eliminating capitalism and landlordism but when the main force is not that of the working class with a Marxist leadership. When the main force is a peasant army using classic peasant tactics of guerrilla war, then it must result in a ‘deformed workers’ state’ *even if that were not the aim of the leaders* (our emphasis – SF). In the event of an army coup of the younger officers, allied to ‘intellectuals’ and students, the consequences would – inevitably – be the same. [29] This is particularly the case given the world environment of strong Bonapartist workers’ states, in the form of Stalinist Russia and other countries. Taken together with the existence of the imperialist powers there could be no other outcome”. [30]

As there is no need for the victorious army, or even the victorious Nasser, Saddam, Gaddafi or Assad to actually expropriate the bourgeoisie and overturn property relations by running the economy according to a central plan (nor nationalising big sections in order to preserve capitalist property relations) then all sort of ‘deformed workers’ states’ appeared, and disappeared without trace all over the semi-colonial world. And

we believe we have already comprehensively demolished the notion that a workers’ state can come into being “even if that were not the aim of the leaders”. What the state decides and is empowered to implement is what determines the class character of that state.

### China, Vietnam, Cambodia, Laos and Africa

Mao crushed the striking workers who greeted his ‘Red Army’ into Peking in 1949. On this basis Cambodia/Kampuchea was not a deformed workers’ state before the Vietnam invasion of 1978. Peng Shuzi is therefore wrong when he reasons thus:

“Our opinion is: under Pol Pot’s rule, Cambodia was very contradictory. On the one hand, it had confiscated the properties of the bourgeoisie and established socialist property relations; on this basic point, it was a workers’ state. But on the other hand, since Pol Pot was the most stupid and the most brutal among the Stalinist bureaucrats, and a butcher killing over a million people, its regime was an extremely brutal and ugly dictatorship deeply hated by the Cambodian people. From a dialectical viewpoint, the progressiveness of its property nationalizations could not be denied, and should be supported. But its blind adventurism in abolishing the currency and halting all commerce should be criticized; as for its ugly bureaucratic rule, it should be exposed and attacked to the maximum. But the SWP held different opinions. It stressed the crimes of the bureaucratic dictatorship and denied the fact of its confiscation of private properties, and so defined Cambodia as a capitalist country. Such a view is queer because a capitalist country without private property and without commerce has never existed in the world. Because Cuba supported Vietnam, the SWP also followed to support Vietnam. [31]

Cambodia before the Vietnam invasion was not a workers’ state because not only did Pol

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Pot not mobilise the working class in any way to overturn property relations but he immediately wiped out not only the capitalists but also the working class; in fact his year zero destroyed the whole of the modern culture of the country. Peng says, “Such a view is queer because a capitalist country without private property and without commerce has never existed in the world”. But a workers’ state without a working class or commerce has never existed either and never can; Pol Pot had reduced the country to pre-capitalist barbarism- Wikipedia reports:

“it had left the PRK (People’s Republic of Kampuchea founded by the Salvation Front in 1979 after the Vietnamese invasion – SF) with little to start with, for there was no police, no schools, no books, no hospitals, no post and telecommunications, no legal system and no commercial networks, whether state-owned or private”.

Peng also failed to see the whole picture, the invasion by Vietnam was historically progressive and arguably the People’s Republic of Kampuchea (1979-89) did become a deformed workers’ state under the Salvation Front. It was supported by the USSR, Vietnam and Cuba but the opposition of China, Britain, the USA and the ASEAN countries prevented it from getting a seat in the UN and so international recognition. The ‘democracies’, slavishly backed by China, continued to support the remnants of Pol Pot armies and two other pro-Imperialist guerrilla forces until the regime capitulated entirely, the state became openly capitalist in 1989, so-called Marxism-Leninism was abandoned as a state ideology in 1991 and the monarchy was restored in 1993. Thailand and China supplied the genocidal Pol Pot with vast quantities of armaments on behalf of western Imperialism.

Vietnam had already become a capitalist state in 1986, the first deformed workers’ state to be abolished by a ‘cold stroke’ in the period

of the ‘collapse of Communism’. Wikipedia tells us:

“At the Sixth National Congress of the Communist Party of Vietnam in December 1986, reformist politicians replaced the “old guard” government with new leadership. The reformers were led by 71-year-old Nguyen Van Linh, who became the party’s new general secretary. Linh and the reformers implemented a series of free-market reforms – known as *Đổi Mới* (“Renovation”) – which carefully managed the transition from a planned economy to a “socialist-oriented market economy”. Though the authority of the state remained unchallenged under *Đổi Mới*, the government encouraged private ownership of farms and factories, economic deregulation and foreign investment, while maintaining control over strategic industries. The Vietnamese economy subsequently achieved strong growth in agricultural and industrial production, construction, exports and foreign investment. However, these reforms have also caused a rise in income inequality and gender disparities.” [32]

The deformed workers’ state was transformed into a capitalist state in both Vietnam and Cambodia controlled by a ‘Marxist-Leninist’ government when they decided to promote capitalism as the source of their privileges and state planning was directed at that object. Although Vietnam effectively controlled the Cambodia state through their influence on the Salvation Front they were unable to restore a capitalist state there until 1989 because the continuing war against the US/China/Thai guerrilla armies on the Thai border made a compromise with Imperialism impossible then. The fact that Imperialism was able to force the ‘Marxist-Leninists’ from office in Cambodia but not in Vietnam or Laos does not change the dynamic of the situation.

Now we must look at Laos to complete the picture. Laos became a deformed workers’

state in 1975 with the overthrow of the constitutional monarchy under Sisavang Vong by the Communist Pathet Lao movement with the assistance of Vietnam. Laos is the most heavily bombed nation per head of population on the planet:

“During the Vietnam War, the US spread combat operations to neighbouring Laos. The US secretly waged widespread bombing runs on nearly every corner of the country... Laos experienced more than 30,000 casualties during the bombings, more than 20,000 people have died since bombing ceased in 1974 due to leftover unexploded munitions, and many more tens of thousands were needlessly displaced. A UN report notes that Laos is, per capita, the most bombed country on the planet, with .84 tons of explosives dropped per person from the years 1965 to 1974. [33] The Wikipedia article on Laos claims:

“The Lao People’s Democratic Republic, along with China, Cuba, Vietnam, and North Korea is one of the world’s five remaining socialist states. The only legal political party is the Lao People’s Revolutionary Party (LPRP). The head of state is President Choummaly Sayasone, who is also the General Secretary of the Lao People’s Revolutionary Party. The head of government is Prime Minister Thongsing Thammavong, who is also a senior member of the Politburo. Government policies are determined by the party through the all-powerful eleven-member Politburo of the Lao People’s Revolutionary Party and the 61-member Central Committee of the Lao People’s Revolutionary Party. Important government decisions are vetted by the Council of Ministers. The Socialist Republic of Vietnam maintains significant influence over the Politburo of Laos and the one-party communist state apparatus and military. [34]

We contend that only Cuba and North Korea are deformed workers’ states now and that

China, Vietnam and Laos are capitalist states ruled by ‘Marxist-Leninist’ parties which staff the entire bureaucratic state apparatus with their own nominees but which encourages and develops capitalist property relations in the economy. In China a new bourgeoisie has emerged, mainly from the sons of the top Communist party bureaucrats who are millionaires and billionaires now. This has not progressed to that extent in Vietnam and Laos but it is moving in that direction very clearly.

The new Laotian constitution of 1991 contains a clear indication that the state was then bourgeois if we take it to signify what property relations that state would guard and defend. The chapter on the socioeconomic system does not mention the establishment of socialism, a principal goal of earlier dogma. Instead, the objective of economic policy is to transform the “natural economy into a goods economy.” Private property appears to be assured by the statement that the “state protects the right of ownership,” including the right of transfer and inheritance. The state is authorized to undertake such tasks as managing the economy, providing education, expanding public health, and caring for war veterans, the aging, and the sick. The constitution admonishes that “all organizations and citizens must protect the environment.” [35]

There was opposition to the party remaining the sole legal political group and clear efforts to turn the rubber stamp National Assembly into a bourgeois parliament. However the most openly political representative of that movement was defeated, Wiki tells us: “In 1990, deputy minister for science & technology Thongsouk Saysangkhi resigned from the government and party, calling for political reform. He died in captivity in 1998”. And now the Wikipedia article informs us of the consequences of this, it is a member of the



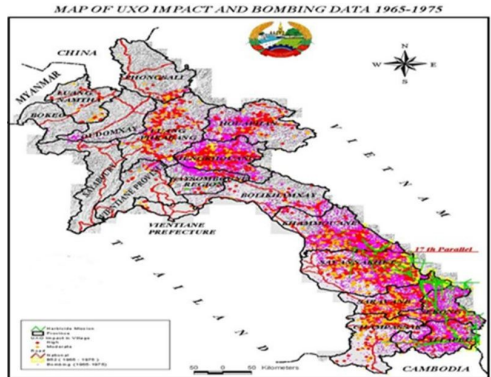
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WTO, the monopoly of foreign trade is gone and a stock exchange is established:

“It is a member of the Asia-Pacific Trade Agreement (APTA), Association of South-east Asian Nations (ASEAN), East Asia Summit and La Francophonie. Laos applied for membership of the World Trade Organization (WTO) in 1997, and on 2 February 2013, it was granted full membership... In 2009, despite the fact that the government is still officially communist, the Obama administration in the US declared Laos was no longer a Marxist-Leninist state and lifted bans on Laotian companies receiving financing from the U.S. Export Import Bank. In 2011, the Lao Securities Exchange began trading. In 2012, the government initiated the creation of the Laos Trade Portal, a website incorporating all information traders need to import and export goods into the country.” [36]

Laos is no longer a deformed workers’ state, however it is, with Vietnam, (and Cambodia) a semi-colonial oppressed nation which must be unconditionally, though not politically and uncritically, defended against Imperialist attack. And we are obliged to defend both Russia and China against the attempts of Imperialism to dismember them via support for pro-Imperialist movements in Georgia, Tibet etc.

Ethiopia was hailed as a workers’ state by Grant and various other African states could make the same claim; the governments proclaimed themselves Marxist-Leninists and defenders of ‘scientific socialism’. However to any who cared to follow the actual transformations on the ground they were very much like Burma or Nasser’s Egypt, viciously hostile to the political independence of the organised working class and carrying out no more than a nationalisation to defend the development of a native capitalist class; private property in the means of production was not abolished merely suspended until the



Tens of millions of unexploded bombs (UXO), dropped forty years ago by American forces during the Vietnam War, still litter Laos. UXO is a constant threat to Laotian farmers and those in search of scrap metal, causing hundreds of deaths, and maiming hundreds more each year.

productive forces were strong enough to compete on the world market. That fact that for almost all (apart from the *Asian Tigers* promoted to encircle China) adopted neo-liberal policies when it became obvious that the Imperialist-sponsored transnational companies would never allow them this independence is proof enough that these were never any type of deformed workers’ state.

### **The Militant Split: Taaffe vs. Grant and Woods On The 1991 Coup**

The debate on the Yanayev coup in Militant happened during the process of the split in the organisation in October 1991 where issues like whether to support Leslie Mahmood in the Walton by-election were bitterly fought out. On balance Grant and Woods and the minority were closer to the correct position even if from a syndicalist position, that Yanayev should be backed because he was “trying to defend the basis of the nationalised economy”:

“Let us be clear, even if there is a struggle between rival wings of the bureaucracy, one

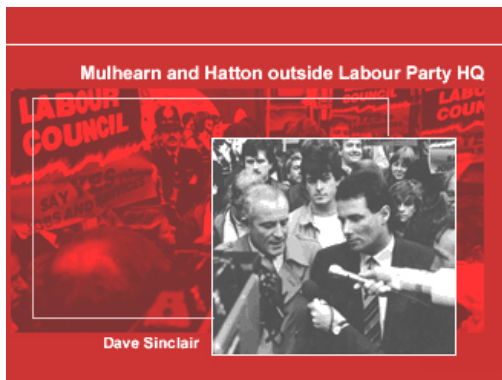
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wing openly pro-capitalist and another wing – for their own purposes – trying to defend the basis of the nationalised economy, it would be a fundamental mistake to think that we'd be neutral in that situation, even if you had a situation where sections of workers were supporting the other wing.” [37]

The Taffites were able to counter this by pointing out that neither side were defending the ‘old regime’ and we would go further and assert that the Yanayev coup against Gorbachev was the real end of the degenerate workers’ state and placed in power, albeit for a brief two days, a capitalist regime totally dedicated to a restoration of capitalism, and that equated to a capitalist state. The Yeltsin counter-coup consolidated that and merely placed in power a fast-track capitalist restorationist regime as against the slower, Chinese-style restorationist one which sought to retain the Stalinist bureaucracy as the agents of that restoration. Therefore the state was already a capitalist one under Yanayev and had the coup succeeded it would have done something like Deng did in China after Tiananmen Square when he persuaded President Jiang Zemin to accept his pro-capitalist agenda in 1992 as we explain below and Jaruzelski did in Poland in July 1989 when Jaruzelski formed the grand coalition with Walesa to restore capitalism. Jaruzelski later regretted not having done that in 1981 as the *Rise of Militant* quotes: “our greatest mistake was to keep the party’s monopoly on power, defend nationalised industry and the class struggle.” [38]

But with all the lack of political understanding on what constituted a workers’ state, i.e. directly equating this with nationalised property relations, nonetheless Grant and Woods were correct to defend the nationalised economy. Workers Power description below of what happened to the Russian economy and working class under Yeltsin is enough to sway the argument against the Taffites who

favoured the bogus ‘revolution’ led by the more aggressive restorationist Yeltsin on the basis of defence of democratic rights, in fact bourgeois democracy which allowed the mafia-style gangsterism under Yeltsin which devastated the entire region. On the question of where the working class stood the majority



perform a dishonest sleight of hand:

“That is why a series of strikes took place in Moscow, the Ukraine and elsewhere. More important than this was the immanent mass support of the working class, more important than those who manned the barricades in opposition to the coup. In the beginning, because of the disillusionment with Gorbachev, there was a certain hesitation in openly expressing opposition to the coup.” [39]

But these strikes were led by a Yeltsinite labour aristocracy who looked to the restoration of capitalism to defend their privileges. And they coyly neglect to tell us that the call for a general strike was Yeltsin’s. It is disingenuous to speak of “the immanent mass support of the working class” for Yeltsin which never happened and never would but we do know who “manned the barricades in opposition to the coup”; that was Yeltsin, his direct supporters and pro-restorationist ‘leftists’. Yanayev may have cracked down on the Yeltsinite labour aristocracy if his coup succeeded but there is no indication whatso-

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ever of any “imminent” support for him from the mass of the working class. Of course, bourgeois democracy, or those slight elements of it that Yeltsin conceded, proved to be no defence whatsoever against the western Imperialist-sponsored neo-liberal onslaught he unleashed on the entire working class. Taaffe clearly lines up with the USFI, the LIT, the SWP, the LRP and Workers Power etc. who backed the fast track restorationists.

Although both sides of the militant split were arguing on the wrong understanding of what constituted a workers’ state and therefore what they were defending nonetheless Grant and Woods were correct to defend Yanayev’s slow track regime, even if it was on a capitalist basis, against the gangsterism of Yeltsin.

Heiko Koo was expelled from the Socialist Appeal/IMT in 2010 for holding the position that China remained a state capitalist country. And since there was no debate on Ted Grant’s erroneous view on what a deformed workers’ state was he is correct from that viewpoint in attacking Woods and Sewell in opportunistically abandoning Grant’s position without explanation. His view is that state ownership and state control of the commanding heights of industry equates to a deformed workers’ state as in:

“Which class does the state represent now? CLMC (IMT document *China’s Long March to Capitalism* –SF) states that the Chinese bourgeoisie is weak and thus the Stalinist state is needed to help it to grow strong, so that a powerful bourgeoisie will take control of the helm at some stage in the future, but surely this means that the bourgeoisie is not in control of the state *now*?

Again in relation to the assumption of ownership of Township Village Enterprises we are told “*This is a perfect example of how old state-owned enterprises and the state-owned sector now serve the interests of capitalism in China, by nurturing and supporting the nascent bourgeois elements of*

*society until they can assume ownership directly.*” (p15 CLMC)

“*The bureaucracy in China does not want to become prey to imperialist domination. And they are not going to allow that to happen. They know they must maintain a strong Chinese capitalist sector and they are doing that by building up and actually strengthening some of the state companies. They have huge amounts of capital available. The state banks are being used to pump money into these state corporations.*” (p15 CLMC)

*China’s State Owned Enterprises are not capitalist companies they are part of the public sector of the economy, even in capitalist countries there are such sectors* (our emphasis – SF). In any transitional society between Capitalism and Socialism, the instruments, forces and tendencies of the publicly owned sector of the economy do battle with the forces, instruments and tendencies of the individual, cooperative, private and foreign capitalist tendencies in economy.” [40]

Heiko says “China’s State Owned Enterprises are not capitalist companies they are part of the public sector of the economy, even in capitalist countries there are such sectors” but does not explain the difference. And he does not ask the question that Trotsky asked in the 1937 article – what property relations does this state guard and defend? Why does China maintain a large state sector? Precisely because they want to develop the capitalist sector of the economy and they do not want the Imperialist countries to rip them apart like they did to Yeltsin’s Russia. In this the IMT are correct, “China does not want to become prey to imperialist domination”.

### **WPB, the IBT and The Restoration Of Capitalism In The USSR and China**

The International Bolshevik Tendency (IBT) noted that the WPB had changed their line in 2000. Up till then they had characterised Rus-

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sia as a 'moribund workers' state' a new category arrived at by very convoluted and tortured reasoning. But by 2000 they were put in a ridiculous position by having to defend Yeltsin and then Putin as the leaders of a workers' state, i.e. again because of the pressure of petty bourgeois public opinion. However they made a good effort at it, and it did signify a semi-defeat for the semi-state capitalist Harvey wing and apparently a left turn. Richard Brenner admitted to Gerry Downing that he had been convinced on this by the Trotsky quotes (from Trotsky's *Not a Workers not a Bourgeois state?* 1937) that he had read in the LTT's *The Marxist Theory of the State and the collapse of Stalinism*. No doubt he read the IBT material as well. How humiliating for the all-knowing Fifth Internationalist Workers Power leaders that they had to learn from the humble, lower order 'centrists' of the Fourth Internationalists! However there were still major problems, as the IBT point out:

"The November 2000 issue of Workers Power announces a dramatic about-face on "the meaning and significance of the shift back to capitalism in Eastern Europe and the former USSR following the collapse of Stalinism in the period 1989-1991." After a lengthy international discussion, the Fifth Congress of the League for a Revolutionary Communist International (LRCI), in July 2000, passed a resolution renouncing their previous characterization of Russia as a "moribund workers' state." They now consider Russia to be a "bourgeois restorationist state." It is not entirely clear whether this change represents serious leftward movement or is simply an attempt to be rid of an embarrassing posi-

tion—i.e., that for the past nine years Boris Yeltsin and Vladimir Putin have been administering a state with a "proletarian class character."

The LRCI resolution notes that "in transitional periods—times of revolution or counter-revolution—the class nature of the state can be in sharp opposition to the class character of the economic system operating within its borders." Further, the LRCI now apparently accepts the elementary Marxist proposition that the class character of a state



Gennadi I. Yanayev, centre, was among the Soviet hard-liners who led a coup on Aug. 19, 1991

is determined by "the class interests and property relations it promotes and defends":

"The state is an instrument of class struggle—it represents the power of fundamental social groups. Its essential nature cannot be understood if we see it as a mere passive reflection of impersonal economic forces. We must look instead for its class political essence—the class and the social system that it is actively fighting for."

The resolution unambiguously characterizes Yeltsin's victory over the Stalinist hardliners' attempted coup in August 1991 as the critical event in the destruction of the degenerated Soviet workers' state:

"the assumption of power by Yeltsin in Russia in 1991 and the abolition of the Communist Party did not immediately complete the restoration of capitalism. But it was a

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decisive step towards the final abolition of the crumbling post-capitalist property relations....”

The LRCI's position now closely approximates our own:

“All available evidence leads us to conclude that the defeat of the coup and the ascension to power of the elements committed to reconstructing the economy on a capitalist basis constituted a qualitative turning point.”

The LRCI resolution also rejects “the notion that there can be a proletarian institution—the moribund workers’ state—which Marxists are not obliged to defend in times of war.” Yet it remains silent on the necessity to defend a workers’ state against internal counterrevolution. It seems unlikely that this is merely an oversight. While the resolution clearly signals a significant change in analysis, there is no indication of a corresponding programmatic development, nor any reassessment of LRCI members’ participation in the defence of Yeltsin’s headquarters during the 1991 coup.” [41]

The IBT article goes on to argue that the LRCI's change of position does not go far enough in that it does not draw the programmatic conclusions to the proposition that Yeltsin was the counter-revolution. He was, they say and go on to argue convincingly, that:

“The moribund workers’ state theory is indeed absurd, but in seeking to change labels without drawing the programmatic conclusions, the LRCI's current majority leaves their Gordian knot intact. If it was impossible to defend proletarian property relations by forming a united front with Yeltsin, and if, as the LRCI majority now acknowledges, the counterrevolution triumphed in August 1991 with the defeat of the Stalinist coup, then Soviet defencist should have sided militarily with Yanayev against Yeltsin.” [42]

In their original September 1991 article the IBT had correctly argued:

“There can be no doubt that the “hardliners” were thoroughly demoralized: they had lost faith in a socialist future of any kind, harboured many of the same pro-capitalist notions as their adversaries, and were only too willing to stoop to Great Russian chauvinism and even anti-Semitism to protect their political monopoly. But the Trotskyist position of unconditional defence of the Soviet Union always meant defence of the system of collectivized property against restorationist threats *regardless of the consciousness or subjective intentions* of the bureaucrats. The status quo the “hardliners” sought to protect, however incompetently, included the state ownership of the means of production—an objective barrier to the return of capitalist wage slavery. The collapse of the central state authority cleared the way for the juggernaut of reaction that is now rolling over the territory of the former USSR. To halt the advance of that juggernaut revolutionists had to be prepared to make a tactical military alliance with any section of the bureaucracy that, for whatever reason, was standing in front of its wheels.” [43]

And the IBT correctly observe that, “The tortured theorizing that produced the absurd assertion that the Soviet workers ‘state survived under Yeltsin, and now Putin, was, at bottom, an attempt to justify siding with the counterrevolutionaries in 1991”.

But the IBT weakness in theory is seen here: “The transition from a degenerated workers’ state to a full-fledged bourgeois state is not something which can take place in a month or a year. In 1937 Trotsky predicted that: “Should a bourgeois counterrevolution succeed in the USSR, the new government for a lengthy period would have to base itself upon the nationalized economy. But what does such a type of temporary conflict between the economy and the state mean? It means a *revolution* or a *counterrevolution*. The victory of one class over another signifies that it will

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reconstruct the economy in the interests of the victors.” —”Not a Workers’ and Not a Bourgeois State?”

“It was clear to him, as it is to us, that such a transformation can only occur as the result of a *process* in which the workers’ state is undermined by degrees. The task of analysis is to locate the decisive point in this transformation, i.e., the point beyond which prevailing trends cannot be reversed without the destruction of the state power. The momentum toward capitalist restoration had been building in the Soviet Union for the past several years. All available evidence leads us to conclude that the defeat of the coup and the ascension to power of the elements committed to reconstructing the economy on a capitalist basis constituted a qualitative turning point.” [44]

The IBT are wrong that “such a transformation can only occur as the result of a *process* in which the workers’ state is undermined by degrees” and that is not what Trotsky has said above. He does not mean that the new government is still presiding over a degenerated workers’ state. The process he refers to is the economic transformation of the base, privatisations etc. but STATE is already capitalist and the government pro-capitalist; these are the relations of production this state now “promotes and defends”, the criterion for determining the class character of the state, as the IBT has already acknowledged. The transformation occurred when Yanayev (not Yeltsin as we argue below) seized control of the state, at that moment we saw “the victory of one class over another” and the end of the dictatorship of the proletariat, even in its distorted form. WPB had now corrected the error by their rejection of Harvey’s assertion that the decisive battles lie ahead and indicated that they estimated that the decisive battle had already occurred. And it is no good quoting from Lenin’s *State and Revolution* because a



Deng Xiaoping, right, in Shanghai inspecting the fruits of his reform policies during his legendary southern tour in 1992.

healthy workers’ state is different from a bourgeois state in that it is essentially the dictatorship of the proletariat resting of soviet, workers council, democracy. The degenerated workers’ state was the distorted dictatorship of the proletariat without soviet democracy. In both cases, but in the latter in particular, the party/bureaucracy was the state, there was no division of powers between executive, legislature and judiciary, the Bolshevik party and then the Stalinist bureaucracy appointed all officials, as the IBT quote WPB:

“Why should we not be ‘thrown’ by these various possibilities? Because we have already recognised that the restoration does not require a ‘smashing’ of the state. The social counter-revolution took place peacefully. Under Stalinism the bureaucratic-military apparatus already had a bourgeois form: unlike a genuine revolutionary working class state, it had a standing army, secret police, unelected officials. All that was necessary was for a new government committed to capitalism to assume control within the commanding circles of this state power.”



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The IBT are correct in that there is no essential difference in this question between the healthy and deformed workers' state but they miss the essential point the WPB are making; the state *is* the bureaucracy. It therefore follows that when a leader or a leading group of bureaucrats wins the argument on what "class interests and property relations it promotes and defends", inevitably by a mixture of force and persuasion (but no full-scale civil war/counter-revolution), that state is then capitalist. WBP are themselves ambiguous on this point, "the assumption of power by Yeltsin in Russia in 1991 and the abolition of the Communist Party did not immediately complete the restoration of capitalism". We argue that this occurred with Yanayev's coup but that was unconsolidated, in fact Yeltsin's counter-coup copper-fastened the counter-revolution and instituted definitively the capitalist state, it was not just a "qualitative turning" as the IBT said. When Yeltsin emerged victorious on 21 August 1991 he merely implemented the will of the capitalist government in a more brutal way. The state he presided over now undertook tasks that were merely administrative; his opponents had been decisively defeated, the state was Yeltsin; like Louis XIV; "L'État, c'est moi".

As the LTT's *The Marxist Theory of the State and the Collapse of Stalinism* says:

"The cutting edge of distinction between bourgeois states and workers' states is not some decisive degree of nationalisation (Militant/CWI), nor the existence of "central planning" (Workers Power/LRCI), nor the alleged "commitment" of the state apparatus to defend the socialised forces of production (ICL and IBT), but which class interests the economy and the state apparatus ultimately serve." [45]

However there is a slight problem with this because it leaves it down to a subjective political assessment as to what "class interests the economy and the state apparatus ultimately

serve". As we will see below it is possible to defend the slower restorationist regime of Yanayev against the fast track Yeltsin in defence on the criterion of "which class interests the economy and the state apparatus ultimately serve" even if the workers' state had already been overthrown. Better to say that a workers' state is one which is based on nationalised property relations which consciously defends the economic interests of the working class either based on a programme of world revolution (a healthy workers' state) or in defence of the privileges of a parasitic Stalinist bureaucracy based on the degenerate workers' state of the USSR which issued from the Russian Revolution or then the deformed workers' states based on that that emerged post WWII.

### The IBT and China

And here the question of China emerges because the IBT have failed to understand this vital point it gets it wrong on China also. They were correct to call for a bloc with Yanayev against Yeltsin but not on the basis that he was defending nationalised property relations; he was not and made it clear that he would not do so. Their ambiguity on this question of when the transformation occurred, leaving open the question of whether a 'transitional state', neither capitalist nor workers, was possible is contradicted by their own quotes from Harvey and in their original 1991 document. They quote Harvey against those who; "insist that the triumph of Yeltsin was synonymous with the end of the workers' state...have a duty to retrospectively argue that they should have supported the SCSE [Yanayev's Emergency Committee] since they would have delayed the outcome at the very least." And had themselves pointed out in 1991 that, "It (the Yanayev coup – SF) could, however, have slowed the restorationist momentum at least temporarily, and

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bought precious time for the Soviet working class.

As we have noted had Yanayev won capitalism would have also been restored in the USSR but in the 'Chinese way', with Yanayev acting as an agent of the new Russian Empire and bourgeoisie in substantial opposition to Western Imperialism, as Putin is attempting to do now and as Deng achieved the China. The mafia capitalism of the slavishly pro-Western Imperialist Yeltsin would have been avoided, which would have benefited the working class, therefore a bloc with Yanayev was necessary to forestall disaster and leave open the chance of a workers' uprising in defence of its interests. As it was Dave Stockton tells us of the scale of the disaster that befell the former USSR:

"The most important question is why the Soviet working class was unable to prevent a restoration of capitalism that was to prove so disastrous for their job security, living standards and social welfare. From 1992-1998 Russia, the Ukraine and most of the other successor states to the old Soviet Union experienced an economic collapse twice as deep and twice as long as the Great Depression of the 1930s. Some 60 per cent of the factories were wiped out." [46]

Deng restored the capitalist state in China in 1992 as we explained in *In defence of Trotskyism No 1*:

During the Tiananmen Square protests Deng Xiaoping, the "Paramount leader of the People's Republic of China from 1978 to the early 1990s," strongly supported the demonstrators, as did his pro-market ally General Secretary Zhao Ziyang until the ranks of the student restorationist leaders began to be swamped by the working class who started to make their own political demands. Martial law was declared on 20 May. And surely only Deng had the authority to order the massacre



The IBT on a demo. Closer to Marxism on the USSR than the ICL in many ways but more Stalinophilic on Poland, for e.g.

on 4 June. The Chinese authorities "summarily tried and executed many of the workers they arrested in Beijing. In contrast, the students, many of whom came from relatively affluent backgrounds, were well-connected, received much lighter sentences" (Wikipedia). The (Spartacist -SF) "family" have never noticed this dichotomy; why did they not call for the repression of Deng's allies, the restorationist students, here? The CCP then began to deal "strictly with those inside the party with serious tendencies toward bourgeois liberalization". Zhao Ziyang was put under house arrest and Deng himself was forced to make concessions to anti-reform communists. He denounced the movement; "the entire imperialist Western world plans to make all socialist countries discard the socialist road and then bring them under the monopoly of international capital and onto the capitalist road". But it was only a tactical retreat. Resistance of all types, from the immediate restorationists as well as from bureaucratic defenders of the state and its nationalised property relations was thoroughly crushed by the purge of 30,000 party officials by apparatchiks charged with this grisly task. Deng was then in a position to win over the last holdout hardliners. This is how Wikipedia reported Deng's legendary southern tour;

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“To reassert his economic agenda, in the spring of 1992, Deng made his famous southern tour of China, visiting Guangzhou, Shenzhen, Zhuhai and spending the New Year in Shanghai, in reality using his travels as a method of reasserting his economic policy after his retirement from office. On his tour, Deng made various speeches and generated large local support for his reformist platform. He stressed the importance of economic construction in China, and criticized those who were against further economic and openness reforms. Although there is debate on whether or not Deng actually said it, his perceived catchphrase, “To get rich is glorious”, unleashed a wave of personal entrepreneurship that continues to drive China’s economy today. He stated that the “leftist” elements of Chinese society were much more dangerous than “rightist” ones. Deng was instrumental in the opening of Shanghai’s Pudong New Area, revitalizing the city as China’s economic hub.”

“His southern tour was initially ignored by the Beijing and national media, which were then under the control of Deng’s political rivals. President Jiang Zemin showed little support. Challenging their media control, Shanghai’s Liberation Daily newspaper published several articles supporting reforms authored by “Huangfu Ping”, which quickly gained support amongst local officials and populace. Deng’s new wave of policy rhetoric gave way to a new political storm between factions in the Politburo. President Jiang Zemin eventually sided with Deng, and the national media finally reported Deng’s southern tour several months after it occurred. Observers suggest that Jiang’s submission to Deng’s policies had solidified his position as Deng’s heir apparent. Behind the scenes, Deng’s southern tour aided his reformist allies’ climb to the apex of nation”

In our view Tiananmen Square set in motion the chain of events that enabled the CCP to

purge the party and state apparatus and neuter the working class. The development of capitalist property relations were prioritised consciously by the entire bureaucracy and state in 1992 when Jiang capitulated to Deng. China then ceased being a workers’ state in any way.” [47]

Here the violence of Tiananmen Square was ostensibly to preserve the deformed workers’ state but Deng used his control of the apparatus to purge the defenders of that state in the main and when he confronted President Jiang Zemin he secured the final agreement to restore a capitalist state, which was agreed at the next conference, so the mixture of force and persuasion worked without the need for a civil war/counter-revolution. As we understand it WPB basically agrees with this position on China.

In his book *Is China Capitalist?* Laurence Coats, from the CWI, correctly sees this transformation as the important one and spells it out in the section of Chapter 1 *Major shifts in the 1990s*, even if he does not explicitly draw the conclusion that this was when a capitalist state was restored:

“In China, the last decade has seen a phenomenal development of the capitalist sectors of the economy and new measures to restructure the state sector. In 1992 Deng Xiaoping announced the decision to build a “socialist market economy” while touring the coastal provinces. The same year the CCP congress changed the country’s constitution accordingly. Deng’s tour was organised through the so called ‘cadre-businessmen’ in these provinces to pressurise the central government to speed up the implementation of pro-capitalist ‘reforms’. He launched three slogans: a greater opening to foreign investment and trade; a faster turn to the market; and for all of China to “learn from the South.”

Deng ruled by skilfully balancing between the different factions of the ruling party through

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which the pressure of different classes were retracted i.e. had withdrawn from active participation in government and passed on all formal titles to his heirs like Jiang Zemin. Therefore his return to the scene in the tour of 1992 was extremely significant. It marked the end of the phase of 'consolidation' which had followed the Tiananmen Square massacre and the decision to complete at all costs the transformation to a capitalist economy. Deng's claim that "reform is the second revolution" I sums up the regimes view of its own role. In the two years that followed Deng's tour more than 100,000 joint ventures with foreign companies were set up. Foreign investment surged to 20 billion dollars in 1993 and then doubled in 1994. The first experiments with shareholding had started in 1983 but in 1992 the number of shareholding companies exploded. Stock market capitalisation was 32 times greater in 1994 than in 1991. In the 1991 debate with Ted Grant's supporters, who subsequently left the CWI, we pointed out:

"In China the Stalinist wing purged Zhao Ziyang and the open pro- capitalist wing alter the massacre in Tiananmen Square. For a period they reasserted greater central control over the economy and the provinces and took emergency measures to squeeze credit and bring down inflation. But after this short period of re-adjustment Li Peng and the hardliners have adopted pro capitalist policies which are not fundamentally different from Zhao's." [48]

However the IBT itself has many "pro-imperialist" prejudices; they are not consistent Trotskyists. They used a correct method in August 1991, that of USSR defencism. But the IBT do not extend this defencist method to the defence of oppressed nations, as Trotsky did in his most mature work, *In Defence of Marxism*. In capitulating to their own imperialist bourgeoisie the IBT do not consistently defend the oppressed countries

(Argentina / Malvinas, Libya, Syria) and do not advocate the AIUF of Lenin and Trotsky and the revolutionary Comintern. They do not maintain a consistent fight against Shamanism as Trotsky did. Regarding the oppressed nations, the IBT is now as third campist as Shachtman and the petty bourgeois opposition SWP in 1940. With this criticism, we fight against the IBT just as the IBT fought against WPB. If the IBT can say of WPB, "there is no indication of a corresponding programmatic development" we are entitled to say the same thing about the IBT's failure to take a defencist position on the wars against Argentina, Libya, Syria...

But Trotsky saw the defence of the oppressed nations and the defence of the USSR as equal duties on the revolutionary party. He spelled it out in the Transitional Programme: "But not all countries of the world are imperialist countries. On the contrary, the majority are victims of imperialism. Some of the colonial or semi colonial countries will undoubtedly attempt to utilize the war in order to ease off the yoke of slavery. Their war will be not imperialist but liberating. It will be the duty of the international proletariat to aid the oppressed countries in their war against oppressors. The same duty applies in regard to aiding the USSR, or whatever other workers' government might arise before the war or during the war. The defeat of *every* imperialist government in the struggle with the workers' state or with a colonial country is the lesser evil." [49]

### Conclusion

We might legitimate question how Trotsky's programme for the political revolution to overthrow the Stalinist bureaucracy and restore soviet democracy fared in the years between 1989 and 1992? In only two countries were there real workers' uprisings, in Rumania in 1989 and in China in 1991. The Stalinist bureaucracy successfully crushed

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these to restore capitalism themselves. In East Germany and Czechoslovakia a powerful working class make big effort initially but they were outmanoeuvred by the Stalinists and restorationists by mobilising the middle classes with the lure of capitalist prosperity which never came for the vast majority.

Lack of leadership was the key to these defeats, the culmination of the long series of ideological and industrial defeats beginning in the early 1980s. But the number of so-called Trotskyist groups who hailed these defeats as victorious revolutions has made it very difficult to reverse the trend. But we are confident that a new generation of youth fighters will reverse the tide provides they are politically and ideologically trained by dedicated Marxists who have learned to swim against the tide of reaction.

In conclusion the Marxist theory of the state was defended well by Ted Grant in the late 1940s but with problematic formulations which opened the door to later degeneration. Workers Power's appeared to understand the state until they came under the pressure of petty bourgeois public opinion and then adopted the ridiculous 'moribund workers' state' theory to justify supporting Yeltsin in August 1992.

And the IBT correctly identify this capitulation but themselves are so anxious to remain within the Spart 'family' that they cannot consistently follow the logic of the Trotsky quotes they use themselves and conclude that China, Vietnam and Laos are now capitalist states because the property relations that the communist parties here promote and defend are undoubtedly capitalist.

### Notes

[1] In fact Ted Grant took no position on the 1953 split; his group became the 'Pabloite' IS section following John Lawrence's desertion to Stalinism in 1953 and they remained a section of the IS until about 1963, making no further criticism of Pabloism. Ironically Grant was out

of favour because he refused to enter the Labour party as instructed by Pablo.

[2] Ted Grant, *Reply to David James*, Written: Spring 1949 Source: The Unbroken Thread and a 1966 reprint. Original still sought, <http://www.marxists.org/archive/grant/1949/james.htm>

[3] Wikipedia, *Josip Broz Tito* [http://en.wikipedia.org/wiki/Josip\\_Broz\\_Tito](http://en.wikipedia.org/wiki/Josip_Broz_Tito). The actual overturn seems to have happened in 1948 in Yugoslavia when Tito was quoted in Time Magazine: "We study and take as an example the Soviet system, but we are developing socialism in our country in somewhat different forms. (...) No matter how much each of us loves the land of socialism, the USSR, he can in no case love his own country less. —Josip Broz Tito". Wiki further informs us, "Stalin, however, "took the matter personally and attempted, unsuccessfully, to assassinate Tito on several occasions. In a correspondence between the two leaders, Tito openly wrote: "Stop sending people to kill me. We've already captured five of them, one of them with a bomb and another with a rifle (...) If you don't stop sending killers, I'll send one to Moscow, and I won't have to send a second. — Josip Broz Tito"."

[4] Leon Trotsky, *The Revolution Betrayed, Chapter 9, Social Relations in the Soviet Union*, <http://www.marxists.org/archive/trotsky/1936/revbet/ch09.htm>

[5] <http://marxists.anu.edu.au/history/etol/document/ltt/cwg-ltt-fusion.htm>

[6] (November 1937) *The Marxist Theory of the State and the Collapse of Stalinism*, <http://www.scribd.com/doc/106349034/the-marxist-theory-of-the-state-and-the-collapse-of-stalinism-w>

[7] *Not a Workers' and Not a Bourgeois State?* <http://www.marxists.org/archive/trotsky/1937/11/wstate.htm>

[8] *Where is Pablo going?* by Bleibtreu-Favre, June 1951, <http://www.marxists.org/history/etol/document/fi/1950-1953/ic-issplit/04.htm>

[9] *Trotsky and the Materialist Analysis of Stalinism* <http://www.scribd.com/doc/156117280/Trotsky-and-the-Materialist-Analysis-of-Stalinism>

[10] Workers Vanguard No. 456 (1 July 1988), *Anatomy of a Healyite Russia-Hater, David North: Joseph Hansen's Natural Son*, August 12, 2009, <http://anti-septic.blogspot.co.uk/2009/08/david-north-joseph-hansens-natural-son.html>

[11] *ICL Still Caught Between Shachtman and Trotsky*, <http://www.internationalist.org/iclcaught0301.html>

[12] Trotsky, *Again and Once More Again on the Nature of the USSR*. <http://www.revolutionaryhistory.co.uk/state-cap/fourth-international/state-capitalism/again-and-once-more-again-on-the-nature-of-the-ussr.htm>

[13] Where is Pablo Going? Opus cit.

[14] Trotskyism versus revisionism, Volume 3, Under a Stolen flag, pp 2-20.

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[15] Ted Grant, *The Colonial Revolution and the Deformed Workers' States*, July 1978, <http://www.marxists.org/archive/grant/1978/07/colrev.htm>

[16] Leon Trotsky, Balance Sheet of the Finnish Events (April 1940)

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[20] The Marxist Theory of the State and the collapse of Stalinism, <http://www.scribd.com/doc/106349034/the-marxist-theory-of-the-state-and-the-collapse-of-stalinism-v>

[21] Wohlforth, Tim. *Cuba and the Deformed Workers State*, in *Marxist Bulletin No. 8, Cuba and Marxist Theory*, Published: 1966/1973, <http://www.marxists.org/history/etol/document/icl-spartacists/cuba/index.htm>

[22] *The Wohlforth Way: A Methodological Mutation*, By Tom Kerry, <http://www.marxists.org/history/etol/document/swp-us/education/class-state/kerry.htm> Reprinted from SWP Discussion Bulletin Vol. 24, No. 17, May 1963#

[23] *Cuba and the Deformed Workers State*, opus cit.

[24] See Peng Shuzi, *Criticisms on the U.S. SWP's Opinion on Cuba*, <http://www.marxists.org/archive/peng/1982/oncubavswp.htm>

[25] *Theoretical Clarification* by James Robertson, 6 April 1966, <http://www.marxists.org/history/etol/document/icl-spartacists/cuba/clarify.html>

[26] *Where is Pablo going?* opus cit.

[27] Pete Goodwin, 'Razor sharp factional minds'—the Fourth International debates Kampuchea (International Socialism Summer 1979) <http://www.marxists.org/history/etol/newspape/isj2/1979/isj2-005/goodwin.html>

[28] *In Defence of Trotskyism No 1*, <http://www.scribd.com/doc/84912001/In-Defence-of-Trotskyism-No-1>

[29] Grant identified Burma as a deformed workers state or a "proletarian Bonapartist regime" in this document in 1978. Later states to be added to this list were, Vietnam (unifying South and North), Laos, Kampuchea, Angola, Mozambique, Egypt, Libya, Somalia and Ethiopia (apologies if we have missed a few!)

[30] <http://www.marxists.org/archive/grant/1978/07/colrev.htm>

[31] Peng Shuzi, *Criticisms on the U.S. SWP's Opinion on Cuba* opus cit.



[32] Vietnam, Wikipedia, <http://en.wikipedia.org/wiki/Vietnam>

[33] Freewheel Burning: *US Bombings in Laos 1965-1973*, <http://peterslarson.com/2010/12/15/us-bombings-in-laos-1965-1973/>

[34] Wikipedia Laos, <http://en.wikipedia.org/wiki/Laos>

[35] Ibid.

[36] Ibid.

[37] *The Rise of Militant, Chapter Forty-Five, Two trends in Militant, Coup in Russia*, <http://www.socialistparty.org.uk/militant/mil2frame.htm?ch45.htm>

[38] (Rise of Militant footnote) Jaruzelski, in the 1991 polish election campaign, Quoted In "The Collapse Of Stalinism, Part 2, Para 134.

[39] *The Rise of Militant*.

[40] Heiko Khoo, *The Class Nature of the Chinese State A critique of "China's Long March to Capitalism"* 2008, [http://chinareporting.blogspot.co.uk/2009/11/class-nature-of-chinese-state-critique\\_26.html](http://chinareporting.blogspot.co.uk/2009/11/class-nature-of-chinese-state-critique_26.html)

[41] International Bolshevik Tendency, *LRCT's Left Turn: 'No Coherent Middle Ground', Moribund No More?* <http://www.bolshevik.org/1917/no23/Finlrci.html>

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[43] Ibid.

[44] IBT, *LRCT's Left Turn*:

[45] Leninist-Trotskyist Tendency. *The Marxist Theory of the State and the Collapse of Stalinism*, <http://www.scribd.com/doc/106349034/the-marxist-theory-of-the-state-and-the-collapse-of-stalinism-w>

[46] Stockton, Dave. *Twenty years since the death of the USSR*, <http://www.workerspower.co.uk/2011/08/twenty>