

Journal of the  
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# Revolutionary Perspectives

# 12



## Back to the 1930s?

**US Power and the New  
Course Towards War**

**Critique of H. Ticktin's concept  
of decline and transition**

**N Bukharin and A Lomov:  
from *Kommunist* (April 1918)**

**Review of *Back to the Future:  
Rebranding Social Democracy***

# Revolutionary Perspectives

*Magazine of the Communist Workers' Organisation*  
*Affiliate of the Internationalist Communist Tendency*  
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# Are We Going Back to the 1930s?

You need to be well over 80 to directly remember anything about the 1930s. For those in the succeeding generation, the nearest to real experience of that time was listening to our parents who preferred to forget about them. Tales of the Means Test, of going hungry, lacking shoes, not being able to afford a doctor and the shadow of unemployment and war are not the stuff of bedtime stories. The impact of that on their consciousness could be a discussion all on its own. However it does raise the question about how historical experience, whether we like it or not, shapes our current perceptions and outlook. It might be worth examining this methodological issue before we get into the comparison of the 1930s with today.

## History Lessons

Many people know the famous opening of Marx's article "The 18th Brumaire of Louis Napoleon" in which he alleges "*Hegel remarks somewhere that all great world-historic facts and personages appear, so to speak, twice. He forgot to add the first time as tragedy the second time as farce*". Leaving aside the issue that Hegel did not actually say this, it remains a great image which has been deployed many times (and often by ourselves) to make comparisons between historical events. What Marx goes on to add though is more significant for our discussion today:

*The tradition of all past generations weighs like a nightmare upon the brains of the living. At the very time when they appear to be engaged in revolutionising things and themselves, in bringing about what never was before, at such very epochs of revolutionary crisis do they anxiously conjure up into their service the spirits of the past, assume their names, their battle cries, their costumes to enact a new historic scene in such time-honoured disguise and with such borrowed language.*

There is a warning for us here about the use, and abuse, of history. We cannot avoid history – it is the collective memory of humanity and, apart from our direct personal experience, it is the only basis for informed thinking about the future we have to go on. We can though be misled in our interpretation of it since we try to look at history through the discernible patterns of the past. This runs the danger that we don't always grasp the significance of what is new in the epoch we live in. Something may be happening which we are unaware of but which sets a new pattern for the future.

We have a concrete example of this in our own past. In the 1970s the ideas of the communist left first came to the UK. This itself was no historical accident as

it coincided with the end of the post-war boom and the beginning of the decline in the cycle of capital accumulation. The reappearance of the crisis vindicated those Marxists (like Paul Mattick Sr) who had argued throughout the 1950s and 1960s that the post war boom did not signal the end of all capitalist crises. They had argued that the boom was predicated on the massive destruction of capital values during the Second World War and, sooner or later, the tendential fall in the rate of profit would reassert itself, and the world would be plunged into crisis once again.

From this work, those of us who formed the CWO, could see that the cycles of accumulation of capital, which in Marx's day had lasted about every ten years or so, had been altered by the gradual centralisation and concentration of capital so that they were lasting longer. When they did reach their peak the simple devaluation by bankruptcies of a few firms was no longer adequate to start a new cycle of accumulation. Only the massive devaluation of generalised warfare was sufficient. Thus since 1914 the capitalist crisis led the major capitalist states to all-out war on two occasions. Our early conclusion was that if the third cycle of accumulation was coming to an end then either the working class had to overthrow the system or we would be facing a new war in the not-to-distant future.

This turned out to be mistaken. The root of it was that we had always assumed that every capitalist state would fight to control the so-called "commanding heights of the economy" that were necessary for "national security" such as steel, shipbuilding and energy. What we did not appreciate was that this was no longer seen as so important in a Cold War world where whole blocs operated together and dominated the rest of the world. Thus it was possible for states not to write off some investment and restructure industry but they could also actively encourage the investment of capital in cheap labour countries rather than in the home country. A system in crisis had stumbled on a new direction in order to keep the system afloat (a new direction which also had the advantage of taming the class struggle in the heartlands of capitalism). This was exactly what happened in the 1980s and 1990s. For a time it helped check the fall in the rate of profit but when this, once again, seemed to be under threat, and as the weaker, Soviet bloc crumbled, globalisation became "financialisation". The highest returns were now to be made in setting up financial institutions which ensured a constant revenue flow to banks and financial institutions. There was no limit to this creativity of money-spinners from futures and hedges, to the more opaque collateralised debt obligations and credit derivatives. Here hubris took over and our rulers conveniently forgot the lessons of history by abandoning all the regulations introduced in the 1930s (Glass-Steagall etc) to prevent another Wall St Crash. Thus banks were allowed to get involved in developing "new

financial instruments", which basically recycled debt, and in the end, became pure speculation. What had happened was that instead of gearing up to a world war, the system had found a new way of postponing the consequences of the crisis, via speculation. However, as Marx makes clear in *Capital* Volume 3, the speculative phase where fictitious capital is created is the final phase of the cycle. Even here, in the 1990s, we saw clearly that the speculative bubble would have to burst some time but could not believe that the system could hang on until 2007-8.

The response of the capitalist states around the world to this new manifestation of the crisis was more predictable. Allowing capitalist laws to operate unchecked would have led to the collapse of the entire financial system and hence to a collapse of the capitalist system. This would have made the aftermath of the Wall Street Crash look like a minor blip. The major states were thus forced to act. Massive bail-outs followed by quantitative easing were the only solutions. These measures dealt with the symptom but not the disease. A decade on, they have only increased global indebtedness (which is now approaching \$250 trillion and rising). The main change is that much of this is now owed by states. The crisis has not gone away but we are in an entirely new situation which the world has not experienced before.

## 2018 is not the 1930s

Which means talk of "going back to the 1930s" is misplaced. However, there are plenty of reasons why some commentators have been saying this for at least the last two years. When Hitler came to power in 1933 he took Germany out of the League of Nations, withdrew from all pacts intended to promote peace, and withdrew from all disarmament talks. Trump's first meaningful acts were to withdraw from the Paris accord on climate change and the Trans-Pacific Partnership, whilst his officials have spent a great deal of time demeaning the United Nations. Trump has not only threatened military action against perceived enemies of the US but has actually carried out several military sorties to back up those threats. Some can find other similarities. Mass unemployment, and fascist dictatorships may not be with us today but economic stagnation, declining living standards for many, and a rise of an authoritarian and increasingly racist nationalism across the world could be seen as their modern day counterparts.

And of course behind it all there was the unsolved matter of an economic crisis. In 1930 the US Congress introduced the Smoot-Hawley Tariff which put duties up to 60% on 20,000 goods. This provoked retaliation right across the globe starting with Canada. In Germany "equalising tariffs" were introduced by the Brüning government in January 1932, exactly a year before the Nazis came to power. Tariffs were not the only beggar-my-neighbour policy introduced by states at the

time. Competitive currency devaluations had come first as countries came off the gold standard, but all this added up to trade war which made the economic crisis worse. As such it was the prelude to the Second World War.

One concrete factor is missing compared to the 1930s. Hitler came to power on the promise to revise all the treaties imposed on Germany after WW1. Inside Germany his economic strategy was autarky which was aimed at total self-sufficiency. It included some ruthless economic policies, like selling machinery to a country and then refusing to sell the spare parts unless the country in question imported more from Germany. These, and other strategies, were obviously short-term measures but they were intended to be. The entire economic programme of Nazism depended on waging successful war and in the short term. Once Hitler had got away with rearming, and had survived the gamble of remilitarising the Rhineland in 1936, his whole policy was one of pursuing conflict.

Today the nearest thing to a revisionist state like Nazi Germany is Putin's Russia which has already annexed Crimea, re-established its foothold in the Middle East and is ready to annex the two Eastern provinces of Ukraine. But Putin is still constrained by the economic and military weakness of Russia. It is his strategy of careful calculation which has enabled him to reverse some of the losses made by the old USSR, not massive and open military strength. He knows too that to go too far too soon might provoke a more concerted response than he has faced hitherto.

It was always a bit of a myth that the USSR was somehow an equal rival to the US in the Cold War and, in fact, the effort to keep that myth up helped to destroy it. However the notion of blocs orbiting around two "super-powers" who had done well out of World War Two did create a new world order. Looking at it now it seems that this bipolar world of blocs was an aberration in history and we have returned to the world of individual nation states, as was the norm under capitalist imperialism previously. First the USSR imploded and its bloc collapsed. Since 1990 the US has become the unchallenged dominant power on the planet. But within the US ruling class there has been a constant debate between those who want the US to be the world leader in coordination with its allies, and those who have wanted the US to pursue a more aggressive foreign policy. As our article in this issue, shows the current US administration is in the latter camp. When the state which emerged in 1945 as the most powerful in history starts to denounce all the institutions it set up itself to guarantee its dominance of the world, we know we have entered an entirely new situation.

The US has a lot more leverage than just military might but we should note that it spends \$600 billion a year currently on defence (which is more than the next 14

powers put together, and it is ten times more than China), and Trump wants to raise this by 25%. With over 700 bases around the world there is no power or even coalition which could resist them. "Trump is using this, plus US economic power, to condemn a world which has been "ripping off the USA" for decades. It does not matter whether this is true or not. The point is that this has become the mantra of "America First". To start with he is threatening sanctions against anyone trading with Iran. This aggressive agenda though is only a sideshow for his real target, which is China.

China has openly announced that it intends to become the world's number one state by 2049 in terms of "national power and international influence". By that time the slow stealthy Chinese strategy may indeed put them in a position where the US would have to accede to a new world order (see our article "China: Long Held Us Fears becoming Reality?" in our previous issue). The problem for the US ruling class is how to prevent that and, more importantly when. Trump's threatened tariff war may bring China to some deal but, given that the Chinese state has \$3 trillion in reserve, a trade war is likely to create more problems for the US economy first.

The *sine qua non* of the present situation is that it is still immersed in a global economic crisis. Thanks to the actions of governments it is not as apparently dramatic in its current consequences as that of the 1930s. However, as in the 1930s, the masters of the capitalist universe have no economic solution. Speculation with fiat money may give the appearance of a kind of recovery but this only presages the bursting of the next bubble.

Lacking real economic solutions, the capitalists' political choices smack of desperation (and we have decided not to mention Brexit in this issue). Trump's tax cuts might have given a short term boost to investor confidence (long enough to last until the November Congressional elections) but in the long term they guarantee that US deficits will continue to rise, and with it the annual cost of servicing of its debt. At the moment the US is kept afloat because enough international investors have enough confidence in the US, its currency and its institutions, to regard it as a safe bet when buying bonds. The underlying crisis may not guarantee this for ever, in which case a new, more drastic, crisis of the system will be inevitable.

When that happens what is the likely consequence? The consequences are likely to be dire with nationalist and militarist forces dictating the agenda. The relentless conflicts around the planet will take on new force and the notion of a more generalised war cannot be excluded eventually.

The only force that is capable of altering the situation and saving the planet is

the international working class but right now it is not in great shape. It was not in great shape in the 1930s either. By then it had long been defeated in its first international attempt to overthrow capitalism. As a consequence of that defeat the class was divided and deluded – some with illusions that Stalinist Russia was socialism, others were still loyal to the social democrats who had saved capitalism in 1914 and 1919. The revolutionaries in the class had been reduced to small fractions trying to make sense of the counter-revolution or were in the prison camps of the fascists or Stalinists.

However, one thing the Communist Left came to recognise was that “anti-fascism”, far from being about the defence of the working class had come to be a rallying cry to get workers to support the “war for democracy”. It had become the official position of the Stalinist Communist International after 1935 and was used to mobilise workers to go to Spain, not to fight for “the Spanish Revolution, but to fight for the interests of the Soviet union in an inter-imperialist war against Germany and Italy. In time it was adopted by the Western democracies in the Second World War. Fighting fascism seemed a much more progressive notion to die for than fighting for “King and Country” or the “patrie” as in the First World War and the ruling class in Russia and the West were not slow to play on it. Anti-fascism became their mobilising slogan for imperialist war.

Most of the comparisons between the 1930s with today are made by the defenders of capitalist democracy. They do not support proletarian autonomy or the fight for a communist society. All they worry about is the possible revival of fascism. For them mention of the 1930s is always a scare story. Ironically this is just how their political antecedents in the 1930s also talked. Instead of pointing the working class to the real issue, which is the impact of the ongoing crisis of capitalism, they turn the debate on to which capitalist faction are we for. Obviously the horrors of fascist dictatorship, with all their genocidal consequences, have to be fought too, but that is not what anti-fascists of then, and now, argue. They still argue, like Paul Mason did a couple of years ago, for a defence of the globalised democratic world:

*“We have – and must defend – a resilient global system.”*  
<https://www.theguardian.com/commentisfree/2016/aug/01/are-we-living-through-another-1930s-paul-mason>

This “resilient global system” operates only for one class and we have no interest in defending it. We need to defend ourselves, not just from fascists but also from those who are deluded that this system has a “concept of universal and inalienable human rights”. In a world where Syrian children are gassed, where Congo women are routinely raped as an act of war, and where 22 million Yemenis are facing malnutrition over one of the most pointless wars on the planet, and so on, where

can you find these “inalienable human rights” today?

With the working class in retreat right across the globe in the face of lowering wages, worse working conditions and a smaller share of the national wealth in each country we are still in a dire predicament. Inequality today is rising and in statistical terms is worse than the 1930s. Even though the indicators of poverty may not be as dire as the 1930s, 80 million people in the richest nation on Earth are living at third world levels. The only bright spots in this are that most of today’s workers have not shared in the defeats of the past and, at last, new struggles are beginning to break out across the world. At the same time, small nuclei of genuine communists, who don’t buy into all the old myths about Stalinism being communism, are appearing more and more around the world with each year that passes. It is likely that things will get worse before they get better, given the rise of nationalism and racism, but just as history seemed to be taking one direction in the past, only for it to take another, it would be a mistake to write off those whose labour actually provides the basis of our human existence. The historic choice a decaying capitalist system offers us is still “socialism or barbarism”.

*The above article is based on the introduction to our public meeting in Newcastle upon Tyne on July 24 2018.*

## US Power and the New Course Towards War

**W**e live, and have been living, in an epoch of capitalist decadence. Notwithstanding longer life expectancy, technological advance, and the claims of its defenders, the capitalist system is incapable of addressing existential questions such as the destruction of the environment via man-made climate change. After all, to do so would get in the way of making profits. Short-term expediency portends long term disaster.

Capitalism though threatens the very existence of humanity in more direct ways. Currently there are 60 conflicts taking place around the world. Many have been going on unchecked for decades. Millions have died, whilst millions of others try to flee to the very advanced countries who provide the arms for these wars. Even if they survive the journey their existence is increasingly precarious, as racist movements agitate to “defend” a way of life that has become increasingly difficult even for the working class in the advanced capitalist world. US and UK real wages have been stagnant or declined since 1979. And the last decade of austerity has only added to the pain. What we are actually living through is the long slow decay of a social system in crisis. “Chaos” and even “decomposition” may be words that leap to the mind to describe current events. But they remain descriptions. What is required is a materialist analysis of the specific circumstances of current reality in order to lay bare, and understand, the forces behind it. Once we do that we can have a better understanding of where history is taking us.

In the current situation trying to make sense of all the contradictions and confusions would seem to be something of a mugs’ game. After all, the current convulsions in the political arena of the most powerful state on earth make any discussion of its direction from day to day almost impossible. In this article we try to focus on both the short term immediate issues facing the new line in US policy but also to set this in the context of a longer perspective which sees that, whatever the accidents of history, the ultimate final solution for capitalism is a major imperialist war.

### Imperialist Rivalry in the Syrian War – Israel Gets a Blank Cheque from the US

Consistency, or even informed deliberation, has hardly been characteristic of Donald Trump’s foreign policy pronouncements since he became President of the

United States, to put it mildly. In April, he announced the US would pull its troops out of Syria but exactly a week later he ordered missile attacks on Syrian air bases. This U-turn was provoked by the Assad regime’s alleged dropping of chemical weapons on civilians in the besieged town of Douma. British and French air forces also joined the attack for which they were praised by the US President. British participation in these attacks prompted the Daily Telegraph to headline its report “Could Britain be drawn into World War Three”. The Telegraph was not alone in raising that spectre. Russia warned of “consequences” after the attacks, with President Putin labelling the strikes an “act of aggression” that could “have a destructive effect on the entire system of international relations.” [1]

At first sight this alarm appears premature. The strikes of 14 April 2018 were, after all, only a repeat of a similar attack by US forces exactly one year earlier. They seem typical of the one-off actions of a US President who likes grand gestures (like the dropping of the largest conventional bomb in history on an Afghan mountain, supposedly to attack the Taliban last year). Furthermore, in the April attacks both Russian and Iranian military facilities were avoided and the Russians may even have been secretly warned of what was coming (and, according to one Al Jazeera report, they then tipped off the Syrians who also evacuated the threatened bases). This was thus more of a warning than a devastating military blow. [2]

And then there is the, by now, usual confusion in the Trump White House. On the night of the attacks, Trump said the US was “prepared to sustain this response until the Syrian regime stops its use of prohibited chemical agents.” But soon after, James Mattis, the Secretary for Defense contradicted him. “Right now, this is a one-time shot, designed to set back the Syrian war machine’s ability to produce chemical weapons.”

There was further incoherence the day after the attack on Syria. At that time Nikki Haley, the US Ambassador, announced in the UN that further economic sanctions would be taken against Russia for its support for the Syrian chemical weapons programme. She then found out that Trump had changed his mind, presumably in order not to antagonise Putin (who he was due to meet in Helsinki in July – a meeting which subsequently revealed yet more confusion about the real direction of US imperialist policy).

Despite all the confusion, and sudden shifts of policy, the Syrian conflict, far from winding down, does seem to be moving into an infinitely wider and more dangerous context engulfing the wider Middle East and beyond. Today Turkey, Iran, Russia, the USA, Britain, France, Saudi Arabia, and Qatar, are all involved to various degrees, with Israel watching and intervening when, and where, it feels

a need to counter the Iranian and Hezbollah build-up. The Saudis and Qataris still support jihadist groups but the remaining, more significant, powers in Syria either have boots on the ground there, and/or are supplying air cover for their chosen surrogate. The one consistent and dangerous thread in US policy here is its absolute opposition to growing Iranian influence in the region.

The consequences of this are already clear. The US' unilateral withdrawal from the Joint Comprehensive Plan of Action (or Iran nuclear deal), and the formal transfer of the US Embassy to Jerusalem means that any US pretence of "restraining" Israel has been abandoned. The USA's subsequent defence of Israel's shooting of thousands of demonstrators (and the killing of over 130 of them) on the Gaza border in the UN Security Council only underlines this new policy departure. [3]

And the danger signs for the Middle East continue to grow. On April 9, a few days before the US missile attack on Syria, Israel struck at air force base T4 near Tiyas. This is used by the Iranian Revolutionary Guards. 7 Iranians were killed including the commander of the Iranian drone operations from Syria. It was from here that a drone had entered Israel the previous February. A senior Israeli official confirmed to the New York Times that Israel had struck the base and underlined its significance by adding "it was the first time we attacked live Iranian targets – both facilities and people." [4]

Matters have not ended there. There have been two more drone incursions from Syria into Israel since (shot down by Patriot missiles) and Israel has carried out a series of attacks on Hezbollah, Syrian Army and Iranian positions inside Syria. This also included a further attack on the T4 airbase, which is also used by the Russians, on July 8. The same Israeli minister quoted above made the situation clear. He told the *New York Times* that "A new phase has begun and the next war will be between Israel and Iran". Defence Minister Avigdor Lieberman added that "we must do what we must, in order to prevent Iranian consolidation in Syria". On 2 May 2018 the Knesset (Israel's Parliament) passed a law allowing war to be declared by the Prime Minister (Netanyahu) and the Defence Minister in "extreme circumstances" without having to consult anyone else. This is part of preparation for war with Iran, but not just Iran. As Il Partito Comunista Internazionale (Battaglia Comunista), our sister group in Italy, commented:

*This is also a warning for Russia, since Tel Aviv will not allow Moscow to hinder its plans to counteract the Iranian presence in Syria in any way. Moreover, the Minister himself has openly accused the Tehran government of financing the "terrorists" of Hamas and Hezbollah, which without their help in money and arms, would not be able to present such a serious threat to "peace" in the Middle*

East. On several occasions, before and after the raids in Syria, Israeli authorities have declared that they want to prevent the presence of Iranian soldiers on "its" northern borders (The Golan Heights). Yaakov Amidor former head of the Security Council in Tel Aviv has cynically announced that "We can not allow such a thing. And if there is no withdrawal, this will lead to war". We did not have to wait long for the expected response of Iranian Prime Minister Bahram Qassemi, who in the name of President Rohani threateningly declared: "Israel will pay sooner or later". In other words if the raids on Iranian troops in Syria were to continue, the "right" response would be made and the state of Tel Aviv would not remain unpunished. He concluded that these attacks "have their roots in Israel's hostile policies towards the Muslim peoples of the region.

Skirmishes and ethnic-religious issues aside, Israel strongly fears the Shia encirclement, which from Tehran can now reach Hezbollah in Lebanon, passing through Damascus and Baghdad, under the political control of the ayatollahs. This puts the strategic position and rich sources of the Golan Heights at risk. On the other hand, Iran raises the banner of the Shiite Islamic struggle against Israel as part of its attempt to pose as champion of the defence of all Islam to the detriment of its enemy, Saudi Arabia. [5]

### Saudi Arabia – From Global Supporter of Salafism to Regional Powerbroker

Israel is now clearly one pillar of US imperialism in the Middle East, the other is Saudi Arabia. The US relationship with Saudi Arabia has been a key, if sometimes dubious, component of their Middle Eastern strategy since 1945. [6] In his almost obsessive determination to bring down Iran, Trump has now opted to support both Saudi Arabia and Israel more openly against their regional rival. Once again though, his ignorance of wider US security interests have at times embarrassed his own officials, and worked against the very goals he claims to be aiming for. An example was his visit to Riyadh last year when (after concluding a deal to supply more weapons for Saudi Arabia) he gave his enthusiastic support for Saudi Arabia's attempt to destroy Qatar's political independence. He supported the sanctions Saudi Arabia, the UAE, Bahrain and Egypt imposed on Qatar as a "supporter of terrorism". He did not seem to know that Qatar is home to the forward headquarters of the US military's Central Command, and hosts around 10,000 American soldiers at Al Udeid.

In fact Trump had been dragged into the schemes of the Crown Prince of Saudi Arabia, Mohammed bin Salman. The Crown Prince has abandoned the cautious and stealthy policy of his predecessors who surreptitiously financed the Taliban, the Chechens, the Bosnians and all kinds of Muslim resistance groups. He now seeks to assert Saudi dominance as a regional power in the Middle East, particularly

against Iran. This is one reason why the Saudis are waging a bloody and destructive war in Yemen. It is also why they have supported militant fundamentalists in Syria; have tried to force the Prime Minister of Lebanon to resign; and financed and supported the Egyptian officer corps' coup, to bring down Morsi's elected Muslim Brotherhood government in Egypt. All of these moves were opposed by Qatar. The composition of the Saudi alliance is no surprise. Bahrain, Saudi Arabia and the UAE are monarchies whilst Al Sisi's authoritarian regime in Egypt is bankrolled by Saudi Arabia. They oppose Qatar's support, not just for jihadist groups since Saudi Arabia does the same with Salafists (conservative Sunni Islamists) around the world, but also for popular movements like the Muslim Brotherhood.

It took the combined efforts of Mattis, and the then Secretary of State, Rex Tillerson (who as an ex-oil mogul has ties to the Qatari regime) to not only mend fences with Qatar but persuade Trump of his blunder. Nearly a year later, on April 10 2018 Trump, in a public exchange with the Emir of Qatar, Tamim Bin Hamad al Thani, unblushingly reversed tack and even highlighted Saudi and UAE complicity in supporting jihadism

*... Tamim and I have been working for a number of years now — actually, even before the fact — on terrorism. And we're making sure that terrorism funding is stopped in the countries that we are really related to — because I feel related. But those countries are stopping the funding of terrorism, and that includes UAE; it includes Saudi Arabia; it includes Qatar and others. [7]*

The Saudi coalition's attempt to isolate Qatar has backfired and not just for the Saudis. Qatar has turned to Turkey (which also supports the Muslim Brotherhood and some groups in Syria) for military assistance against any invasion by Saudi Arabia and Ankara has obliged by stationing troops there. More significantly for US imperialism the attempted isolation of Qatar has broken up the Gulf Cooperation Council (formed in 1981 as an alliance against the 1979 Iranian revolution). Oman has continued to have normal relations with Qatar, but when the latter was shut out of Gulf air space by Bahrain (acting under Saudi orders), it had to use Iran's air traffic control facilities. Qatar Air now reroutes its flights over Iranian air space and trading relations between Qatar and Iran have increased.

### Iran – Nation v Class

The “unintended consequences” of Trump's support for Saudi hegemony in the Gulf is not unlike his decision to pullout of the Joint Comprehensive Plan of Action, in which Iran abandoned attempts to develop nuclear weapons in return for an end to some sanctions. It is ironic that, just as Obama's Iran policy was showing signs of working, Trump decided to pull the plug on it. Not only were the fissures

in the Iranian ruling class becoming more distinct but, as we demonstrated in our article, “Iranian Workers Mock “Anti-imperialist Slogans” (<https://www.leftcom.org/en/articles/2018-05-10/iran-class-war-against-imperialist-pretensions>) workers in Iran were not just striking and demonstrating against the Islamic Republic, but even mocking the regime's own adventures in Iraq and Syria. They contrasted the resources wasted on this with the failure of Iranian capitalists to pay their wages. This mockery of the state was significant – an authoritarian regime satirised by its own workers is on dangerous ground. The lack of fear of the consequences, born of desperation, is often the beginning of a real class movement. The mullahs and the Revolutionary Guards of course attacked them both physically (around 2 dozen were killed), and ideologically, claiming that they were “traitors” (which all workers in struggle are to the capitalist class). This, though, carried little conviction at the time. The stage was set for yet more class confrontations. Trump's decision to pull out of the nuclear accord has however already re-united the ruling class, and now striking workers will face a more determined attack. Like everywhere else in the world the nationalist card will be played over and over again against any workers who continue to protest. The only factor which remains the same is the appalling state of the Iranian economy which could yet determine the next stage in the course of the class war there. [8]

Much of the Iranian economic crisis is down to the corruption and mismanagement of the ruling class (like the leaders of the Revolutionary Guards) but previous sanctions by Europe and the US were adding to their woes. The supposedly progressive faction, around President Rohani, was running out of excuses for worsening economic conditions. Trump's calculation is that ending the nuclear accord and imposing new sanctions (which are also against any European firm that plans to do deals with Iran), will finish the regime off. Given the parlous condition of the Iranian economy he must feel this will work. However, since he announced pulling out of the nuclear deal the ruling class in Iran has become more united against the perennial external foe and “Death to America” is once again a rallying cry for the regime and its supporters.

Furthermore, trouble at home for the Iranian regime is just as likely to be a catalyst for more adventurism abroad (not to mention restarting the nuclear programme). Obviously Iran is no match militarily for the USA. However the regime is threatening to block the 21 mile Straits of Hormuz if they find they cannot sell their own oil. This is potentially a flashpoint since a third of the world's oil (including Saudi exports) and all Qatar's liquid natural gas must pass through that busy stretch of water. As the US Fifth Fleet is stationed in Bahrain the US is in position to translate Trump's angry Twitter comments into practical action. Of course inside Iran this confrontation will allow the regime to play on nationalist sentiment against the class demands of the workers.

For those, like the UN negotiators in Geneva, who still optimistically think there is a possible negotiated way out of the impasse in Syria the big hope seems to be that Putin will persuade Assad to abandon Iran and get its forces to leave Syria. There is indeed serious concern about this in Tehran. The optimists can also point to recent deals between Russia and Saudi Arabia to limit oil production or the supposed good relations which exist between Putin and Netanyahu (who have met several times since 2015 when Russia entered the Syrian War to save Assad). They claim that the continuing skirmishes between Syria and Israel are just warning shots or are designed to give some leverage to each other's negotiating position. They have certainly tested out each other's defence capabilities on at least 25 occasions in the last three years (with the Israelis doing most of the winning).

However, such optimism misses the fact that Moscow is in Syria as part of a wider imperialist strategy to reverse the tidal wave of losses it has suffered since the USSR collapsed. Russian actions in Georgia, Ukraine and Crimea are all part of the same push back as the war in Syria. Russia is in Syria to maintain its last foothold in the Middle East with the bases it has in Latakia and Tartus. In the course of the war in Syria the Assad regime has become completely dependent on Russia and cannot make a move without Russian consent. Russia may, one day, negotiate the Iranian withdrawal from Syria if it suited its overall strategic interests, but currently there is no reason to do so at a juncture when that policy is being successful. The Iranian (and Hezbollah) military presence in Syria is now at the heart of the fight there, and enables Russia to be the arbiter of what happens next. In its negotiations with Iran and Turkey in Sochi and Astana, the issue is not about peace in Syria, but about how the various interests of these powers will be satisfied. With Assad gradually taking back much of Syria thanks to Russia, and IS now dispersed, the USA is left supporting a Syrian Kurdish enclave in Rojava and some points west of it. The YPG/PYD, and the other Arab forces linked to it, were the one solid fighting force on the ground that the US could support with air cover as they retook much of IS territory in Northern Syria and Iraq. The problem with this is that it has driven a supposed NATO ally towards the cagey embrace of Russia.

## Turkey and Russia

Indeed despite the early hostility between them (when Erdogan earlier called for the overthrow of Assad and the Turks shot down a Russian jet over Syria) Russia and Turkey now have some shared interests. Erdogan has accepted that Assad cannot be overthrown and is not only concerned to keep Syria from falling apart, he also does not want a YPG/Kurdish enclave on Turkey's borders as it is a surrogate of the separatist PKK in Turkey. Turkey is more than irked that the YPG have been backed

by US air power in their role as the backbone of the US campaign on the ground against IS in NE Syria. This in itself is a threat to the "integrity" of the Turkish state. Meanwhile, the continued refusal of the US to extradite Fethullah Gulen, who is blamed for organising the 2016 coup, remains a bitter bone of contention between the two "NATO allies".

In an attempt to placate the Turks the US did not give air cover for the YPG/PYD in Afrin so it was forced to withdraw (thus allowing the ethnic cleansing of the area by pro-Turkish militia) but at the same time Putin has been working to, at least, neutralise Turkey as a NATO member. Here he has some cards to play. Another gripe of the Turks was that NATO stationed Patriot missiles on Turkish soil at Turkey's request, but these remained under the control of the US or other NATO powers. Turkey often complained that they were too slow to react to threats. Along came Putin to sell dozens of S-400 missiles which the Turks have commanded and control over. At the same time the two have signed an oil pact (over the Turkish Stream pipeline) and Russia is now building a nuclear power station in Anatolia. [9] It is a far cry from the Cold War days when US nuclear missiles were based in a strongly pro-NATO Turkey pointing directly at the heart of the old USSR.

During the Cold War the world got used to largely proxy wars between clients of the then two super-powers or between one superpower and a proxy of the other but what is happening more recently in the Middle East demonstrates a more direct confrontation of the great powers, especially Russia and the United States. US air strikes have already killed Russian personnel (acting as military advisors to the Syrian Army). Though this was accidental it is a direct confrontation that did not happen in the Cold War. And in the Middle East, despite all the confused kaleidoscope of interests which have swirled around the Syrian conflict, the battle lines are now more clearly drawn. The Trump administration has picked up the baton of George W Bush in seeking to impose US military power on a recalcitrant Middle Eastern state. This time it is aimed at Iran, which is why the US is giving both Saudi Arabia and Israel substantial backing for their atrocities in Gaza and Yemen. The pattern for the near future has been set. Their alliance against Iran brings with it an enhanced risk of a wider conflagration. Even those European states who wish to continue the Iran nuclear accord, like France and Britain, are piling into Saudi Arabia with arms sales. [10] And, of course, in the last 7 years the main sufferers are those millions of dead, maimed and displaced, living on the margins of existence across the Middle East and beyond.

## An Age of Uncertainty

Dangerous though the new reality in a Middle East which has already seen the loss of millions of lives is, we need to put the whole question of imperialist rivalry into a wider context.

In 1945 the USA emerged as the greatest imperialist power in the history of the world, with a much less powerful USSR as its only rival. This rivalry was based less on ideology than on the fact that the USSR could exclude US trade and the almighty dollar from Eastern Europe. When China, North Korea etc fell into the USSR orbit this only intensified the rivalry, and the two began an arms race which culminated in the near disaster of the Cuban missile crisis of 1962. The fact that World War Three did not break out during the Cold War has often been put down to the MAD theory. It may have played a part in it but this should not be exaggerated. More fundamentally, neither the USSR nor the USA had a vested interest in all-out war. After all they were both "winners" in 1945. What they feared most was any further extension of the other's empire and the major wars of this period (Korea, Vietnam, Afghanistan) were all about that. At the same time the massive devaluation and destruction of capital in the Second World War launched a new cycle of accumulation which produced a post-war boom unprecedented in the history of capitalism. This too removed some of the economic imperatives that accompany any drive to war.

The US, in particular, could be satisfied. Unlike Europe and the USSR it had not suffered the devastation of war on its territory and it had emerged as by far the richest and most powerful economy on the planet. It had the financial and military resources to defend its half of Europe (especially in France, Italy and Greece via the Marshall Plan) from further encroachment by the USSR. It also dominated all the international institutions set up to provide the rules for the new international order. International bodies like the UN (based in New York), and its agencies, like the IMF, the World Bank and GATT (today the WTO) ensured that this new world order was essentially (outside the Soviet empire and its allies) an American order.

Perhaps most significantly of all, the US compelled the "free world" at Bretton Woods in 1944 to make the dollar the new gold standard in world commerce. One of the material bases of the continued rivalry with the USSR was that its empire, by not having currencies convertible into the dollar, was outside US control. Indeed, had the so-called "communist" countries used convertible currencies, American economic power would soon have prevailed.

Throughout the post-war boom US imperialist policy can be characterised as either schizophrenic or hypocritical since it championed democracy, the rule of law and the "human rights" only found in the "free world". At the same time the populations of places like Guatemala (1954), Vietnam (1962-75), Chile (1973) often found that these values were not for them when the US either invaded, or supported the overthrow of democratically elected leaders regarded as harmful to US interests. The US also supported a series of "anti-communist" dictators in Latin America, Africa and Asia on the grounds that each one "may be

a son of a bitch but he is our son of a bitch". [11] Once the Cold war was over there was a retreat from support for dictators (especially as a lot of them were now to be found in the old Soviet Empire) since the US now wanted to ideologically ram home the virtues of its system based on "the rule of law" which had triumphed over "communist dictatorship". This ideological superiority complex did not stop its agents from using all kinds of undercover operations to ensure that the regime changes that did take effect did so in ways beneficial to US interests. But it did provide a kind of perverted justification for its invasions of Iraq and Afghanistan.

Despite the triumphalism over the "collapse of communism" (sic) however, the West itself had also been plagued with a gnawing and developing economic crisis. The end of the post war boom (which came in the late 60s or early 70s, depending on which country you were in) created a new problem for US imperialism. It had agreed at Bretton Woods to fix the dollar at \$35 to an ounce of gold. However, as we wrote in our last issue,

*A gold-backed dollar worked very well for the US during the long post war boom years. But when the laws of capital accumulation inexorably reassessed themselves in the form of the decline of the rate of profit, the cycle of accumulation entered its phase of decline. The clearest sign of this was that the US was forced to take the dollar off the gold standard in 1971 leaving only US Treasury debt as the basis for global reserves. The balance of payments deficit stemming from the US' declining competitiveness and lower profit rates – by the 1970's the US was a net importer of goods – pumped dollars abroad and was exacerbated by foreign military spending. Some of these never returned to the US but became petrodollars or Eurodollars whilst others ended up in the hands of central banks that recycled them to the US by buying Treasury securities, which in turn financed the US domestic budget deficit. This gives the US economy a unique financial free ride, enabling it to finance its deficits seemingly ad-in-finitum without creating an inflationary crisis that would have been the case for any other state. The balance of payments deficit has thus financed the US domestic budget deficit for decades. The post-gold international finance system, boosted by such things as the petrodollar, obliges foreign countries (the Chinese government alone holds around \$3.5 trillion) to finance US military spending whether they like it or not. And the US uses its "free" military and naval apparatus to police oil routes and ensure that oil producing countries continue to trade in dollars. ("China – Long-held US Views Becoming Reality" in **Revolutionary Perspectives 11** or on our site)*

As so often in capitalist history, economic crisis remains the midwife of dramatic changes. Until the 1980s it was assumed that in the imperialist epoch, economic interests and national security were indelibly linked together. The dominant

capitalist states not only promoted the global interests of their bourgeoisie as a whole, but would also, through a variety of means, from outright nationalisation and subsidies, to the awarding of government contracts, guarantee the existence of what were called “the commanding heights” of the economy. This included strategic industries such as energy, shipbuilding and steel etc. However, in a crisis of profitability heavy manufacturing industry was an increasing drain on state finances which covered their losses. If we add that these sectors were also the most “troublesome” where massive concentrations of workers could successfully strike to try to maintain their standards of living in the face of inflation, the significance for the class war cannot be underestimated. These factors eventually brought about a massive restructuring with a lot of capital being simply written off. Mass unemployment, which also had the advantage of undermining class resistance, now hit the West as capital began to shift to low wage economies during the 1980s.

The collapse of the USSR, and its satellites, further undermined the notion that every state had to ensure that it controlled all the economic levers of production to maintain “national security”. The main aim now was to try to create conditions to maximise inward investment whilst at the same time seek more profitable financial returns in the new financialised economy. Speculating on the Chicago stock exchange in futures was now much more rewarding than actually investing in any company that might want to produce anything. That kind of investment now went to the capitalist periphery where wages were low as in China, S.E. Asia and Latin America. The mostly authoritarian regimes in these places set up “special economic zones” or maquiladoras to facilitate this.

“Globalisation” was thus not some natural organic development from the glorious liberal free market economy as the neoliberal ideologists thought. It was a state policy actively pursued by the leading capitalist states. In this regard,

*“the US government ensured preferential market access to the giant US market for the north-east Asian economies, as part of the US strategy to build a capitalist regional economy to counter communist (sic) expansion. And export promotion went hand in hand with strategic import protection to build a diversified industrial economy. [12]*

In short globalisation was used by both US and Chinese capital for their own ends. US finance poured into Asia (and elsewhere) as “off-shore” production, using the cheaper labour of places like China, became the place to invest. It was (and is) in both US and Chinese interests in other ways too. Cheap Chinese imports have helped disguise the stagnation, if not decline, in wages in the traditional capitalist centres since 1979.

At the same time, from the late 1980s and into the 1990s financialisation really took off. The various regulations that had been brought in after the Wall St Crash, like the Glass-Steagall Act (1933-99) to prevent speculation and avoid crashes, were either annulled or modified. Such financial deregulation gave the appearance that the system had weathered the storm of the 1970s crisis without it creating a pre-war situation as in the 1930s. However continuing financial deregulation only encouraged new forms of speculation, as financial bodies found even more creative ways (such as credit derivatives and collateralised debt obligations) of creating revenue without, in fact, creating anything. This gave the illusion of wealth without its substance. We predicted for years that the creation of such fictitious capital would one day lead to financial collapse – our only surprise was that it took so long. Even so the 2007-8 collapse was more significant than may appear at the moment, because the solution of bailing out the banks to save the entire capitalist system is only a palliative. It does not solve the basic problem of the global capitalist economy which is the low rate of profitability. Capital can only redress this by starting a new cycle of accumulation, and this can only be done if a mass of existing capital is devalued.

This happened twice in the twentieth century when both the First and Second World Wars led to the massive destruction and devaluation of capital which allowed the system to once again accumulate from a new value base. With no other economic solution in sight this is where the world is drifting, albeit slowly, today. The reason it is slow is because capitalists know what the consequences of global war are. There are strong forces operating to prevent another descent into the barbarism of global conflict. However whilst a general devaluation by war might be bad for business the devaluation of a rival’s capital might allow a capitalist state to emerge as the new focus of a newly centralised capital as the US did in 1945. All-out wars thus not something that capitalist states enter into lightly, but in an age of imperialism where competition is cutthroat, they are impelled down that road by the need to defend their economic and strategic interests against all rivals. However, before the shooting war comes the trade war. The world saw this in the 1930s when tariffs were raised and trading blocs formed everywhere, bringing an end to free trade and further increasing the tensions between powers.

Today there is no question that “economic nationalism” is back on the agenda. In announcing tariffs on steel and aluminium (against China, South Korea and European producers in particular) the US government cited “national security” as the reason. Trump scraped into power on a revolution against the decades of stagnation experienced by the victims of globalisation. In places where workers in the old industries were once paid higher wages,

little has been done to help the communities which have been so devastated. Trump's "America First" slogan might have been borrowed from Warren T Harding back in the 1920s, but it had fresh meaning in these states.

And with the announcement of a trade war against the world at the G7 meeting in Canada in June, we at least now know what "America First" means. It means everyone else last, no matter whether they are supposed allies, or sworn enemies. Some think the trade war is a bluff, that globalisation has created such complicated supply chains that it cannot work. Others think Trump is just behaving like the real estate bully boy he is. He is raising the stakes in order to negotiate from strength and get a better deal further down the road. There is no doubt that he is glorying in using all the cards that American power in both the economy and military have given him. Some argue that there is nothing new here. It is just part of the usual tussle in US imperialist policy between those (mostly on the Republican Right) who want the US to use its economic and, where necessary, military preponderance, to assert its interests no matter what, and those who (like the previous President) looked to lead a cooperative world in the values America nominally espouses and which have served the US so well since 1945.

### Tearing Up the Old World Order?

The trade war, and the way in which the US is operating, now goes deeper than this. After all it was the USA which drew up the rules and the institutions which expressed US domination at the end of the Second World War. They have been the bedrock of *Pax Americana* ever since. The United Nations Organisation with its seat in New York, the World Bank and the International Monetary Fund based in Washington, the World Trade Organisation (successor to the General Agreement on Tariffs and Trade established in 1947), various military alliances, of which NATO has been the most significant, and the G7 economic meetings have all been tools of US domination of the "free world" since.

Trump poured scorn on most of these institutions during his campaign and his tone has only become more strident since. The World Trade Organisation, which has been so instrumental in preventing "emerging nations" from introducing protective tariffs in the last two decades, is now labelled a "catastrophe" by Trump. More recently in Montana, he returned to a favoured theme: how Europe—and Germany, in particular—takes advantage of the U.S. in commerce and defence. Headlining his remarks with "We're the schmucks for paying for the whole thing", he went on to say,

*We're paying anywhere between 70 and 90 percent to protect Europe and that's fine. Of course, they kill us on trade," he said. "They kill us on trade. They kill us on other things. They make it impossible to do business in Europe. Yet they come in and they sell their Mercedes and their BMWs to us.[13]*

Trump does not seem to know that BMW's largest car factory is not in Germany but in Spartanburg, South Carolina and employs 8,800 workers, but it fits with his general blindness to any fact that does not fit his narrative. The US has always had an ambiguous relationship to the EU, and its project of integration, which in the minds of some Europeans is to create an alternative pole to US imperial power. On the one hand, a united Europe (and a Eurozone) make it easier for US companies to trade right across the richest market in the world (the US sells Europe twice as many goods by value as it sells to China). On the other, the fact that the Euro could one day become a rival to the dollar in world trade hits at one of the central assets of US imperialism. Trump though has already nailed his colours to the mast by labelling Europe "a foe". His pulling out of the Iran nuclear deal has come with threats of secondary sanctions on any European firms who deal with Iran. Many of them, like Total, have already threatened to pull out of Iran unless the EU can get a promise from the US that such sanctions will not be applied. They have little hope of success.

Trump is more accurate in his attack on Europe when he says the U.S. accounts for about 70% of NATO's budget. His other claim that the US spends 4% of its GDP (currently actually 3.2%) on defence and demands that NATO partners spend at least 2% is more disingenuous. NATO is only a regional alliance for defending Europe, whilst the US has military bases in nearly every state on the planet. What Trump is really arguing here is that the faux frais of US imperialism is now too costly and the US is no longer prepared to pay so much for the defence of Europe. Old allies in Europe are now parasites hiding behind US military power and so they should be made to pay more for NATO defence costs. And the whole purpose of NATO is drawn into question with his constant assertions that "Putin is no problem" (then contradicted by his criticisms of Nordstream the gas pipeline which will go directly from Vyborg to Germany as putting Germany at Putin's mercy).

Unsurprisingly, the UN is also under attack. Trump has long criticised the massive US contributions to it, but in appointing John Bolton as his National Security Adviser he is indicating the new unashamed unilateralism of US imperialist policy. Bolton has always seen the UN as a thorn in the US' side, since it does not bow to US domination. In 2000 he even suggested that "if I were redoing the Security Council today, I'd have one permanent member because that's the real reflection of the distribution of power in the world". [14]

This is not America First but America alone. US funds to the humanitarian agencies of the UN are thus about to be slashed, and the US will pull out of the UN Human Rights Commission (on the grounds that it is biased against Israel as it monitors Israel's continued settlement building on the West Bank).

All this badmouthing of all the old institutions and allies of the US by Trump and his closest collaborators is significant. If the state that largely created the current world order wants to tear it up because it no longer conforms to its interests, then we really are entering a new and more dangerous era. And Trump is only the symptom of the problem not its underlying cause.

To explain this we have to go back to the beginning of the crisis we mentioned above. As we showed earlier, the floating of the dollar opened the way for financial deregulation and, in a series of developments, led to globalisation which also produced the speculative bubble which burst in 2007-8. The world has not really recovered from that crisis and, despite the odd optimism amongst economists who insist that the crisis is over, the problem remains.

Debt has not gone away. On the contrary it has increased. In the USA alone the sub-prime crisis cost the US Treasury \$10 trillion in bail outs and a further \$12 trillion in so-called "Quantitative Easing" to save the entire credit (and thus capitalist) system from collapse. \$22 trillion is just the federal government debt which has to be serviced at a cost of at least \$500 billion a year in interest payments. You can add to that \$3.5 trillion of debt issued by US states where so many of them are on the verge of bankruptcy. If you add all this to student loan debt, car loans, credit card debt and company debt the total comes to well over 350% of GDP.

Trump's tax cuts and increased spending on defence and other federal programmes will add to the deficit and thus to the borrowing. Shawn Tully in Fortune argues that this will increase the government current account deficit to \$1 trillion by the end of 2019 and will lead within a decade to the US borrowing \$1 for every \$3 it spends. Trump thinks this can be paid for by 3% growth a year but all the major economic agencies expect no more than 2%. And those calculations were made without taking into account the impact of a trade war and closing US borders to young migrants who help produce growth in an aging population. In fact reality is the exact opposite of the Trump fantasy. It is not the US which is "being ripped off" but the rest of the world who are carrying much of the US debt burden. Tully concludes

*There is one scenario in which the U.S. could stay on its current course, and that's to keep blithely borrowing from the rest of the world. America has been able to play the spendthrift because foreign lenders have shown a huge appetite for*

*both our government and corporate debt—they now own \$6 trillion of our \$15.5 trillion in publicly owned Treasuries.*

*For most nations, such colossal borrowings would push interest rates higher as the government competes with business for a limited pool of lendable assets. But for decades, that hasn't been the case for the U.S.: A worldwide glut of savings from Chinese, Japanese, and other overseas investors holds our rates in check. The U.S. is, for now, the world's most powerful, well-diversified, and entrepreneurial economy, and in times of global stress, money pours into the safest of all safe havens, the United States. The Great Recession only proved the thesis. "We exported a financial crisis to the rest of the world, and they sent us their money," says UC-Berkeley economist Alan Auerbach. [15]*

How long the rest of the world is prepared to keep on doing this is now the question. Trump's economic nationalism is like a preventative strike to attack China now before it gets too powerful to be attacked. As we demonstrated in our previous issue [16] China has long been identified as a potential rival to US hegemony and in the US Strategic Plan (December 2017) both China and Russia were targeted as the two states which were "antithetical to US values and interests". In starting a trade war with China now, whilst US military domination of the world is really unchallenged and its economic strength is still powerful Trump may hope to redress the balance. He hopes to screw concessions out of the Chinese regime before China's economic advance (particularly in AI and other high tech sectors) becomes uncontrollable. It is a dangerous gamble since a trade war could create the economic conditions for the next financial collapse which the US has so far managed to avoid since 2008. And it would need more than quantitative easing to avoid disaster this time.

As for China itself, as we argued in the previous issue, it has been playing a long game, establishing networks of commercial ties across Africa and Asia, and foreseeing the economic domination of all Eurasia in its Belt and Road strategy (see Revolutionary Perspectives 11). It has had a few setbacks en route (Myanmar and Malaysia, for example) but it can weather the storms of a trade war already thanks to its \$3 trillion "war chest of foreign exchange reserves". In the event of a trade war it is already confident that it can turn its export-led economy into one which serves the growing domestic market more.

It does have one central weakness in that it has to rely on imports for 95% of its semi-conductors, and has only a small productive capacity in China. It lacks even the equipment to produce microchips. China spends more on importing silicon than it does on oil. [17] Its attempts to buy US technology have been blocked every turn by the US Government and this, of course, threatens any lead it might have in information technology. China is urgently trying to address this issue but

so far with limited success.

It has been more successful in cashing in on Trump's decision to pull out of the Trans-Pacific Partnership. This has allowed it to win more influence in Asia. China is also supporting the European governments in their attempt to keep the Iran deal alive. As we write, new trade talks between the EU and China are ongoing. China is also offering loans to emerging markets like Argentina to offset the dramatic collapse of their currencies, and having to rely on the IMF for bailout which come with austerity packages. All with the aim of "soft power" victories against US threats and bluster. The Chinese are even cutting down on the propaganda about 2049 (one hundred years after Mao's victory over the Kuomintang) being the year when China takes over leadership of the world.

However all Chinese, or indeed US, calculations about the long game will count for nothing if there is yet another financial crash. The next crash will find the various states with fewer options. Instead of quantitative easing to disguise fictitious capital losses there will have to be real losses in terms of capital, investment and jobs. The consequences of this will upset all calculations that "trade wars are winnable" and plunge humanity into an enormous social crisis. Once again the question that has been posed so often in the last century will be posed once again "socialism or barbarism". At the moment, given the relative quiet of the world working class, few are placing their bets on the former. Yet we see it as our task to fight within the working class for the only course which can save humanity. The only war we support is the class war to end this system of increasing brutality and misery.

## Notes

- [1] <https://www.cnn.com/2018/04/13/russia-warns-of-consequences-for-us-led-strike-on-syria.html>
- [2] For our analysis of this airstrike at the time see <http://www.leftcom.org/en/articles/2018-04-16/syria-the-real-significance-of-the-us-bombardment>
- [3] For a more detailed analysis see <http://www.leftcom.org/en/articles/2018-06-24/palestinian-workers-continue-to-die-for-a-capitalist-state>
- [4] See: <http://www.middleeasteye.net/news/syria-says-israeli-strikes-targeted-t4-air-base-100ms-99433299>
- [5] This is our translation of the Italian original "Siria. L'attacco americano è arrivato puntuale come al solito appoggiato da Francia ed Inghilterra" from *Prometeo* 19. At the time of going to press it has not yet been made available on our website.

[6] For how this came about see:

<http://www.leftcom.org/en/articles/2015-02-05/oil-and-the-shifting-sands-of-imperialism>

[7] See:

<https://www.whitehouse.gov/briefings-statements/remarks-president-trump-amir-tamim-bin-hamad-al-thani-state-qatar-bilateral-meeting/>

[8] We are currently preparing an analysis of the economic and social situation in Iran which will be published on our website. In addition to sanctions Iran also faces acute water shortages (drought affects 40% of the country) which are only getting worse year on year. There were riots in Khuzestan (in the West of Iran) over the poor quality of water in July. See <https://www.aljazeera.com/news/2018/07/water-shortage-pollution-spark-fresh-protests-iran-abadan-18070207113204.html>

[9] See:

<http://www.leftcom.org/en/articles/2015-08-31/turkey-isis-gas-and-the-shifting-imperialist-balance>

[10] France recently sold Saudi Arabia \$16 billions in arms whilst the UK sold it 48 Eurofighters for use against Yemen receiving in return trade deals worth \$60 billion.

[11] The phrase was once attributed to President F D Roosevelt speaking about Somoza in Nicaragua but this is now believed to be apocryphal. However it neatly sums up Washington's collusion or turning a blind eye to some of the most brutal regimes of that epoch.

[12] Robert H Wade, Professor of Global Political Economy, LSE, in a letter to the *Financial Times* 26 April 2018.

[13] See:

<https://www.theatlantic.com/international/archive/2018/07/trump-nato-putinsummit/564536/>

[14] Quoted in "From leader to lone ranger" *Financial Times* 12/13 May 2018

[15] Shawn Tully <http://fortune.com/2018/03/14/us-national-debt-trump-tax-cuts/>

[16] See "China: Long-held US Fears Becoming Reality?" in *Revolutionary Perspectives* 11 (a few copies still available) or at <http://www.leftcom.org/en/articles/2018-02-13/china-long-held-us-fears-becoming-reality>

[17] See Louise Lucas "US-China trade friction raises risk of carnage" *Financial Times* 9 May 2018

## Are we now in a period of transition from capitalism to socialism?

### H. Ticktin's concept of decline and transition

#### Introduction

In previous editions of *Revolutionary Perspectives* we have examined theories which deny that a transitional period between capitalism and communism, as outlined by Marx in his *Critique of the Gotha Programme*, is necessary. [1] We have argued that a transition to communism can only occur after the working class has taken political power since islands of communist production cannot exist within capitalism. The contradictions of capitalist production, however, continually sharpen and hence make the system increasingly unstable with the possibility of revolution or global war ever more likely. Our explorations of theories which deny the need for a transition period allow us to conclude, firstly that they are a rupture with historical materialism and consequently utopian, and secondly that, if such schemes were ever implemented they would result in the complete failure of the revolution.

Further theories, which have become influential in recent years, hold that capitalism is negating itself through its own internal developments, and we could arrive at a post-capitalist system of production through these developments alone. An overthrow of the system by the working class therefore becomes unnecessary. These ideas hinge on the idea that the law of value is being undermined and commodities are tending towards a value of zero at which point they could be distributed free. Paul Mason, for example, claims that this is occurring via the internet with free software and information systems such as Wikipedia.[2] The reduction of the value of commodities towards zero was also theorised by Toni Negri, a leading theoretician of the Italian Autonomist movement.[3] The class struggle, he argued, has forced capitalists to replace living labour with machinery thereby reducing the value of commodities. Production under capitalism, he claimed, was no longer value production.[4] This makes the replacement of capitalism fundamentally a political project and eliminates the need for a period of transition in which value production is ended.

The Trotskyist academic, Hillel Ticktin, who edits and writes in the journal *Critique*, also argues the law of value is being negated by contemporary capitalism which he sees as being in a state of decline. He argues that a state of decline of one system

of production is **necessarily** a period of transition to a new replacement system of production. We are thus at present in a period of transition where the capitalist system is being invaded, and negated, by socialist or proto-socialist forms. He draws the undermining of the law of value to its logical conclusion, namely that capitalism is itself creating socialist structures over which the proletariat will have to establish control through political revolution to create communism. If we are now in a period of transition then a future period of transition after proletarian political power has been achieved is no longer necessary. Ticktin also concludes that generalised war is now impossible because of the global integration and socialisation of production. This makes resistance by the bourgeoisie much more difficult and the replacement of capitalism by socialism easier. It becomes essentially a political task of establishing workers' control over what capitalism has created. This is reminiscent of the claim, made over a century ago, by the social democrat Hilferding, who argued that by 1910 finance capital had socialised the system of production to the extent that socialism could be established by workers taking control of 6 Berlin banks.[5] If we are now in a transitional period to socialism the creation of communist society becomes much easier.

#### Outline of Ticktin's argument

Ticktin's texts on capitalist decline and transition have been written over four decades and the theory was worked out before the collapse of the Soviet Union. It is not unreasonable to expect some contradictions, and what follows is a general synopsis giving more weight to the recent texts. Throughout his writings Ticktin sees present-day society as one in transition to socialism: a transition analogous to that from feudal to capitalist society. Within feudalism money payments started to dissolve the feudal structure and produced isolated pockets of wage labour in the feudal towns, this progressed over centuries until wage labour and commodity production became the dominant form of production and the feudal political structures were overthrown. Ticktin argues that from the time of the Russian Revolution in 1917, capitalism has been in a period of decline, a decline which is indicated by the prevalence of monopolies, off-inance capital and imperialism. At the same time socialist forms have been invading capitalism and circumscribing and negating the law of value. This means that wage labour and thus value production is being undermined. This defines the general state of decline of capitalism, but it is a decline which is not simply a question of the system producing greater and greater contradictions within itself. Instead, Ticktin insists, it is indissolubly linked to the transition to a new society.[6] In an article in 2017 he claims there are now no more intermediate stages to socialism.[7] What are these socialist forms which are undermining capitalist relations?

Ticktin argues that after World War Two capital became more socialised through

measures such as nationalisations, free education and health care, increased regulation, planning, state participation in industry and so on. These measures represented a negation of the law of value. Within the Soviet Union (USSR) wage labour did not properly exist. Capital was nationalised and planning controlled production without the capitalist market. He claims that capitalism had been overthrown in 1917 but the working class had lost power so elements of capitalism co-existed with elements of socialism.<sup>[8]</sup> The USSR was therefore a neither-nor society, neither capitalism nor socialism. Ticktin argues the law of value in the USSR was more restricted than in western capitalism so the USSR was also a transitional society.

The problem with all this is that the so-called socialist measures, such as nationalisations and the welfare state and so on, have been reversed or partly reversed in the period from the 80s to today. In addition the USSR has collapsed and international capital and the law of value rule throughout its former territories – something Ticktin denied could occur.<sup>[9]</sup> These developments would, following Ticktin's argument, presumably produce a reinforcement of the law of value rather than undermine it.

The more recent texts take no account of these developments. Instead they claim we are still in a transition and capitalism is more unstable than ever, not now because of invading socialist or proto-socialist forms and the negation of the law of value, but because the USSR has collapsed and the Cold War has ended. The Cold War was, Ticktin asserts, the glue which held western capitalism together alongside the threat of worse conditions under so-called communism which disciplined of the working class.<sup>[10]</sup> The argument has changed from one based on changes in the production relations, that is the infrastructure of society, to one based on ideology that is located in the superstructure of society. However, the law of value, we are told, is still being undermined but the principal forces doing this are now finance capital and monopolies. These can hardly be described as invading forms of socialism! What has happened to the invading socialist forms?

### Invading socialist forms?

The so-called socialist forms which Ticktin sees as undermining the law of value were never socialist measures, and nor were they what he describes as "the invading socialist society"<sup>[11]</sup> which negated the law of value. The reforms after World War Two were entirely compatible with capitalism in the post war period. Nationalisation brought about centralisation and restructuring of sectors of the national capital and produced state capitalist organisations. Planning was on a national scale, thereby eliminating inefficiencies in the national capital, while the

welfare state ensured capital as a whole, private and state capital, could depend on healthy and educated workers. These measures were part of a restructuring of capital to centralise and increase efficiency on a national plane. Capital was able to grant improvements to workers' living standards because of the higher profitability of capital in the post war period, a profitability which was brought about by the previous devaluation and destruction of constant capital in the War. The fall in profitability which brought an end to the post war recovery has also brought about the partial dismantling of the welfare state and a reduction of living standards for workers. It has, however, also brought about a restructuring of capital on a global level. Production now moved to wherever profitability is highest. This is generally where labour power is the cheapest and labour legislation is the weakest. An enormous impetus was given to this process by the collapse of the USSR and the opening up of its constituent states, together with China and India, to global capital. This global restructuring of capital is being driven by the forces of profitability. Neither the post-World War Two reforms nor the more recent global re-organisation of capital represent socialist measures which negate the law of value.

What these developments do represent is a tremendous concentration and centralisation of capital. Albeit on a global level this is entirely within the bounds of the capitalist system. Production is integrated on an international level and capital exploiting wage labour is now internationalised to the extent that, for most nation states, it is absurd to speak of a national capital. The global means of production are now so centralised that they are ripe for socialisation on a world scale. This only highlights the contradiction of their existence as the private property of the capitalist class. This, of course, was predicted by Marx and Engels and is recognised by Ticktin. What this represents is a deepening of the contradictions of capitalist production. Ticktin, however, claims this process represents much more.

*Socialisation of production ... has begun to transform the nature of value itself.*

*As we approach the new mode of production value is more and more assisted, or in some cases taken over, by organised forms. ... public and private bureaucracy.*

*There is a conflict between the old form – value and the market – and the emerging if still capitalist form of so-called planning.<sup>[12]</sup>*

Globalisation and capitalist 'planning', however, do not mean socialisation. They represent the material means for a new system of production but they do not undermine capitalist production relations. This is in no way analogous to the way islands of capitalist production in the feudal towns undermined feudalism. Ticktin's argument hinges on his contention that the law of value is being

gradually undermined and this we must now consider.

### Law of value

Value production is specific to social production relations of capitalism, consequently it is specific to a definite phase of history and is not a natural category. The law of value holds that under capitalist production relations labour takes the **FORM** of value. Labour, under capitalist production relations becomes the substance of value – value is materialised labour. The labour theory of value is the corollary of the law of value. Marx writes in *Capital*:

*The magnitude of value expresses a relation of social production, it expresses the connection that necessarily exists between a certain article and the portion of the total labour time of society required to produce it.[13]*

Hence the exchange value of commodities, according to the labour theory of value, is determined by the average socially necessary labour for their production which they contain.

*Commodities, things in general, have value only because they represent human labour, not in so far as they are things in themselves, but in so far as they are incarnations of social labour.[14]*

The consequence of this is that:

*In the commodity-capitalist economy, production-work, relations among people necessarily acquire the form of the value of things and can appear only in this material form. Social labour can only be expressed in value.[15]*

Thus under capitalism social labour can only be expressed as value. This fairly simple relationship has enormous consequences and lies at the root of a host of contradictions which infect all relationships within capitalist society. The social relation between workers' labour appears not as a relation between the labourers but as a relation between the products their labour produces. Value appears as an attribute of things rather than a representation of social relations. This Marx calls the fetishism of commodities which is inevitable so long as value production persists. Marx's critique of capitalism centres on a critique of value production which leads to the inverted nature of human relations in which relations between people take the form of relationships between things.

One of the primary contradictions of value production is that between the

use-value of a product and its exchange value. Ticktin seizes on this as the expression of the law of value. He informs us that the law of value describes the **movement** of the poles of the contradiction between use and exchange value. [16] Defining the law of value in this way allows him to argue that the invading socialist forms, considered above, are in a dialectical relationship with value production and they represent a pole of contradiction, even if they are not fully socialist. But how precisely a movement of 'poles of contradiction' can be in decline is a mystery. However, what he appears to mean is that the quantitative relationship between value production and non-value production is changing in favour of non-value production.

Ticktin points to significant sectors of the economy which are no longer value producing, foremost among these is finance capital. Value, he tells us, has evolved into finance capital [17] and further finance capital, creates profits by the **destruction** of use values.[18] Other sectors of the economy such as healthcare, education and defence all operate outside the law of value. These, he claims, negate the law of value [19] and consequently the law is in decline.

Finance capital is a transient form which surplus value takes in capital's production cycle and to claim it has become this form is a muddling of categories. Moreover, to claim finance capital produces profits by destruction of use values is simply abandoning Marxist economic analysis.

While it is, of course, true that finance capital does not produce value and is, as Ticktin tells us, parasitic on industrial capital, what finance capital does is appropriate and circulate debt based on value which is already in existence as well as expectation of the creation of future value: values generated by productive capital subject to the law of value. Healthcare, education and defence, and indeed all government spending, are funded by value produced in the productive economy under the law of value, taken by the government, via taxation, and redistributed to these sectors. – Or rather, they are increasingly indebted to finance capital. None of this negates the law of value which continues to operate in the productive sector. What is occurring is a decline in the rate of production of real value at the same time as a massive increase in the creation of fictitious finance capital – i.e. financial capital which does not represent real value. However, as Marx points out:

*The sum of the profits in all spheres of production must equal the sum of the surplus values.[20]*

Any departure from this indicates a system that is unhealthy. Creation of money

and financial trickery lead to paper claims on existing surplus value which exceed the surplus produced and so eventually cannot be met. They also create speculative bubbles which inflate asset prices such as housing, commodities, equities etc. but ultimately burst dramatically as we saw in the 2008 financial crisis as real values tend to reassert themselves.

This is not to say the law of value no longer applies. What it does say is that capitalism's crisis of profitability – of the production of real value – is being prolonged, but massively deepened by the resort to financial engineering and fictitious capital. What Ticktin sees as the gradual demise of the law of value is in fact the expression of a real crisis of accumulation.

### A transitional period?

Ticktin builds his argument on the premise that we are now living in a period of transition from capitalism to socialism and the law of value is being negated by current developments in capitalism. If this is not the case, as argued above, the theory that we are living in a transitional period collapses. However since this is the main conclusion of Ticktin's concept of capitalist decline it is worth considering it briefly.

Ticktin tells us:

*Any transitional period is marked by the existence of the old laws together with the new. There are therefore, both old and new social relations but also various intermediate and unviable forms. [21]*

Ticktin admits the law of value operates on a global level and socialism cannot exist in a single country and certainly not in a single sector of the economy. Yet his transition speaks of invading socialist or proto-socialist forms which are negating the law of value. For a transition to socialism to exist there must be forms of socialist production in a dialectical relationship with capitalist production as he himself admits in the quotation above. If we are in a period of transition to socialism the elements of socialist production must gradually displace the capitalist ones. It is therefore up to Ticktin to point to the formations of socialist production which are displacing the global capitalist relations. He points to nationalisations, the welfare state, planning and bureaucracy. None of these could possibly be described as socialist formations of production. On the contrary they are reforms within capitalism instituted with the aim of making the system more efficient. We can only conclude Ticktin cannot point to the new social formations of production which his argument insists exist, and indeed must exist, if we are in a transition

to socialism.

### Conclusion

Capitalism is in a period of decline. The root cause of this decline is the system's inability to overcome the tendency for profit rates to fall with the increase in organic content of capital without devaluation of constant capital through generalised war. The system needs to destroy value it has created to survive. The measures which capital adopts to mitigate this problem, outside of war, are symptoms of this underlying problem they are not, as Ticktin thinks, causes. This is the case with the structures Ticktin points to, in particular, monopolies, planning and finance capital.

The contradictions of capital are sharpening and the more the system extends itself on a global plane the more global these contradictions become. But capitalism cannot, of itself, create an opposing social system of production, all it can do is restructure itself within the confines of capitalism itself. What it is inevitably forced to do is organise itself on a global level which, as we have indicated above, entails linking and internationalising the means of production. This makes the contradiction between social means of production and the private class ownership of these means of production sharper and the system becomes more prone to crises. But all this does not mean, as Ticktin argues, that a transitional period has been initiated in which opposing social organisations, in dialectical opposition to capitalism, have arisen and are undermining capitalist social relations. Ticktin confuses centralisation and concentration of the means of production with socialisation of the relations of production. The relations of production are not, and indeed could not be, socialised under capitalism.

Capitalism must be overthrown before a transitional period can be initiated. There must be a total rupture with value production. In order for this to happen the working class must capture political power and set about consciously transforming social production relations. Ticktin's conceptions seem like those of other *aficionados* of a seamless transition to communism, who have long lost hope in the working class being the agent of revolution. For a Trotskyist it is entirely natural to see socialism being ushered in by a benevolent state over which the working class has "democratic control" but this sees the question in a very administrative way. Socialism is not just a more equal capitalism but an entirely new mode of production. This can only come about through the self-activity of the mass of the working class through its own organs and using its own principles (mandated delegation, rotation of delegates, immediate recall and so on). As the early months of the Russian Revolution showed, this was the only effective way

to fight bureaucracy. It is the only way to ensure that any statist tasks that have to be carried out to defeat the capitalists and their hangers-on do not get converted into a permanent system. The idea that we are now in a transition period in which capitalist social relations are evolving into socialist ones is not only an illusion, it undermines what needs to be done to achieve communism.

CP

## Notes

- [1] See *Revolutionary Perspectives* 04, "The Period of Transition and its Dissenters."
- [2] P. Mason's book *Post Capitalism* is critiqued in *Revolutionary Perspectives* 7 "Post-capitalism via the Internet: Dream or Reality."
- [3] See "Autonomism – Cutting the Ground from Under Marxism" and "Autonomism – Many Flowers Little Fruit" in *Revolutionary Perspectives* 10 and 11.
- [4] See A. Negri "Marx beyond Marx: Lessons on the Grundrisse"
- [5] R. Hilferding, *Finance Capital* p.368
- [6] See *Critique* 16 "The transitional epoch, finance capital and Britain." p. 33
- [7] *Critique* 45 "Permanent crisis, decline and transition of capitalism."
- [8] See "Towards a political economy of the USSR"
- [9] <https://theexchange.org/wp-content/uploads/2018/04/Hillel-Ticktin-Towards-a-Political-Economy-of-the-USSR-1974.pdf>
- [9] See *Critique* 30 - 31 "Where are we going today. The nature of the present crisis." 199 8
- [10] See *Critique* 45 "Permanent crisis, decline and transition of capitalism"
- [11] *Critique* 16 "The transitional epoch, finance capital and Britain."
- [12] *Critique* 39 "Decline as a concept and its consequences." 2006
- [13] K. Marx *Capital Volume 1* p.104.
- [14] K. Marx Economic Manuscript of 1861. p.336 (Quoted in P Hudis, *Marx's Alternative to Capitalism*.)
- [15] I. Rubin Essays on Marx's Theory of Value p.62
- [16] Critical assessment of the major Marxist theories of political economy p.271
- [17] *Critique* 39 "Decline as a concept and its consequences." p.157
- [18] "Decline as a concept" p.158
- [19] *Critique* 16 "The transitional epoch finance capital and Britain." p.34
- [20] K. Marx *Capital Volume 3* p. 173 (Progress edition)
- [21] *Critique* 39 "Decline as a concept and its consequences." p.149

## Two Articles from *Kommunist* (April 1918)

With the publication of these two articles we are completing our translation of the first issue of *Kommunist*, the journal of the "proletarian communists" or left communist faction of the Bolshevik Party in the Spring of 1918. We have already published articles by Radek, Bukharin and Ossinsky in our last three issues and all can be found on our website. Here we turn our attention to a final review by Bukharin, and an economic analysis of the state of the Russian Revolution in April 1918 by one of the least well-known of the *Kommunist* contributors.

Georgii Ippolitovich Oppokov (1888–1938) took the *nomme de guerre* Afanasi Lomov (although in some sources he is referred to as Georgii Lomov). A member of the Bolshevik Party Central Committee and the Supreme Council of National Economy (Vesenkha), he also became Commissar for Justice in the Council of People's Commissars (Sovnarkom). In the Central Committee he and Ossinski condemned the idea of a separate peace with Germany as a "peasant petty bourgeois peace" as early as January 1918. Like other Left Communists he voted against accepting the terms of the Treaty of Brest-Litovsk in March 1918. In the debates he was the only Left Communist who openly declared that the Revolution could still survive without Lenin. When the Treaty was finally signed he, along with Bukharin, Bubnov and Uritsky, resigned all his government and party posts.

Lenin, in *A Serious Lesson and a Serious Responsibility*, picked through the voting records of the leading Left Communists to demonstrate their inconsistency over the peace with Germany. The following passage highlights (in a rather tendentious way) Lomov's role in the many votes that took place at this time.

*On February 17, 1918, when the question was put: who is in favour of a revolutionary war? – Bukharin and Lomov "refused to vote on the question as put". None voted in favour. That is a fact!*

*On the question of whether to "refrain from resuming peace negotiations until the German attack becomes sufficiently (sic!) evident and its influence upon the German working-class movement becomes clear", Bukharin, Lomov and Uritsky, of the present contributors to the "Left" paper, voted in favour.*

*On the question, "Should we conclude peace if a German offensive becomes a fact and a revolutionary upsurge fails to eventuate in Germany and Austria?" – Lomov, Bukharin and Uritsky abstained.*

(From <https://www.marxists.org/archive/lenin/works/1918/mar/05.htm>)

Later, in the 1920s, Lomov became for a time a member of the Left Opposition and like most prominent Bolshevik leaders of 1917 was arrested in June 1937 during

the Great Purges. He was sentenced to death and shot on 30 December 1938. He was posthumously rehabilitated after the death of Stalin in 1956.

His "Economic Notes" are of interest in two important aspects. The first is his prescient statement that *the second peace of Brest-Litovsk is the boundary between the offensive period and that of the gradual retreat of the revolutionary wave.*

This was a basic position of the Left Communists but stated here with extraordinary boldness (which seems typical of the author). Lomov was right to recognise that the "heroic period" or "offensive" of the Revolution ended in March-April 1918. For him and other Left Communists the signing of the Treaty of Brest-Litovsk was not buying the revolution a "perdyshka" or breathing space, but was likely to put the young Soviet republic under the domination of German imperialism. In the latter point they turned out to be wrong, but there is no question that March 1918 saw a turning point in the revolution. It coincided with Brest-Litovsk but was not a consequence of it.

Until March 1918 the Bolsheviks had based all their plans on the self-activity of the working classes but by March 1918 the economic disaster which the soviet republic had inherited from the Provisional Government was becoming overwhelming. Lomov points to this later in his article when he writes,

*We have no intention of denying the dilapidation of the economy. We know and do not hide the fact that in our industrial South, of all the metallurgical plants, there are only the Petrovsky soviet factories that work, while others are stopped or in the process of doing so; we know that coal mining plants in Russia are in a catastrophic situation; we do not deny all the disorder in the railways, etc.*

Whilst the Bolshevik right wing wanted to undermine worker initiative, the Left wanted to carry on with it, which is why Lomov is so contemptuous of all the attempts to increase production by resorting to capitalist methods. The adoption of one-man management, bringing back some of the old managers etc, did not spell the end of the revolution but – coupled with a brutal civil war which drained the proletariat – set in motion a chain of circumstances which led to the workers' revolt of 1920-1.

The other point of interest is to note that this Left Communist document was a document of its time. Until the Russian Revolution few saw that the nationalisation of production was not a step towards socialism. Nationalisation is rather one of the most blatant forms of state capitalism which does not do away with the capital-wage labour relationship. This was a lesson the working class learned after 1918 as a result of that Russian experience but in 1918 it was still equated with a step towards socialism.

The second document is Bukharin's withering review of a book by a leading member of the Left Socialist Revolutionaries, who until this point were supporters of the October Revolution, and had joined the Council of People's Commissars. In fact Vladimir Evgenievich Trutovsky (1889-1937) was People's Commissar for Local Government until he resigned along with the other SR Commissars in March 1918 as a protest against the Treaty of Brest-Litovsk. Bukharin's comments are not really a review since he hardly tackles the main subject of Trutovsky's work (the transition to socialism). Instead he targets Trutovsky's poor knowledge of Marxism and his ill-judged remarks based on it. Like so many anti-Marxists down the years he seems to have been content to repeat erroneous platitudes. As such he is an easy target for Bukharin's withering scorn.

This raises the question of why Bukharin bothered to review the book at all. Was it to fill the final pages of the issue of the magazine or was it to demonstrate that the Kommunist group, for all their shared rejection of the Treaty of Brest-Litovsk with the Left SRs, wanted to demonstrate that on essentials they were still loyal Marxist members of the Bolshevik Party? We can only guess. Like the surviving Left Communists, Trutovsky perished in Stalin's Purges in the 1930s.



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and employees, in the same way as the project of the Statute already discussed at the Centrotextile [3] meetings, it is a feeble consolation for a communist.

This is to say nothing about the creation of special banks for each branch of industry, with their complex operations ("receiving deposits, opening cheque accounts, discounting notes, granting short-term loans and commission") which gradually reduce the functions of the Soviet Central Bank. And if this creation of bank branches goes ahead quickly, we will hardly even need the Soviet Bank at all. It is interesting that the proposal for a Wheat Bank is very close to the original "socialist" Wheat Bank of Kerensky. By the way, it is said that the Commissar for Finance, Comrade Gukovsky, approved this measure in principle.

In the field of our economic policy, nationalisation projects multiply in the Donets mining industry – either because the mines were abandoned by their old bosses or because there is fighting in this region occupied by the German Ukraine – or in the large railway trusts, the textile industry and metallurgy. According to the conditions [of the Brest-Litovsk Peace], Soviet Russia retains the rich coal mines near Taganrog. [4]

Furthermore, there is the question of creating these forms of organisation in industries other than trusts (e.g. in building of trains and rolling stock, industry in the Urals, etc.) at the head of which capitalist forces, all those powerful industrial swindlers, would find opportunities to participate. The public admission of this desire to rely on capitalist organisers comes from an accidental "interview" with comrades, Lunacharsky, [5] Trotsky, etc. If during the period prior to Brest-Litovsk our economic policy had counted on proletarian initiative, it has changed since the conclusion of peace. Now we give the proletarians wise and firm slogans: "Do not be dissolute!", "Don't steal!", "Be disciplined!", etc. In fact, some readers will consider these formulas as having little relation to economic policy and more accurately resemble the famous bourgeois maxims of Samuel Smiles of the "be thrifty" type. But it's a mistake. Taking on board the attitude of the capitalist organisers is a turning point. Certainly, during the first period, nobody denied the need to invite engineers, technical specialists and employees to work in companies nationalised by the workers' and peasants' government. The problem was how to invite them, and solve the question of how the government workers and peasants could make use of them, without giving them managerial functions.

Now the situation is changing. Instead of using them there is the danger that we are being used by them. In order to organise new trusts a leading role is given to former industrial sharks. The organisation based on the activity of the working class is being replaced by help from experienced capitalist leaders. It is no accident that the now defunct newspaper *Nashe Slovo* [6] wrote

## Economic Notes

**I**n the history of the proletarian and peasant revolution in Russia, the second peace of Brest-Litovsk is the boundary between the offensive period and that of the gradual retreat of the revolutionary wave. After the conclusion of peace, many people did not understand that capitulation in the field of international legal relations leads to a change in all the tactics of the Russian revolution. It affects the politics first outside and then inside, but a whole series of immediate facts in the field of economic and financial policy is also evidence of this turning point.

The characteristic features of the period after Brest-Litovsk are, on the one hand rumours of the de-nationalisation of banks, associated with the new Commissar for Finance, Comrade Gukovsky [1] (who has never been a strong supporter of nationalisation either of banks, or of production); on the other, a period of slowdown and even complete cessation of the nationalisation of the industry. [2] If we were previously thinking of forming a united and centralised People's Bank for the Soviet Republic, now, according to press reports which have not been refuted, there is a proposal to re-open all private banks in Petrograd, currently being used for other purposes if the truth were known, under the flag of the Soviet Republic. There is no longer even a trace of the old plans to centralise [financial] operations. In addition, a series of proposals to create special banks for wheat, textiles, etc. which will not have to be entirely Soviet are seriously being discussed in governmental circles. Alongside state capital, capital will have to be invested by the bourgeoisie, in accordance with which it must be distributed between the state and the bourgeoisie. These banks for wheat, textiles, etc. will basically have to fulfil all the functions of the old banks.

According to the proposal for the textile bank, the founding capital will come from 500 million [rubles] assigned by the Government and 500 million in shares issued by the bank; these shares must be held mainly by members of the workers and employees union, cooperatives and other organisations and individuals. The government guarantees a minimum return of 3% on the capital invested, and an "additional dividend" dependent on profits, etc. As one can see from this information, a new textile bank with its guaranteed income and its "additional dividends", differs little from the old ones. If the authors [of this project] think they maintain their socialist innocence because part of the profits and "additional dividends" will be "mostly" distributed among the members of unions of workers

enthusiastically about this “new course” and called on the entire conscious bourgeois intelligentsia to follow the Bolsheviks hoping that bourgeois science and experience will fundamentally transform the very essence of Bolshevik policy.

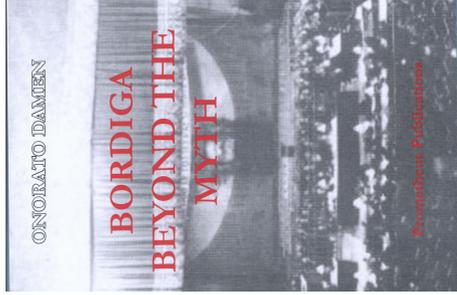
We have no intention of denying the dilapidation of the economy. We know and do not hide the fact that all the metallurgical plants in our industrial South, only the Petrovsky soviet factories work, while others are stopped or in the process of doing so; we know that coal mining plants in Russia are in a catastrophic situation; we do not deny all the disorder in the railways, etc. The question is to know where the exit from this impasse lies. Our point of view, our way, is the inexorable nationalisation of the banks, supported by a nationalisation of industry that must be just as inexorable.

The recruitment of technical staff and qualified employees must be managed by workers. In using their knowledge and experience, under no circumstances should the worker lose control and total mastery of production.

A.L. (Lomov)

## Onorato Damen's Bordiga: Beyond the Myth

With an introduction for English readers of the debate between Bordiga and Damen and its significance for revolutionary politics today. The work is divided into two halves, the first dealing with the exchanges between Bordiga and Damen and the second focussing on a critique of what Bordigism later became in the hands of Bordiga's ‘epigones’ or followers. Over 170 pages with 114 footnotes and four appendices, it also contains the first full translation into English of Bordiga's letter to Karl Korsch. Cover price £9. Those with a supporters sub to *Revolutionary Perspectives* can receive it for £5 (post included).



## Review:

### Trutovsky, The Transitional Period

Vladimir Trutovsky, *The Transitional Period* (between Capitalism and Socialism) Petrograd, “Revolutsionnyi sotsializm” (from the Central Committee of the Left SR party), 1918

The subject announced in the title of Comrade Trutovsky's pamphlet is very interesting. But, unfortunately, we are forced to conclude that it is hard to write so much amazing nonsense at once as Comrade Trutovsky has done. Instead of looking seriously at all the issues dealt with in his pamphlet he decided to only dabble lightly in Marxism. Obviously, nothing but confusion comes out of it.

Comrade Trutovsky should not be offended by the fact that his attacks on Marxism will receive from us a severe but necessary response: he asked for it. Let us follow the author in his reasoning.

On pages 8-9, he tries to “refute” Marxism by claiming that imperialism, by nature, has nothing to do with economics. Like a vulgar journalist, it's the Roman Empire, the Catholic Church, and a thousand other things, which he considers to be imperialisms. For him, the only necessary criterion is “the desire to dominate”. In fact, his considerations greatly resemble the reasoning of a simple man who would say that *the hen, the most ordinary hen, is fundamentally imperialist, since it feeds on wheat while dominating and growing at the expense of the unfortunate grain of wheat*. And to crown all, comrade Trutovsky refers to universal thinking, science and even “socialism which, in some ways, cuts across imperialism”, because he wants “to reunite humanity in one community”. In the opinion of the author, there is here only one difference, it is the absence of constraint. But this is where Comrade Trutovsky is mistaken: in reality, socialism aims to dominate the world by the socialist revolution, that is to say, by violence. According to Trutovsky's conception, socialism is “only one of the forms” of imperialism! And this is what is called “making a critique of Marxism”!

On page 10, the “economic” goals of imperialism are defined as “the domination of raw materials” and “the sale of goods at high prices”. Not a word about its main feature: the export of capital. The very essence of imperialist politics is absent. It's shameful to ignore it! After such “definitions” of imperialism, Comrade Trutovsky criticises Marx's teaching on profit; and he makes such huge mistakes that one can wonder if our honourable critic has ever read Marx, or even the “exegesis” of Marx made by Bach [7] . . .

On page 10, he attributes to Marxists the following thesis:

...commodities are sold according to their value; capitalist profit and

(this "and" is really excellent!) the surplus value is created by the process of production and not by exchange; therefore, if the profit from the sale cannot be a source of capitalist enrichment, the only source of profit is the work of the worker who produces it; this is why the demand by the workers for the entire product of their labour will kill the capitalist order.

We have gladly quoted this fragment to show that the ignorance of this author knows no bounds. Marxists have "said" something else and often contrary to what Comrade Trutovsky attributes to them. 1) Commodities are never sold "according to their value" (do not you even know that?); 2) "capitalist profit and surplus value" is an expression that makes no sense because profit is a part of surplus value; 3) it is not the profit, but the surplus value that is made "in the production process" and it is realised in the process of circulation; 4) at a stage of development, during the exchange between many countries, the profit from sales can be based on "trickery and deception" (see Marx, Capital, Book III, p.307, I wrote about it in detail in my book *Imperialism and World Economy* (8); 5) the source of capitalist profit is not just the work of the workers of a company (Trutovsky obviously does not know Volume III of *Capital*, and its teaching concerning the organic composition of capital in relation to the rate of profit); and finally 6) the demand for the "full product of labour" was always considered by Marx, Engels, and all Marxists as an idio-cy (because even in socialist society contributions to public funds will exist), so they could not say that this claim would "kill the capitalist order".

Trutovsky understands something about the super-profit of which Hilferding speaks, but he does not understand what this author says:

*Where does this profit come from? In the production process or in that of exchange? Certainly, in the process of exchange. Capitalist surplus value has many other sources than super-profit.*

All this is blatantly stupid because the super-profit is, like any profit, a part of surplus value. Comrade Trutovsky! it's a fact that the monopoly character of some companies, branches, or the monopoly structure of whole countries allocate, again and in another way global surplus value. Saying that "the profit of the capitalist is not made from one element, but two: the surplus value and the super-profit", means that he is so ignorant that we are ashamed for him.

From all that we have said we must not draw the conclusion that the developed capitalist countries cannot exploit the backward countries. Marx and Engels already pointed this out. Moreover, they also claimed that in this case, conservatism among the workers could emerge (Engels on the monopoly position of England). But either comrade Trutovsky does not know this or... he hides it from his readers.

From the reasoning, outlined above, Trutovsky draws the following conclusion: "most of the work of revolutionary socialism" is expressed in "backward, fiercely exploited countries, where, for the first time under capitalism, its most intractable gravediggers reveal themselves: the despoiled and starving peasant labourers". To put it another way, capitalism will not be overthrown by the workers of the advanced countries but by the peasants of the backward countries. This is the "new" gospel! It's written on page 13 and those following. But on page 48 we discover that the socialist revolution is maturing in advanced countries.

*And this threat is more real in advanced countries where not only is there sufficient production... but also where the working class... is psychologically ready for the advent of a new society.*

This is Comrade Trutovsky's idea of consistency ...

His crass and terrifying ignorance can also be seen on page 66 where we read:

*Under socialism the workers will receive all the product of their labour! [...] In the transition period only part of the profit, surplus-value, is eliminated, but the percentage in relation to capital persists.*

Until now it was thought that rent, profit, percentage, etc. were all parts of surplus-value. But ... now it's the surplus value that's a part of profit: "everything has changed".

The sociological and "critical thinking" of the author are at about the same level as his economic knowledge! He finds that "according to Marxism", socialist transformation is not possible in backward countries, "simmering in the pot of the factory." Where is this written? Probably, Trutovsky knows? But, unfortunately, he does not say so. We ask him to betray his secret.

The author's superficiality goes so far that in pages 20 and 21 he preaches about "Marxists" like Plekhanov "who have renounced Marxism", but ... etc., yet alongside it, he writes: "They are faithful children of the Marxist church." In the end, what are they? "Faithful children" or "renegades"?

His whole critique is to take up old "arguments" against historical laws. And its corollary in practice is the rejection of the "Blanquist conspiracy" tactics of the Bolsheviks. These are the same methods of the good old revisionist opportunists!

In this summary we could not confine ourselves to the author's analysis of the transitional measures and the current situation (even here he is inconsistent to the point of stupidity, for example, when he declares that no external danger threatens us). Let's just note one thing. According to the author, we are living in

a social but not a socialist revolution (p.43 and 78). But these “considerations” are totally banal. **Every** revolution is social, Comrade Trutovsky. There is no such thing as a “purely political” revolution: it only exists in the minds of people. In reality, it is a socialist revolution that we are going through, that is to say the revolution that expropriates capital. *Summa summarum*: the example of Comrade Trutovsky serves all those who, stuffed with hatred for Marxism, do not bother reading Marx. Adventurous forays can be very harmful to the literary health of the critics.

### Notes

#### **Nikolai Bukharin**

[1] Isidor Emmanuelovich Gukovsky (1871-1921), a son of a merchant, participated in a group of revolutionary workers in 1893. He became a Menshevik and imprisoned for inciting workers to strike. In 1904 he was sent as an agitator amongst the oil workers of Baku. Editorial secretary of the journal *Novaya Zhizn*, he continued a wandering life (Odessa, foreign exile) before being arrested on his return to Russia. He was acquitted in 1908. After October 1917 he became a Bolshevik and was appointed People's Commissar for Finance by Lenin. He carried on his career as a leading functionary as a diplomat representing Russia in Estonia. He died of pneumonia in March 1921.

[2] These rumours became so strong that Gukovsky was forced to deny them at the All-Russian Congress of the Council of National Economy (Vesenkha) in May, 1918.

[3] “Central Committee for the Textile Industry”: It was one of the special state institutions known as “glavki” which were based on a similar organisation of the Tsarist regime.

[4] Port city of the Don region near Rostov situated on the Gulf of Iagannog in the Sea of Azov.

[5] Anatoly Vassilievitch Lunacharsky (1875-1933), writer, literary critic, and militant from a very young age. First a Bolshevik then a Menshevik of the Inter-district Committee (Mezhrayonny), he rejoined the Bolsheviks with this group in July 1917: he was the first People's Commissar for Education.

[6] “The New World”

[7] Alexei Nikolayevich Bach (1857-1946) a famous Russian biochemist and academician. He studied Capital when still at school, and agitated amongst students, which led to his expulsion from the University of Kiev. He became an active member of People's Will (Narodnaya Volya) after 1881. He carried out socialist propaganda and became a Socialist Revolutionary though he denied this in his 1926 autobiography. From 1883 Bach went underground to live in Khar'kov, Yaroslavl, Kazan and Rostov. During that period, he wrote his famous revolutionary book *Tsar Hunger*, which played an important role in spreading the ideas of scientific socialism in Russia and is presumably what Bukharin is referring to here. He left Russia in 1885 to avoid arrest. He supported the October revolution and returned to Russia and broke with the SRs during the Civil War. He founded the Institute of Biochemistry in 1920 and devoted himself to scientific research in a career which won him many honours from the Stalinist regime.

[8] *Imperialism and World Economy* was written in 1915, and Lenin borrowed extensively from it for his shorter and more “popular” outline: *Imperialism – The Highest Stage of Capitalism* written in the year following. There are several versions in English both in print and online. It can be found as a pdf online at <https://thechanelhouse.org/wp-content/uploads/2015/05/nikolai-bukharin-imperialism-and-world-economy-1922.pdf>

## Back to the Future: Rebranding Social Democracy

**W**ritten by Nick Srnicek and Alex Williams and released in 2015, *Inventing the Future: Postcapitalism and a World Without Work* made big waves in “left wing circles”. Self styled as a ‘manifesto for the end of capitalism’ on the surface the book envisions a post-scarcity society, where wage labour is a thing of the past and the liberation of humanity is made viable by technological advances. Its contents can be roughly divided into two parts – a critique of the existing left, and a proposal for the creation of a “new left” able to face the challenges of the 21<sup>st</sup> century. Its political genesis can be traced back to a mixture of Gramscian academic discourse and the accelerationist current which – as Srnicek and Williams wrote in their 2013 *Manifesto for an Accelerationist Politics* – “seeks to preserve the gains of late capitalism while going further than its value system, governance structures, and mass pathologies will allow.” [1]

Upon release the book was praised by prominent leftist personalities, including Paul Mason, Mark Fisher and Owen Jones. The authors were featured on the Novara Media podcasts, gave talks at universities and more recently spoke at a number of Labour Party events. In 2016 Srnicek went on to release another book, *Platform Capitalism*, a look at modern capitalist firms such as Google and Facebook, while Williams has a forthcoming book in the works on hegemony and the left. More importantly however, both got swept up in the movement around Jeremy Corbyn, and seem to have joined the ranks of the Labour left in the process. And although we are late to the party with the following review, it is the political trajectory of the authors of the book, revealed over the past three years, which illuminates the problems at the core of *Inventing the Future*.

### Accelerationism

*No social order ever perishes before all the productive forces for which there is room in it have developed; and new, higher relations of production never appear before the material conditions of their existence have matured in the womb of the old society itself.*  
(Preface of *A Contribution to the Critique of Political Economy*, K. Marx)

*...in general, the protective system of our day is conservative, while the free trade system is destructive. It breaks up old nationalities and pushes the antagonism of the proletariat and the bourgeoisie to the extreme point. In a word, the free trade system hastens the social revolution.* [On *Free Trade*, K. Marx]

The basic premise of accelerationist thinking is already contained within the writings of Marx, specifically in the segments cited above and the Fragment on Machines from *The Grundrisse*. Since the productive forces of capitalist society will come into conflict with the existing relations of capitalist production, the accelerationists propagate the development of productive forces and technological innovation to the point where these break capitalist logic. To “accelerate the process”, as Deleuze and Guattari put it. However unlike the accelerationist turned reactionary Nick Land for whom “capitalist speed alone could generate a global transition towards unparalleled technological singularity”, Srnicek and Williams believe that “capitalism cannot be identified as the agent of true acceleration”, and that is where the left comes in. [2]

The authors of the *Accelerate Manifesto* have made a conscious decision to not refer to accelerationism directly in *Inventing the Future*, likely to ensure a wider audience and because, as they say, the term accelerationism suffers from a “miasma of competing understandings”. However certain themes, from the desirability of progress and technological advancement to the emancipatory potential of augmenting the human body and so on, are carried over. Chapters Five and Six are the best examples of this – in that they try to envision what a post-work society could look like. But even at their most utopian, Srnicek and Williams never seem to really come to grips with the abolition of value, the state and money. It is implied that post-capitalism may mean communism, but it is never stated. The term post-capitalism is of course reminiscent of the title of Paul Mason’s book released the same year as *Inventing the Future*. The central thesis of Mason’s book, was that we are

*at the start of a transition period to post-capitalism; a transition in which post-capitalism coexists with capitalism as a parallel system of production; a transition which could take centuries. However, because of a number of existential threats, such as climate change, demographic change in global population and sovereign debt, humanity does not have the time to let this transition run its course. Therefore, although post-capitalism is happening anyway, we need to mobilise the state to speed up the transition. [3]*

As will soon become clear, the similarities do not end there – some of the criticism of *Postcapitalism*—A Guide to our Future can also be applied to *Inventing the Future*. And as we said back in 2016, “it is significant that Paul Mason (and now Srnicek and Williams) does not call his new society communism but the more vague ‘post-capitalism’ since it coexists with capitalism in a process of symbiotic change. Whereas Marx clearly understood that communist society required revolution, in other words, a complete break with capitalist production relations, before it could

be implemented.” [4]

## The Problem With the Left

Rather than to a defined political tendency, *Inventing the Future* speaks to the broad church of “the left”. It provides a “critique of today’s left”, and sees the need for a “counter-hegemonic movement” which can “rebuild the left”. But who is “the left”? Where are the lines drawn? This is something that the authors never really define. If accelerationism suffers from a “miasma of competing understandings”, then “the left” is an even more ambiguous term. *Inventing the Future* posits an abstract left (anti-capitalism), against an abstract right (capitalism). Both political options are then divided into two categories – both the left and the right have a folk political current, and a universalist current. The authors go on to critique the folk political left and argue for a universalist left instead. But the left is of course not easily demarcated and does not strive towards a common goal as the authors assume. There are a number of other problematic assumptions that the authors make right off the bat. The first is that social democracy is “impossible”, “outdated”, a thing of the past. The second is the definition of folk politics itself.

Lack of a serious critique of social democracy, and the role that it may still play in the capitalism of today, leaves “the left” open to being drawn back into its clutches once it appears in a seemingly new or unexpected form. The Corbyn phenomenon provided exactly such an opportunity, to the point where even some supposed anarchists have now joined the Labour Party ranks. [5] *Inventing the Future* was written just before the rise of Corbyn, but in 2015 social democracy was already a visible force strong enough so that it could once again lead masses of people into electoral and reformist dead ends (e.g. Syriza, Podemos). While a section of the left does indeed embrace a form of folk politics that Srnicek and Williams go on to criticise, the social democratic illusions of the left never went away. For anyone aware of the state of working class politics in Britain this should be obvious – the myth of 45, the trade unionist, Trotskyist and Stalinist hopes for the return of a “real” social democratic party, whether that be the Labour Party, or failed projects like TUSC or Respect, are many. Great swathes of the British left have always aligned with social democracy rather than any “horizontalist” alternatives. The Labour Party currently has over half a million members, and as Srnicek admitted during the general election of 2017: “In the end, Labour has presented a vision of a better world and the massive rallies attest to the power such a vision can mobilise [...] we need to build on the momentum achieved in the campaign.” [6] And so it seems the accelerationists have been outpaced by old-school social democrats!

Chapter Two is a critique of folk politics on the left, and makes the case that only a

universal "leftist project" can challenge the universal nature of capitalism. Direct action, local community resistance, voluntarism, ethical or individualist politics – this is what according to the authors defines the folk left. They trace it to the post-68 disillusion with political parties and trade unions, a response to the collapse of Keynesianism in the 1970s. The disintegration of the Eastern Bloc then sealed the deal, opening the way for movements and organisations such as:

*Occupy, Spain's 15M, student occupations, left communist insurrectionists like Tiqqun and the Invisible Committee, most forms of horizontalism, the Zapatistas, and contemporary anarchist-tinged politics, as well as a variety of other trends like political localism, the slow-food movement, and ethical consumerism, among many others.[7]*

Apart from confusing left communism with the communisateurs of Tiqqun and the Invisible Committee, the authors group together a very broad and disparate spectrum of contradictory tendencies – basically anything and everything which engages in refigurative politics or direct action and could be in one way or another lumped under the broad church of "the left". Whatever the limitations of, say, anarcho-communism, it represents a legitimate revolutionary current with an orientation towards the working class, as opposed to something like the fair trade movement or the Green Party. For the authors though it is all about form and not content.

Despite being a very broad category, the critique of folk politics is not off the mark. Direct action and local community resistance is, as the authors say, insufficient on its own. As the communist left has always argued, spontaneous class struggle alone will not end capitalism. Strikes, occupations and protests can build confidence, provide experience, and win concessions from employers and landlords. But the working class needs its own organs to centralise its struggles across a vast territory, a function played in the past by workers' councils and assemblies. And it also needs an international and internationalist party to provide a long term political vision and consciously guide the struggle in a communist direction. Without such a global organisation every rebellion will be condemned to burn itself out inside the system. The authors recognise the insufficiency of defensive struggle, but the solution they come up with instead is a "Mont Pelerin of the left".

Smricek and Williams present recent history as a kind of battle of ideas, where capitalist crisis, the falling rate of profit, imperialist war, etc. are for the most part absent from the equation. It is a story of how neo-liberalism becomes a world-dominating ideology, "hegemonic", because it had an eye to the future and operated in a universalist rather than folk-political manner. After the Second

World War, leading neo-liberals of the time – Austrian economists, UK liberals, the Chicago School, German ordoliberals – found a home in the Mont Pelerin Society, an international association of liberals. Through this Society, neo-liberal ideas were "filtered down through think tanks, universities and policy documents." [8] By first changing elite opinion the Society sought to, with time, also change public opinion. With the collapse of Keynesianism due to the crisis of the 1970s (end of Bretton Woods, stagflation) the IMF and the World Bank embraced the new ideas floating around the universities and think tanks. Neo-liberalism then became the common sense approach to economics. Neo-liberals gained access to state policy (Thatcher became the British Prime Minister, Volcker the chairman of the Federal Reserve, Reagan the president of the US). It redefined popular discourse, as modernisation came to mean the slashing of welfare, while freedom became independence from the state. For Smricek and Williams this is an "instructive case study." They believe it is up to the left now to reclaim the terminology of modernity and freedom from the neo-liberal right, so that it can be used again for popular mobilisation. Since the working class movements of the past failed, they allege we have to learn from what worked: neo-liberalism. They end the chapter by calling for a Mont Pelerin of the left – an idea not at odds with their Accelerate Manifesto, where already they suggested that

*beyond the 'people power' of bodies in the street, we require funding, whether from governments, institutions, think tanks, unions, or individual benefactors. We consider the location and conduct of such funding flows essential to begin reconstructing an ecology of effective accelerationist left organizations.[9]*

While the Accelerate Manifesto calls Marx "the paradigmatic accelerationist thinker", it is important to remember that for Smricek and Williams the working class is no longer the revolutionary subject. With their call for a Mont Pelerin of the left – the agent of change becomes the technocrats and the petty-bourgeoisie who can successfully, step by step, influence state policy and provide the slogans for movements of the global surplus population. The orientation towards the Labour Party, new media, and leftist think tanks, is only a logical continuation of this line of thinking.

## Demand the Future?

"Alex Williams and Nick Smricek, co-authors of *Inventing the Future* (2015) argue that rapid automation should be an explicit project to move to a lower work, higher productivity economy, and argue for a basic income and reduced working time" - Alternative Models of Ownership, report to members of the Labour Party shadow cabinet (2017)

The central thesis of chapters four onward is what a leftist project that is universal and able to present an attractive vision of the future might look like. All the while the authors remind us that a folk politic, pre-occupied with defending localities, is not capable of doing this. But what is it that they actually propose?

Behind all the accelerationist and futurist rhetoric lies what amounts to a number of fairly mundane transitional demands: universal basic income (UBI) [10], automation and the reduction of the working week. Automation is marching onward regardless (whether it is reducing the number of jobs or producing killer drones), while basic income pilots have already been initiated in multiple countries, from Namibia to Finland. All of this without the need for any accelerationist left to “demand” it. What that left can now do, according to the authors, is to accelerate these processes and influence the way they are implemented. For them these are non-reformist reforms which “will not break us out of capitalism, but they do promise to break us out of neoliberalism, and to establish an equilibrium of political, economic and social forces.” [11] In terms of tactics, Srnicek and Williams’ vision is allegedly a long term one. The rise of neo-liberalism took 40 years or more. Likewise the British left will need to over time build its own hegemony. This has to include politicians, business experts, new media, and academics – with Corbyn, McDonnell, Piketty, Stiglitz, media outlets like Novara or The Canary, Paul Mason and Owen Jones, and indeed the authors themselves, first steps towards this have been made. That is not to say that in their vision there is no place for the “grass-roots”.

On the question of organisation, the authors propose a revamped popular front, simply arguing that different organisations are needed for different things, and that it’s no good fetishising one particular form of organisation over another. However this is a situation which arises spontaneously in any social movement – to take the example of Occupy, it was not just horizontalist affinity groups that were involved, but also all manner of political parties, media groups, trade unions, etc. There was no healthy ecosystem as the authors would have liked to see, but it wasn’t because of lack of will, rather because all these organisations correspond to different aims and material interests. Forms of organisation are not neutral, just like the state is not neutral. This is something which the capitalist left seems to struggle to get to grips with. Affinity groups, trade unions, institutional parties and the state cannot all be just repurposed to achieve any goal desired (in this case a post-work future). This becomes even clearer in the examples of this “ecology of organisations” provided by the authors – Venezuela and Podemos. If the so-called Venezuelan communes (which at best function as a form of participatory budgeting, at worst as the local enforcers of the PSUV government), or the crowdfunding platforms of Podemos (designed to raise funds for its electoral campaigns), are the best examples of a healthy “counter-hegemonic

ecosystem” then the future looks pretty bleak indeed. In its lack of a materialist understanding of organisation and the state, the authors, in the tradition of Gramsci, find themselves squarely on the side of idealism. It is no surprise then that *Inventing the Future* puts the cart before the horse: it wants to get rid of wage labour by creating a new populist metanarrative and infiltrating left wing parties – without the working class ever taking power, and without the abolition of capitalist social relations.

## Rebranding Social Democracy

*Inventing the Future* has already made an impact on the Labour left. In 2015 Srnicek and Williams were sending copies of the book to the new Labour shadow cabinet in the hopes that it would help the Labour Party address “the most pressing issues of the 21st Century”. [12] By 2016 the book was popular enough in Labour circles that Srnicek was invited by John McDonnell to give a talk on “Technology and the future world of work” during a series of public events on “New Economics” convened by the Labour Party. [13] In 2017 *Inventing the Future* got a mention in a report commissioned by John McDonnell and Rebecca Long-Bailey. [14] That same year Srnicek also gave a talk at the Labour conference fringe event, *The World Transformed*. This convergence is not incidental.

There are two ways to read *Inventing the Future*. One is a fairly innocent critique of the “post-68 left”, and an outline of how to build a desirable post-capitalist future through a flawed Gramscian framework [15]. The other is a critique of working class self-activity, and a call for a benevolent class of technocrats who can gradually reform capitalism for the masses. The book is written in a way that makes it seem like the two interpretations are not mutually exclusive, which might be part of the reason behind its appeal (name dropped in the New Statesman and the Guardian, three years after release) it still easily available in high street bookshops). This mixture of Gramscian terminology and accelerationist imagery does have some appeal among the university educated left, and combined with the willingness of figures such as McDonnell to engage with economic ideas deemed “cutting-edge” or “radical” by the mainstream press, it does give Corbyn’s shadow cabinet a facade of modernity – whether anyone in the upper echelons of the party actually take it seriously or not, it helps to counter the propaganda of the Conservative right that a Labour government “would take the country back to the 1970s”.

So is post-capitalism just a programme for post-neoliberal capitalist restoration? If the political trajectory of Srnicek, Williams, Mason, and the Corbynist Labour manifesto is anything to go by, then yes. The aim here is to get rid of neo-liberalism first and reconstitute capitalism on a “healthier” basis. The final dismantling of the class system is simply relegated to a distant future. Folk politics may be

“insufficient”, but think tanks and leftist advisors to bourgeois states are no solution either. The perspectives of the communist left remain with the working class, and not “the left” (of capital).

*Dyibas*  
February 2018

## Notes

- [1] Alex Williams and Nick Smicek, #ACCELERATE MANIFESTO for an Accelerationist Politics <https://criticallegalthinking.com/2013/05/14/accelerate-manifesto-for-an-accelerationist-politics/>
- [2] *Ibid.*
- [3] Post-capitalism via the Internet (According to Paul Mason) – Dream or Reality? <https://www.leftcom.org/en/articles/2016-02-21/post-capitalism-via-the-internet-according-to-paul-mason-%E2%80%93-dream-or-reality>
- [4] *Ibid.*
- [5] Anarcho-Corbynism and Support for Labour <http://www.leftcom.org/en/articles/2017-06-07/anarcho-corbynism-and-support-for-labour>
- [6] Smicek, For the Many, By the Many [https://medium.com/@n\\_smck/for-the-many-by-the-many-38ae7e8f0610](https://medium.com/@n_smck/for-the-many-by-the-many-38ae7e8f0610)
- [7] Williams and Smicek, Inventing the Future: Postcapitalism and a World Without Work, p.11
- [8] *Ibid.*, p.55
- [9] #ACCELERATE MANIFESTO
- [10] See the introduction to our Durham meeting on universal basic income (UBI) to expand on this theme. It is at <http://www.leftcom.org/en/articles/2018-04-14/universal-basic-income>
- [11] Inventing the Future, p.108
- [12] Williams and Smicek, Three reasons why the Labour shadow cabinet should read Inventing the Future <https://www.versobooks.com/blogs/2332-three-reasons-why-the-labour-shadow-cabinet-should-read-inventing-the-future>
- [13] Labour Party, The New Economics <https://labour.org.uk/new-economics/>
- [14] Labour Party, Alternative Models of Ownership <https://labour.org.uk/wp-content/uploads/2017/10/Alternative-Models-of-Ownership.pdf>
- [15] For more on Gramsci see <http://www.leftcom.org/en/articles/2013-08-30/antonio-gramsci-pre-prison-writings-review-article>. The translation of Onorato Damen's book on Gramsci will appear later this year.

## About Us

The Communist Workers' Organisation is part of the Internationalist Communist Tendency which was inspired by the Internationalist Communist Party (Battaglia Comunista). Formed during the Second World War in 1943, the PCInt. condemned both sides as imperialist. Its roots go back to the Italian Communist Left which had fought the degeneration of the Communist International and the Stalinisation imposed on all its member parties. Today there are ICT affiliates in several countries.

We are internationalists. We believe that the interests of the exploited are the same all over the world, and that communism cannot be achieved in one country, a myth peddled by Stalinism. Stalinism was never communism but a particular form of capitalism, state capitalism. After 1917 the economic blockade of the Soviet Union and the failure of the world revolution in the West meant that the revolution was transformed into its opposite, eventually becoming an imperialist bloc that would collapse after only seventy years. We are opposed to all (Trotskyists, Maoists) claims that state capitalism in whatever form is socialism.

We aim to be a political reference point for the working class, first of all for those who are tired of the unions, all unions. This does not mean giving up on the fight to defend immediate interests (wages, hours, work rates, etc.). But the unions are now a tool to control the class struggle and manage the labour force on behalf of capital. Today, any 'self-organised struggle', has to go outside of and against the unions. However, rank and file unions are a blunt instrument for workers. Even when they win a particular battle if they settle into a permanent existence they must accept the legal and economic framework imposed by the state. Any attempt to maintain a permanent body to defend workers' immediate economic interests will fail.

The only permanent body the working class can establish today is the political organisation, which is not only possible but essential. The starting point for this must be recognising that the general interest of the class lies in getting rid of capitalism. This is only possible through a revolution, i.e. the overthrow of the existing state and establishment of a new form of political power by the proletariat. The road to revolution does not mean the futile attempt to win control of the existing state via elections to parliaments or local governments which are means for the capitalist class to exercise its rule. History has shown us that the forum of our “democracy”, the bodies

of power of the revolution, will be the workers' councils, (or soviets) – mass meetings in which delegates will be entrusted with specific mandates and will be recallable at any time. But these potentially revolutionary organisations will be undermined by capitalist forces from within if they do not have a clear programme aimed at the abolition of exploitation and, therefore, the elimination of classes, for a society of “freely associated producers” who work together to directly meet human needs.

The programme is not the creation of any single theorist or one organisation. It is the outcome of the key lessons learned from past and present struggles and as such defines the practical way forward for the working class as a whole. Without a clear political compass the working class movement will be prey to all kinds of capitalist tricks and illusions. Thus political clarification and reorganisation today are vital for a revolutionary party to come into being which is in a position to win over the working class to the revolutionary programme. This is not a party of government that would replace the class and its class-wide organs of power, but a party of agitation and political guidance on the basis of that programme.

We are for the party, but we are not that party or its only embryo. Our task is to participate in its construction, trying to link immediate demands to the historical programme; communism.

**Join us! Support the Internationalist Communist Tendency**

## The Internationalist Communist Tendency

### Britain

The Communist Workers' Organisation which produces *Revolutionary Perspectives* (a six monthly magazine) and *Aurora* (an agitational paper)  
BM CWO, London WC1N 3XX

### Italy

Il Partito Comunista Internazionalista  
which produces *Battaglia Comunista* (a monthly paper) and *Prometeo* (a quarterly theoretical journal)  
CP 1753, 20101, Milano, Italy

### USA

IWG, P.O. Box 14485, Madison, WI 53708

### Germany

Gruppe Internationaler Sozialistinnen  
which produces *Socialismus oder Barbarei* (to appear quarterly)  
GIS, c/o Rotes Antiquariat, Rungestraße 20, 10179 Berlin, Germany

### France

Bilan&Perspectives  
produces a quarterly journal of the same name  
ABC-LIV, 118-130 Av. J. Jaures, 75171 Paris Cedex 19

## Our Pamphlets

**The Platform of the Internationalist Communist Tendency 70p**  
Revised English version (including postage in UK)

**For Communism £4**

An Introduction to the Politics of the CWO

**Class Consciousness and Revolutionary Organisation £3**

“Consciousness” is one of the most important issues for the working class and for revolutionaries. Our approach is unashamedly historical and attempts to draw out the real experience of the working class in its struggles of the last two centuries.

**Trotsky, Trotskyism, Trotskyists £3**

How Trotsky, who made an enormous contribution to revolutionary practice, ended up giving his name to a movement which returned to the counter-revolutionary errors of Social Democracy.

**Stalin and Stalinism £1**

The lie that the former USSR was “really existing socialism” remains a potent weapon against the working class. Here we examine the origins of the regime that came out of the defeat of the October Revolution as well as the motivations of Stalinism.

**Holocaust and Hiroshima 50p**

Examines how the nature of imperialist warfare comes to inflict mass murder on the world through an examination of these seminal events.

**Capitalism and the Environment (by Mauro Stefanini) £1**

Translated from *Prometeo* these show that our late comrade was ahead of his time in analysing the unsustainability of capitalist production.

**Spain 1934-39: From Working Class Struggle to Imperialist War £3**

Reprint of key CWO articles long out of print and translations of contemporary documents from the Italian Left in exile. New introduction.

**Platform of the Committee of Intesa 1925 £3**

The start of the Italian Left’s fight against Stalinism as Fascism increased its grip.

**South Africa’s New Turmoil £2**

Analysis of class relations in the period after the fall of apartheid thrown into relief by the strike wave which followed the Marikana massacres.



