



The Case for Communism

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POLITICAL COMMITTEE
COMMUNIST PARTY OF BRITAIN

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Preface

IN JANUARY 2006 a motion was debated by the Parliamentary Assembly of the Council of Europe which called on member governments to undertake systematic campaigns of propaganda to expose the evils of communism and 'class struggle ideology'. While the motion just failed to secure the required two-thirds majority, the fact remains that vast resources are already being used by governments and big business-funded foundations and publishing houses for this purpose. The minute group of very rich people who control our society are still haunted by the spectre of communism. They can see its simple logic. They themselves conduct an unremitting class struggle to maintain their wealth and power. Any suggestion of an alternative excites immediate fear and condemnation.

This pamphlet takes up this challenge. It argues that only the end of big business control will make it possible to resolve problems of hunger, poverty and social destitution. It advocates the planned and socially responsible use of resources as essential to save our environment from the destruction wrought by capitalism. It seeks to demonstrate that only common ownership can permit real democracy in a world where the 'defence of democracy' is being used as a pretext for brutal wars of imperialist occupation.

This pamphlet only seeks to open discussion. It cannot outline a political programme or provide a detailed examination of particular topics. These are available elsewhere – for instance in *Britain's Road to Socialism*, in the Left Wing Programme, *Women and Class*, *A World to Save* and *Halt the Decline of Britain's Manufacturing Industry*. Nor can a pamphlet do more than refer to the classics of Marxism. These, too, are listed in further reading. The object is to address the main arguments as they apply in Britain today – and to argue that they are no less relevant here than they are in Cuba, South Africa, Brazil, Venezuela and the countries of Asia where hundreds of millions now seek a socialist future.

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Political Committee
March 2006

The Case for Communism

Communists seek a revolutionary transformation of society, an end to poverty, exploitation and oppression and therefore an end to capitalism. Communists want a society that can guarantee full equality – social, political and economic. They do not believe that oppressions based in gender, racial stereotyping or sexual orientation will end the moment capitalism is overthrown. But they do believe that capitalism uses and perpetuates such oppressions. Communists want a society in which all people, individually and collectively, can control their own destiny and in which, to quote Marx, 'the free development of each is the condition for the free development of all'.

I. The case against capitalism

Around us today we see poverty and injustice. We see countries ravaged by war. And we see our planet in deadly peril. The case against capitalism is that none of this is incidental. It derives from capitalism as a system and, unless capitalism is ended, it will continue.

Poverty and class injustice

On 15 August 2005, 600 workers at British Airways' Heathrow catering suppliers, Gate Gourmet, were dismissed by a member of senior management using a megaphone. Most of these workers were women employed part-time on temporary contracts. Many were Indian. Most had been paid below the legal hourly minimum. Over the previous month the management had been seeking to reduce conditions still further – under pressure from BA to cut the cost of its contract. When the workers refused, the management secretly recruited a new workforce and on August 15 dismissed the existing one.

British Airways was privatised in 1981. Today, 83 per cent of its shares are held by banks or nominees, the biggest of which is the US-based Franklin Resources. Over the past 10 years BA has been under severe pressure from these financial institutions to cut costs and increase profits. In 1997, it outsourced its catering division as 'Gate Gourmet' to SAirGroup – with severely detrimental consequences for its employees' conditions – and maintained steady pressure on the sub-contractor to reduce costs. In 2001, Gate Gourmet went bankrupt and was bought by a private equity company called Texas Pacific. This has since sought to use union-busting techniques to bring costs down still further. In 2002, the owner of Texas Pacific, David Bonderman, spent over £5 million on his 60th birthday party. After the sackings one driver loader, originally from India, said he was at his wits' end about how he could keep his house and pay his bills. A single parent with three children, he said 'this is worse than India'.

The directors of British Airways represent key figures from the British financial establishment. They include the chairs of British American Tobacco and Lloyds TSB and the finance director of Standard Life. Also present are a previous British Ambassador to Washington (now vice chair of JP Morgan Europe) and a former deputy

chair of the Competition Commission (also former chair of the Department of Trade and Industry 'Accounting for People' task force). Both Gate Gourmet and BA were quick to use the law to overcome resistance by the workforce. Gate Gourmet went to the courts to stop the workforce from picketing. BA sought to stop solidarity action when BA baggage handlers, many of whom were wives and husbands of those sacked, struck work and brought the airline to a standstill. Such solidarity action is illegal under British law. BA set up a confidential helpline for employees to pass on information to the company about their leaders. Three TGWU members were identified for dismissal.

None of this is unusual in Britain today. Indeed, such is the balance of power in favour of employers that thousands of similar injustices simply go unrecorded and unnoticed. The Gate Gourmet was special because the workers resisted and a major airline was grounded.

The dispute illustrates how capitalism operates. Capitalism as a social system has very special requirements. It needs workers with minimum bargaining power. It requires capital concentrated in the hands of a few and workers with no other means of securing a livelihood than selling their labour power – whether as catering workers, train drivers or research chemists. It needs to have workers competing for employment – which means there must always be more workers than jobs and a reserve of unemployed. It requires laws that prevent workers from organising collectively to overcome this competition. And to maintain management authority, it needs to turn worker against worker whether by race or gender or simply by bribing and bullying.

All this is because of the way the capitalist system works. Workers sell their labour power. Employers then have to maximise output to secure their own profit. They do not do this because they themselves are necessarily greedy – though many, like David Bonderman, definitely are. They do it because they are at risk from the anarchic competition at the heart of capitalism. In today's conditions, unless a company can extract as much profit as its competitors, the great financial institutions that own its capital will sell their shares or sack the management.

None of this means that workers are helpless. Industrial and political organisation has taken place throughout capitalism's history. At times, working class strength nationally and internationally has been enough to force capital to compromise. This is what happened in many western European countries at the end of the Second World War. At that point the scale of trade union organisation, the level of support for socialist and labour parties and the creation of the socialist bloc in eastern and central Europe meant that capital had to concede the welfare state and full employment. In the 1950s and '60s levels of profit were lower, wages were proportionately higher and there was a limited redistribution of income away from the rich.

But such advances can never be permanent as long as capitalism as a system is not replaced. Capital will always use its control over the state to enforce its interests. It did so in Britain in the 1980s – picking away at working class organisation, legally restricting trade unions, selling off the state sector, increasing levels of unemployment and, when it was ready, smashing the strongest units of organised labour: the car workers, the miners, the printers. In the 1990s this was taken further and, in the name of efficiency and flexibility, a systematic attack was mounted on the contractual security of workers – bringing us to where the Gate Gourmet workers are today.

As a result, Britain has become far more unequal over recent years. Between 1997 and 2003 the richest 10 per cent of the population increased their share of national wealth from 52 to 56 per cent. The poorer 50 per cent – one half – of our population have to share just 6 per cent between them, far less than in 1979. Capital's unceasing search for maximum profit – playing worker off against worker – can only mean that this inequality will worsen unless the political balance is once more shifted in the other direction. Communists argue that gains for workers will never be secure as long as the capitalist system remains.

Imperialism, war and waste

On 7 November 2004, US-led forces in Iraq stormed Falluja General Hospital as the first move in the assault on the city. Within 10 days, 36,000 of Falluja's 50,000 houses had been either destroyed or seriously damaged. Falluja, a city the size of Nottingham, lost 60 of its schools and a quarter of its mosques. Casualties were estimated at 1,200 dead. Banned white phosphorous and M77 (napalm-type fuel gel) incendiary bombs were used in contravention of the UN Convention. British troops provided cover for the assault by occupying territory immediately to the south. Across Iraq the minimum estimate of civilian deaths from the start of the US-British invasion in March 2003 to early 2006 is 28,000.

This war, illegal in terms of all UN procedures, was initiated by the United States with close support from the British government. Detailed military planning began well over 12 months before. The political decisions were taken right at the beginning of the Bush presidency in line with the strategy laid out in the *Project for the New American Century: Rebuilding America's Defences* drafted in 2000 by today's US vice-president Dick Cheney, secretary of state Donald Rumsfeld and former under-secretary for defence (and now president of the World Bank) Paul Wolfowitz:

The US has for decades sought to play a more permanent role in Gulf regional security. While the unresolved conflict with Iraq provides the immediate justification, the need for a substantial American force presence in the Gulf transcends the issue of the regime of Saddam Hussein.

The reasons are provided by Bush's *National Energy Policy*:

The US consumes over 25 per cent of the oil produced world wide, slightly more than half of which it imports ... By 2020 Gulf oil producers are expected to supply between 54 and 67 per cent of the world's oil ... The Gulf will be a prime focus of US energy policy. American energy firms remain world leaders and their investments in energy producing countries enhances efficiency and market linkages. Promoting such investment will be a core element of our engagement with foreign oil producers.

Britain's 2003 Foreign Policy White Paper is no less forthright on the need to intervene in other countries to sustain energy supplies. Britain, it says, will need to 'improve the long-term efficiency and stability of the international energy market through political and economic reforms in key supplier and transit countries'. The list includes 'the Middle East, parts of Africa and the countries of the former Soviet Union'.

These plans by the US and Britain to dominate and control other countries are

contemporary examples of imperialism. They are not simply the result of a few maverick leaders in high places. They are the product of the intense rivalry between the major capitalist powers – and stem from the contradictions of capitalism in our era.

Over the past century capitalism has been transformed. Productive units have grown larger. Capital has become concentrated and a few great companies have emerged to dominate whole markets. Communists call this 'monopoly capitalism' and say it marks a distinct break with the capitalism that went before. Monopoly enables big business to secure a larger than average 'monopoly' profit at the expense of other sectors – which in turn ruptures the normal functioning of the capitalist market. As the 20th century progressed, the state had to intervene more and more to overcome the resulting economic crises – on the terms set by big business.

This is why the current stage is described as 'state-monopoly capitalism'. Through the state purchase of military equipment, direct subsidies and income to the privatised sector, the state seeks to avert economic crisis by giving big business the profit incentive to keep investing. But this never resolves the basic problem because the volume of monopoly capital gets continually bigger. Within a particular economy, there are limits to how far new capital can be invested to secure more super profit at the expense of others – without drastic economic and political consequences. So monopoly capital has to find external outlets for investment that are equally profitable. It was this drive to secure new areas for investment, and the resulting big power rivalry between Germany, Britain, France and America, that led to the First and Second World Wars.

Today, the super-exploitation of labour that has been possible since the disintegration of the Soviet Union has resulted in vast accumulations of capital in the hands of the big financial institutions. The United States, Germany, Britain, France and Japan still seek to carve out spheres of influence where they can be the dominant force and their capitalist monopolies can invest. Energy, and especially oil and gas, is strategically the most important and the superpower status of the US was, and is, at least in part based on its ability to access cheap energy and to determine the terms on which it is sold to others. For almost a century, five great companies – three American and two British – have monopolised the bulk of the world's oil supplies.

This is why the control of Iraq was seen as so important.

It is also why the US has never signed the Kyoto protocol on cutting fossil fuel emissions. In 1999 the US accounted for 25 per cent of world carbon emissions – with each US citizen responsible for 5.8 tons. For Europe the figure was 2.5 tons per head. For Africa and India it was just 0.2 tons. There is currently no indication that the main polluters will come anyway near the targets needed to slow, let alone reverse, global climate change.

For the oil monopolies and the powerful states which protect their interests, the profits to be made from the world's petro-based economy are too important to be compromised. And of all the dangers posed by monopoly capitalism today, the biggest – short of nuclear war – is the long-term damage being done by fossil fuels to the ecology of our planet.

Nothing better illustrates the need for socially-planned provision than the twin crises of global warming and energy scarcity. In fact there can be no solution without it. In Britain, transport and the heating of homes and offices currently consume over 75 per cent of all energy. This usage could be cut by almost half with the creation of integrated and comprehensive public transport, the re-planning of towns and cities to

minimise car use and the insulation of all homes. Renewables themselves can only be effectively developed socially. Combined heat and power plants, thermal pumps, solar energy and distributed electricity systems operate best when planned across entire living and working communities. It is no accident that China is the one country currently building eco-cities that will be entirely self-sufficient in energy use and will recycle all waste.

By contrast, the privatisation of Britain's energy has been nothing short of a disaster. The City of London financiers who bought up the state gas and electricity networks for a song stripped out the property assets, cut the workforces by half, closed down research and development and massively reduced maintenance work. Today, Britain has the lowest level of research and development in Europe, inadequate energy capacity, high levels of energy leakage and insufficient skilled staff to repair the networks. In 2004, a Parliamentary select committee compared the crisis of energy distribution to that on the privatised railways before the collapse of RailTrack. Worse still, privatisation has meant the rundown of Britain's precious internal resources of coal, oil and gas. The big energy monopolies make their profits from energy scarcity and invest wherever energy is cheapest. Over the past three years, their profits have been prodigious. But their investments have not been in clean coal technology, renewables or even maximising gas and oil extraction from the North Sea. The great bulk has gone where the energy, for political reasons, is cheapest: the Middle East, Africa and Central Asia.

This has left Britain with a deepening crisis of energy dependence, desperately vulnerable to monopoly-controlled price fluctuations and exposing the poorest to grave hardship. This is in a country that 30 years ago possessed major energy reserves and still boasts two of the world's biggest energy monopolies. But, as we have seen, it is precisely private monopoly ownership that has caused the problem. And now, as a solution, big business is advocating a new generation of nuclear power stations. This proposal provides a final illustration of just how state-monopoly capitalism works. Nuclear power was previously entirely state-run: research, technology development and generation. All were sold off – minus the liability for the disposal of nuclear waste. Even so the main generation company, British Energy, ran up debts of £4 billion because of the relatively high costs of nuclear energy generation during the 1990s. So the government just gave the company £4 billion.

Now the boot is on the other foot. The private companies have control of the research and technology developed under state ownership and will charge the government for it. The companies will negotiate a price for electricity that will guarantee a stable income stream for investors and severely penalise consumers. And the government – funded, of course, by working people – will be left to pick up the enormous future costs of waste disposal.

As we have seen, nuclear energy is not needed to solve the energy crisis. A much cheaper and socially more beneficial solution exists. But it would involve integrated planning and public ownership or – in other words – socialism or something like it.

2. How Marx saw the creation of a communist society

Karl Marx (1818-1883) lived in the heyday of capitalism's growth. He spent most of his life at its epicentre, in London. He witnessed the contrasts of luxury and destitution at first hand. His first child died in infancy while his family were living in poverty as political refugees in Soho. He took part in the revolutionary struggles of 1842 and 1848 – when working people in Germany, France and Britain raised the demand for democracy and social justice. His great work, *Capital*, described the brutal creation of the conditions needed for capitalist production: the eviction of peasant farmers from the land, the congregation of work-seekers in urban settlements, the pillage and conquest of the rest of the world by the European powers and the mass enslavement of whole populations to grow the staples of world trade required for Europe's economic growth such as sugar, coffee, tea, tobacco and cotton.

Marx was not the first communist or socialist. A generation and two before, Thomas Spence from Newcastle, William Godwin of Cambridgeshire and Robert Owen from Wales had called for the land and means of production to be to be socially owned and democratically controlled by people as a whole. Two hundred years before, the True Levellers during the English Revolution had called for the social ownership of land and minerals and their democratic control on a local communal basis.

What Marx contributed was an historical understanding of how capitalism came into being and of how successive systems of production – slave society, feudalism and capitalism – developed and were then ultimately overthrown by the class forces that they themselves created. From this he argued that it would be the working class that would eventually overthrow capitalism. This was because the interests of the working class were ultimately irreconcilable with those of capital and, no less important, because in their everyday struggles against capital workers had to organise collectively. It was this collective democracy – the basis of all trade union activity – which, Marx argued, provided the organising principle for the new social order.

Marx's first major work, the *Manifesto of the Communist Party*, was published just before the revolutions of 1848. Marx wrote it to convince the political organisations then struggling for social justice that this could not be secured simply by *coups d'état* toppling tyrannical regimes. The revolutionary movement had to be based within the collective organisations of the working class. If a revolution was to be successful, the working class, in the mass, had to organise itself to take control, to become the new ruling class and thereby to replace the capitalist state. He wrote:

The first step in the revolution by the working class is to raise the proletariat to the position of ruling class, to win the battle of democracy. The proletariat will use its political supremacy to wrest, by degrees, all capital from the bourgeoisie, to centralise all instruments of production in the hands of the State, ie. of the proletariat organised as the ruling class; and to increase the total of productive forces as rapidly as possible.

After the failure of the attempted social revolution in Paris in 1848, Marx strengthened his insistence that the 'working class cannot simply lay hold of the ready-made state machinery and wield it for its own purposes'. It had to break it up altogether and replace it. This conviction derived from his analysis of how class societies

developed. Slavery, feudalism, capitalism ... each had mutually incompatible economic requirements. These conditions had to be actively created by the new ruling class and thereafter sustained, ultimately by force. This was precisely because they were class societies based on the exploitation of one class by another.

The state represented the whole array of institutions – coercive and ideological – by which the particular conditions needed for this exploitation were maintained and the resulting class contradictions held in check. By ‘breaking the state’ Marx did not mean creating conditions of anarchy or even necessarily the elimination of all existing administrative structures. He did mean, however, that every link tying administration to the old ruling class had to be systematically broken and that, instead, all administration had to be subordinated to the interests of the working class and the quite different, contradictory, requirements of building a socialist society. That was why Marx laid so much stress on the working class organising itself as a whole as the new ruling class and thereby creating its own state.

Marx was no utopian. He never sought to lay down detailed blueprints for the future. He believed that this had to be done by people themselves in the circumstances of the time. As he said in 1852, people ‘make their own history, but they do not make it as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past’.

He also believed that, for this very reason, there could be no immediate transfer to a full communist society. For a distinct period of time there had to be a working class state to create the conditions required for socialism and, in order to do this, to ‘make despotic inroads on the rights of property’. In the *Communist Manifesto*, Marx and Engels identified the kind of policies which might be generally applicable to most of the industrialising countries at that time, notably: public ownership of land; progressive income tax; abolition of inheritance (then the preserve of the very wealthy); state ownership of the banking system, public transport, communications and an increasing number of factories; planned improvement and cultivation of waste lands and the soil generally; and the abolition of child labour so that all children could be educated in a free and universal state education system.

This period of ‘revolutionary transformation’ was also essential for another reason. It was needed to develop the collective democracy of the working class so it could become, without coercion, the organising principle of the new society.

Marx put it thus in 1875:

Between capitalist and communist society lies the period of the revolutionary transformation of the one into the other. Corresponding to this is also a political transition period in which the state can be nothing but the revolutionary dictatorship of the proletariat ...

What we are dealing with here is a communist society, not as it has developed on its own foundations, but on the contrary, just as it emerges from capitalist society, which is thus in every respect, economically, morally and intellectually, still stamped with the birth-marks of the old society from whose womb it emerges. Accordingly, the individual producer receives back from society – after the deductions have been made – exactly what he gives to it ...

In a higher phase of communist society, after the enslaving subordination of the individual to the division of labour, and thereby also the antithesis between mental and

physical labour, has vanished; after labour has become not only a means of life but life's prime want; after the productive forces have also increased with the all-around development of the individual, and all the springs of common wealth flow more abundantly—only then can the narrow horizon of bourgeois right be crossed in its entirety and society inscribe on its banners: From each according to his abilities, to each according to his needs!

In talking about higher and lower stages of communist society, Marx had no intention of proposing a rigid separation of stages – let alone an earlier stage of bureaucratic diktat from above. The first stage, sometimes described as 'socialism', had from the very beginning to base itself on social collectivity and the development of new relationships between working people. Marx described how the Commune, the glorious one hundred days of the Paris revolution of 1871, unleashed the organising potential of working people:

The Commune was formed of the municipal councillors, chosen by universal suffrage in the various wards of the town, responsible and revocable at short terms. The majority of its members were naturally working men, or acknowledged representatives of the working class. The Commune was to be a working, not a parliamentary, body, executive and legislative at the same time ... From the members of the Commune downwards, the public service had to be done at workmen's wages.

Marx continued: 'the real women of Paris showed again at the surface — heroic, noble, and devoted ... Working, thinking, fighting, bleeding Paris — almost forgetful, in its incubation of a new society, of the cannibals at its gates — radiant in the enthusiasm of its historic initiative!'

Marx was also emphatic that the role of a Communist party was to lead and not to rule. In the 1848 *Manifesto of the Communist Party* he wrote:

The Communists do not form a separate party opposed to the other working-class parties. They have no interests separate and apart from those of the proletariat as a whole. They do not set up any sectarian principles of their own, by which to shape and mould the proletarian movement.

The Communists are distinguished from the other working-class parties by this only: 1. In the national struggles of the proletarians of the different countries, they point out and bring to the front the common interests of the entire proletariat, independently of all nationality 2. In the various stages of development which the struggle of the working class against the bourgeoisie has to pass through, they always and everywhere represent the interests of the movement as a whole.

Marx was, however, emphatic on the need for a party that was dedicated to the achievement of Communism, that sought to achieve a wider scientific understanding of the continually changing nature of capitalism and was able to crystallise and draw together the experience of the working class in its struggle for socialism: 'The Communists fight for the attainment of the immediate aims, for the enforcement of the momentary interests of the working class; but in the movement of the present, they also represent the future of that movement'.

During the later years of his life Marx spent much of his energy seeking to create such a party, in the shape of the International Working Men's Association, and to defend its ability to assess and democratically debate the developing experience of working class struggle. Without some such party able to carry forward the lessons of one struggle to the next, the working class would be condemned to repeat continually the mistakes of the past. For this reason every capitalist ruling class has, for the past century and a half, made it a prime objective to undermine and isolate Communist parties.

3. Arguments against communism

Frederick von Hayek, the flawed prophet of neo-liberalism

Intellectually, the most coherent and influential critique of communism produced in the twentieth century is that by Frederick von Hayek (1900-1992). Hayek published *The Road to Serfdom* in 1944. Its defence of capitalist freedom provides the intellectual inspiration for all subsequent critics of socialism from Robert Dahl to Francis Fukuyama and the ideologists of New Labour.

Writing towards the end of the Second World War, Hayek argued that both Communism and Fascism represented totalitarian systems that denied individual liberty. The reason was that both sought to plan centrally. Both thereby eliminated, or at least dislocated, the market. The consequence was a concentration of effective power at the centre which was not counterbalanced at any other level. Economically this meant that planning was blind. Without market indicators the state had no way of knowing how resources could be invested most productively or what individuals themselves wanted. The result was a colossal level of waste. Far worse, however, were the consequences for individual freedom. Concentrating all resources in the hands of the state dominated by one ideology – in communism's case a collectivist one – led to a monopoly of power by the ruling party, and within that to dictatorial control by its leader. The personal rule of Stalin, argued Hayek, was not incidental. It was a necessary consequence of communism's concentration of power in the hands of the state. Communism therefore represented not a historical advance but a retreat – from capitalism to feudalism. Hence Hayek's title, *The Road to Serfdom*.

By contrast, a capitalist society was founded upon individual freedom. It was defined by the degree to which the state did not hold significant economic power. It enabled the state's role to be reduced to the minimum: simply to uphold the rule of law and discharge duties, such as defence, which could only be undertaken on behalf of its citizens as a whole. While on occasion the state had grown bigger, the liberal objective should be 'the most rational permanent framework [the rule of law] within which the various activities would be conducted by different persons according to their individual plans'. Economic activity should be between individuals within a market that gave no privileges and was not distorted by state intervention. This guaranteed the optimum use of resources. It protected an individual's right to choose according to their own values. Most of all, it provided a guarantee against tyranny. Only a society with independent citizens and a dispersal of economic resources would have the counterbalances to sustain a viable democracy.

Hayek provided the inspiration for the Institute of Economic Affairs, the think tank that supplied the blueprints for Thatcher's post-1979 Conservative government. He equally provides the philosophical justification for New Labour. Plans for opening up health and education to private competition are defended on Hayek's terms of maximising individual choice.

Yet this founding father of contemporary neo-liberalism is also a profoundly flawed thinker.

Earlier philosophers of liberal individualism such as John Locke, Adam Smith and John Stuart Mill wrote when capitalist society was in an earlier process of development, when, as Marx acknowledged, competition was revolutionising the means of production and the new capitalist relations were sweeping aside arbitrary rule and

feudal superstition. For them it was defensible to hold up a future ideal of capitalist liberty. Hayek wrote much later – in the middle of the 20th century when capitalism was already dominated by huge monopolies and when the political and economic consequences were clear.

This represents the first major flaw in Hayek's thinking. His model of liberal capitalism is utopian. Such 'liberal capitalism' has never existed. It never will.

In 1776, when Adam Smith wrote *The Wealth of Nations*, the great bulk of the population were denied any political rights and Britain's rulers were involved in the biggest exercise in slave labour the world has ever seen. In the mid-19th century, when John Stuart Mill wrote his *Essay on Liberty*, democracy was still denied and Britain's rulers were involved in levels of external expropriation that brought starvation and death to millions from Ireland to India. Smith opposed the slave trade. Mill championed at least a limited form of democracy. In the 20th century the dangers posed by monopoly capitalism and imperialism are, as we have already seen, if anything even greater.

Hayek is not concerned with any of this. His is an ideal model based on high theory. But only for certain purposes. When he wants to make the comparison with communism, he suddenly reverts to the real world and focuses on all the manifest failings of the first socialist state in the two decades between 1917 and 1944.

The second flaw in Hayek's thinking is that his freedom remains abstract. It does not represent a positive freedom to do specific things: to be free from hunger and disease, to be able to read or work or travel. Hayek specifically cautions against such freedoms and argues that to legislate centrally for specific freedoms is to infringe the individual's freedom to choose according to their own values. Again there is a certain disingenuousness. For Locke or Adam Smith there might have been an excuse. Issues of positive freedom – the relative freedoms of rich and poor – had not been raised. But in Hayek's time they had. Hayek does not respond. On the contrary, he prioritises individual choice and values and used them in 1944 to challenge Beveridge's wartime proposals for full employment and the welfare state – the thin end of the wedge, as he saw it, for socialism.

The third flaw is the most fundamental. Hayek does in fact make one freedom positive. It is the right to have one's property protected by the state. Hayek puts his position thus:

If capitalism means a competitive system based on the free disposal over private property, it is important to realise that only within this system is democracy possible. When it becomes dominated by a collectivist creed, democracy will inevitably destroy itself.

This passage sums up his central inconsistency. Hayek defends class power without acknowledging it. For Hayek the right to private property is absolute. By property he means not personal possessions but capitalist property, the means of production (premises, plant, machinery etc.) with which a minority is free to employ those without such property and who therefore have to sell their labour power in return for a wage. Effectively, within the capitalist market, this gives those with capital dictatorial power over those they employ. It enables those with capital to choose by denying choice to others. And in so far as the only legitimate function of government is to protect private property, contract and the rule of law, the state stands as the guardian of this dictatorship.

The passage similarly reveals the limits of Hayek's support for democracy. Probably

Hayek's most powerful argument against socialism was that it would end democracy. Economic centralisation, he argued, would destroy the necessary checks and balances. But this passage exposes the converse of this position. For Hayek, the right to democracy was not absolute. Democracy was only defensible insofar as voters supported capitalism as against collectivism.

Writing in 1944, Hayek was one of the first – if not the first – to use the term 'Western democracy'. In doing so he provided the basis for the refashioning of democracy which became the hallmark of American governmental definitions for the following half century. Democracy was democracy if it permitted pluralism. Its distinguishing feature was the degree to which pressure groups could operate, have access to an independent mass media and by doing so provide checks and balances to central power. This definition was given classic expression by Robert Dahl and the pluralist school of political science. As with Hayek, the liberal phraseology conceals an ugly reality. The pressure groups represent big business and the media is only independent if it is owned and controlled by big business. What is being described is effectively the apparatus of capitalist state-monopoly power: the dominance of capitalist property and its right to control and manipulate opinion. If electors nevertheless vote to end this dominance, then 'democracy' is violated and intervention to save it is justified – as in Vietnam, Cuba, Grenada, Allende's Chile, or Chavez's Venezuela.

To point out these basic contradictions is not to say that Hayek's criticisms of Stalin's rule in the Soviet Union are not valid or that there are no problems with central planning. These are critical issues for Communists and ones to which we will return.

It is, however, to argue that Hayek's own ideas are intellectually flawed and politically very dangerous. To attempt to apply Hayek's notions about individual choice in the real capitalist world of the late 20th century is to indulge in cruel deceit. In Hayek's liberal utopia there might just be some logical justification. As applied intensively in Britain since 1979, these notions have denied real choice to the great majority and made the lives of working people far more unequal, insecure and degrading. No less Hayek's notions about liberal or Western democracy. In the hands of a Dahl or a Fukuyama they have provided justification for the world's biggest imperialist power to deny democratic freedoms to peoples of poor countries struggling to throw off external oppression. Whether Hayek knew it or not, his ideas supply the 'high theory' required to defend the maintenance of capitalist rule – by blood and terror if necessary.

Humanity versus individualism

It is important to end this section by restating Marx's vision. His ideas on communism did not begin and end with central planning. In fact, as we have seen, his ideas for socialism were indeed the concentration of the ownership in the hands of the state – but the state defined as the working class as a whole organised as the ruling class.

Underlying this was an understanding of social development in stark contrast to the unreal individualism of the liberal philosophers. Marx viewed the whole conception of 'the individual' as being somehow outside and apart from society as a figment of capitalist ideology. Marx saw human beings as inherently social. What distinguished them as a species was their ability to continually revolutionise their knowledge and productive potential. Human beings were able to do this, Marx argued, because of their capacity to work productively together, to make tools, to use language, to learn and pass

on learning. In doing so they constantly revolutionised themselves as social beings, becoming at the same time both more individual and more social. But even in becoming more individualised, human beings did not do so as individuals but within social, productive relations that were themselves becoming more complex, specialised and interdependent.

In all his work Marx therefore stressed the 'communal' character of the human species. Class societies, he argued, had only come into being very recently in humanity's evolution and had supplanted earlier communal forms of organisation. They were defined as class societies because a ruling class, whether slave-owning, feudal or capitalist, was by virtue of the relations of production able to extract and control the surplus produced by the subordinate class. Thereby the ruling class – and not the producers – determined society's development and how the labour of the majority was used. Class societies therefore 'alienated' producers from real control of their labour and in consequence from their full and equal human right to determine their society's development.

Marx saw this process, and its contradictions, as being taken to its highest level under capitalism. As capitalism develops, its production becomes more and more social, more and more interdependent on complex processes involving many workers and many skills. Yet, at the same time, its ownership becomes more and more concentrated in fewer, private hands. Workers, whether engineering fitters or scientists, have no control over the use of their skills, their relation to the skills of others or their ultimate utilisation, whether for peace or war or luxury or social need. They are only employed in so far as their labour contributes to profit.

Marx saw socialism and the transition to communism as resolving this contradiction and restoring a direct, collective control by workers over their labour and the use to which it is put. It was the exact opposite of alienating control to a separate 'state'. That was why the state had to be, in the first stage of communist society, the working class as a whole organised as the ruling class. Marx's definition of revolution was precisely the process by which working people won an understanding of the true relations between themselves and their exploiters and their fellow workers – and thereby an ability to collectively direct their own productive labour to society's benefit.

Both for the production on a mass scale of this communist consciousness, and for the success of the cause itself, the alteration of people on a mass scale is necessary, an alteration which can only take place in a practical movement: a revolution; this revolution is necessary, therefore, not only because the ruling class cannot be overthrown in any other way, but also because the class overthrowing it can only in a revolution succeed in ridding itself of the 'muck of ages' and become fitted to found society anew.

It is against this demanding vision that we need to assess the actual record of Communist parties and socialist societies to date.

4. The record of socialist countries and Communist parties

Communists have to be the severest critics of themselves and of past and present attempts to achieve socialism. If Communists do not do so, then the lessons vital for the future will be lost. Such lessons will certainly not come from the professional critics of Communism whose sole objective is to convince people that any alternative to capitalism is impossible.

For this reason it is important to begin by stressing that we are entering a field mired in propaganda. Part derives from the over-optimistic proponents of the socialist countries themselves. But, for anyone living in a capitalist country, much more derives from hostile agencies – often operating at a very high level of sophistication. Those who take at face value George Orwell's 'rugged independence of mind', and particularly his post-war warnings on the dangers of being duped by Communist propaganda, should be aware he was working with the British government's main agency for anti-Communist propaganda, the Information Research Department. Between 1948 and 1977 this worked to plant materials in newspapers and periodicals and to promote the publication of both novels, like Orwell's, and 'authoritative' academic accounts of existing socialism. It operated at a high level of secrecy. In 1948 its head noted 'it would embarrass a number of persons who are prepared to lend us valuable support if they were open to the charge of receiving anti-communist briefs'. Its effectiveness depended on the public believing that the newspaper stories, academic tomes and sponsored novels were fully independent and objective. A very similar agency operated under the aegis of the Home Office at the end of the First World War. Doubtless a similar agency operates today under a similarly harmless name. However, to be aware of this, and know that the champion of liberal values Francis Fukuyama is a member of the Project for a New American Century and sits on George W. Bush's 'Council for Bio-ethics', does not of itself discredit their ideas. Like those of Hayek, they have to be assessed on their own terms.

What then do Communists have to say about the successes and, ultimately, the failure of the Soviet Union?

The programme of the Communist Party of Britain, *Britain's Road to Socialism*, points out that the new Soviet state abolished all remnants of feudalism, developed large-scale industry, brought health, housing and social services to the mass of the people for the first time, achieved universal literacy and full employment, and abolished national and sexual discrimination in law if not fully in practice. After the end of the Second World War, the centralised planning of nationalised economies enabled the Soviet Union and its socialist allies in eastern Europe to rebuild their war-torn countries and, for 20 years, outstrip the capitalist world in their rate of economic and social progress. Throughout this period, too, the socialist camp assisted colonial peoples in their struggle for national freedom and maintained world peace despite the US-led nuclear arms race.

But the CPB programme also identifies the negative features which eventually made possible the collapse of the Soviet system:

From the late 1920s onwards, decisions were made which led to serious violations of socialist and democratic principles. More specifically, there developed an excessive centralisation of political power. State repression was used against people who failed to

conform. Bureaucratic commands replaced economic levers as an instrument of planning. The Communist Party of the Soviet Union (CPSU) and the trades unions became integrated into the apparatus of the state ...

Theoretically, the working people of the Soviet Union owned everything. But in fact they were masters of very little. Society was actually run by the party leadership issuing orders from the top down ...

The bureaucratic command system .. proved unable to utilise the post-war scientific and technological revolution ...

The Communist Party of the Russian Federation – uniting the quarter of a million Russian Communists who remained loyal to socialism – identified four main factors at its 1993 Extraordinary Congress: first, the ‘bureaucratisation of the Soviets as a result of which they ceased to be the most democratic form of the power of working people’; second, the non-realisation in practice of the economic potentialities of socialism; third, the inconsistent application of the Leninist idea of federalism in conditions of a multi-national state; fourth, ‘a faulty policy in relation to the development of party membership’. According to the CPRF:

The degeneration of the CPSU started with the birth of the party elite. Abuse of power and double standards became hallmarks ... Amidst the people and ordinary party members they gave birth to political apathy and lack of faith in the creative power of socialism.

In the mid-1950s the CPSU had itself condemned the crimes committed during the personal rule of Stalin and took fairly rigorous steps to prevent future violations. But this was not enough to overcome the legacy of bureaucratisation and control from above.

So, returning to the arguments advanced by Hayek, there are two questions that have to be answered. One is about the scale of the failure. The other is about the causes and how far these are likely to be general.

Most commentators would acknowledge that the mass participatory democracy represented by the soviets – the local revolutionary councils – was maintained at an effective level for 10 years or so after the revolution. It would also seem to be the case that the process of industrialisation through the 1930s involved a significant level of popular mobilisation despite being accompanied by active coercion and serious violations of socialist legality. The subsequent ability of the Soviet Union to defeat Nazi Germany, in what was essentially an industrial war dependent on the mass production of tanks, planes and artillery, provides fairly undeniable proof of the scale of the industrialisation carried through. The Soviet Union’s achievements in this war were also in stark contrast to the wartime collapse of imperial Russia only 25 years before. It is similarly clear that the Soviet victory depended on significant levels of technological and organisational innovation, including the war-time development of the industrial flow-line system later adopted in the West as just-in-time batch production.

The 1950s and ‘60s also saw significant technological achievements, demonstrated by the Soviet Union’s temporary lead in space technology over the United States. Later this technological development became much more uneven and the economy showed itself considerably less effective in providing consumer goods, especially those of high quality. Nonetheless, for what was a large country with originally a very under-developed

economy, the Soviet Union did achieve very significant levels of growth and was able to provide high levels of public services, education, welfare provision and health care for its population up till the end. So it would be clearly wrong to argue that economically the Soviet Union failed in any absolute sense.

The same could be said of its efforts to develop mass participatory democracy. In the 1930s and '40s Stalin's personal rule did grave damage both to the Communist Party and the local soviets. Subsequently, the CPSU remained to a large extent a mechanism for transmitting orders from above. But, as we have seen, this did not exclude significant levels of initiative on the ground and any visitor to the Soviet Union could testify to the level of detailed local argument about how to achieve economic and social goals. What is clear, however, is that the mass involvement present in the early stages of the revolution became passive and detached.

CPSU general secretary Yuri Andropov, writing in the early 1980s, talked about the reproduction of 'individualistic habits, a striving for profit at other's expense, at the expense of society. All these, to use Marx's terminology, are the consequences of the alienation of labour and they do not automatically and suddenly evaporate' after the overthrow of capitalism. Andropov called for the strengthening of the powers of local soviets and workplace collectives: 'what is important is that this system is functioning and improving, finding ever new forms and methods of the development of democracy, the extending of the economic power rights and potentialities of working people in production, in the whole world of social and political practice ...'

This perspective formed one of the major currents within the movement for *perestroika*, or economic reorganisation, in the later 1980s. Unfortunately, political control was seized by an antagonistic trend within the party elite that sought to restore capitalist market forces. Even so, the demise of the Soviet Union in 1990-91 resulted not from any mass movement from below but from what was effectively a coup from above. It was the passivity of the population, and of the CPSU, that allowed it.

How far, then, were the conditions which ultimately brought about this outcome a systematic and ineradicable consequence, as Hayek claimed, of ending the capitalist market?

In reality this claim has little substance. The problems of the Soviet Union did not result from the ending of the capitalist market. They resulted in very large degree from the continuing imperialist onslaught and the impact this had on the centralisation of power and the mass character of the working class state. This does not make the implications any less serious. It could well be argued that any bid for socialism will meet similar attacks and therefore be similarly disabled. But it does alter the character of the problems. In any case, as we saw, Hayek's claims rest on a serious misunderstanding of what Marx and Lenin had to say about nature of the state under socialism – together with his own belief that the only possible type of market is capitalist.

It is, however, important to stress the disabling character of the imperialist assault. The Bolshevik revolution was virtually bloodless. It overthrew a pro-war, pro-capitalist 'provisional government' which had never been elected and did so on the basis of action mobilised through and supported by the soviets, the only bodies at the time which had any democratic legitimacy. Within less than five months, Soviet Russia was invaded by British forces. In early 1919 the scale of intervention was heightened by additional forces from France, the US, Japan and more than a dozen other countries. At their maximum these invading armies reached 2 million men and succeeded in occupying, at one point or another, over 90 per cent of Soviet territory before being finally defeated in 1921.

When anti-Communist writers talk of the bloodshed resulting from the revolution and the famines that afflicted the Russian people in the early 1920s, they forget to mention the intervention forces that were directly responsible.

This intervention had serious consequences for economic organisation. For these first three years of its existence Soviet Russia had to operate on a war footing. To feed the population and to keep armies in the field, a drastic centralisation of control was unavoidable. Although Lenin then introduced the New Economic Policy, which made use of market mechanisms, some damage had already been done to the autonomy of the soviets and local structures of decision-making. The drive to industrialise from 1928 was undertaken in the knowledge that the country was likely to come under further imperialist attack in the near future. The first two 5-year plans involved a very high level of centralisation in the control of resources.

The war which followed Nazi Germany's attack on the Soviet Union killed 26 million Soviet citizens and destroyed a majority of its urban centres. This was followed within five years by the threat of another war – plans by the United States for a 'preventive' nuclear strike before the Soviet Union secured nuclear parity. As we now know, that war was scheduled for 1952-54 and only prevented by European resistance to German rearmament and the Soviet Union's development, at great cost, of hydrogen bombs and advanced rocket technology. Then, after only a short respite, the Soviet Union had to face another arms race, the challenge of Reagan's Star Wars. This involved a radical escalation of arms expenditure by a military alliance with a combined GDP five times that of the Soviet Union. It was designed to give NATO forces a level of military predominance that would enable them to dictate terms – to force the Soviet Union, for instance, to end its support for frontline states such as Cuba, Vietnam and Angola. The Soviet leadership decided it had to meet this challenge and by the mid-1980s its military expenditure had risen to over 15 per cent of GDP.

This episode itself illustrates the stark difference between the political economies of capitalism and socialism. For US state-monopoly capitalism, a steep rise in military expenditure offered a way of redistributing income to big business to pull the US economy out of the profound depression of the early 1980s. America's demand that its NATO allies spend similarly on US-designed weapons systems redistributed even more income to US big business. For the USSR, on the other hand, additional weapons expenditure was a total loss. The Soviet Union offered the US complete bilateral nuclear disarmament. The US spurned the offer. The consequence for the Soviet Union was to halt all new investment in the civilian economy, particularly in new technologies, paralyse economic growth and provide the opportunity for those within the party leadership who wished to restore capitalism.

Needless to say, the economic, social and political consequences of capitalist restoration have been tragic for the peoples of the Soviet Union. Still, after 15 years of capitalism, output remains 20 per cent lower than it was under socialism in 1989. Health standards have plummeted. Male average life expectancy has shrunk from 67 years to 58 – the steepest fall in recorded history anywhere in the world. Crime and people-trafficking, especially of women for forcible prostitution in the West, have become entrenched in the societies of former Soviet republics. Inequality has risen enormously. Today the top 10 cent of the population receive six times the income share of the bottom 10 per cent – three times as much as in 1989. The same trends can also be seen in the former socialist states of Eastern Europe.

The question is, therefore: will a similar fate befall all other countries which take a similar path? Vietnam faced a 30-year military struggle for survival. Cuba still suffers an economic blockade maintained by US governments despite countless UN resolutions supporting Cuba's right to enjoy free relations with the rest of the world. While it would be foolish to deny that in both cases there have been severely detrimental consequences economically and politically, both countries have taken active steps to avoid the political problems which beset the Soviet Union. Cuba, for instance, has tried to maintain the vigour of the Committees for the Defence of the Revolution and develop mass involvement in voluntary and solidarity labour. It has also sought to guard against careerists entering the Communist Party by making membership contingent on support from mass organisations.

Indeed, Cuba remains a beacon for other Latin American countries seeking to throw off decades of US domination, military dictatorship, economic exploitation and grotesque social inequality. Its achievements in health, education, culture, women's rights and international solidarity (where its main exports are many thousands of medical staff to assist some of the poorest communities in the Americas, Asia and Africa) eloquently testify to the fundamentally humane and civilised character of its socialist society.

Vietnam has sought to develop the collective character of its party leadership and to maximise links between the party and mass organisations. It has also, for economic reasons, allowed some capitalist investment and employment by external transnational companies.

The People's Republic of China has made the biggest and most audacious experiment in this direction and much depends on its outcome. Chinese Communists see themselves as only at the very beginning of a process of building socialism and overcoming the legacy of economic and social backwardness. Economically, their strategy appears to be that of turning the dynamics of imperialism against imperialism itself. The flow of \$600 billion external investment into China has transformed its forces of production and China's economic relations with the rest of the world. Partly as a result China has been able, according to UN figures, to lift something like 300 million of its people out of absolute poverty since 1980. The motive of external investors is to get access to cheap, well-skilled labour and to the world's fastest growing market. The gamble of US strategists is that this process, and the demands of the World Trade Organisation, will create a new Chinese bourgeoisie, erode what remains of socialist consciousness and ultimately undermine the central position of the Communist Party.

The assessment of Chinese Communists appears to be that the cohesive influence of state supervision and ownership at central, local government and cooperative/communal level, is sufficient – given the scale of the Chinese economy – to determine the terms and consequences of this investment. Chinese Communists see this process of economic and social growth as essential for the development of a mass, majority working class over the next three decades. It is intended that these class forces, and the creative handling of the resulting class contradictions, will provide the basis for the further development of mass socialist consciousness and socialism. As the Chinese never tire of saying, time will tell. It is a strategy that would seem to have drawn significant lessons from what happened in the Soviet Union in terms of its approach to inter-imperialist rivalries and developing the forces of production.

Drawing such lessons and applying them in new and specific circumstances remains the key role of Communists. After the defeat of the revolutions of 1848, Marx wrote:

Proletarian revolutions, like those of the nineteenth century, criticise themselves constantly, interrupt themselves continually in their own course, come back to the apparently accomplished in order to begin it afresh, deride with unmerciful thoroughness the inadequacies, weaknesses, and paltriness of their first attempts, seem to throw down their adversary only in order that he may draw new strength from the earth and rise again, more gigantic before them, and recoil again and again from the indefinite prodigiousness of their own aims, until a situation has been created which makes all turning back impossible, and the conditions themselves cry out: 'Here is the rose, here dance!'

Within this process of learning and analysis, the role of Communists is critical. It is not to direct and rule. It is to think, argue and win. As Marx put it in the *Communist Manifesto*: 'Communists fight for the attainment of the immediate aim, for the enforcement of the momentary interests of the working class; but in the movement of the present, they also represent and take care of the future of the movement.' Because it is only in the process of struggle for immediate goals that people are won to understand the wider nature of class society and a mass, class-conscious working class created. This is why Communists have to be organically part of the working class movement, of its everyday organisations, of trade unions, trades union councils, of pensioners and tenants organisations.

5. What Communists believe must be done in Britain

This section does not attempt a full presentation of the Communist Party's programme. This is available elsewhere. Its objective is to pick up a number of key points in relation to the previous section – in particular how Communists envisage developing a society in which the mass of the working population actively participate in government and are themselves the state. It also seeks to identify the key aspects of capitalist development in Britain as part of the complex and difficult job of understanding the particular circumstances on which strategy must be based – specifically:

- The weaknesses of British capitalism and the balance of class forces today
- The origins of democracy in Britain and the Labour Party
- The contemporary crisis of democracy and the European Union

The weaknesses of British capitalism and the balance of class forces today

Marx defined the working class as all those who have to sell their labour power, by hand and brain, in order to secure a livelihood. In Britain today this group constitutes something like 80 per cent of the population. In addition, Marx noted that the objective interests of the self-employed and of small producers provide the basis on which they can become allied to the working class.

As we noted earlier, the ownership of British capital is highly concentrated. Control is lodged in the hands of a few dozen financial institutions that are ultimately responsible to the top 1 per cent of the population who own the bulk of the investable wealth. This monopoly of finance capital has also become, over the past 20 years, far more parasitic and dependent on both the British state and external imperialism.

In 1981, just after the Tory government had ended controls over the export of capital, Britain's overseas holdings were equivalent to 29 per cent of GDP. By 1991 they were equivalent to 74 per cent. In 2002 they had reached 160 per cent. Levels of external investment in Britain have also risen sharply. The biggest overall investor in Britain is the United States with over twice as much as the next biggest, Germany, and three times that of France. When it comes to direct investment (as against shares and bank lending), the US dominance is even bigger: three times that of Germany and four times that of France. Britain's own investments are also concentrated in the US, twice as much as in any other country.

Britain has the third highest number of companies in the top 500 global companies by capital value after the US and Japan – 34 in total. Their composition reveals much about the nature of British capitalism. Nine – over one quarter – are banks. Another eight are privatised utility companies (energy, telecom, transport, services). A further two are pharmaceutical companies and significantly dependent on the National Health Service for their markets. Three are in overseas oil and mineral extraction – including the two biggest, BP and Shell. Two are tobacco companies – also dependent on external supply. Of the remainder, nine control the highly monopolised British retail trade, media and food and drink production. There is only one British company in the top 500 in any branch of engineering, computing, aerospace or chemicals. This is the giant armaments producer BAE Systems which now derives more of its income from the US Defence Department than from the British Ministry of Defence.

As one would expect, the great bulk of British external investment is not in manufacturing but in banking, energy and services. In the case of oil and banking, there are very close links with the United States both as a market, a field for investment and also as owner of shares (over a third of shares in BP are US-owned). Britain's own industrial economy is characterised in comparison with all other major economies by low productivity, low research and development and a poorly skilled and casualised labour force with the longest working hours in Europe. Over the past eight years Britain has lost almost 30 per cent of its manufacturing jobs (Germany has lost only 2 per cent) and Britain's trade deficit for goods is proportionately almost as high as that of the US. In terms of its remaining strengths in manufactured exports, these very largely depend on an externally-owned (mainly US) sector in computing and IT producing for the European market. Uniquely among advanced industrial nations, 20 per cent of Britain's R&D is overseas funded – mainly concentrated in this externally-owned high productivity sector and to a lesser extent in armaments.

For the big investors, these investments have been highly profitable. For everyone else they have been uniquely irresponsible and prejudicial. Those who have suffered include all those who have lost their jobs in the productive economy, those in the privatised utilities which have been asset stripped to fund overseas expansion, small investors in pension funds, those who have lost their pension rights altogether and all those who struggle on the edge of poverty in casual and part-time jobs. Compared with other European countries, Britain is now one of the most unequal.

However, as well as being parasitic and dependent, Britain's monopoly capitalism is also politically vulnerable.

It is structurally vulnerable because so much of it is directly dependent on the state. This is so for the privatised utilities that are still largely dependent on the state for income, subsidies and the profitable setting of prices to consumers. It is so for the companies that depend on the state for markets or, as in oil, for the external defence of their holdings. It is so for banks and financial institutions that depend on milking small savers and the pension assets of workers in the privatised savings environment created since 1979.

This vulnerability in terms of dependence on government is compounded by the vulnerability of its social and political base. It is today much more difficult to mobilise support for the policies that British monopoly capital needs.

The origins of democracy in Britain and the Labour Party

It is in this context that we have to understand the current crisis of democracy.

Historically Britain's rulers were very reluctant democrats. They did not concede full formal democracy till after the First World War – well after it had been granted in most other European countries – and even then women did not get the vote on equal terms until 1928. Ruling class fears were exactly the same as Hayek's in 1944. Unlike the mainly agrarian countries elsewhere in Europe, Britain had long had a preponderantly working class population with a strong tradition of trade union organisation. Britain's ruling class feared that universal suffrage, if combined with disciplined voting on class lines, would be used to legislate an end to the dictatorial power of capital. Once Britain's rulers had been forced to concede full democracy, they sought to assert the constitutional separateness of Parliament. Any attempt to use the extra-parliamentary strength of organised labour was, they claimed, constitutionally illegitimate – conveniently forgetting the extra-parliamentary state power of capital and the intimate

links between big business and government.

In the resulting struggles the Labour Party formed the key battle ground.

In terms of its origin and objectives, the Labour Party represented everything that Britain's rulers feared most. It was formed by the trade union movement, was constitutionally dominated by it, and provided a united organisation representing the interests of all working people as a class – and after 1918 was formally committed to using parliamentary power to socialise the means of production. Throughout the rest of the century Britain's rulers sought to co-opt the parliamentary Labour Party, box it into political alliances, limit its political ambitions to moderate reform and use it, in turn, to politically dominate the trade union movement.

For long periods this policy was successful. But at times of crisis the process tended to go into reverse.

It did so in the early 1930s when the trade union leaders rejected pro-capitalist policies and Labour's parliamentary leadership defected to the Tories. In the years following the Second World War, a Labour government under pressure from working people and their trades unions introduced a comprehensive social insurance system and the National Health Service. Nationalisation of the coal, electricity, gas, transport and steel industries ensured massive and planned public investment where the anarchy of private ownership had previously failed. But the government refused to make deeper inroads into capitalist economic and political power, saddled the nationalised industries with debt to the former owners (many of whom were placed in charge of the state corporations) and adopted the Cold War rearmament programme demanded by the US.

In the 1970s, the trade unions and constituencies reasserted control over the Labour Party's programme and its parliamentary representation. On this occasion, the ruling class response was to split the Labour Party through their the formation of the SDP, reinvent the old Liberal Party and use draconian policies of mass unemployment and confrontation to attempt to smash the trade union movement. These policies had some temporary success – especially after 1979 under Tory governments – and provided the context for the rise of the New Labour faction within the Labour Party.

The contemporary crisis of democracy and the European Union

By the 1990s, the political crisis facing monopoly capital across Europe was much more profound. The continuing concentration of ownership, the difficulties facing the farming sector and the intensification of work was eroding its traditional political base among small business and the salaried and professional strata – resulting in Britain in the long-running crisis of policy and leadership in the Conservative Party. The crisis was compounded by divisions within the British ruling class over developments in the European Union and their implications for British monopoly capital's alliance with US imperialism. Across Europe, the simultaneous erosion of wages and conditions of all workers was radicalising trade unions and rendering domestic politics far more volatile and unpredictable. Once more there was a return of Hayek's spectre of a democracy which directly reflected the interests of the majority.

It was in this context that monopoly capital moved to place decisive limits on the scope of democratic politics. This was not done in any direct way. If it had been, it would have been far easier to resist. It was secured in a roundabout fashion by the gradual transfer of very specific powers, those over capital, to the European Union. The European Union had originally been concerned principally with trade and

the conditions required for strengthening European monopoly capital. Over the past decade it has taken on a more active role. It has secured powers which now prohibit any interference by national parliaments in the freedom of capital to invest as it pleases and which require the 'liberalisation' of virtually all public assets whether in production, utilities or social services.

It is also a very one-sided transfer. The EU removes democratic powers from national parliaments. It does not take power from capital. On the contrary, by restricting the democratic powers of national parliaments it decisively strengthens monopoly capital state power inside Britain, France and Germany. In particular the loss of parliamentary powers prevents what monopoly capital fears most: the ability of the Left to advance comprehensive programmes of alternative economic and social policies that could unite all anti-monopoly forces.

As a strategy for monopoly capital, it also carries significant dangers. If its real logic is exposed, it runs the risk of revealing the big business establishment as both anti-democratic and, in a special way, anti-national. The initial success of the EU was because it was presented in terms of promoting internationalism and harmony between nations. British trade unionists thought it would bring the relatively better labour conditions that had already been achieved nationally by workers in France and Germany. But this utopian vision did not last. Over the past decade, the pro-monopoly and anti-democratic character of the transfer has become increasingly apparent. It was this realisation which saw the defeat of the EU Constitution at the hands of French and Dutch voters in 2005 and the electoral reverses for neo-liberal political forces in Germany. Workers now understood that the loss of national parliamentary rights was not simply formal. It struck directly at everything decent and worthwhile that had been won politically through democratic struggle at national level over the previous century. The fight against the new EU treaties has progressively redefined both democracy and nationality in class terms against monopoly capital.

Of all the issues raised by the EU, it is this question of nation and nationality that is the most difficult. In its bid to maximise profit – ostensibly to compete with producers elsewhere in the world – monopoly capital now seeks to place workers in one part of Europe in direct competition with those in another. Capital does so both by moving investments and by moving workers – or forcing workers to move individually by closing down whole industries. This process is very profitable. But it also has a political by-product that can hardly be unintentional. By pushing workers from countries with different labour standards into competition, it undermines trade unionism, breeds xenophobia and creates the basis for a new right-wing politics that can be manipulated against the left. As such, it is a cynical and uniquely irresponsible ploy. It enables big business, and its neo-liberal agents, to pose as the champions of internationalism and the rights of 'poor nations' while at the same time harvesting the profits of super-exploitation and blocking the development of a genuine internationalism based on cooperation between working people.

The rise of racism and right wing populism poses as great a potential threat today as it did between the wars. It is always the last throw of big business when it can no longer control democratic politics. In the 1930s Georgi Dimitrov – who defied the Nazis in the 1933 Reichstag trial – called on fellow Communists to develop popular fronts to block the growth of fascism. A key part of this strategy was to stop the right-wing posing as the champions of the nation: to expose them as charlatans who were attempting to

pervert and poison nationality in the interests of big business. Dimitrov returned to what Marx had written in the *Communist Manifesto*. In its struggle for socialism the working class must rise to be the leading class of the nation, must constitute itself the nation, itself become national, 'though not in the bourgeois sense of the word'. This meant not resorting to opportunist rhetoric about national interests but – on the contrary – exploding the whole myth that nation and nationality represented some classless entity removed from class struggle.

For Marx, nations and nationality were forged in the course of class struggle. Each new ruling class seeks to re-mould national culture and ideology in its own image and interests. And the working class, in its struggle to form itself into a class, has to do so in a new way. It has to unite working people from different national backgrounds and become the foremost champion of oppressed nationalities. It has to oppose all forms of imperialism. It has to prevent capital at every turn using nationality and race to divide workers, creating instead a new culture which is democratic and secular and which draws upon the histories of resistance and struggle that exist within all component national elements of the working class.

It was such a strategy that enabled Communists in the 1930s to stop Mosley's fascists gaining a mass base amid the destitution of London's East End. Communists took up the everyday issues of high rents and poverty wages to create unity in struggle between Jews, blacks and those whom the fascists had already contaminated with their ideas. Key figures were Shapurji Saklatvala, previously Communist MP for Battersea, and Phil Piratin who was Communist MP for Stepney from 1945.

Today the lessons are urgently relevant. Racism will not be stopped by policing the 'differences' between 'cultures'. In particular, it will not be prevented by the imposition of a bogus and reactionary 'Britishness', a Britishness which makes no apology for the slave trade, for colonial oppression and present day imperialism. It will be prevented by a recognition of what imperialism is doing now – snuffing out the democracy for which generations of working people have struggled – and opposing it by developing a movement for popular sovereignty which encompasses the progressive aspirations of all nationalities within Britain.

The way forward in Britain

To sum up. As far as Britain is concerned, monopoly capital is not just parasitic and dependent on external imperialism. It is also vulnerable to political challenge because of its dependence on the state and its increasing inability to manipulate democratic politics. At the same time, the transfer of powers away from Parliament to the EU runs the risk of exposing monopoly capital's inherently anti-democratic character. In circumstances where there is likely to be a long-term assault on wages, pensions, on workplace conditions and the wider quality of life, big business faces very considerable dangers. Yet so also does the Left. As we have noted, an unchallenged acceptance of neo-liberal policies will bring fatalism and fragmentation, an abstention from parliamentary politics and a resurgence of the nationalist Right.

The strategy of Communists in Britain seeks to address this complex and potentially dangerous crisis.

Communists argue that the social base for any progressive advance lies in the organised working class. The trade union movement has the potential to represent the great majority of the population. It provides the organisation through which people

can collectively fight exploitation and thereby realise their class interests.

Communists identify the Labour Party as the major strategic site of struggle. While the Labour Party is currently the instrument of big business, its trade union affiliation and its electoral base make it the weakest link in the apparatus of control. The struggle to reclaim it can and should provide a unifying political focus for class politics across the organised working class movement.

Communists argue that this battle will only be successful if it unites much broader sections and in particular encompasses all the oppressions that divide working people. The working class is not automatically united. It will only become so if the organised working class actively engages with, and champions, all those whose oppression is used to sustain capitalist power.

Communists say that democracy is the central issue of our time. The immediate goal must be to recover and use Parliament's right to control capital and progressively take the steps needed to ensure it serves the needs of the people and not private profit.

Communists believe that this fight for democracy, in terms of liberating working people from the tyranny of big business, is the only way of addressing the nationalist threat from the Right. The Left has to demonstrate through action and struggle that it is monopoly capital that is the real enemy of democracy and all working people.

The prospects for these developments will be hugely enhanced by the extent to which people take part in struggle against right-wing and neo-liberal policies. This is the basis on which the labour and progressive movements will grow and people will deepen their political understanding of what needs to be done. Only in mass activity can a democratic anti-monopoly alliance be built, led by a resurgent labour movement and fighting for policies which make inroads into the economic and political power of state-monopoly capitalism in Britain.

It is in this perspective, too, that the crisis of leadership and direction in the Labour Party is most likely to be resolved in favour of the working class and people of Britain.

Vital to progress will be a substantial growth in the influence and size of the Communist Party, the Marxist party of the labour movement. Britain's Communists promote a Left-Wing Programme of immediate policies around which the left and the labour movement can unite. These policies for public ownership, economic planning and progressive taxation would revive manufacturing industry, enhance public services, massively reduce social inequality, protect the environment and nurture our energy resources. Repealing anti-trade union laws and pursuing an independent foreign and defence strategy would help extend democratic rights and promote peace instead of war. The Charter for Women – which Communists helped to formulate – provides a valuable focus for the struggle for equality at work, in the labour movement and across society as a whole. *Britain's Road to Socialism* shows how mass activity can produce and reinforce a left government based on a Labour, socialist and Communist majority in Parliament. But it also warns that such a significant step would mark but the beginning of the real fight for state power in Britain, one in which the strength and militancy of the mass movement outside Parliament would ultimately be the determining factor.

A century and a half ago, Marx wrote in the *Communist Manifesto* that 'the first step in the revolution by the working class' was to 'win the battle of democracy'. He also wrote, as we have seen, that 'since the proletariat must first of all acquire political supremacy, must rise to be the leading class of the nation, must constitute itself the nation, it is so far itself national, though not in the bourgeois sense of the word.'

We believe this remains the case today. Across the world, whether it be Latvia, Britain or Bolivia, working people have to gain the political ascendancy needed to control capital and ensure that the wealth they produce is used for the collective good. They have to do so in the first instance in their own country and against the state power of their own ruling class. It is in the solidarity between these struggles for popular sovereignty that genuine internationalism will be forged. It will be the success of such struggles that will prevent big business from turning worker against worker and nation against nation.

Despite past mistakes and the collapse of the socialist states in Eastern Europe and the Soviet Union, Communist and workers parties across the world are advancing once more. Communists now, in 2006, participate in or help sustain governing alliances in South Africa, India, Brazil, Venezuela, Cyprus and Moldova as well as in the remaining socialist countries. Militant Communist parties play a leading role in working class and popular struggles from France to the Sudan, from Portugal to Bangladesh and from Chile to Japan.

However different their national circumstances and strategies, the Communist parties share approaches which flow from their Marxist principles. They call for broad involvement in struggle in order to create mass understanding of the class nature of our society. They argue for a combination of both parliamentary and extra-parliamentary action. They envisage working people reclaiming democracy and in doing so ensuring it is safeguarded against dominance by antagonistic class interests. They argue that collective organisation on the ground, collective confidence and trust in the varied talents of working people, provides the best guarantee for the future – for genuinely mass working class state power which ensures that the ‘free development of each is the condition for the free development of all’.

Far from being dead, Communism continues to provide the only real alternative to imperialism, for a world free from exploitation, oppression, ecological destruction and war.

FURTHER READING

Listed below are short introductory texts, some of which have been quoted above. All are available for download from www.mltoday.com which also features the main works of Marx, Engels and Lenin.

Karl Marx and Frederick Engels, *Manifesto of the Communist Party* (1848)

Karl Marx, *The Eighteenth Brumaire of Louis Bonaparte* (1852)

Karl Marx, *Wages, Price and Profit* (1865)

Karl Marx, *The Civil War in France* (1871)

Karl Marx, *Critique of the Gotha Programme* (1875)

Karl Marx, *Preface to A Contribution to the Critique of Political Economy* (1859)

Frederick Engels, *Principles of Communism* (1847)

Frederick Engels, *Socialism: Utopian and Scientific* (1880)

VI Lenin, *The State and Revolution* (1917)

VI Lenin, *The Three Sources and Three Component Parts of Marxism* (1913)

The following pamphlets are available from the Communist Party of Britain (www.communist-party.org.uk):

CPB, *Britain's Road to Socialism: the Programme of the Communist Party* (2003)

Mary Davis, *Women and Class* (1999)

Martin Levy ed., *A World to Save* (2003)

CPB, *Britain Needs a Left Wing Programme* (2006)

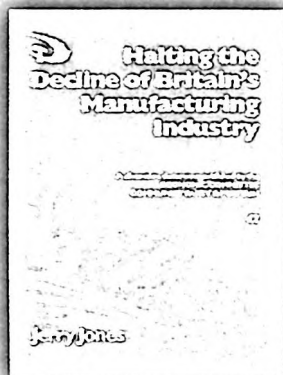
Jerry Jones, *Halting the Decline of Britain's Manufacturing Industry* (2005)

Robert Griffiths, *Introducing Marxism* (2004)

Karl Marx and Frederick Engels, *Manifesto of the Communist Party* with an introduction by Martin Levy (2005)

Karl Marx, *Wages, Price and Profit* with an introduction by Robert Griffiths (2005)

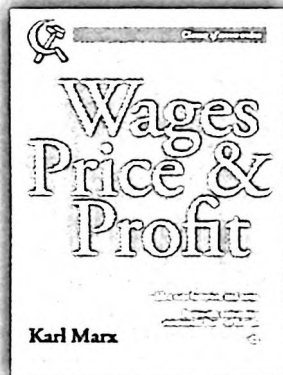
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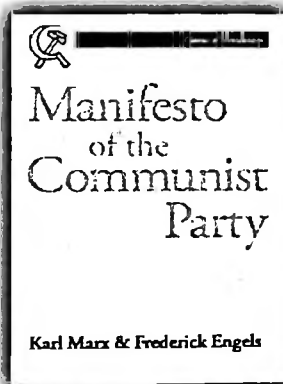
Jerry Jones develops his arguments in Halting the Decline of Britain's Manufacturing Industry, a new pamphlet published this week by the Economic Committee of the Communist Party of Britain



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Manifesto of the Communist Party

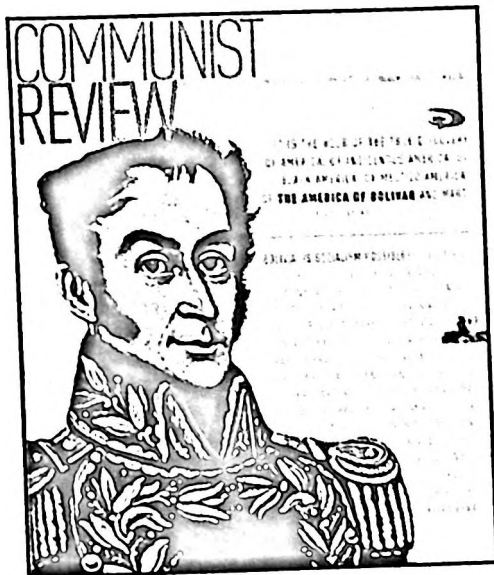
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Reprint of the classic Manifesto of the Communist Party by Karl Marx and Frederick Engels. Foreword and notes by Martin Levy.

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