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THE KREMLIN'S SATELLITE STATES IN EASTERN EUROPE,
YUGOSLAVIA, MARXIST THEORY, AND OUR PERSPECTIVES

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THE KREMLIN'S SATELLITE STATES IN EASTERN EUROPE,
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By E.R. Frank

We are all acquainted with Trotsky's book, Revolution Betrayed, where he discussed the perspectives for Stalinism, as he saw them, prior to the outbreak of the war. Trotsky envisaged one way or another the destruction of Stalinism in the course of the war. In the event of victorious Socialist revolution, the forces would be set in motion for the undoing of Stalinism in a progressive manner. If the other variant occurred, and capitalism was victorious, the Soviet Union would be defeated, capitalist counter-revolution would triumph in the USSR, and Stalinism would disappear as a world force having lost its state base in the USSR.

We know that due to a peculiar turn of developments, the Kremlin was able to effect an alliance with one group of imperialists against another, and instead of being eliminated from the scene, has succeeded in coming out of the war as the second world power.

While its victory over Nazism inspired the working masses the world over and gave profound impulses to revolutionary actions and uprisings, the victory likewise strengthened world Stalinism and the Kremlin power for the time being, enabled it to stamp out revolutionary manifestations in different parts of the globe and suppress the initiative and straitjacket the independent movements of the proletariat. Furthermore, having emerged as the second world power concomitant with the pulverization of a number of once powerful imperialist states and the enfeeblement of the bourgeoisie in great sections of the globe, the Kremlin was able to step into these "vacuums," and fasten its sovereignty on great stretches of country, to an extent that none of us had envisaged before the war. These are big new facts of the world situation. Properly analyzed and understood, they point to an extreme weakening of the world imperialist structure, to the beginning of the centrifugal dissolution of Stalinism; they constitute new sources of optimism and open up new perspectives for the world revolution and for our movement. But they must be properly analyzed and understood, else they can lead simply to an angry rejection of important new developments because these do not yet conform to our programmatic demands; the end result of which can be a turning of one's back on the historic process itself.

The discussion of the class nature of the satellite East-European states and of Yugoslavia has importance from two points of view. First, the preservation of the internal logic and thought-out character of our theory. We cannot permit our world program to become a "thing of rags and patches," with one set of criteria for the USSR, another set for Eastern Europe and a third and entirely different set of arguments developed - - judging by the ingenuity displayed by some comrades in the present discussion - - for the Far East or elsewhere. Second, we must be able to view and analyze great revolutionary mass movements, or even, as in the case of the satellite states in Eastern Europe, important social happenings, without prejudice, even though they are not yet occurring under the leadership of either our program

or our movement, and find in them sources of optimism for our future and inspiration for our ranks, rather than embarrassment or discouragement.

* * *

The 1949 IEC Resolution, while commendable in its summary description of the evolution of the buffer countries, erred in artificially attempting to squeeze them into the Procrustean mold of capitalism, to accomplish which, two false positions were introduced. On the economic plane, a new criterion of "real planning" was presented to demonstrate the sociological dissimilarity of Czechoslovakia, Poland, Bulgaria, Rumania, Hungary as well as Yugoslavia from the USSR. Unfortunately, for this criterion, it not only, regardless of facts, forces the five satellite countries into the capitalist mold, but also Yugoslavia, and even calls into question our class definition of the USSR itself. On the social plane, the resolution arbitrarily deduced from the fact that because the present states came into being as a result not of victorious proletarian revolutions but of military-bureaucratic actions, ipso facto they cannot be sociologically similar to the USSR, except if the Kremlin annexes them into the USSR and integrates them into its own economy. This criterion is likewise false and dangerous because it forces its proponents to deny the reality of the overturn of property relations in the five satellite countries and draw hair-splitting distinctions between these and the property relations of the USSR; and in an attempt to maintain consistency with our program, forces them likewise into a whole series of theoretical innovations and contradictory formulations which necessarily reduce our Russian position to one of indescribable confusion and patchwork.

Let us examine these two main arguments of the IEC resolution in chronological order.

The resolution acknowledges that "the nationalization of industry, of the banking system, of communications and transport, have been practically completed in Bulgaria, in Yugoslavia, and in Czechoslovakia; it is on the road to completion in Poland and in Hungary, and it has had a big start in Rumania. Wholesale trade is equally on the road to statification in most of these countries. Only retail trade and agriculture remain as yet largely in the hands of private proprietors." The further broad nationalization decrees promulgated in 1949 have swept into the statized sector practically all of banking, industry and transport in Poland, Hungary and Rumania as well, have made giant inroads into wholesale trade and have even bitten into retail trade. As a not untypical example, Rakosi announced in Parliament in August 1949 that 94% of wholesale trade and 25% of retail trade in Hungary was now transacted by the State.

But the resolution informs us that all these facts notwithstanding, "real planning" is impossible in these countries. Why? Because of the capitalist character of agriculture, and especially, as we have been lectured in our own discussion, the absence of nationalization of land; because of the narrow national frameworks, their lack of material resources and their dependence on the world market;

and because of the mortgage the Kremlin has imposed on the economy of all these countries.

The resolution authors are starting the argumentation off on the wrong foot. They are guilty of confusing two different concepts -- planning and Socialist production. Planning can be effected when a state possesses the commanding heights of an economy and can determine, within the limits of its material possibilities, where to invest capital, on what lines to develop the economy, can eliminate to some degree the anarchy of the capitalist market and capitalist cyclical crises. Socialist production is another matter. For that you need a sufficiently high level of material resources, you have to be freed to a large degree from the pressure of the world market, you have to abolish the contradiction between agriculture and industry. That is why the arguments of the resolution, or any single one of them, are effective refutations of the possibility of organizing Socialist production in one country, much less in such a small, poor country as Yugoslavia, or the impoverished and plundered East-European satellite states. But they are not good arguments against the possibility of these countries, once their states have seized the commanding heights of the economy, of operating the economy in accordance with a plan, and to that extent, however inadequate it may be, eliminating the anarchy of capitalist production.

Comrade Germain is guilty of muddling up these two different concepts when he writes: "It does not at all follow ... that any national framework whatever lends itself to planning on the mere condition that the proletariat had conquered power... To make a start in the building of Socialism in Rumania, in Luxembourg or in Paraguay is an even more patent absurdity than to pretend that this construction is being completed in the USSR." (Fourth International, Sept. 1949). Not at all correct. One can argue about Luxembourg or Monte Carlo. But while the working class cannot build Socialism in one country much less in small, undeveloped countries, precisely what it can do is to make a start, be it in Rumania or Paraguay, even though its efforts may not be as impressive as was the case in the USSR. This line of argumentation is wrong in theory and flies in the face of the reality of what is happening in Yugoslavia, and the five satellite states. If Socialist production is our criterion, we would have to apply it to the USSR as well, where Socialist production also remains the music of the future.

How seriously do the factors listed in the resolution affect nonetheless the ability of these countries to organize the economies in accordance with a plan?

The capitalist character of agricultural production in all these countries undoubtedly constitutes a most serious obstacle to planning. Not primarily because of the absence of nationalization of the land. Such a measure would not of itself alter the mode of agricultural production and was never listed as a task for the transitional period in the old Socialist program. Engels, in his article, The Peasant Problem in France and Germany, wrote what has been considered the classic position of Marxism on this question. He says: "When we are in possession of the powers of the state, we shall not even dream

of forcibly expropriating the poorer peasants, the small holders (with or without compensation), as we shall have to do in relation to the large landowners. Our task as regards the small holders will first of all consist in transforming their individual production and individual ownership into cooperative production and cooperative ownership, not forcibly, but by way of example, and by offering social aid for this purpose."

The reasons for such a policy are obvious. Capitalism develops industry far more rapidly and thoroughly than it does agriculture. While industry is brought to the point of social production under capitalist private ownership, agricultural production is carried on to a large extent on small individual family farms. The Workers' state, therefore, in a position to expropriate industry and the banks at once and operate them as state enterprises, can only develop agriculture to large-scale mechanized production, operating on big State farms, only gradually and by convincing the bourgeois-minded farmers that the change is beneficial and in their interests.

It is true that one of the first decrees adopted by the young Soviet Republic nationalized the land. But desirable and important as such a step is, as it lays the legal groundwork for further moves to limit and curb capitalist tendencies and accumulations on the countryside, it does not at all follow that Workers' states everywhere, and at all times, will necessarily adopt such a measure in the first stages of the transition period. In old Russia, the peasantry itself demanded land nationalization because of the predominantly feudal character of land ownership. As early as 1905 the All-Russian Peasant Union called for the abolition of private property in land. In other cases, however, in the face of the hostility of the peasantry, especially in view of their fears of confiscation after the experience of Stalinist forced collectivizations, a young Workers' state may forego for a period such a move and concentrate on a number of supplementary measures to curb accumulations in land and the growth of big capitalists on the countryside, while using its State power to encourage collectivization as a step toward eventual Socialist production in agriculture.

All the same, once the big landowners and big farmers are crushed as a class, once the big estates and farms are expropriated, (with or without land nationalization), the petty bourgeoisie of the countryside, while it remains a petty bourgeoisie, is incapable of playing an independent role, either politically or economically. They may place innumerable obstacles in the way of planned economy and create enormous difficulties, but they do not have the ability to overturn the essential policy of the Workers' state and to pull the economy in a capitalist direction. Statized industry and banking replaces the old capitalist millionaire cliques as the hub around which the agricultural spokes revolve.

We are handed Lenin's well known statement: "Small individual exploitation generates capitalism and the bourgeoisie in a permanent way, every day, every minute, with an elemental force and on a mass scale," and we are informed that is exactly what is happening in all these countries. Let us examine the whole reality, not just a part of it.

First on the USSR. Agricultural production in the USSR remains to this day, petty bourgeois, as the collectives are not statized but petty bourgeois enterprises, which after meeting taxes and other State obligations, sell their produce on the market. The Kremlin has been forced to make further concessions to the peasantry by legally granting collective farms use of the land in perpetuity, and the individual collective farm families use of private plots of land on which they are permitted to keep livestock, and the produce of which they can dispose of in any way they see fit. Two decades of experience have demonstrated that while this petty bourgeois mode of production undoubtedly continues to constitute a big disorganizing factor in the Soviet economy and remains an easy starting point for new capitalist growth and developments, nevertheless, the Workers' state power has the ability to control, regulate and dominate the course of agricultural production, prevent the emergence of a new strong capitalist class and the sabotaging of its economic plans.

The five Kremlin Dependencies as well as Yugoslavia are attempting, in one form or another, to emulate and carry through a similar policy of collectivization of agriculture, of curbing capitalist accumulation on the countryside, and of controlling and regulating, as far as they can, agricultural production.

In all these countries, the large and what would be considered in this country, medium-sized estates and farms have been confiscated and the broken-up parcels distributed to the landless peasantry or converted into model State farms. The old landowning and rich farming interests have been ruined and crushed. In all these countries the maximum size of farms is limited by law, 75 acres in Yugoslavia, 123 in Poland, Czechoslovakia, Rumania, 142 in Hungary etc. In all these countries, land cannot be bought or sold without permission from the State authorities, and no resale whatsoever of the land is permitted that was received from the State when the large estates were confiscated and broken up. Moreover, all six states are embarked on special campaigns to induce the peasantry to organize into large scale cooperative farms. They are trying to set up a network of State-owned tractor and machine stations to service the farm cooperatives, in order to control agricultural production as well as to raise its levels, and to be in a position to integrate it as much as possible into their over-all planning. To this end, extraordinary concessions are being made to the cooperatives in the way of lower taxes, smaller grain deliveries, and the granting of cheap credits and technical assistance, while progressively heavier taxes and deliveries to the state are demanded from the richer individual farm holders. Even outside the cooperatives, which are told what and how much to produce, the state regulates all agricultural production to an extent, by means of the trading cooperatives which act as middlemen between the farmer and the government.

Of course, the reality is far less radiant than the resolutions and the paper plans indicate. The peasants are entering the cooperatives very slowly and with great reluctance. In Yugoslavia, where the regime apparently practices a softer policy toward the peasant and permits the well-to-do to enter the farm cooperatives, it was announced that at the end of 1949 approximately 14% of the arable land

was in the cooperative sector and another 6 percent worked by State farms. In Bulgaria in July 1949, 12 percent of the arable land was tilled by cooperatives, although its 5-Year Plan calls for 60 percent of agricultural output being produced by cooperatives at the end of the plan in 1953. Hungary in May 1949 had a membership in the cooperatives of 60,000 who accounted for only a little over 1 percent of the country's arable land, although the Minister of Agriculture, I. Czala, stated that now that the enemies of the people had been kicked out of the cooperative movement the task was to increase the membership to 1,200,000 by the end of the year! In Poland, the cooperative movement has made scarcely any headway at all in the face of the panic and opposition of the peasantry, but 10 percent of the land is worked by the State farms. Czechoslovakia has been experiencing similar difficulties as Poland.

Moreover, the farm cooperatives in Eastern Europe are somewhat more capitalistic in their organization than the collectives in the Soviet Union, the main difference being that in the cooperatives, the working members, in addition to payment in kind for the amount and type of work performed, receive rent for their land in proportion to the amount contributed to the cooperative.

Beginning with 1948, especially after the cold war got going in earnest with the start of the Marshall Plan, and especially after Tito's break with the Kremlin, the quisling regimes embarked on an energetic policy of bringing the "class war" into the villages, curbing the capitalist elements and aligning agriculture with their general State plans. The Tito regime, after the Cominform denunciation of its pro-kulak policy, also apparently executed a determined left turn in its agricultural policy. Immediately all the acute ailments besetting the regime in the USSR in the twenties, which Trotsky made so familiar to us in the earlier days of our movement, struck all these countries with ten-fold force. Attempting to fight their way out of their economic cul-de-sacs by "building Socialism in one country," they embarked on vastly ambitious plans of industrialization. Since they lacked the machinery, resources, productive capacities or trained personnel, they began taking it out of the hides of the workers. Piece work and speedup were introduced in the plants, hours of work lengthened, the authority of management made absolute. The desperate nature of the difficulties was highlighted recently when in Yugoslavia, where there exists, in contra-distinction to the Satellite states, some enthusiasm for the plan, the regime was forced to give up the "voluntary labor brigade" system and institute a new system of contract labor, which freezes the worker to his job.

At the same time, the lack of consumer products and the high prices of those manufactured deprived the farmers of incentive to produce, led to speculation and black marketeering. The regimes thereupon decided to solve the crisis with the Stalinist mailed fist, by bringing the "class struggle" into the countryside, carrying through forced seizures, executing sales to the State for prices little better than confiscatory, arresting and imprisoning farmers who resisted or disobeyed, and forced entrance into Cooperatives. This struggle against the peasantry was prosecuted in all the Satellite countries and assumed a truly ferocious character during 1948-49

in Bulgaria, Hungary and Rumania. In Bulgaria in 1948 quota deliveries totalled approximately 11 billion levas, while free market purchases stood at 715 million levas.

Stalinist adventurism produced such panic in the peasantry and led to so much sabotage and individual resistance that the regimes felt compelled to back down here and there. The resolution passed by the plenum of the Communist Party of Bulgaria in June, 1949 indicates pretty clearly the state of affairs. A few excerpts are worth quoting: "Our party has admitted serious weaknesses and mistakes in its policy toward the peasant farmers Under the system of quota purchases, in many cases the total produce of farmers has been taken away at controlled prices ... the peasants have accordingly lost interest in increasing production and improving quality ... By setting up labor cooperative farms in almost the whole of the country, the best fields around the villages have been illegally confiscated and given to these labor cooperative farms, while farmers who are not members, have been given in exchange poor land in remote parts The peasants are either infuriated or fall under the influence of reaction... Some peasants have been compelled to join labor cooperative farms, thus violating the principle of voluntary membership." The plenum adopted a number of concessions to the peasantry, declared that it "wholeheartedly condemns these abuses and obliges all party organizations to launch a merciless struggle... for the immediate removal of all irregularities" etc. etc.

This bureaucratic maneuvering and adventurism of the Stalinist quisling regimes brings out fully the monstrosity of the East-European economies and the patent absurdity of any talk of building Socialism in one country, and in such bled, ruined and backward little countries, at that. They point up the grisly character of Stalinist planning. But what stands out with equal force is that the regimes, in emulating Stalinist policy in the USSR from 1929 ----, are curbing big capitalist accumulations in agriculture, are preventing the uncontrolled playing out of the natural economic laws and the emergence of a powerful kulak class, are forcing the peasantry to go along with their economic designs, even though all this is accomplished, as it was in the USSR under Stalin, at the cost of tremendous disorganization and waste, and at the cost of provoking the burning hatred of the peasantry. The disorganized and scattered peasantry can balk, sabotage, force some concessions from the regimes. Petty bourgeois agricultural production is undoubtedly a prime factor in sharply limiting any economic plan; but in the absence of strong leadership and support from the cities, the peasantry is helpless to reverse the present trend toward collectivization, or overturn the general trend toward State-planned-and-operated economy.

Thus, it is entirely correct to point to petty bourgeois production in agriculture as an important obstacle limiting planning and a possible starting point for capitalist restoration. It is entirely wrong, however, to point to it as preventing planning and demonstrating the capitalist character of the countries involved.

This lengthy excursion into agriculture was necessary because this point constitutes, in our opinion, the most serious argument,

on the economic side, of the supporters of the IEC resolution. It will be possible to deal with the other factors under the economic heading in a more cursory manner, as they all follow essentially the same scheme of argumentation.

It is called to our attention that these states are dependent on the capitalist world market to a far greater degree than was or is the USSR, that they are thus subject to its oscillations and to capitalist exploitation by the operation of the law of the equalization of the average rate of profit. All true. As a matter of fact, one could add that even when they trade with the USSR, this law remains operative, as the transactions are based on world prices, at least for the Kremlin's products in the exchange. All these arguments were used with devastating logic years ago by Trotsky against Stalin to demonstrate -- the impossibility of building Socialism in one country. But no one up to now has thought that they were arguments against the possibility of organizing an economy in a given anti-capitalist country in accordance with a plan.

Comrade Germain in an article in the September 1949 Fourth International makes much of the fact that Czechoslovakia may have to curtail its production plans if it does not regain some lost markets, how production in Poland would be seriously affected if the world price of coal fell. We can recall how seriously the first 5-Year plan in the USSR was affected when the world price of wheat cracked in the thirties. We see today how the plan in Yugoslavia is being hurt by the Kremlin's embargo and Tito's inability to sell enough to the capitalist world. These factors demonstrate very clearly that planned economy in one country, especially a small poor country encircled by capitalism, is bound to be deformed, distorted, pitiable; but they do not prove that planning cannot be initiated and practiced. It is possible that capitalism, through its control of the world market, may choke a country like Yugoslavia, or by one means or another overturn the present government, but then we will be confronted with a new Yugoslavia, and not the present one.

The same applies to the discussion of the narrow national frameworks and inadequate resources of all these states, and their consequent inability to organize and plan their economies on any broad division of labor and develop the productive forces to any satisfactory extent. Again the analysis is absolutely correct provided it is not employed to prove the wrong thing. The Kremlin's decision to prevent the formation of a Balkan-Danubian Federation is one of its historic crimes against the peoples of these countries and demonstrates -- by itself -- that the Kremlin has no progressive mission, that it can only exercise control by brute force, and that its very expansion carries within itself the seeds of its own destruction. But this does not prove that planning, however inadequate it may be, is impossible in Czechoslovakia or Poland anymore than it is in Yugoslavia.

The question of Kremlin pillage, dismantling of plants, reparations and the joint-stock corporations fall in reality into the same category as the previous propositions and cannot be said to render impossible the organization of planning. The brunt of Krem-

lin pillage and reparations demands fell on the so-called "ex-enemy" countries, Rumania, Hungary and Bulgaria, and not on Czechoslovakia, Poland or Yugoslavia. Moreover, the policy of unrestrained robbery without thought of consequences or of future relations was likewise abandoned after 1947, when the Kremlin broke the remaining power of the bourgeoisie and perfected its own Quisling regimes. (Yugoslavia, as everyone acknowledges, is in a special category and must be discussed separately.)

The Kremlin, at first, apparently had no clear idea of just what its relations would be with these states. Only after the "cold war" with the West became an established fact, and after a series of fumbles and empirical experimentations, did it resolve on converting these countries into its own dependencies, with a relationship symmetrical, not identical, to that of a colony and an imperialist state. In the recent period -- especially after the Tito break -- it has made an attempt to permit these countries to build up their economies. The reparations in Hungary and Rumania have been scaled down. Loans have been extended in a number of cases. So-called German property seized as booty has been returned to Bulgaria.

Of course, the robbery of these dependent states continues by overcharging them for their imports from the USSR and underpaying them for their exports to the USSR, by occupation charges, by preventing them from fusing their economies, and by deforming their production to suit the needs and demands of the Kremlin masters. The joint-stock corporations, which represent in reality a legal form for collecting unlimited reparations, still operate in two of the six countries, Rumania and Hungary. But even here proportions have to be guarded. In Hungary, for which figures are available, less than four percent of all industry is involved in the joint-stock corporations. This brigandage of the Kremlin oligarchy, taken in its entirety, certainly condemns these countries to poverty and continued economic backwardness and dislocation. But it cannot -- leaving aside the arguments on the social plane which we will discuss presently -- negate the anti-capitalist, and by that reason, workers' character of these economies, anymore than imperialist exploitation of a colony necessarily negates the capitalist character of such a country's economy.

One adroit polemicist has suggested that our whole argumentation on the economic side is wide of the mark because the IEC resolution simply points out the various factors that are obstacles to the structural assimilation of these countries into the USSR and that must be overcome if assimilation is to take place. The proponent of this argument forgets that a premise must be proven as well as asserted. The IEC resolution authors start from the arbitrary premise that in the absence of Socialist revolutions, these Satellite countries can become workers' states only by being absorbed into the structure and economy of the USSR. This flies in the face of what has taken place in the six countries under discussion of Eastern Europe. We maintain that if the State structures and the economies of these countries are similar to that of the USSR, then they are of the same class type. Any other conclusion calls into question, among other things, our characterization of the USSR.

After belaboring us for weeks with "real planning," the capitalist character of East-Europe's agriculture, the dependence of these countries on world trade, their narrow national frameworks and so on, this line of argumentation was suddenly dropped like a hot potato. The reason being that in the interim, a number of supporters of the IEC resolution had concluded that Yugoslavia was a workers' state, and obviously these economic criteria -- if correct -- were as valid for Yugoslavia as for Poland or Czechoslovakia. Since that time the discussion has shifted in the main to the arguments on the social plane, the questions of the state structure of these countries, the implications of the positions with regard to Marxist theory and the nature of Stalinism; and that is the main burden of Comrade Germain's most recent discussion article on the question as well.

Let us begin our consideration of this aspect of the question by reviewing briefly the 1944-45 events.

The Red Army's entrance into Eastern Europe everywhere gave an impulse to the Socialist revolution. There was a big uprising in Prague in May 1945. Czechoslovakia was soon dotted by a network of Committees, which were organs of power, even though of a bowdlerized variety. (Unlike Soviets, their members were selected from all the National Front parties, including the bourgeois parties. They were, however, dominated by the representatives of the working class parties, the Stalinists and Social Democrats.) Workers' Councils sprang up in the plants and in the first period exercised control over production. The London Economist correspondent reported: "When the country was liberated, the councils and committees were really more powerful than the central government, which had no armed forces at its disposal and which came in from abroad at the heels of the victorious Russians." It must be recalled that the Partisan movement attained great proportions in Czechoslovakia, being second only to Yugoslavia and Greece. The movement was strong enough that a Slovak National Council could be set up by 1943 which led an uprising in Slovakia in August 1944 and proclaimed on September 1 of that year its assumption of power and the establishment of the Czechoslovak Republic (which the Nazis shortly defeated).

A big uprising likewise took place in September 1944 in Sofia which swept the existing government out of power. So-called Fatherland Front Committees, similar to the committees in Czechoslovakia, sprang up throughout Bulgaria, wielded power on a local scale, and in many cases attempted a revolutionary settlement with the native Fascist tyrants. The correspondents reported that in the capitol red flags were flying over the government buildings as over thousands of homes, of the arrest of great numbers of Fascists by the armed masses, of huge demonstrations, of a railway strike that paralyzed all activity.

Ferenc Nagy, former Premier of Hungary, describes the situation in that country during this period in his book, The Struggle Behind The Iron Curtain: "The disintegration of the government of the country opened the way for Communist penetration. None of the old town councils or municipal assemblies remained; the new political order substituted for them transitory administrative bodies called

'national committees,' with unlimited power. Assuming control of the municipalities, townships, and even cities, they appointed their own men as elders, councilors, and committeemen to pass judgment upon the political past and present of each citizen. The national committees managed the scant food supply; few aspects of daily life escaped their control. This situation was not peculiar to Hungary."

Exactly right. It was duplicated in Rumania on almost identical lines, and even in Poland, where the masses were very suspicious of and largely hostile to the new regime and the Red Army because of Stalin's betrayal of the 1944 Warsaw uprising and his terror against left-wing elements in Eastern Poland.

As for Yugoslavia, we are all acquainted that a civil war raged from 1941 on, that Committees were set up as new organs of power in the territories taken by the Partisans, and that similar Committees were appointed and began functioning in the major centers after Tito's forces marched in with the Red Army into Belgrade.

In all these countries the pre-war regimes and pre-war state structures had collapsed and had been replaced with new ones. Comrade Germain in his recent article admits that the old state apparatus was smashed in the course of the war in at least Czechoslovakia, Poland and Yugoslavia. To these three countries we will add at least two more, Hungary and Bulgaria.

In Hungary, the native Fascists had been infiltrating the state apparatus throughout the war period until they won complete control in the Szalasi coup d'etat in 1944. With the retreat of the Nazi forces at the end of that year, the Szalasi government, including every official of any consequence, likewise moved westward, and for a brief time, it even persisted as a government-in-exile. Whatever officials of the old regime remained behind were not ruling anything or anybody, but skulking in the cellars. Ferenc Nagy, in the book previously referred to states: "Local administration had fallen into chaos. Most officials had fled to the west, particularly if they had dealt with the Nazis. A large proportion of the reliable civil employees had been transferred forcibly to Germany . . . The old police, branded as the tool of the former reactionary government, was disbanded, and a new force hurriedly organized." The Stalinists have the same estimation. Zoltan Deak, editor of Magyar Jovo, describes in Hungary's Fight For Democracy the period at the end of 1944: "There was no administrative force left in the country, almost all of them had fled with the Nazis."

The picture was no different in Bulgaria. Again both the Stalinists and the capitalist reactionaries agree on the facts. Ilya Ehrenburg, in his work, European Crossroad, declares: "What happened in September 9, 1944 was not a mere change of ministries, but a change of government. The whole governmental apparatus of the Fascists was destroyed. . . In Bulgaria 11,000 Fascists, including diplomats, courtiers, glamor girls, and profiteers, were handed over to the tribunals as war criminals." R.H. Markham, the reactionary correspondent of the Christian Science Monitor, writes in his book on Tito that as the Red Army advanced into Bulgaria, "all authority

broke down and every Bulgarian became his own master. At that moment a group of conspirators, organized in the Fatherland Front and led by Communists, reached out their hands and took the reins of power, which they still hold. . . . The courts were set up by self-appointed Fatherland Front Committees. They did not emanate from nor were they controlled by the Ministry of Justice, the Cabinet, or the Supreme Court." Dragoicheva, in an official report, describes the activities of the Fatherland Front during the first six months of its existence. It formed 7,292 Committees throughout the country, which "controlled" the government, and in many cases "functioned as the government." About 59 percent of the members of the Committees were "Communists," 36 percent Agrarians, 3 percent Social Democrats, 2 percent Zvenoists.

The one country in which the old state structure was able to partially maintain itself, for awhile anyhow, was Rumania, because of the fast footwork of the old ruling classes and the treachery of the Kremlin agents. And even here, as the facts show, it was of brief duration.

Comrade Germain insists, however, that even in Czechoslovakia and Poland, where the old structures were wiped out, new bourgeois states under Stalinist domination were set up, using whatever old bricks were still lying around for the reconstruction job. We thus arrive at the triumphant "Marxist" conclusion that "bourgeois states" have been engaged for four years in expropriating the landed estates and large farms and distributing them to the landless peasantry, in destroying the old landlord and agricultural bourgeois classes, in curbing in the most violent and brutal fashion capitalist developments in the countryside and pushing a collectivization policy designed to control and harness agricultural production; for four years, supposedly "bourgeois states" have been expropriating, in the main, the urban capitalists and statizing all the essential parts of the economy, banking, industry, transport, wholesale trade and even some retail trade, and organizing the economy in accordance with a plan; and finally, these same "bourgeois states" have been systematically and violently purging and wiping out the remains of the political power of the bourgeoisie, destroying its points of support in the state apparatus and replacing it with an administrative apparatus which in all essentials resembles the one in the USSR. Some bourgeois states! And this phantasmagoria is handed us -- with solemn mien -- in the name of theoretical orthodoxy and Marxist methodology. We now have to add to our previous categories a new one of bourgeois states of such unique variety that rather than being the guardians of bourgeois property relations, are its executioners.

The comrades apparently have an uneasy feeling that everything is not in order here, so they try to divert our attention with irrelevancies. We are informed that there remain a lot of ex-Fascists, capitalists and former functionaries in the present state apparatus. We can be sure there are. But that has no decisive significance. The important question is: Who determines policy? Who runs who? Are the bourgeois opportunists serving under the orders and policy of the Stalinists, or are the Stalinists serving under the orders and policy of the bourgeois elements? Everyone knows the answer.

Let us recall in this connection that Trotsky wrote in 1936 -- fourteen years ago -- that a bourgeois counter-revolution in the USSR would have to clean out far fewer of the personnel in the state apparatus than a proletarian political revolution. No one in our ranks has heretofore deduced from this that the state in the USSR was bourgeois in character.

Germain, in another attempt to extricate himself out of this difficulty, informs us of the existence in history of Bonapartist regimes that are in conflict with their economies. Yes, Trotsky taught us this long ago. But such a conflict signifies a condition of civil war, which will be brought to a conclusion either by the state reconstructing the economy in its own class image, or the class forces of the economy overthrowing the state and setting up a new one in harmony with their economy. How is this an explanation for the analysis in Eastern Europe where for four years supposedly "bourgeois states" have not been bringing the economy into harmony with their own class nature but constantly widening the contradiction between the two? Some Bonapartist regimes may lift themselves above the classes and represent the interests of the dominant class only in the last analysis. That does not permit us to stretch the formula another notch and suggest that they need not represent these class interests at all. That would be a denial of the class theory of the state.

A study of the actual happenings in these countries provides the key for an exit out of this theoretical blind alley. The states set up in all these countries in 1945 -- including Yugoslavia -- were not simply bourgeois but regimes of dual power. The power of the working class, was soon overwhelmed as an independent force by the Stalinist bureaucracy which harnessed it in its own interests, resided in the local and district committees, the workers' militias, the newly created Stalinist-controlled police force and judiciary, buttressed, of course, by the all-powerful Red Army occupation forces. The bourgeoisie still retained a measure of power through its ownership of great sectors of the economy, its political organizations, press, and elements of governmental power. This dual power assumed the unique form of central coalition governments which formally were pledged not to alter the pre-war social character of these countries. Because the Stalinists, under the Kremlin dictate, wanted the alliance with the bourgeoisie to help fasten their bureaucratic grip on the working masses, and because they still had no clear perspectives of their future course. And on the other side, the debilitated bourgeoisie grasped at these alliances as the only means by which they could even hope to reconstitute their rule.

Only in this sense, only within the strict limitations of the dual power character of these regimes, was it permissible to still call these new states Capitalist in the 1945 period. The relationship of strength in the dual power varied from country to country, from Czechoslovakia, as the extreme on one end, to Yugoslavia on the other. In the former, the bourgeoisie retained a lot of class strength and was a real factor in the coalition. In Yugoslavia its power had been decisively broken during the protracted civil war, and it was little more than a captive in the coalition. But in

every case the Stalinists were the dominant force. This was demonstrated conclusively later on by the ease with which they broke the back of the bourgeoisie politically and economically, and finally eliminated the dual power in favor of their exclusive power.

All of us are aware that the Kremlin did not give free rein to the workers to carry their revolutions through to the end, but on the contrary, suppressed the independent actions of the masses, put its heavy hand on their organizations, and sidetracked the movement into the channels of the coalition governments. Their role was politically counter-revolutionary. But the Kremlin did not wipe out these new organs of power as would a bourgeois counter-revolution. They bureaucratized them. They took over control and reshaped them as instruments of their own purposes, and finally as the new administrative structure of their sovereignty. The swift strangulation of the workers' independent movement and the victory of the bureaucracy was due, as in 1939, to the workers' isolation from the international labor movement and their insufficient organization in the face of the Kremlin's overpowering strength.

The facts are plain that in every case confiscation of the estates and the distribution of the land was carried through by a great network of local committees, which then remained as administrative organs for the Stalinist regimes on the countryside. The Workers' Councils in Czechoslovakia, to take another example, were not abolished, but transformed into part of the "new aristocracy" by electing their representatives from single lists, providing that these representatives no longer be required to do manual work, and to be paid for all extra time spent on special duties. The committees, which took over the functions of the former municipal bodies, were incorporated into the state apparatus by special decrees. Even the "action committees" organized by the Stalinists in 1948 to bring the capitalists to heel, have not been disbanded but, we read, "are to become permanent institutions to safeguard the victory won during the crisis." The police, the army, the judiciary have been thoroughly overhauled, reorganized and placed under new leadership.

The next stage came after the sharpening of the cold war and the Kremlin's determination to consolidate its hold on these Dependencies. The Stalinist bureaucratic cliques, using their crushing superiority, and resting on the new administrative organs under their command, proceeded, step by step, to exterminate the bourgeois parties and drive their representatives out of the governments and committees, with the most prominent sent to the gallows, or prisons, or forced into exile. They then forced through the purge of the Social Democratic parties and their prison unification with the Stalinists. In the same period, new decrees were promulgated which, in effect, expropriated the remaining sections of the bourgeoisie, and placed all the levers of economic power in the hands of the now totalitarianized regimes.

With the elimination of the remains of bourgeois power, the new police governments issued new constitutions during 1948-49, all modeled on the 1936 Stalinist constitution and based on the new administrative organs of the state. These constitutions were the

juridical expression of the fact that the dual power regimes had come to an end, that the de facto civil war had been resolved in favor of the Stalinist power, and that the new states could therefore no longer be regarded as Capitalist even in the limited form that we have previously employed it, but were now guardians of the new property relations based on expropriated and nationalized property, and hence of the same class character as the USSR.

This whole development revealed again, as it did in 1939 in Eastern Poland, the dual role of the Kremlin oligarchy. On the one hand, it cannot tolerate a free working class movement and must suppress it to preserve itself. In ordinary circumstances, this need to exercise dictatorial control over the labor movement and its policy of maneuvering between the proletariat and bourgeoisie, inevitably disarms the workers' movement and reinforces the capitalist power, as it did in France and Italy in this same period. On the other hand, this caste cannot share power with the capitalists because it rests on the sociological remains of the Russian Revolution. Hence, in the special circumstances prevailing in these adjoining countries in the years after the war, where the Kremlin's might was so overwhelming, it could impose its own will on the proletariat with the aid of the bourgeoisie, and then in turn, resting on its new bureaucratized apparatus, crush this enfeebled bourgeoisie. This is what occurred in Eastern Europe. To deny it is to deny reality.

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What is the answer of the comrades on the other side to these facts? They have shifted the discussion to the doctrinal plane. Let us see how matters stand here.

We are accused of economism because it is claimed we have created a simple equation that nationalized economy equals a Workers' state. But have we not witnessed extensive nationalizations in England, France, Norway; and Comrade Germain, in his researches, has even dug up a paper decree for nationalization issued by Mussolini in Northern Italy, and tossed it into the discussion for whatever it is worth. These analogies are all arbitrary and false. We certainly ought to be able to distinguish between capitalist and anti-capitalist nationalizations. The nationalizations in Western Europe were all carried through with the approval, or at least the acquiescence, of the capitalist class. The capitalists, after the nationalizations, became state rentiers, and often remained the managers of the concerns involved. And all this was done under the aegis of a Capitalist state maintained intact, capitalist property relations maintained intact, and a capitalist class whose dominant position continued undisturbed. There could be reasonable question in 1945 as to the precise character of the first nationalizations in Czechoslovakia, Poland and Yugoslavia, as they were executed under ambiguous formulas, and the class character of the states involved was still not settled. There can be no doubt concerning their class character today.

Beneath all the deceptive and sly Stalinist legal formulas governing the nationalizations stands out the dominant fact that, in

the main, the properties of the native capitalist classes have been expropriated, and that these classes have been politically crushed. Numbers of individual capitalists have undoubtedly been able to save themselves by going to work for the new rulers, by stealing, by black-marketeering and bribe-taking. But the class has been expropriated and ruined. The press of these countries bristles with news accounts which testify to the accuracy of this evaluation. The first series of nationalizations which expropriated "German," "enemy," and "collaborationist" properties broke the back of the weak bourgeoisies and placed the lion's portion of urban economy in the State sector, 82 percent of industry in Yugoslavia, almost 2/3 in Czechoslovakia, 40 percent in Poland; as well as most banking operations. In the later nationalization decrees, which took over the properties of the native capitalists, state nationalization funds were set up in a number of countries to ostensibly compensate the former owners. Even where payments were actually made, the transactions were little short of confiscatory, while on the whole, compensation was honored more in the breach than the observance.

The sweeping and anti-capitalist character of the 1945-46 nationalizations in Yugoslavia is too wellknown to require elaboration. But, even in the case of the Tito government, which emerged, unlike any of the others, out of the civil war, these were carried through by means of deceptive slogans and ambiguous methods. Kidric, in his economic report to the Fifth Congress of the Yugoslav Communist Party, explains: "The principal form of this offensive (against the capitalist positions in the economy) were the court procedures against traitorous reactionaries which regularly ended, aside from other things, with the confiscation of their properties." In addition, monetary manipulation, two-price systems, state control over raw materials, and progressive taxation were deliberately employed in every case to ruin the bourgeoisie, and as instruments of expropriation. Thus, while the 1947 nationalization decree in Bulgaria officially indemnified former proprietors with interest-bearing bonds redeemable in 20 years; the 1948 nationalization law in Rumania provided for compensation by state bonds redeemable against profits realized in the former owner's plants; and the 1948 nationalization decrees in Yugoslavia and the 1949 decrees in Hungary called for compensation of former owners with state bonds, the chief interest of all these decrees and laws is for a study of Stalinist methods rather than in any importance they possessed in maintaining the native capitalist classes.

Here are a few samples of how they operated in practice: Immediately after the publication of the Rumanian nationalization law, it was announced that no compensation would be paid to persons who enriched themselves illegally, or who left Rumania illegally, or who would not agree to return; while the press was filled with reports of arrests of former owners for economic sabotage. On October 5, 1948, the Praesidium of the Grand National Assembly deprived a number of persons of their citizenship, including N. and C. Malaxa and Max Ausnit, Rumania's biggest industrialists, with all their property confiscated by the state. The London Economist explained in detail that the pretense of compensation in the Bulgarian nationalization laws was fraudulent: "In reality this nationalization was the

naked confiscation of all property and spelt the liquidation of the middle classes." The same de facto confiscation occurred in Czechoslovakia, where in July 1949 a bill was passed giving the Minister of the Interior the right to deprive all those of citizenship who lived abroad, or engaged in activities hostile to the state, or who had gone abroad illegally, or failed to return within 30 to 90 days if summoned by the Minister of the Interior.

It is true that in a number of cases foreign Allied capitalists received compensation for their properties, this being the price that the East-European countries had to pay for loans or trade credits from the West, or to get back their gold supplies from England or the United States. But this cannot be given any decisive weight in Yugoslavia anymore than in Poland or Hungary. To say, therefore, as Comrade Germain does (Fourth International, May 1949) that in none of these countries has the bourgeoisie been reduced "to a point comparable in Russia during the period of the NEP" is to contradict the facts.

So much for the anti-capitalist character of these nationalizations. There is another important aspect to this question. It is putting the thing on its head to claim that we say nationalizations equal a workers' state. The correct way to put the matter is that only an anti-capitalist, therefore, a workers' state can nationalize the whole economy and operate it in accordance with a plan. We have heretofore denied the capacity of capitalists to do it. Trotsky, writing 58 years after Engels' Anti-Duehring, and basing himself on the greater experiences of the development of capitalism, wrote: "Under an integral 'State Capitalism,' this law of the equal rate of profit would be realized, not by devious routes -- that is, competition among different capitals -- but immediately and directly through state bookkeeping. Such a regime never existed, however, and, because of profound contradictions among the proprietors themselves, never will exist -- the more so since, in its quality of universal repository of capitalist property, the state would be too tempting an object for social revolution." (Revolution Betrayed)

The British labor government has gone further in nationalizing sectors of the economy than probably any of us envisaged in the past. Can we therefore conclude that this process can go on indefinitely until all commanding heights of the economy are in the hands of the state? Not according to our theory. As a matter of fact, the capitalist opposition to the steel nationalization gave forewarning that at a certain point the bourgeoisie would resist with every weapon at its command. And if, under the impulsion of pressure from the masses, the Labor Party would nevertheless -- in the teeth of capitalist hostility -- proceed with its nationalization program, that would lead to a decisive clash and the beginning of civil war in the British Isles. And for precisely the reason given by Trotsky: "In its quality of universal repository of capitalist property, the state would be too tempting an object for social revolution."

In their anxiety to find formal analogies to refute our position, the comrades are opening the door wide to Comrade Johnson's theories of State Capitalism, and endowing capitalism with the pos-

sibility of entering a new higher stage, under which the economy would be statized and operated in a planned manner. The suggestion that a capitalist state can nationalize "the greatest part of the means of production and exchange" is an innovation in our ideology. We are not unjustified in demanding that this be proven, and its consequences for our program explained to us, and not just tossed out in the course of the discussion -- in passing.

We are informed that Marxism-Leninism holds that the transition from a capitalist to a workers' state can only be effected by "the violent destruction of the bourgeois state apparatus and the establishment of a new type of state apparatus" and that therefore we are compelled, on the basis of our analysis, to revise the Marxist-Leninist theory of the state. Before we have any glib talk of revising Marxism, let us check back on what the classics have to say on this score.

Marx's discussion of this question is contained in his well-known April 12, 1871 letter to Kugelmann, where he states: "If you look at the last chapter of my Eighteenth Brumaire, you will see that I declare the next attempt of the French Revolution to be: not merely to hand over, from one set of hands to another, the bureaucratic and military machine -- as has occurred hitherto -- but to shatter it; and it is this that is the preliminary condition of any real people's revolution on the Continent." Lenin in State and Revolution explains that Marx confined his conclusions to the Continent because he "excluded England, where a revolution, even a people's revolution, could be imagined, and was then possible without the preliminary condition of the destruction 'of the available machinery of the state'."

In his address in 1872 to the Hague Convention of the International, Marx further stated: "The worker must one day capture political power in order to found the new organization of labor. He must reverse the old policy, which the old institutions maintain, if he will not, like the Christians of old who despised and neglected such things, renounce the things of this world. But we do not assert that the way to reach this goal is the same everywhere. We know that the institutions, the manners, and the customs of the various countries must be considered, and we do not deny that there are countries like England and America, and if I understood your arrangements better, I might even add Holland, where the worker may attain his object by peaceful means. But not in all countries is this the case."

To complete the quotations, it is necessary to add that Lenin in his State and Revolution concluded that "Today in 1917, in the epoch of the first great imperialist war, this distinction of Marx's becomes unreal."

These quotations from the classics are not being adduced to suggest at this late date the possibility of a peaceful transition today in England, America, or Eastern Europe. They are introduced to show the development of Marxist thought on this question based on living experiences. Naturally, Marx, and Lenin in 1917, knew nothing of Stalinist degeneration, and concluded that the working class could

get itself into a position where it could shatter the old state machinery only by winning political power by means of a mass uprising. But in the meantime a new phenomenon has come into the picture: A workers' state which is today ruled by a reactionary oligarchy, and which was able to enter Eastern Europe at the end of the war, and under the special circumstances and in the specific territories, control the working class movement, and utilize this control to shatter the old bourgeois states and erect new ones in their place. Wherein is there any revision of Marxism here any more than in Trotsky's explanation of the change-over in Eastern Poland in 1939?

The remaining arguments on the doctrinal front reduce themselves to the flat assertion that the capitalist state can be shattered and a new state created only by means of a classic Socialist revolution, or the absorption of territories into the USSR; and since neither one nor the other has taken place in Eastern Europe, they cannot be workers' states, regardless of the facts. It is of course difficult, if not impossible, to deal with this type of argument. The question is: Is it any good?

Why couldn't it happen, regardless of what the facts show? We are advised that it is absurd to imagine that tens of thousands of vital economic relations can be destroyed and new ones substituted in their place without the action of the masses, and that the Kremlin could only accomplish this in the territories it incorporated into the USSR by physically exterminating or deporting all capitalists, big and medium peasants, the middle classes, etc.

Here are the facts. The deportations in the Baltics and Eastern Poland were of the same order as the deportations from the Ukraine after the war; they were motivated, in the first instance, by the political needs of the Kremlin and not designed to effect any social overturns. The big deportations in the Baltics took place in 1940; the collectivization of agriculture occurred only in 1948. The descriptions of the deportations show the Kremlin authorities were trying to wipe out all potential sources of opposition, and not putting through any social or economic program. The Kremlin made no appeal whatsoever to the Baltic masses, even of a limited variety. It was interested solely in clearing "politically unreliable" elements out of this strategic area, and very likely, solving manpower shortages in its slave labor camps, at the same time. The 200,000 deported out of a population of 6 million in the three Baltic countries were invariably picked on the basis of "political unreliability," whether it was "Trotskyism," or "correspondence with abroad," and not class position.

Moreover, we see in the recent dispatches that the Czech Stalinists are deporting recalcitrant capitalists, or just ordinary political opponents, to the uranium mines at Jachymov, or the coal mines at Kladno. All the other satellites, we can be sure, have not been behind in setting up their own slave labor or concentration camps in strict accordance with the latest methods of the Kremlin sadists. It is safe to assume, we believe, that 99 times out of a 100 a trip to Jachymov is just as effective as a trip to Siberia.

Our versatile opponents, as if aware that their foregoing argument may have proven not sufficiently impressive, present us with one -- that is its direct opposite. Trotsky said in 1939 in discussing Eastern Europe, we are told, that without an appeal to independent activity on the part of the masses it was impossible to constitute a new regime, even though on the morrow the masses would be suppressed by ruthless police measures. The Kremlin made such an appeal in 1939 in Eastern Poland, but in 1945, instead, the Stalinists first concluded agreements with the bourgeoisie to regiment the masses. How could the bureaucracy accomplish, without mobilizing the masses, that which Trotsky said could only be accomplished by such a mobilization?

This objection is really laughable. In 1939 the Kremlin came into Eastern Poland by means of an agreement with Hitler, which was the signal for the Second World War. The international working class movement was at its lowest point. The native population was suspicious of the invading Red Army troops. The situation was absolutely cold. In order to win a modicum of support from the masses to constitute the new regimes and wipe out bourgeois influence, the Kremlin had to make some limited appeals to the workers and peasants. In 1945 the Kremlin entered an Eastern Europe aflame with revolution. It wasn't a pact with Hitler that brought them in, but the smash-up of the Nazi machine by the triumphant Red Army. These victories gave an impetus to the revolution, and not only in Eastern Europe. The workers, and to a degree, the peasants, were on the move. The problem, from the Kremlin's viewpoint, was not how to encourage the masses, but how to suppress their initiative and domesticate their organizations. To be able to see the limited independent activity of the masses in 1939 in Eastern Poland, and not to be able to see the ten-times greater and profounder activity of the masses in Eastern Europe in 1945, is truly a case of steeling oneself against the reality in order to maintain a preconceived thesis.

Trotsky considered that the events in Eastern Poland in 1939 added up to a civil war. "Naturally, this is a civil war of a special type," he wrote. "It does not arise spontaneously from the depths of the popular masses. It is not conducted under the leadership of the Finnish revolutionary party based on mass support. It is introduced on bayonets from without. It is controlled by the Moscow Bureaucracy." (In Defense of Marxism)

If we accept Trotsky's method of reasoning, how can we characterize the events in Eastern Europe from 1945 to 1949 -- the expropriation of the bourgeoisie, the crushing of its political power, the setting up of new state structures, the planned organization of the economy -- except as a civil war of a special variety that ended with the destruction of the capitalist states and the institution of new anti-capitalist states.

"None of these quotations from Trotsky's 1939 writings apply," we are sternly warned. Trotsky was talking only of territories to be incorporated into the USSR, and these dependent countries have not been incorporated. This is an incomprehensible argument. Trotsky was discussing territories which the Kremlin planned to incorporate

into the USSR. But he nowhere said that this development could not take place except on the basis of incorporation into the USSR. Naturally, it is not a question of finding out precisely what took place in Eastern Europe in 1945-49 by reading Trotsky's analysis of 1939. But his method of reasoning applies with full force to the post-war happenings. If the Kremlin in 1939 was able to effect a change in property relations while subjecting the masses to its own bureaucratic control in Eastern Poland -- because of the prostration of the bourgeoisie, and the insufficient organization of the masses -- why was an essentially similar process impossible when similar relationships obtained in Western Poland or Czechoslovakia, irrespective of whether these territories eventually will or will not be incorporated into the USSR? This is to invest borders with mystic significance.

But, it is further objected, the East-Polish economy was integrated into that of the USSR, while the economies of the satellite countries have not been. That is true, but not decisive. The property relations of these countries are similar to that of the USSR, and that is what is decisive in considering their sociological character.

To conclude this section: Only on the basis of our evaluation are the developments accounted for in strict accordance both with the facts and with the Marxist method, without having to introduce new criteria of "real planning," without opening the door to a theory of State Capitalism, without undermining our position on the USSR and the consistency of our world program, and without the necessity for new tortured formulas of combined developments, where one and the same regime promulgates both bourgeois and proletarian nationalizations, and of Bonapartist regimes without any definite class base.

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Now, we come to the important question of what conclusions flow from this analysis. In the SWP discussion, the argument has been pressed with great vigor that our analysis, willy-nilly, leads to the theory of the bureaucratic revolution; that if Stalinism can overturn capitalism and build the new society by its police-bureaucratic methods, what role remains for the Fourth International? We could criticize their excesses and undemocratic methods, but that is an insufficient foundation for the maintenance and building of a new international organization. So runs the argument. Despite its heavy pretense of "thinking things through," this is just a hollow debaters' point. First, the reality in Eastern Europe must be recognized regardless of where it leads. But we do not maintain that the Kremlin every place and everywhere can carry through the overturns that it was able to accomplish under the unique conditions that existed at the end of the war in these adjacent countries. We do not maintain that these overturns can furnish the pattern for the road to power, anymore than did the overturn in Eastern Poland in 1939.

If, however, despite our precise limitation of the East-European events, we simply must -- so we are told -- give these over-

turns a universal application, why is the other side relieved of this same necessity? Here are comrades who have adopted a resolution which talks of "the disappearing bourgeoisie of the buffer zone," "bourgeoisie is not the dominant class," "the statization of economy," etc., etc. All right. These are not workers' states. Let us say these are neo-capitalist states, state capitalist states, or what-have you. Why doesn't this have -- using your logic -- universal application? If Stalinism could create these types of new capitalist states in Eastern Europe, doesn't that mean it can do the same thing in Western Europe, Asia, and the South Sea Islands? Does pinning a capitalist label on these states relieve you of the necessity of considering the developments in Eastern Europe as unique?

How are the comrades who vote together with the supporters of the IEC resolution, but maintain, nevertheless, that Yugoslavia is a workers' state, how are they in a superior position? You comrades have declared that ex-Stalinist centrists, the Titoists, have carried through a successful workers' revolution, have destroyed the bourgeois state and created a workers' state. Doesn't that -- if everything must be given universal application -- invest Titoism with a historic future? Doesn't that imply -- employing your logic -- that instead of trying to teach the Titoists, we ought to enroll in their school on how to make successful revolutions and build workers' states? This is a knife that cuts both ways.

Stalinist expansion is a fact not a theory. It stems not from this or that characterization of the East-European states but from the Kremlin's emergence from the war as the second world power, and the weakening of the bourgeoisie. This expansion, however, cannot just go on indefinitely. It has sharply defined limits. For two reasons: First, the Kremlin's savagely nationalistic policy has already led to the Tito break, may well produce similar breaks in the Far East on the morrow, and has produced indescribable tensions and crises in all of the satellites. In the new context, the Kremlin's conduct towards these states reveals anew that this oligarchy has no historic future, that it cannot be the instrument for the destruction of world capitalism and the institution of a new society. Second, the Kremlin's troops cannot move beyond their present spheres of influence without that becoming the signal for the next war; and the Kremlin will not be the initiator of the war. That is why we can discuss the possibility of the Red Army over-running parts of Europe and Asia only in the context of the Third World War. It may be that under such circumstances the Kremlin would attempt to follow a policy roughly similar to its initial policy in Eastern Europe in 1945. But all this, as well as how much territory each side occupies, would be simply incidents in the war. The future of humanity would be decided by more important considerations: The outcome of the war, and the progress of socialist revolutions.

Comrade Germain believes that our analysis implies the possibility of the military victory of Stalinism in a new world war. It is difficult to follow the logic. What do our official documents say on this? "A third world war, in the form of an attack of world imperialism -- under American leadership -- against the USSR is inevitable if successful socialist revolutions do not materialize in

the interim. If the contest between the USSR and world imperialism is confined, however, to military means, the defeat and destruction of the USSR is certain." The reason? Obviously, because world imperialism is far stronger than the USSR, materially, technically, culturally. How does our characterization of the East-European happenings overturn this estimation?

But we have every reason to believe that in the event that humanity is thrust into a new slaughter, it will not be imperialism that will be the victor. After the partisan movements that swept Europe in the course of the last war, the uprisings in Italy and Greece, the rise of Tito to power in Yugoslavia, and the revolutionary aftermath in the Far East, we have every reason to believe that this time the Socialist storm will be fiercer, and will start earlier. And after the Tito development, we have every reason to believe that it will assert its independence of and opposition to the Kremlin traitors. The Socialist revolution will not only paralyze the hands of imperialism, but will inaugurate the process which will disintegrate the parasitic structure of Stalinism. Our basic perspective remains unchanged.

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One final word: We are living in a world of rapidly changing events and many unexpected developments. Our cadres, which still have the job everywhere of fusing themselves with the mass movement, must be able to tenaciously stick to their principles, and at the same time have the capacity to orient themselves in every new difficult situation, and adjust themselves to the necessary tactical requirements. Our militants must feel that it is possible to carry through discussion in our movement in a calm atmosphere, free of bigotry. Any call in the present discussion for the stalwarts to rally round the flag is gratuitous, because the flag is not being assailed. The discussion should be carried through, without factionalism, until all the arguments are in, and the membership, in its collective wisdom, can render its decision.

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