

Fourth International

THE SOVIET UNION TODAY

- **PURGES, TRIALS AND ANTI-SEMITISM**

George Clarke

- **PROBLEMS OF THE TRANSITION EPOCH**
A Critique of Stalin's Latest Work

Ernest Germain

- **19th CONGRESS OF THE RUSSIAN C. P.**

Michel Pablo



Negro "Progress": What the Facts Show

George Breitman

25c

FOURTH INTERNATIONAL

Vol. XIII - No. 6 November-December 1952 (Total No. 119)

Published Bimonthly by the
Fourth International Publishing Association

116 University Pl., New York 3, N. Y. Telephone: ALgonquin 5-7460.
Subscription rates: U.S.A. and Latin America \$1.25 for 6 issues;
bundles, 20c for 5 copies and up. Foreign and Canada: \$1.50 for
6 issues; bundles 21c for 5 copies and up.

Reentered as second class matter April 4, 1950, at the Post
Office at New York, N. Y., under the Act of March 3, 1879.

Managing Editor: GEORGE CLARKE
Business Manager: JOSEPH HANSEN

CONTENTS

- The Soviet Purges and Anti-Semitism
By George Clarke 163
- The 19th Congress of the Russian C.P.
By Michel Pablo 169
- Negro "Progress": What the Facts Show
By George Breitman 173
- Economic Problems of the Transition Epoch
By Ernest Germain 179

CAPITALISM or SOCIALISM?

The Coming World Showdown

By M. Pablo

Michel Pablo's new work on the world situation, which has just arrived from England, should be "must" reading for anyone who wants to be able to understand and appraise the big trends in contemporary society. In 48 tightly packed pages he crams a wealth of information and analysis on the present and coming changes in the two major camps in the world. It is the Marxist work on the world today.

Chapter headings are: Anarchy or Social Revolution; 2. The World Today; 3. The Colonial Revolution; 4. The Non-Capitalist States — The Soviet Union, The "People's Democracies" and China; 5. The Class Nature of the Coming War, and its Transformation; 6. We Must Prepare to Conquer Quickly and Completely.

Single copies are obtainable at 30 cents a copy; special discount for bundles of 10 or more.

Pioneer Publishers

116 University Place New York 3, N. Y.

Manager's Column

Lateness of the present number of *Fourth International* is due entirely to technical causes beyond our control. The next issue will appear in the regular interval or even sooner. Among its contents will be the following articles: A study of the Bolivian revolution up to the present by Bert Cochran; the Lattimore Case and its significance in the light of American foreign policy changes by Vincent Grey; a commemorative article on the late Benedetto Croce, the reknowned Italian philosopher by the leading Italian Marxist, Livio Maitan; a book review on the operation of cartels across the frontiers of World War II, and others.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, AND CIRCULATION REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912, AS AMENDED BY THE ACTS OF MARCH 3, 1933, AND JULY 2, 1946 (Title 39, United States Code, Section 233)

Of *Fourth International*, published Bi-Monthly at New York, N.Y. for Oct. 1, 1952.

1. The names and addresses of the publisher, editor, managing editor, and business managers are: Publisher Fourth International Publishing Ass'n, 116 University Pl., New York 3. Editor George Clarke, 116 University Pl., New York 3. Managing editor George Clarke, 116 University Pl., New York 3. Business manager Joseph Hansen, 116 University Pl., New York 3.

2. The owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding 1 percent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a partnership or other unincorporated firm, its name and address, as well as that of each individual member, must be given.)

Fourth International Publishing Ass'n, 116 University Pl., New York 3. James P. Cannon, 116 University Pl., New York 3. Vincent R. Dunne, 116 University Pl., New York 3. Joseph Hansen, 116 University Pl., New York 3.

3. The known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state.) None.

4. Paragraphs 2 and 3 include, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting; also the statements in the two paragraphs show the affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner.

5. The average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the 12 months preceding the date shown above was: (This information is required from daily, weekly, semiweekly, and triweekly newspapers only.)

(Signed) JOSEPH HANSEN
Business Manager

Sworn to and subscribed before me this 25 day of September, 1952.

(Seal) REBA G. HANSEN

Notary Public, State of New York
No. 31-6763000 Qualified in New York County
Cert. filed with N. Y. Co. Clerk.
(My commission expires March 30, 1954.)

FOURTH INTERNATIONAL

VOLUME XIII

NOVEMBER-DECEMBER, 1952

NUMBER 6

The Soviet Purges and Anti-Semitism

By **GEORGE CLARKE**

Mankind, particularly its socialist-minded and progressive section, recoiled in horror at the new outbreak of frame-up trials and purges, punctuated with the ugly overtones of anti-Semitism, in the Soviet orbit. It appeared almost as though the Kremlin and its satellite bureaucracies were deliberately placing weapons in the hands of reaction; or at any rate, that it was cynically callous of the sensibilities and needs of the anti-imperialist movement, and this on the very eve of the impending showdown between capitalism and socialism. It was another demonstration, although new proof was hardly necessary, that the bureaucracy is an alien, cancerous growth on the body politic of the workers' states and of the workers' movement in general.

Unquestionably, the imperialist pyromaniacs have been the chief beneficiaries of the new purges. They were quick to see the advantages in deriving moral justification for their Dark Ages Crusade against the "Communist anti-Christ" by an outburst of hypocritical indignation for the fate of the Jewish people "behind the iron curtain." Only a few days were needed to expose the hypocrisy of an Eisenhower who could shed tears for the sufferings of a persecuted minority one day, and on the next day sign his order to "deneutralize" Formosa and "unleash Chiang Kai-shek" against the people of China. No matter! The Soviet purges will help make the people swallow the conception that anything goes, any allies, any atrocities — that the atom and hydrogen bomb will be used for a "just cause."

The victims of the purges were not only those who went to the gallows in Prague or to concentration camps in the USSR but right here in the United States among those fighting in defensive combat against the war and the witch-hunt, and particularly among those with illusions on the real nature of Stalinism. The strident cries of the anti-Marxists that socialism and Nazism are fundamentally akin became louder and more arrogant. The judge, sentencing a new group of Communist Party leaders to prison under the Smith Act, could appear to be justifying his violation of the Bill of Rights by offering the defendants the choice of going to Russia. The movement to free the Rosenbergs, an action of the highest courage in these difficult times, seemed to lose its moral justification. Stalin

Based upon a speech delivered on Jan. 30, 1953 at Adelphi Hall in New York City.

and his gang had struck a harder blow against the fighters for progress in the U.S. than they had ever received from the McCarthys and McCarrans, who could now cover up their horrible works, their racist philosophy, by pretending that the danger to human liberty lies outside America's borders.

Blows such as these, which come from within the movement for socialism from traitorous men who falsely profess leadership but who place their own interests over those of the movement as a whole — blows such as these are usually the most painful, the most demoralizing. But that can only be the effect upon those who, dominated by unscientific conceptions, substitute the wish for the reality, the illusion for the fact. It can only be the effect upon those who try to conjure away evil by closing their eyes to it.

For Marxists, however, prepared by previous analysis, accustomed to look facts in the face, such blows are cause neither for surprise nor despair. They can truthfully say with Spinoza as Trotsky did again and again during the incredible nightmare of the Moscow Trials: "*Neither to laugh, nor to weep but to understand.*" Thus in the present instance: If the Kremlin's new ignominy serves to deepen the understanding of the real nature of Stalinism; if it aids in reinforcing the distinction between this criminal bureaucracy and the progressive social foundation on which it rests; if it helps reaffirm our determination to continue undaunted the struggle against imperialism while working to free the ranks of that movement of the blight of Stalinist leadership — then and only then will an examination of the trials and purges have served a progressive purpose. In this epoch of the final class conflict on the world arena when pressures on men and movements reach their zenith, the watchword must be: See clearly, speak out what is, and above all keep your head.

The Frame-Up Character of the Prague Trial

Let us turn now to the trial itself. It was a frame-up — a pure and simple frame-up, staged by the past masters of that art in the Kremlin. After ample experience with the Moscow Trials of the Old Bolsheviks, the Rajk trial in Hungary, the Kostov trial in Bulgaria, opinion on this score is uniform in the world at large, not excluding the Soviet orbit. Only venal men or those whose intellectual house of cards would collapse if they began to doubt believe differently.

The Prague trial followed the same pattern of its prototypes in Moscow, Budapest and Sofia. There were no witnesses, no evidence or documents to be scrutinized or checked, no independent counsel to cross-examine the allegations of the prosecution or defendants. As before the indictment and the verdict hang solely on the single thread of the confessions. But as we shall demonstrate, these confessions fall apart upon an examination of their intrinsic validity, just as did those of the Moscow Trial defendants under the scrutiny of the Dewey Commission.

1. *The defendants were accused and confessed to being agents of Anglo-American imperialism.* Obviously, they couldn't be agents of Hitler, as the Moscow Trial defendants allegedly were, since Hitler is dead, the Nazi regime crushed and Moscow is now engaged in a Cold War with American imperialism instead of being allied to it as it was in the thirties. It turns out to be a very strange charge indeed in view of universally known facts. The important defendants were part of the leading group in the Czech Communist Party which engineered the Prague Coup of 1948. That coup, judging from the pandemonium it created in the West, was the most potent single incident — if deep causes can be traced to single incidents — in precipitating the Cold War. In that coup, Benes and Masaryk, outstanding capitalist liberal politicians of that country and thoroughly friendly with the capitalist West, were eliminated from power. From that time onward, and principally under the direction of the defendant Slansky, all remaining points of capitalist power in the state and the economy were destroyed root and branch, not to speak of widespread purges and deportations of middle class elements in the big cities. It would be hardly less weird to accuse McCarthy of being an agent of the Kremlin.

The evidence on the point is as blatantly contradictory as the intrinsic merit of the charge. Consider only two instances: the case against Vlado Clementis and Andre Simone:

Clementis opposed the Hitler-Stalin Pact and it is said that during a brief moment during that part of his exile in London he severed his connection with the Communist Party. By all counts that constitutes a crime in the Kremlin's book. That, of course, would make many men in the world "agents" but their period of "hire" by the Anglo-American master turns out to be of extremely brief duration since Moscow also soon found it necessary to switch its alliances in that direction. Despite this well-known "crime," Clementis was to become Foreign Minister of the Communist regime, and to loyally execute its policy and commands throughout the crucial first years of the Cold War with American imperialism. He even obeyed orders to the point of returning to Prague from the UN when summoned although he could have thrown himself at the mercy of his imperialist "employers" in New York.

Andre Simone's Testimony

Andre Simone, former editor of *Rude Pravo*, central organ of the Czech CP, was a Stalinist hack writer for years. To the very end, he wrote on orders from the Krem-

lin masters even to the point of this nightmarish demand for his own liquidation:

"I am a writer," he said in the court, "supposedly an architect of the soul. What sort of architect have I been — I who have poisoned people's souls? Such an architect of the soul belongs to the gallows. The only service I can still render is to warn all who by origin or character are in danger of following the same path to hell. The sterner the punishment . . ."

Among Simone's "crimes" was the fact that in his capacity as a journalist he had talked to French Minister Mandel in Sept. 1939 about the impending war, and to Noel Coward in April of the same year about the relative strength of the pro- and anti-German forces in France. Both witnesses, as is usual in these trials, were conveniently deceased. But if these "facts" made Simone an "agent of Western imperialism" then the entire Stalinist apparatus from Stalin down, which were following the identical policy, were also "agents" and following the "same path to hell."

Another grain of truth in the barrel of falsification are charges that relate to the period between the end of the war and the Feb. 1948 coup. In that time, Slansky and others had helped Benes to power, had encouraged trade with the West and had even gone to the point of supporting the Marshall Plan when it was first projected. But here too they were serving Moscow's futile project, which later had to be abandoned, of maintaining the countries of Eastern Europe as friendly capitalist nations that could serve as bargaining points in negotiations with the West. The real "architects" of this policy, we repeat, were the men in the Kremlin who had signed their names to it in so many words in the Yalta and Teheran agreements with Churchill and Roosevelt.

2. *The defendants were accused and confessed to being Titoites and agents of Tito.* In a way, this was the most fantastic of all charges. Slansky and his leading co-defendants were the most slavish of servitors in the Cominform apparatus. Moscow had pushed the somewhat-suspect Gottwald aside to give full power to Slansky *et al.* The only concrete evidence presented of relations with the Yugoslavs was a meeting between Slansky and Moshe Pyade when the latter came to Czechoslovakia on an official mission to Prague one month before the Cominform-Yugoslav rupture. The real facts are exactly the contrary. Slansky and his friends took second place to none in the vicious campaign against Tito and the Yugoslavs. They participated in the economic blockade laid down by Moscow to force the capitulation of the Yugoslavs. This was strange behavior indeed for "agents of Tito" — and no doubt explains why Tito sought more "reliable" friends in the camp of Western imperialism.

3. *The defendants were accused and confessed to being agents of Zionism and of the State of Israel.* Once again everything in the known record of the defendants proves the exact opposite, i.e., that they were fiercely anti-Zionists. True, the Zionists had received arms from Czechoslovakia during the war between the Arab States and Palestine in 1948 — but this was paid for in hard Western currency. This transaction had the approval of Gott-

wald as well as Slansky; it was also in line with Moscow's policy at the time of utilizing the Zionist state as one means of driving British imperialism out of its strongholds in the Near East.

The most damaging refutation to the charge is the very link in evidence intended to establish a connection between the defendants and the state of Israel. It takes the form of the witness, Mordecai Oren, who is described by the Prague radio as "a small man, an international apache type." Now, Oren, arrested in Czechoslovakia in the beginning of 1952, was not just any kind of Zionist. He was a leader of the Mapam party which up to the Prague trials played a very special role in Israeli politics. It was a *pro-Soviet*, semi-Stalinist party which consistently favored a Soviet bloc orientation of Israeli foreign policy, and consistently opposed all measures tying Israel to Western imperialism. The irony of this episode appears in the fact that while Slansky went to the gallows for possible collaboration with the Mapam, the pro-Soviet leaders of the Mapam were ousted from the party by the right wing after the Prague trial because of their refusal to alter this pro-Soviet orientation or even condemn the trial.

Why Did They Confess

Despite the overwhelming indications of frame-up, there are still the gullible — and the venal — who are still asking the old question: But didn't they confess? They are not nearly so numerous and loud as they were during the Moscow Trials. The Western world in the intervening years has heard enough independent testimony about how confessions are extorted to place any stock in confessions as *proof* of guilt. This incredulity exists in Czechoslovakia itself, obliging Gottwald himself to attempt to answer the question of why and how they confessed before a national Conference of the Czech CP on Dec. 16, 1952. The most revealing indication of the opinion of the Czech people, *communists included*, on the trial and the confessions is contained in a statement made over Radio-Prague by Professor Nejedly, Minister of Education, in an address on rumors about the trial. The neutralist French newspaper, *le Monde*, quotes him as follows:

People in Czechoslovakia are posing two questions: why were not the conspirators exposed sooner, and why did they confess? The first question betrays a bourgeois mentality unworthy of the communists who pose it. The second indicates that it is believed either that the conspirators attempted to save their lives by confessing, or that coercion or drugs were employed to extort their confessions. None of these explanations are valid.

The securing of the confessions took a long time. Some have said that they were the result of a psychological evolution. This point of view is close enough to the truth, for the defendants were broken by crushing and irrefutable proofs which were gradually accumulated against them.

Yes, the defendants *were* broken, and by methods of "psychological" torture, and by "crushing and irrefutable proof" not however of their guilt, but of the impossibility of effective resistance!

The Case of the Soviet Physicians

The victims were no sooner interred in Prague than the blood-curdling announcement came from Moscow of the arrest of nine top-flight Soviet physicians. They were accused of "medical murder" by deliberately prescribing treatment that led to the death of Generals Zhdanov and Scherbakov, of planning (unsuccessfully, as usual) the death of five other Soviet World War II generals and . . . of "Jewish bourgeois nationalism." No trial has yet been announced either because the producers are still awaiting "the results of psychological evolution" on the prisoners, or because the top Kremlin gang dare not reveal the ramifications of intrigue in its own ranks which forms the background of the doctors' arrest.

Mystery and detective story writers must have turned green with envy at this strange tale. Not in their most daring flights of imagination have they ever concocted anything so weird as The Case of the Nine Soviet Physicians. Moscow really proved in this case, if nowhere else, that Russia leads the world in discoveries and inventions.

Lacking as we are in professional knowledge, we are still extremely incredulous that this revelation of "medical murder" could have been obtained through an autopsy on General Scherbakov eight years after his death from an incurable disease, and five years after the death of General Zhdanov from an acute case of angina of the lungs. It was obviously revealed through "confessions." But again as in the Prague trial, the facts prove that the real guilt lies somewhere else.

The nine accused physicians, prior to their arrest, were to all intents and purposes the "court physicians" of the Kremlin. They had under their care Georg Dmitrov and Kalinin who presumably died of natural causes, and Maurice Thorez, the French CP leader now convalescing in the Soviet Union. One of the accused, Dr. Vinogradov, was Stalin's personal physician. If they are really enemies of the Soviet Union as charged, and agents of imperialism, then they also must have murdered Dmitrov and Kalinin as well. *How then explain that they confined their diabolical operations to generals and secondary figures and permitted Stalin to remain alive?*

The mystery deepens when we learn that physicians have been suspected in the Kremlin since the purges of the thirties. At that time Dr. Vinogradov himself testified that the treatment prescribed by a Dr. Levin had hastened the death of the famous writer, Maxim Gorky. Since the Kremlin should have been nervously aware of the "cupidity" of the doctors, because of this grim experience, and since the Politburo had followed the practice of reviewing treatments prescribed to ailing top Soviet leaders, we can only come to one conclusion: *If the charge of "medical murder" is true, then the Politburo or one section of it ordered the murder, that the doctors were accomplices (no doubt under duress), not the principals of the murder.*

That intrigue and clique struggle are behind this arrest of the doctors was indicated by the charge of "laxness" directed at the "chief Security organs" and presumably at Beria, head of the MVD. A similar turn of events occurred in the thirties when the arrest of Dr. Levin became the

signal of doom for Yagoda, the then head of the GPU who had been the chief engineer of the trials and purges. Now as then, the danger of foreign attack and the existence of widespread popular opposition at home form the background of these intrigues and drive the Kremlin gang in fear onto the road of savage persecution and wholesale murder. It is only against this background that the eruption of official anti-Semitism at the Prague trial and in the Soviet Union can be explained.

Causes of the Prague Trial

At first glance the Prague Trial seems to belie this contention since the victims as we have said were by no means oppositionists but the most direct and loyal servants of Moscow itself. They were in reality placed in power to prevent the rise of Titoist manifestations in the most advanced and Western country of the Soviet orbit, with an experienced and educated working class, where such tendencies could most be expected. Why then did they wind up on the gallows?

Slansky and his colleagues conducted a ferocious war against "Titoism" but they could not eliminate the conditions that produce it. Czechoslovakia was caught between the pincers of the Western blockade which cut it off from consumer goods needed to supply the needs of its agricultural population, and the insistent demands of the Kremlin that output and deliveries of machinery and war materiel to the USSR be stepped up. In the absence of sufficient return, the farmers slowed down their production, causing acute suffering in the cities. Discontent created by worsening conditions, by the prodding of the bureaucrats for higher output to fulfill deliveries to the USSR became rife in the factories and mines. The workers reacted by absenteeism, slow-downs and even strikes which caused a slackening of production. In view of these conditions it is not difficult to understand why Slansky and Co. were accused of "sabotaging production." There were demonstrations in the mine regions of Bohemia, Moravia and Slovakia. The biggest of these was in Brno, on November 21, 1951 where 40,000 workers occupied the market place for an entire day in a protest demonstration against the revocation of the Christmas holiday.

In the midst of this situation a clique struggle against Slansky and his group was begun and successfully carried through by Gottwald and Zapotocky, who were somewhat more sensitive to the reactions of the workers. One Tito was enough for the Kremlin, and Moscow now decided to come to terms with Gottwald instead of meeting the situation head-on as it had done in Yugoslavia. Its conditions, as revealed by the trial, were that the liquidation of the Slansky group must deflect the rising anger against the Kremlin. How was this to be done since the Slansky group was so clearly marked in Czechoslovakia as Moscow's men? The formula arrived at was the anti-Semitic one which pervaded the trial and was made possible by the Jewish origin of most of the defendants.

Playing upon the most backward prejudices, Moscow wanted to make it appear that it could not be held responsible for difficulties that had occurred because "homeless

cosmopolitans," men with "divided loyalties," or national loyalties at all had "wormed" their way into control of the state apparatus. Such men could just as easily be agents of the West or of Israel as of Moscow — according to this sinister theory of Judaism borrowed from the Protocols of Zion. Trotskyism and Titoism were then added to the charges as a warning to genuine workers' oppositions — and to Gottwald himself if he misunderstood Moscow's opting in his favor as a signal to attempt to gain greater independence.

The Causes of the Soviet Purges

A similar situation, although somewhat different in form, underlies the present purges in the Soviet Union. Elsewhere in this issue, there is a thorough analysis of the 19th Congress of the Communist Party of the Soviet Union which occurred three months ago and forms the background of the developing purges. The reports at the Congress demonstrated tremendous economic progress which has made the USSR the second industrial power in the world.

The Congress also revealed that the bureaucracy had become an increasingly apparent brake upon the economic and cultural progress of the country, that it had become the object of widespread hatred giving rise to general dissatisfaction and the awakening of critical thought among the youth, the intellectuals and even sections of the workers. Malenkov's report, from beginning to end, was a savage thrust at the depredations of the bureaucracy (naturally, on all levels beneath the Kremlin itself).

The solution proposed by him, of resuscitating the Communist Party as an instrument of control, in order to allay the dissatisfaction and put the system in better working order, was clearly not workable. The victory of bureaucratic reaction in the Soviet Union had been impossible without a destruction of the CP as a living organ of the socialist revolution; contrariwise, its revival could only lead to the destruction of the bureaucracy as a whole. It was obvious that action from below could not be encouraged without the fear that it would be eventually directed against the Kremlin itself. That this was already apparent to Malenkov was clear from his warnings against those who were raising the question of "the withering away of the state" and against "the remnants of old anti-Leninist groups."

In a few months, and now under pressure of Eisenhower's accelerated drive to war, the bureaucracy abandoned its tentative project for a slight extension of democracy and turned to its more familiar method, more in keeping with its character and tradition — to the purge. The Soviet press and radio began again to shriek denunciations against all possible types of opposition: against uncontrollable bureaucratic elements on the *right* — the "carriers of bourgeois views and morals" — against "bourgeois nationalists" among the national minorities, and on the *left* against "unstable elements of our intelligentsia which are infected with everything foreign" (meaning perhaps those influenced by events in Yugoslavia and China?), and "the degenerates and double-dealers who talk of withering away of the state." All branches of academic and scientific pursuit began to tremble under a storm of removals, charges,

confessions. Once again the terrible hail of stereotyped resolutions demanding death to the doctors and all "enemies of the state."

One element was lacking for the purge — the enemy with his own distinctive physiognomy. Trotskyists, Zinovievists, Bukharinists had been too thoroughly crushed to play the role of the main devil again, even though it might still be useful to paste some of those old labels on the new devil. To find the culprit, the Bonapartist clique had to dig back into the deep recesses of man's ignorance and prejudice, to one of man's greatest inhumanities to man, to the eternal scapegoat, the Jew. Under present circumstances, depicting the Jew as the enemy serves three purposes for the Kremlin.

First, it is a means of releasing popular anger against bureaucracy while keeping it safely directed against those of Jewish origin who have become part of the lower and middle apparatus of the government and the economy. Second, it is a means of labelling critical elements among students and intellectuals, many of whom of Jewish origin have found significant positions in the arts, sciences and professions. Third, it provides a means of intimidation against the Jewish people as a national minority in the USSR.

Anti-Semitism and Stalinism

There are those who, refusing to accept the specious contention of the identity between the Soviet Union and former Nazi Germany, refuse to recognize the existence of official anti-Semitism in the Soviet orbit although the ugly facts stare them in the face. What they fail to understand is that while there is no similarity in the two social systems, there is a deadly parallel in the physiognomy of the Nazi regime and of the Soviet bureaucracy.

Stalinist domination, the backwash of the October Revolution after the tide had ebbed, represented a triumph over the revolutionary section of the party and the working class. It brought to the surface everything that was provincial, narrow-minded, nationalistic, self-seeking, the most backward elements in backward Russia. They envied, distrusted, hated the cultured men with the great internationalist traditions who had led the revolution. They inherited from Russia's past not only avarice, greed and ignorance — but also intolerance, anti-Semitism.

Trotsky many times pointed to the similarity of the Thermidor after the French Revolution with that of the Russian Revolution of the twentieth century. He related how the Stalinist Thermidorians had not hesitated to use anti-Semitism in their appeal to the most backward sections of the party and the population against the leaders of the Left Opposition, many of them like Trotsky, Zinoviev, Radek, etc., of Jewish origin.

More recently, we have seen the official attacks against "homeless Cosmopolitans" and the listing of original Jewish names in parentheses alongside of present Russian names. Milovan Djilas, the Yugoslav leader, relates an incident with more than the appearance of verisimilitude. He says that on one of his visits to Moscow before the break, Stalin taunted him at a gathering about Moshe Pyade and other Jews being in the leadership of the Yugoslav CP. In

general, Djilas says, Stalin addressed him as "one gentile to another."

Anti-Semitism and Anti-Zionism

Confronted with the horror and stupefaction of Western opinion, Stalinist apologists are going to great lengths to distinguish between anti-Semitism, which they deny, and anti-Zionism, which they affirm. Gottwald made the point in his speech to the Czech CP Conference. The Moscow *New Times* dwelt upon it extensively. The distinction is obvious; socialists have always opposed Zionism politically as a reactionary, anti-Marxist philosophy, a handmaiden of imperialist politics. That Stalinism must deny anti-Semitism indicates its contradictory nature. It can and does practice the methods of the worst capitalist reaction but it can never utilize its ideology directly. In that contradiction Trotsky saw the similarity between Stalinism and National Socialism and also the great differences between them arising from the origins of the states they rule and the social systems on which they rest.

But the distinction, in practice, between anti-Semitism and anti-Zionism, made by Gottwald and the *New Times* is spurious, threadbare so far as they are concerned. The campaign against the "homeless Cosmopolitans" in the USSR and the conduct of the Czech trial gives the lie direct. Does one need the sensitive ear of a victim of race prejudice to understand the significance of the following sequence in the Prague courtroom? The defendant on the stand is Benjamin Geminder, former chief of the International Department of the Communist Party of Czechoslovakia:

Prosecutor: "You never learned to speak decent Czech?"

Geminder: "That's right."

Prosecutor: "Which language do you speak usually?"

Geminder: "German."

Prosecutor: "Can you really speak a decent German?"

Geminder: "I didn't speak German for a long time but I know the German language."

Prosecutor: "As well as you know Czech?"

Geminder: "Yes."

Prosecutor: "That means you speak no language decently. A typical Cosmopolitan!"

Let us grant for a moment that there was imperialist-inspired, Zionist espionage in Czechoslovakia. It is not theoretically excluded, but unlikely on the scale described in the Prague indictments, and moreover not proved in court. If such evidence existed why wasn't it produced in a way that it could be verified directly? Why weren't Zionist attorneys permitted to participate in the trial, to examine the evidence, to cross-examine the defendants and witnesses? Knowing the still fresh memories abroad of Hitler's genocide against the Jews, that was the very least Gottwald might have done if he was concerned about the stigma of anti-Semitism.

That was what Lenin did to appease world Social Democratic opinion — he invited Social Democratic attorneys to Moscow — during the trial of Mensheviks and SR's who *actually* engaged in a *real* plot which took its toll of *real* victims, among them Lenin himself who subsequently succumbed from one of these assassin's bullets. And to further appease this working class opinion, the Soviet court com-

mutated the sentences of the assassins whose guilt was established beyond doubt. Gottwald, on the contrary, ordered the defendants hung without delay, on the theory, evidently, that dead men tell no tales.

Far from weakening Zionism, the "anti-Zionism" of the Kremlin has strengthened it immeasurably. Battening off Stalinist reaction, the Zionists are once again seducing the Jewish youth with the lure that not Socialism but an imperialist outpost in the Near East is their only hope. In Israel itself the strongest opponent of this policy, i.e., the Mapam party, is being demoralized and cut to pieces.

The Problem of "Divided Loyalties"

In the final apology of the Stalinists for their persecutions — that the Jews in the Soviet Union have "divided loyalties" — there is perhaps a grain of truth. The evidence is strong that the Soviet Jews, *like all other minority peoples in the USSR*, are a disaffected, discontented national grouping. One indication was the large and emotional demonstration which greeted Golda Myerson on her appearance in Moscow in 1948 to open the Israeli legation there.

The responsibility rests with the Stalin regime, not the Jewish people. By its policy of Great Russian chauvinism, it turned the Jews from a people who cherished the greatest hopes in a country that was moving toward socialism and where they saw assimilation as the solution to their problem, into a persecuted national minority. Stalin's record on the national question leaves no doubt on this score. Lenin on his deathbed broke off all personal relations with Stalin for his brutal treatment of the Georgian people. Subsequently there have been constant purges in the Ukraine; Volga Germans, peoples of the Baltic and the Caucasus have been bodily uprooted from their homes and lands.

Great Russian chauvinism has been carried to such exaggerations as to become the laughing stock of the world at the same time that national minorities and their representatives have been subject to constant attacks for "bourgeois nationalism." The bureaucracy reacts to any form of autonomy as a mortal threat to itself. It meets all opposition with further and more brutal repressions. That was how it reacted to the demonstration for Golda Myerson. The Yiddish language CP paper *Einikeit*, the Jewish publishing house, "Emess," were shut down, the doors of the Jewish Anti-Fascist Committee were padlocked, the dread purges began to the accompaniment of the savage campaign against "cosmopolitanism." Exactly the opposite of Lenin's method which took great pains to satisfy all grievances, going to the point in the case of the Finnish people of granting the right to secession.

The consequence of Stalin's policy will be to drive innumerable Jews in the world into the arms of Zionism and world imperialism, just as his brutal Ukrainian policy drove millions of Ukrainians into the arms of the Nazis at the beginning of World War II. Yet they, or anyone, who in anger against Stalin's barbarous methods joins the Eisenhower-Chiang Kai-shek-Franco anti-Communist crusade would be making the same fatal error the Ukrainians discovered they had made after joining Hitler. Stalin's crimes must not become McCarthy's victory. The task of

settling accounts with Stalin cannot be farmed out to Eisenhower or Dulles, it is the duty of the working class itself which will achieve it in the course of remorseless struggle against world capitalism.

Marxism and Stalinism

We do not here have the space to dwell at length upon the larger questions raised by the recent purges. Waldo Frank's assertion that this eruption of anti-Semitism is "implicit in communist doctrine" is as much a half-truth as the assertion that leprosy is implicit in the human organism. It is the product of specific objective circumstances not of intrinsic factors, of the unforeseen line of evolution the struggle for socialism has taken. This is affirmed not only by the doctrine itself, but by the liberating manner it was applied not only by the leaders of the great October Revolution, but even in the warped revolution in Czechoslovakia itself. For this we have the testimony of B. G. Kratochvil, former Czech ambassador to Great Britain (1947-49) and to India (1949-51), now a refugee, who says that prior to the trials in Czechoslovakia there were "*hardly any classical racial or economic forms of official anti-semitism (although there were) many proofs of anti-Israeli and anti-Zionist attitudes.*"

Unfortunately the beginnings of socialism emerged first in Russia which became a besieged fortress in a backward country surrounded by a hostile capitalist world. Its first extensions continued to encompass other underdeveloped, poverty-stricken areas. Czechoslovakia, and even Eastern Germany, were far more advanced but still too small and weak to set up an effective counter-current. This strengthened all the rot and refuse inherited from the dying capitalist world, but at the same time it confronted the bureaucracy with a life and death struggle for its own existence against the rising progressive and revolutionary forces developing internally.

The tide, however, is now turning, and it is best attested by Dulles' doleful expression that not the Soviet orbit but capitalism is being "encircled." The Kremlin is frightened by this historic turn because it now also sees itself faced with an encirclement, an internal "encirclement" that will eventually spell its doom: with the flare-up of revolt that developed in Yugoslavia, with the unmanageable Chinese revolution, with the advanced workers of Czechoslovakia and Eastern Germany, with mounting criticism in the USSR itself.

The racial extremities of the new purges indicate that the bureaucracy is now reaching the last extremity in its struggle for survival. True, it is still capable of great damage, great reaction, great ignominy, but it must be remembered that it is now not at the beginning but at the beginning of the end of its career. The epoch of world reaction which brought it into being is now definitively ended. We live in the epoch of the great transformation, of that great clash between the masses of the world and imperialism, in the final showdown which will bring down capitalism and all of the diseased growths which it has spawned, including the monstrosity in the Kremlin.

The 19th Congress of the Russian C.P.

By MICHEL PABLO

The main interest of the 19th Congress of the Russian Communist Party unquestionably lies in the facts it has provided about the situation in the USSR.

These facts emerge directly or indirectly from the various reports presented to the Congress, as well as from some of the speeches of the delegates. Naturally, the statistics provided by the Soviet leaders as well as the facts relating to them should be judged and interpreted critically.

It can be said of statistics in general that "anything can be done with them," and the leaderships in bureaucratic regimes are past masters at this art. On the other hand it should not be forgotten that the facts in the reports relating to bureaucratic management of the economy, to the party regime, to the State and Soviet life in general are presented by the topmost representatives of the Soviet bureaucracy who play a Bonapartist role within this bureaucracy.

The image of Soviet society, of its problems and its reactions is inevitably incomplete, deformed, embellished in the form it is depicted by its representatives. But despite all their art of dissimulation and their deformation of the true state of Soviet society; their documents, reports and speeches to the 19th Congress provide first-rate material for a critical discernment of several important aspects of the present, real situation in the USSR.

It has been a long time since such material on this question has appeared. We shall see that the essential estimations which our movement makes on the USSR have once again been confirmed.

Despite the obstacle of bureaucratic management, the relations of production which only the October Revolution made possible (the statification of all the means of production and planned economy) still cause an impressive rise of the productive forces in the USSR. This contrasts ever more with the stagnation and decline of the productive forces in the capitalist world taken as a whole. Thus the facts once again confirm the overwhelming superiority of these new forms of production over capitalism.

On the other hand, the noxious presence of bureaucratic management of the economic and administrative apparatus of the USSR penetrates into all the pores of its organism. In the economic sphere, the bureaucratic plague takes the form of theft and squandering of state property, the black market, sterilization of the productive spirit and of the productive capacities of the masses.

On the political, social and cultural planes, the bureaucratic plague takes the form of the police regime, bourgeois tendencies in customs and thinking, formalism, academism and conformism in the arts.

But in return, new generations are growing up in the USSR, on the soil of unquestionable economic and cultural progress, generations who did not experience the defeats of the October generation who are thinking, criticising and

fighting in face of the principal obstacle to the free development of the country: the bureaucracy. The bureaucracy is conscious of the danger. They are trying to eliminate it both by concessions and by a tightening of their control over the masses.

But the entire world is now the active arena of the historic revolutionary process. The new revolutionary forces forming and awakening in the USSR itself will not be alone for long. They are moving toward a junction with the forces of the advancing international revolution, and they will inevitably flatten the bureaucracy. Let us see how a critical study of the facts provided by the 19th Congress of the Russian CP illuminates all these points.

Achievements and Dynamism of Soviet Economy

a. Industry

The war delayed "the development of our industry," Malenkov declared in his report, "from eight or nine years, that is, roughly for two five-year plan periods . . . Post-war reorganization of industrial production was completed in its broad lines in the course of the year 1946."

After that, industrial production increased rapidly *at an annual average rate of about 20%* to reach twice the 1940 level (the last peace-time year) and around three times that of 1946. (What should be emphasized besides is the *regularity* of growth of production in the USSR as contrasted with the *spasmodic* character of the development of production in the capitalist countries.)

During this same period, the most dynamic capitalist production — that of the United States — developed only 30% in relation to 1946 to reach twice that of 1939 (the last peace-time year) in 1951. (The rate was only around 2% in France.)

Naturally one can question the strict accuracy of the scope of this annual rate of increase of industrial production in the USSR.

Last May a convention on Soviet economic growth was organized by the Social Science Research Council. According to the specialists assembled the rate is not so high, but 5-7% according to some and 12% according to others. But even if the latter figure is accepted as the average, the dynamism of Soviet economy is not thereby less impressive and contrasts with the gasping of capitalist economy in general. (This dynamism is now characteristic of all the "people's democracies" and of China. The annual rate of growth of production in these countries is far higher than that of the most dynamic capitalist countries.)

The new five-year plan of 1951-1955 provides for an average annual rate of around 12% for the production of all industry. "Such a rate of growth means that in 1955 the volume of industrial production will triple in relation to 1940." (Malenkov)

In concrete figures the USSR now produces in the *means of production* 25 million tons of pig iron, 27 million tons of rolled metal, 300 million tons of coal, 47 million tons of oil, 117 thousand million kilowatt hours of electric power. The overall volume of the production of the means of production has been doubled and in some branches surpasses that of 1940.

"The 1952 output is to be as follows: over 5 thousand million meters of cotton textiles, or roughly 30% more than in 1940; nearly 190 million meters of woolen fabrics, or roughly 60% more than in 1940; 218 million meters of silk fabrics, or 2.8 times the 1940 output; 250 million pairs of leather footwear, or roughly 20% more than in 1940; 125 million pairs of rubber footwear, or 80% more than was turned out in 1940; over 3,300,000 tons of sugar, or over 50% more than in 1940; over 380,000 tons of dairy-produced butter (leaving out of account the considerable amount of home-made butter), which will be over 70% more than the pre-war figure of dairy-produced butter." (Malenkov).

These figures permit instructive comparisons and conclusions. First, concerning the production of the means of production. For 210 million inhabitants of the USSR they represent roughly 40% of the corresponding production of the United States in 1951 with a population of 155 million*. The gulf, and especially the gulf *per capita*, between the two countries still remains very great.

The figures on production of articles of consumption are even more eloquent. In relation to the material and cultural level attained by the Soviet masses in 1940, progress in this sphere has been important.

Production of cotton textiles *per capita* has increased 20% in relation to 1940; woolen fabrics more than 60%; paper more than 70%; electric power has more than doubled — also cement. The gulf however, including in the field of articles of consumption, remained very large in relation to the level of the advanced capitalist countries.

For example, in 1952 there were still roughly 24 meters of cotton textile *per capita* in the USSR as against roughly 60 meters in the United States and 38.4 in England in 1950: 1.2 pairs of leather shoes annually against 3.3 pairs in the United States, 3 pairs in Great Britain and 2.5 pairs in France.

The progress of Soviet industry is not confined to the constant growth of volume. It extends to the technical sphere of the perfecting of machines, their increase in quantity and models, particularly of machine tools.

This results in increased production which contributes to the high rate of constant growth of production. (According to Malenkov, "From 1940 to 1951 productivity of labor in industry increased by 50%. During this period, 70% of the increase of industrial production was due to the raising of the productivity of labor.")

"The machine tool aggregate," Malenkov declared,

* USSR 1952	(in millions of tons)	U.S. 1951
Pig Iron	25	64
Steel	35	95.5
Coal	300	528
Oil	47	307.5
	(in billions of kw. hrs.)	
Electric power	117	482.3

"was increased 2.2 times (in relation to 1940) during this period by the addition of new, more productive machines. In the past three years alone the Soviet engineering industry has produced about 1,600 new types of machines and mechanisms."

If we take the aggregate figure of roughly 700,000 machine tools which the USSR had in 1940, we arrive at the figure of 1,540,000 in 1952 as against 1,772,000 in 1950 in the United States, and only 800,000 in Great Britain, the second industrial power in the capitalist world! (Reservations are however necessary on the way that the statistic "machines, machine tools, and mechanisms" is established in the USSR.)

b. Agriculture and Livestock

In the post-war period, Malenkov declared, "a particular concern of the party was to strengthen the collective farms organizationally and economically, to assist them in restoring and further developing their commonly-owned economy and, on this basis, to improve the material well-being of the collective farm peasantry." (Malenkov's concern for the well-being of the peasantry does not prevent him from vehemently attacking the supporters of the "agro-cities" who "have forgotten the principal production tasks facing the collective farms and have put in the forefront subsidiary, narrow utilitarian tasks, problems of amenities in the collective farms.")

At the present time "there are 97,000 amalgamated collective farms instead of 254,000 small collective farms as of January 1, 1950."

The pre-war level of agricultural production has been attained and surpassed. The cultivated area for all agricultural crops in 1952 surpasses by 5,300,000 hectares the pre-war level. "In the current year, 1952, the total grain harvest amounted to 8,000 million poods (one pood equals around 36 thousand lbs.) with the total harvest of the most important food crop, wheat, 48% bigger than in 1940," according to Malenkov. The grain problem has been "solved successfully, solved once and for all."

On the other hand Soviet agriculture has become *qualitatively* different, differing profoundly from the old, less productive, extensive agriculture.

"Whereas the area under all agricultural crops in the USSR in 1952 is 1.4 times more than in 1913, the area under grain crops having increased 5%, the area under industrial, vegetable and melon crops has increased more than 2.4 times and the area under fodder crops has increased more than 11 times."

The mechanization of agriculture has increased considerably. "The aggregate horse power of the tractors belonging to machine and tractor stations and state farms has risen 59% above the pre-war level, that of harvester combines has risen 51%."

So far as livestock is concerned, long-horned cattle have surpassed (in 1948) the 1940 level, as well as sheep (1950) and pigs (1952).

Total production and production for sale of meat, milk, butter, eggs, wool and leather has also surpassed the pre-war level in the USSR as a whole.

c. Commerce, Transportation, Communications

During the post-war years the business figures for state and cooperative commerce have been multiplied by 2.9, appreciably surpassing the pre-war level. This is the result of increased industrial and agricultural production.

So far as transportation is concerned, the weak point of Soviet economy, no indices are given on the development of the railroad system. We learn however, that in 1951 there were 23,000 kilometers of navigable inland waterways in use more than in 1940. The only index on automobile transport is one stating that "the network of motor roads with improved surface has expanded by 3.1 times compared with 1940."

The indices are just as vague concerning the telephone and telegraph system. "The radio-receiving network is at present nearly twice as large as in 1940."

Five-Year Plan Goals 1951-1955

What are the goals aimed at by the fifth five-year plan in the various spheres of economy on the basis of this achievement of Soviet economy in 1952?

Industry: The production of the means of production is to increase around 80% and the production of articles of consumption roughly 65%. The total of industrial production to increase roughly 70% as against 1950. To approximately double state investments in industry as against 1946-50. In the production of the means of production, special emphasis is placed on the production of hydraulic turbines (780%) and steam turbines (230%), on big machine tools for metal cutting (260%) and equipment for the oil industry (350%), finally steam boilers (270%). The emphasis in the production of articles of consumption is placed on cement (220%), meat (92%) and preserves (210%).

Agriculture, livestock: Increase in total crop — from 40 to 50% for grain, from 55 to 65% for raw cotton, from 40 to 50% for linen fibers, from 65 to 70% for sugar beets, from 40 to 45% for potatoes.

Increase in the production of fodder: From 80 to 90% for hay, triple or quadruple tubers, root stalks, and double silage.

Increase from 18 to 20% long-horned cattle, sheep from 60 to 62%, pigs from 45 to 50%, horses from 10 to 12%. Multiply the number of poultry by 3 or 3.5%, the production of wool by 2 or 2.5%, the production of eggs by 6 to 7%.

Commerce, transportation, communications: Increase in retail state and cooperative trade of roughly 70%. Build new railroad lines at a ratio two and a half times greater than in 1946-1950. Build and rebuild around 50% more paved roads than in 1946-1950. Double the length of inter-urban telephone and telegraph cable.

Some General Remarks

The geographic distribution of industry has changed since 1940 with the increasing industrialization of the Volga Basin and of the Ural, Siberian, Far Eastern and Kazakhstan areas and of the Central Asian Republics. (In his speech Beria tried to point up the development of these areas in comparison with those of the most developed cap-

italist countries — France, Italy, Belgium, Holland — and of countries like India, Pakistan, Iran, etc. He demonstrated that the rate of industrial and agricultural development in several branches of these areas very considerably surpasses that of the corresponding rate in capitalist countries and their dependents.

The total volume of industrial production in these areas has tripled in relation to 1940. The new five-year plan maintains and accentuates this tendency which is extended to Transcaucasia and to the Baltic countries. The weak points of Soviet economy taken as a whole remain transportation and construction in which there is still a serious housing crisis. On the other hand the pre-war crisis in the sphere of foodstuffs and clothing is in the process of disappearing through the progress made in the production of grain, meat, fats, cotton, wood, leather. (Malenkov recognized "that there is still a generally acute housing shortage." The number of buildings and houses constructed remains small especially if the extensive destruction caused by the war along with productivity in building — which has increased only 36% as against 1940 — is taken into consideration.)

However, even discounting complete fulfillment in 1955 of the aims set by the fifth five-year plan, total industrial production in the USSR will only be around 70% of present production in the United States. The gulf is even greater per capita in the sphere of means of production as well as in articles of consumption.

It can be seen that we are still far from not only "material abundance" but merely a level comparable to that of the more developed capitalist countries. That, consequently, not only will the USSR in 1955 not be on the threshold of "going over from socialism to communism" but even far from having attained a truly socialist economy, which presupposes a considerably higher level than that of the most advanced capitalist countries.

Defects of Bureaucratic Management Of Soviet Economy

The bureaucracy tries to project its own image on the canvas it periodically paints of the economy and of Soviet life in general. First, its statistical technique is such that it never permits a breakdown of the real distribution of national revenue among the different social categories of Soviet society and the real share of well-being among the workers, the peasants and the bureaucracy itself.

During the period from 1940 to 1951 the national revenue of the USSR increased by 83%. "Three-fourths were placed at the disposal of the toilers — the remainder to enlarged production and to satisfy other needs of the state and of society." But in Malenkov's vocabulary the term *toiler* embraces bureaucrats, workers and peasants. No indication is given of the relative share of each of these categories.

Thus the exact *social equivalent* was and remains the most difficult element to determine. But the bureaucracy, however, is not successful in completely effacing from its reports the misdeeds of its management of the economy and the state. Defects on such a scale would be unthinkable if there were a genuine democratic control of the economy by

the masses, the workers and technicians of the factories, the peasants and technicians of the collective farms.

Squandering, Theft, and Damage Of Collective Property

In 1951, Malenkov declared, "Losses and unproductive expenditures in establishments of national significance totalled 4900 million rubles, including 3,000 million due to spoilage."

Also in 1951, "the overhead expenses in building in excess of estimates amounted to more than 1,000 million rubles and instead of a planned profit of 2900 million rubles, the construction organizations incurred in that year a loss of 2500 million rubles."

In agriculture, "agricultural machinery is prematurely worn out and considerable excess expenditure on the repair of machines is incurred." "Mismanagement has not yet been done away with in many machine and tractor stations of collective farms and state farms." Harvesting is often "below plan" which "results in big losses." The preservation of collective farm property is organized in a "defective" manner, the care of livestock is "bad."

Losses and unproductive expenditures are "equally great" in transportation, the overhead expense of storing, preserving and transporting agricultural products "are too high as are the general costs of the commercial organisms."

Finally "administrative expenses are still too high." The "excessive expenditure of materials, money and labor resources observed in all branches of the national economy, indicates that many executives have forgotten the need for exercising the economy that they do not concern themselves with the rational and economical expenditure of state funds . . . and that the party organizations do not notice these shortcomings and do not correct these executives."

In conclusion, there are many wasteful bureaucrats and there is no control from below, the only control being that of "the ministries," that is, the bureaucracy itself. Malenkov also points out that the execution of the plan in industry is often hindered and falsified by a volume of total production which does not correspond to the articles demanded by the state nor to the quality demanded for these articles.

To fill their quotas, many enterprises replace the production of certain articles by others or turn out "large quantities of inferior goods." "Dissimulation" and the "falsifying of results of work" characterize "certain leaders." Others make "exaggerated (demands) for investments and raw materials" which do not correspond to the real production of their enterprises within the plan. These "exaggerated demands" obviously feed "the black market."

Malenkov recognizes that in agriculture "there are still instances of collective farm property being squandered, and of other violations of the Rules of the Agricultural Artel. Some workers in Party, Soviet and agricultural bodies instead of guarding the interests of the collective farm common enterprise themselves engage in pilfering collective farm property, flagrantly violate Soviet laws, engage in arbitrary practices and commit lawless acts in relation to collective farms."

"Many leaders," forget in general, "that the enterprises confided to their charge and management belong to the state and try to transform them into their property." Many leaders lack "honesty and sincerity toward the state and the party," have their own discipline distinct from that of the "rank and file," and in general show a series of characteristics far removed from "the new Soviet man," the "socialist man."

We have little difficulty in recognizing throughout these "criticisms" the portrait of the bureaucrat, arrogant toward his subordinates, deceiving to his superiors, wasting, thieving, brazenly squandering public property. (We can only mention some of these "criticisms" in this article. The misdeeds of disorganization and confusion caused by the bureaucratic administration of the economy are abundantly illustrated in Malenkov's report as well as in speeches by the delegates. Bureaucratic pressure for production on the other hand leads both to strengthening the resistance of the workers and to the "dishonesty" of the leaders toward the state and the party by the tactic of false accounts they are obliged to present to avoid penalties.)

State, Party, Culture

"The enemies and vulgarizers of Marxism," Malenkov forcefully stated, "advocated the theory, most harmful to our cause, of the weakening and withering away of the Soviet state in conditions of capitalist encirclement." The party "smashed and rejected this rotten theory" and has arrived at the opposite conclusion, that "in conditions when the socialist revolution has been victorious in one country while capitalism dominates in a majority of others, the country where the revolution has triumphed must not weaken, but strengthen its state to the utmost."

Marx and Lenin are among the "enemies and vulgarizers of Marxism." Malenkov now uses the term "surrounding," speaking besides of the fact that the USSR is no longer alone in the world and emphasizes as do Stalin and other speakers *the rupture of the encirclement in fact since the last war*, but does not draw any adequate conclusion so far as the state is concerned.

If the "economic base of (our) state has expanded and consolidated," if "friendly collaboration between the workers, peasants and intellectuals who compose Soviet society has been further knitted together," and if imperialist encirclement has been attenuated, the State should be disappearing at least a little instead of being "strengthened to the utmost."

Malenkov glorifies the specific apparatus of coercion (a coercion exercised primarily internally) which is the State and prepares the "passage to communism" in the USSR flanked by a more powerful GPU than ever! (Malenkov speaks specifically "of the organisms of security and information" which should be further strengthened "by all means.") This crying contradiction would alone suffice to negate the picture of "a friendly collaboration of workers, peasants and intellectuals who compose Soviet society" and in which the *bureaucracy* is non-existent.

In the reports on the party by Malenkov and by Krutchev, the emphasis is placed both on the need of reviving "self-criticism and criticism from below" as well as on "dis-

cineline" and on "loyalty" toward the state and the party. The Bonapartist tops of the bureaucracy are trying to both curb the excesses of bureaucratism which estranges the masses from the party and pushes them into indifference, to refurbish the leadership in their eyes, and to take a firmer hold on the party.

Widespread corruption in bureaucratic circles appears dangerous both as to the proper working of the economy and the administrative apparatus, and because of its compromising effects for the whole of the bureaucracy with regard to the masses.

The lengthy tirades in both reports on these questions are not mere rhetorical exercises. They correspond to a threatening objective reality against which the bureaucratic tops of the bureaucracy is reacting in its own way. What should be particularly noted in this part of Malenkov's report is the passage which confirms the existence and activity of a conscious political opposition in the USSR, recruiting among the elements of the new generation, animated by elements having belonged to the Left Opposition, the Zinoviev and Bukharin groups in the past.

"People alien to us, all types of elements from the dregs of anti-Leninist groups smashed by the Party, seek to lay their hands on those sectors of ideological work which for one reason or other are neglected by Party organizations and where Party leadership and influence have weakened, in order to utilize these sectors for dragging in their line and reviving and spreading various kinds of non-Marxist 'viewpoints' and 'conceptions.'"

Speaking of culture, Malenkov complains about "mediocrity, the absence of ideological content, the distortions"

which characterize many literary and artistic works in the USSR. The cinema, painting, often the novel do not always correspond "to the ideological and cultural level of the Soviet man" which "is incomparably higher."

Malenkov indicts the writers and the artists and feigns to ignore the real causes of academism, byzantinism which generally characterize literary and artistic production in the USSR: the police and bureaucratic political regime which remove the possibility of free creation from the writers and the artists.

Malenkov is not content with works that depict a Soviet life "without contradictions," flat as a colored postal card, without humor and satire. He cries out: "We need Soviet Gogols and Schedrins whose scorching satire would burn out all that is negative, decaying and moribund, everything that acts as a brake on our march onward."

But in that case it would be necessary to burn out, to eliminate the *bureaucracy*. It is they who brake "the movement onward" and who terrorize the Gogols.

The "official" art and culture of bureaucratic and police regimes were always formalist, academic and byzantine. The satire of the Gogols, non-official art, which blossoms in illegality against the prevailing regime, has contributed its part to overthrowing it. There should be no doubt that one of the forms which the struggles of the new generations in the USSR against the bureaucracy will take will be that of art, literature and science. Malenkov will have his Gogols, his Goyas, Daumiers and his Galileos. They are already beginning to make their way.

December 12, 1952.

Negro 'Progress': What the Facts Show

By **GEORGE BREITMAN**

Two main camps, broadly speaking, are engaged in a struggle for the leadership of the anti-Jim Crow movement in the United States. One camp, temporarily dominant, stands for "gradual reform" through class collaboration; it includes most labor and Negro leaders, practically all capitalist liberals and some capitalist conservatives. The other camp, whose direct influence is much weaker, stands for radical change through militant class struggle; its chief organized expression is the Marxist movement, although large numbers of Negroes and workers sympathize with some or many of its practical conclusions.

The reformist camp takes this position: "We deplore Jim Crow and want to eliminate it. We believe that this can be done, and should be done, within the framework of capitalism and the two-party system. The way to achieve progress is not by antagonizing those who control the country, but by persuading them that Jim Crow is harmful, unjust and unnecessary. The facts show that our approach is correct because the Negro has steadily been making remarkable gains in all spheres of American life. Let us not become impatient and throw away the method that has

been tested and proved successful. Let us continue to work as we have been doing, more energetically of course, and through peaceful collaboration, appeals to reason and willingness to compromise we will gradually but surely solve the problem."

The revolutionary camp takes this position: "The only way to make progress against Jim Crow is by fighting tooth and nail against those who profit by it, the capitalist class, just as the only way to end Jim Crow is by removing its fundamental cause, the capitalist system. Whatever lasting gains the Negro people have made in the 20th century were won through struggle in alliance with other progressive sections of the population, particularly the working class, and not by collaboration with the capitalist beneficiaries of Jim Crow; and that is how future gains will be made too. We deny that the economic gains of recent years are substantial, or that they will necessarily be permanent, or that they automatically signify further gains, or that they prove the correctness of the reformist program. To win the maximum gains possible under capitalism, and to abolish Jim Crow, we need new methods, a new leader-

ship and a new party based on the labor and Negro movements."*

New Bible for Reformers

As can be seen, part of the controversy revolves around the extent and nature of recent gains by the Negro people. Since the end of World War II the reformists have talked about little else, for this is their strongest debating point. Now they have a Bible too — a report entitled "Employment and Economic Status of Negroes in the United States," prepared for the Senate Subcommittee on Labor and Labor-Management Relations and published on Nov. 20, 1952. The air has been thick since then with claims that need to be examined.

An introductory note in the report says: "From all the information brought together, two general facts seem to emerge. The first is that in almost every significant economic and social characteristic that we can measure — including length of life, education, employment and income — our Negro citizens, as a whole, are less well off than our white citizens. The second is that in almost every characteristic the differences between the two groups have narrowed in recent years." (The second, naturally, was selected for priority and the main emphasis in the headlines, news stories and editorial comment of most of the capitalist press.)

In our opinion, the first of these general conclusions, whose truth no one can deny, is the more important of the two. The program of gradual reform has had 8½ decades since the Civil War to show what it can do and yet 1950 found the Negro "less well off" than the white — and that is an extreme understatement, as the statistics will show. Nevertheless, since the reformists claim that the decade 1940-50 marked such an acceleration of Negro progress that their policies have been vindicated, it is necessary to examine the statistics supplied in the report with a view to determining what changes took place in the status of the Negro people during that decade, and what their implications are for the future.**

* The most complete exposition of the Marxist position will be found in the Socialist Workers Party resolution, "Negro Liberation through Revolutionary Socialism," *Fourth International*, May-June, 1950.

** Our use of the data in the report does not mean we endorse or accept them. Statistics are not correct merely because they are official. These were prepared for the Senate subcommittee by the Bureau of Labor Statistics, publisher of the cost-of-living index which is notorious for its anti-labor bias. Their main source is the Bureau of the Census, whose studies admittedly are often incomplete and, because of inadequately-trained census-takers, inexact. Furthermore, the Bureau of the Census sometimes changes its definitions so that comparisons between two censuses may be based on different things (for example, the 1950 census defines "family" in such a way as to exclude four million persons included in 1940). Victor Perlo, in an article "Trends in the Economic Status of the Negro People" (*Science & Society*, Spring, 1952) demonstrated that certain census figures are misleading and different from those of other government agencies. Consequently there is good reason to believe that the statistics in the report give a rosier picture in many details than reality warrants.

Table 1 — Median wage and salary income of persons with wage and salary income, 1939 and 1947-50.*

Year	Nonwhite	White	Nonwhite as a percent of White
1939	\$ 364	\$ 956	38%
1947	863	1,980	44
1948	1,210	2,323	52
1949	1,064	2,350	45
1950	1,295	2,481	52

According to Table 1, the average wage of the employed Negro rose from \$364 in 1939 to \$1,295 in 1950, an increase of \$931. This is less than the average increase of the employed white in the same period, \$1,525. But since the Negro's wage in the base year (1939) was so much lower than that of the white, his smaller increase in dollars works out as a bigger increase in percentages. In 1939 the Negro's wage represented 38% of the white's, in 1950 it represented 52%. Thus this table shows a relative gain of 14% for the Negro in the period considered.

This 14% figure is the most impressive in the entire report. The table on average life expectancy shows a relative gain of only 5% for Negro men and 8% for Negro women in the last 30 years; the table on education shows a relative gain of 6% for the Negro from 1940 to 1950; and the tables on occupational status vary too much from industry to industry and between the sexes to permit an exact estimation.** Most of this article, therefore, will be concerned with an evaluation of the maximum change hailed by the reformists, the 14% figure on wage income.

* In a number of places the report uses tables on "median" income but refers to them in the text as "average" income. Similarly most of the data in its tables concern "nonwhites" but the text uses the term "Negro." ("Since Negroes comprise more than 95% of the nonwhite group, the data for nonwhite persons as a whole reflect predominantly the characteristics of Negroes.") In both cases this article follows the usage of the report in tables and text.

** Average life expectancy at birth: In 1919-21 the figure for male Negroes was 84% of that for male whites (47.1 years to 56.3 years); in 1949 it had become 89% (58.6 years for male Negroes to 65.9 years for male whites). Thus male Negroes gained 2 years more than male whites and still lag behind by over 7 years — a relative gain of 5%. For females, in 1919-21 the figure for Negroes was 80% of that for whites (46.9 years to 58.5 years); in 1949 it had become 88% (62.9 years for Negroes to 71.5 years for whites). Thus female Negroes gained 3 years more than female whites and still lag behind 8½ years — a relative gain of 8%.

Median school years completed by persons 25 years old and over: In 1940 the school attendance record of Negroes was 5.7 years, while that of whites was 8.7 years. In 1950 the figure was 7 years for Negroes, 9.7 years for whites. The change was from 66% to 72%, a relative gain of 6%.

Occupational shifts: The report sums this up as follows: "... the highest proportions of Negro workers continue to be found in the lower-paying and less-skilled occupations, such as service workers and laborers. Comparatively low proportions are found in the professional, technical, managerial, clerical, sales, and craftsmen occupations. However, the shift of Negroes into better-paying occupations and more skilled occupations,

Most of the comparisons in the report are between 1940 and 1950 — 10 years, not 11 as in the wage income table. This at once raises a question: Why did the government statisticians omit the 1940 figures, which are available, and use the 1939 figures instead? It may help us to note here that if we compare the 10 year period 1939-49, we find a relative gain of 7% — only one-half the gain shown for the 11 year period. Could it be that a comparison of 1940 and 1950 — the standard procedure in most of the tables, we repeat — would show a much less imposing relative gain than the 14% shown for 1939-50? The compilers of the report will have to answer that question. Meanwhile, we see how greatly the final result can be changed by a slight alteration in the years picked for comparison, and we should be put on our guard by the arbitrariness of the choice made in this table.

That leads us directly to a much more basic objection: Comparisons of this kind have only a limited value unless they are accompanied by an understanding of the specific conditions that prevailed in the different years compared. (How useful for example, are figures comparing agricultural production in two different years if you don't know that one of them was a drought year?) We must know in what respects the economic situation of 1939 resembled that of 1950, and in what respects they differed. Otherwise we are in no position to evaluate the 14% figure or the impression, fostered by the report, that it establishes a general trend.

The 1930's were the years of the great depression; despite some relative recovery around the middle of the decade there was another recession in 1937 and unemployment was still heavy in 1939 (averaging 9½ million). It may be asked: What significance does that have for our study — didn't unemployment affect whites as well as Negroes? Of course it did, but not proportionally — the percentage of unemployment was much higher among Negroes. Then it may be asked: But what difference does that make in considering Table 1, which gives average incomes only of the employed? It makes plenty of difference: The depression not only produced proportionally greater unemployment among Negroes, it also reduced the average income of those Negroes who managed to get or keep jobs proportionally more than the income of employed whites. This resulted from two factors: discrimination against Negroes in hiring, and the depression-born practice of replacing Negroes with whites in the better-paid of the so-called "Negro jobs." Thus we have good reason to believe that so far as income went, the Negro was relatively, as well as absolutely, worse off in 1940 (or 1939) than he was in 1930.

Now we cannot prove that statistically because, for some reason, the report does not give 1930 figures on Negro and white income (although it supplies 1930 figures in many other tables). Nevertheless there is evidence strongly supporting our conclusion that Negro income fell relatively during the 1930's — statistics on employment

accelerated during the war years, has in general been maintained." This latter statement is true only as a generalization; while gains made during the war were maintained in some of the better jobs, they were lost in others.

(not contained in the report). We take the figures on manufacturing because this was among the best-paid employment open to Negroes. In 1930, Negroes made up 7.3% of all employees in manufacturing. By 1940, the figure had fallen to 5.0% — a drop of almost one-third. According to the final report of the Fair Employment Practices Committee in 1947, the 1940 figure was even lower than that of 1910, which was 6.2%! In other words, 1939 was not a "normal" year for Negroes in relative employment or in relative income, but represented the lowest point reached in both fields in at least 10 and possibly 20 or 30 years.

Consequently, the 14% relative gain computed by using 1939 as the base year does not show the overall wage trend but a temporary fluctuation. What actually happened in 1939-50 was that the Negro recovered some of the ground lost in the depression. (His proportion in manufacturing rose from 5.1% in 1940 to 6.8% in 1950 — which was still below the figure in 1930.) Was the Negro relatively better off in income in 1950 than in 1930? The government will have to release the 1930 statistics before we can answer that question with certainty. If he was relatively better off in 1950 than 1930, how much? Again the answer will have to await the release of the statistics, but one thing is sure — the figure will be much less than 14%.

Whatever else Table 1 does, it does not show the overall wage trend of recent times. A comparison of 1930 (when the depression was just beginning) with 1950 (when employment was high) would provide a far more accurate picture of the over-all trend than this table (which is based on comparison of a depression year with a year of relative prosperity).

Having filled in the background that is needed to assess the relative gains shown during the 1940's, we must now seek an explanation for those gains. A good place to begin is with data on shifts in the population.

Shifts in Population

Table 2 — Population by urban-rural residence, 1920-50 (in thousands).*

Year	NONWHITE			WHITE		
	Urban	Rural	Percent	Urban	Rural	Percent
1920	3,685	7,205	34%	50,620	44,201	53%
1930	5,395	7,094	43	63,560	46,727	58
1940	6,451	7,004	48	67,973	50,242	58
1950	9,389	6,092	61	86,639	48,576	64

Another table, which we shall not reproduce here, "reveals the shift of the Negro population, during this wartime decade (1940-50), from Southern to Northern, Central and Western States. A resulting decline in the number and proportion of Negroes in the population occurred in the Southern States of West Virginia, Georgia, Kentucky, Alabama, Mississippi, Arkansas and Oklahoma. The Middle Atlantic,

* A different definition of "urban" was used in 1950 than in 1940. With the old definition, the total urban population would have been 8 million smaller. For our purpose we will assume that the change in definition does not affect the relative result.

East North Central, and Pacific States had the most appreciable increases in their Negro population, and the percentage increases for Negroes far exceed those of the white population. Michigan's Negro population more than doubled, while its white population increased only 17%. In California the Negro population increased 116%, compared with a 50% increase among whites." Other data dealing with population shifts in the big cities show heavy increases, especially in non-Southern cities. These figures firmly establish the shift in large numbers of Negroes from farm to city or town and out of the South and the fact that proportionally this shift was greater among Negroes than whites in the last decade.

Simultaneously came a shift in the proportion of people employed in agriculture:

Table 3 — Percent. distribution of employed men and women in agriculture, March 1940 and April 1950.

Male Nonwhite		Male White		Female Nonwhite		Female White	
1940	1950	1940	1950	1940	1950	1940	1950
41.7	25.2	21.5	15.3	16.1	10.7	2.4	3.1

These figures show that on the whole the proportion of the employed Negroes who were engaged in agriculture dropped much more than that of whites similarly employed in the period under examination.

The greater urbanization and proletarianization of Negroes shown in Tables 2 and 3 are a fact of tremendous economic, political and sociological importance, but here we want to discuss only their effects on relative incomes.

To begin with, wages are higher in the North and West than in the South; a steel worker who moves from Alabama to Pennsylvania gets higher wages for the same work. Similarly, wages are higher in urban than rural areas; a tenant farmer or sharecropper who moves to the city and becomes a factory worker also gets higher wages. Since more Negroes migrated relatively than whites, the Negro's relative income would have risen as a result of his migration even if wage rates for all occupations had remained absolutely stationary during the last decade. Consequently one part (maybe even the major part) of the 14% relative gain is due solely to the existence of wage differentials between urban and rural areas and between North and South, and not to a narrowing of Negro-white wage differentials within any of these areas.

The migrations enable us to judge the validity of the 14% figure as a guide to relative changes not in wages but in real income during the last decade:

1. Not only wages but living costs are higher in urban and non-Southern areas. Negroes migrated more than whites, so this factor affected them more. In terms of real income or purchasing power, therefore, the relative gain must have been less than 14%.

2. Many people employed on the land receive part of their income "in kind" (board, lodging, produce). But this part of the income of the 1939 farmer who became a worker by 1950 is not included in the Table 1 figures, and so the increase in his real income is not actually as great as those figures would indicate. Since Negro urbanization

was proportionally higher than white urbanization, this points to the need for making another reduction in that 14% figure.

3. The last decade was marked by inflation, which strikes at the living standards of both whites and Negroes but always hits the lowest-income groups the hardest (who must spend more of their incomes on food and other necessities which have risen most in price). Since Negro wage income is shown to be only 52% of that of the whites at the end of the decade, this means that the Negro's real standard of living (as distinct from money income) was adversely affected by inflation more than that of the white, and that in terms of real income the 14% figure must be reduced further.*

"Progress" in the Last Decade

Next we turn attention to what happened to relative income *within* the last decade because it throws clearer light on the causes for the change in the decade as a whole and at the same time further refutes claims about the "steadiness" of Negro progress. Table 1 has already shown that the Negro's relative wage suddenly fell 7% in the single year 1948-1949, with the beginning of the depression that was staved off only by increased cold war arms spending. But there are other statistics in the report that are even more illuminating:

Table 4 — Median money income of families, 1945 and 1947-50.

Year	Nonwhite	White	Nonwhite as a percent of White
1945	\$1,538	\$2,718	57%
1947	1,614	3,157	51
1948	1,768	3,310	53
1949	1,650	3,232	51
1950	1,869	3,445	54**

Table 4 indicates that the high point in the relative gains did not come at the end of the decade but in the middle, when the figure reached 57%, "a comparative level that has not yet again been reached in recent years," as the report states. This loss of 3% among Negro families as a whole from 1945 to 1950 was even exceeded among urban Negro families which fell from 67% to 58% between 1945 and 1949 (1950 figures for this category are not supplied).

Causes for the Changes

Now we have the clues to the two main causes of the changes of the last decade. One was the mechanization of

* Perlo (previous citation), for example, offers Census figures to show that in this decade average rents for Negro families rose 150% while those of whites rose 61%, and that even in absolute terms of dollars Negro rentals rose more than white on the average.

** The difference between this 1950 percentage for family income (54%) and the 1950 percentage for individual wage and salary income (52%) can be explained as follows: In Negro families more members, especially married women, are working than in white families.

agriculture, which drove many people off the land, especially in the South, and gave an added impetus to the migrations and urbanization. The other was the war needs of the capitalist class, which erased the unemployment prevalent at the beginning of the decade. The requirements of war, and structural changes in the agricultural economy — these were the primary factors responsible for whatever relative gain may have taken place, and they operated independently of the will of the reformists and of the needs of the masses, white or Negro.

When we call these the primary factors we don't mean that they were the only ones. The Negro people themselves intervened effectively at many points. It was they who pulled up stakes and moved to new areas (often against the advice of timid leaders who feared that migration to the cities would provoke anti-Negro riots). It was they who won concessions by independent action, by struggles inside the plants where they broke down some of the barriers to upgrading and hiring, and by struggles outside the plants through organizations like the March on Washington Movement whose threats to undertake militant mass action did more to win a wartime FEPC order from Roosevelt than all the efforts of the reformists combined. It was the labor movement, acting mainly in self-defense to be sure, that saw to it that the newly-migrated Negro workers were paid the prevailing wage scales, more or less, in the plants under the union contract.

We have no wish to minimize these other factors — on the contrary — because these struggles confirm the basic outlook of the Marxists, not the reformists; our aim here is rather to stress the conditions which enabled these factors to operate with some success. In fact, we can even afford to attribute a measure of participation in the process to the reformists, who tried in their own way to persuade the ruling class to lift some of the obstacles to Negro employment, which they decried as harmful to the war effort, morally unjust, etc.; but this doesn't mean the tail wagged the dog. (The reformists also had a negative effect for wherever they had the influence they restrained the masses from independent struggle in a crisis where such struggle could have induced even greater concessions from the ruling class.)

We cannot determine statistically which of the two primary factors was the more decisive, but we conclude that it was the war. Because as soon as the war ended, the Negro's relative gains ended too, and were succeeded by relative losses. When the cold war began to be heated up, further relative gains were recorded in certain spheres, but not enough to make up for the losses of the second half of the decade as a whole. At this point we must also ask the reformists: If the over-all gains of the decade are to be credited to your policies, won't you also have to take the credit for the losses of the last five years, or explain why your policies did not work during 1945-50? (This period, incidentally, coincided with the Truman administration's conduct of the noisiest anti-Jim Crow reform demagoguery in the history of the country.)

Turning now to a discussion of what the future holds, we begin with the report's data on unemployment:

Table 5 — Unemployment Status of the civilian population, annual averages, 1947, 1949 and 1951 (percent distribution).

	1947	1949	1951
Nonwhite	5.4%	8.2%	4.8%
White	3.3	5.2	2.8

This shows, the report says, that the average rate of unemployment for Negroes has been "more than 50%" above that for whites in recent years. (70% above in 1951.) "Although the rate was about 5% for Negroes in 1951, compared with 3% for whites, about the same relative improvement had taken place since 1949 when the economic situation was less favorable." (Again we must ask why the authors of the report omitted the 1940 or 1939 figures, which are in their possession. Because a comparison with the latest data would show a considerable relative rise for Negroes in the average rate of unemployment during the last decade?)

The same unfavorable proportions are shown in the data about seniority. A survey in 1951 showed that "Negro workers had been on their current jobs an average of 2.4 years, compared with an average of 3.5 years among white workers" — that is, seniority among white workers is almost 50% higher than among Negroes. Moreover, "20% of urban white men and only 13% of urban Negroes had worked on their current jobs since before January 1940."

Thus if a depression takes place before a global war, Negro workers as usual will be first and hardest hit, with calamitous results for all the relative gains of the last decade.

But let's grant that the most likely variant for the next period is not depression but continuation of the cold war leading to another world war. Does that lend support to the vista, held out by the reformists, of continued relative progress for the Negroes at approximately the same rate as in the 1940's, or anywhere near that rate?

Our answer must be a flat No because the special circumstances of the last decade will not be operating in the next period, or not with the same force. The same rate of relative gain will not continue because the new base year (1950) is not a depression year such as 1939 was. It will not continue because the gap in urbanization has already almost been closed (61% for Negroes to 64% for whites) and while further migration will take place it will be on a reduced scale and therefore will not have the same impact on relative incomes as in the 40's. And most of all it will not continue because World War III is going to be a lot different from World War II.

Prospects If War Comes

Last time the U.S. had strong allies abroad and a neutral if not friendly attitude from many other countries; next time its allies will be neither strong nor dependable and Washington will enter the war with the hate and suspicion of most of the world. Last time the fighting was conducted far from U.S. shores; next time the U.S. will learn how

it feels to receive as well as give bombings. Last time the war, beginning in a depression, produced a switch from mass unemployment to full employment and an economic revival which permitted the capitalists to grant some concessions to keep the population at home from getting too restless; next time the war will begin when production will already be at near-capacity levels and the working class will already be fully employed and therefore will not produce the same psychological effects on the people. On the contrary, the counter-revolutionary attempt to subjugate the Soviet Union, China, Eastern Europe, the anti-capitalist workers of Europe and the anti-imperialist masses of Asia, South America, the Middle East and Africa will strain the economy to the breaking point, impose crushing burdens on the American people and generate discontent and resistance at home as well as abroad.

The inevitable tendency then will be not to grant but to withdraw concessions from the masses. The ruling class will seek to freeze wages solidly; to conscript labor and chain the workers to their jobs; to regiment the unions and turn them into agencies of the state to maintain labor discipline; to double and triple taxes until they consume a majority of the workers' income; and to set up a military-police dictatorship to put down all opposition to this program. Those who preach and practice class collaboration, those whose first allegiance is to capitalism rather than the working class, will be utterly unable to halt or reverse this tendency even if they should want to; only the methods of militant class struggle will be able to stop the onslaughts of reaction.

And what will happen to the economic status of the Negro people? It is of course conceivable that even in such circumstances Negroes at first might register slight relative gains in income where they were drafted out of inessential jobs and into war production. But that would be both the beginning and end of it. With strictly enforced wage-freezing and staggering taxes, the real income and living standards of the people would go down and not up. The relative status of the Negro would be frozen for the duration of a war that everyone expects to be as prolonged as it will be terrible, and all efforts to change his status would be branded "subversive" and punished by the heavy hand of the state.

No Hope in Reformist Program

Thus if a depression signifies the rapid loss of all recent relative gains by the Negro, war means absolute losses for white and Negro workers, with the Negro's relative status fixed and frozen, at best, for an indefinite period. Either way, the reformist perspective holds out little hope to the Negro for genuine progress in the present or the achievement of equality in the future.

In essence, the advocates of gradual reform exaggerate the relative gains of the past and ascribe them to the wrong causes in order to conciliate the Negro with his oppressor and to divert him from the militant action which can both alleviate and end his oppression. This program has always been a hoax; now it is becoming a trap too. If it was harmful in the past, it is doubly harmful today because

the United States is approaching a fateful turning point. The future, as we have tried to show, will not be a mere repetition of the past. In the absence of a social upheaval led by the labor movement, the war will bring a savage dictatorship which the ruling class will have no desire to relax when or if the war ends.

In the pamphlet *The Jim Crow Murder of Mr. and Mrs. Harry T. Moore*, we related the prospects of the Negroes in the U.S. to the fate of the Jews in Europe during the last war and demonstrated that "conditions can arise which will wipe out in a single decade all the gains that have been painfully accumulated in a century of strenuous effort." Such conditions will flourish luxuriantly in the soil of the reaction that will accompany the next war. Instead of continuing progress, the next period can see the Negro people used as scapegoats for the capitalist class and menaced with the loss of all their liberties and even with mass extermination. These dangers cannot be wished out of existence by shutting eyes and covering ears and reciting twisted statistics; they must be reckoned with and actively combated. For this task the reformists and their program are worse than useless; they get in the way of the job that has to be done.

This article is mainly negative because its aim is to refute certain misconceptions. But the perspective that Marxism offers the Negro people is neither negative nor pessimistic. Capitalism, which looks so powerful and imposing in this country today although it is the only part of the world capitalist system that has any stability whatever, is headed for its doom. It will not be any more successful than Hitler in conquering the world, and like him will probably break its neck in the process. The convulsions and crises arising out of the drive to war or the war itself will radicalize the American people; they will also provide the American people with opportunities to check the assaults on their living standards and liberties, and take the political power and the fate of the nation out of the hands of the capitalist minority.

For this a new party is needed; the sooner the job of building an independent labor party is started, the sooner, smoother and less costly the transfer of power will be. The American workers in alliance with the Negro people, the poor farmers and the lower middle classes are just the ones to do this job. When they do it, the economic roots of racial oppression will be eradicated, the Negro people will secure the equality that capitalism has stubbornly denied them in the 90 years since the Emancipation Proclamation, and Jim Crow will become a memory to puzzle future generations.

BOOKS AND PAMPHLETS ON MARXISM AND LABOR MOVEMENT

Write for catalogue to
Pioneer Publishers

116 University Place

New York 3, N. Y.

ECONOMIC PROBLEMS OF TRANSITION EPOCH

The Soviet Bureaucracy in the Mirror of Stalin's Latest Work

By ERNEST GERMAIN

"The greatest weakness of scientific activity in the economic sphere is the lack of a systematic course on the political economy of socialism." This statement was made at the October 1948 enlarged meeting of the Scientific Council of the Economic Institute of the Academy of Sciences of the USSR by K. Ostrovitianov, the principal reporter and one of the outstanding Soviet theoreticians. It indicates one of the major ideological difficulties which confronts the Soviet bureaucracy in its effort to codify its own daily practice in a generalized theoretical form.

The scope of these difficulties is revealed by the suppression of all teaching of political economy in Soviet universities (Leontiev: "*La pensee economique et l'enseignement politique en USSR*," *Cahiers de l'Economie sovietique* No. 4, April-July 1946, p. 10).

In a country where the leaders claim to swear only by the name of the author of "Capital," and whose every creative effort is concentrated in the economic sphere; in the country which proclaims to the entire world that its economic successes are primarily due to the application of a scientific doctrine of political economy — in this country the teaching of political economy in the universities has for years suffered from the lack of a satisfactory manual of political economy! This is one of the most striking examples of the contradictions of present-day Soviet society.

The Soviet leaders understood the dangers of such a situation — above all the danger that the most talented young Communists in the USSR would seek themselves to create a coherent system of political economy based on the Marxist classics. They have initiated an effort to formulate an "orthodox" conception of the theoretical problems of Soviet economy.

An initial discussion for this purpose was organized in the years 1939-1943. It produced a small manual of political economy which did not deal with the economic questions of the USSR, and a collective article on some of the controversial questions which was edited by a group of economists working under the direction of A. Leontiev.

A second discussion took place in 1947-1948. This discussion, initiated by the criticism of a work by Eugene Varga, quickly extended to the economic problems of Soviet society. Several writings of K. Ostrovitianov seemed to have been the principal products of these debates. N. Vosnesenski's *The War Economy of the USSR During the Patriotic War*, a book which contains numerous references to the theoretical questions of Soviet economy, was considered one of the principal sources of revealed truth during this period. Unfortunately, in the meantime the author disappeared without a trace. Embarrassment grew among Soviet economists in their search for infallible authorities.

A third discussion was carried on in 1951-52. It resulted in a draft manual submitted to the Central Committee of

the Russian C.P. Stalin's work, "Economic Problems of Socialism in the USSR," consists of remarks on this draft and on the criticisms he encountered from several official Soviet theoreticians. Stalin's work does not open but closes the discussion. As always in theoretical controversies, Stalin preferred to remain silent for years and to leave the initiative in the debates to minor gods. The sphinx spoke only when the discussion had already led to more or less clear ideas.

There are three major sources of the difficulties which the bureaucracy meets in formulating a coherent theoretical conception of Soviet economy. First, *the contradiction between Soviet reality and Marxist norms of Communist policy*. This contradiction forces the Stalinist theoreticians into endless mental acrobatics to enable them to claim to be both orthodox Marxists and unconditional apologists of all present phenomena in Soviet economy.

Then, *the contradictions between the fundamental thesis of Stalinism on the one hand and Soviet reality as well as Marxist theory on the other hand*. This second contradiction reinforces and accentuates the first. This obliges the Stalinist theoreticians to proclaim the final triumph of socialism in the USSR, and the possibility of the complete construction of a communist society in one country, despite the writings of Marx and the observable facts in the USSR.

Finally, *the contradiction between the pragmatic character of the economic policy of the bureaucracy and the necessity of justifying it a posteriori in the theoretical sphere*. This contradiction constantly confronts Stalinist theories with new problems which are the product of the rapid evolution of the economy but which however were unforeseen, precisely because of the pragmatic character of Stalinist thought.

These are the difficulties which Stalin sought to resolve in his new work. An analysis of this work demonstrates that this solution was not successful. The above mentioned contradictions continue to break through and represent the essential key to an understanding of Stalin's document.

Commodity Production in the Transition Epoch

The commodity is a product of human labor not intended for the direct consumption of the producers but for exchange. Production of commodities, in the history of human society, is counterposed to the production of use-values. The former are produced for the market, the latter for the direct use of the producers. Production of commodities arises in the midst of a society producing mainly use-values. It spreads more and more until, under capitalist production, it becomes general. Then it withers away during a historic period following the abolition of the capitalist mode of production.

Stalin merely repeats fundamental ideas set forth a hundred times in the classics of Marxism when he distinguishes commodity production proper from the *capitalist* production of commodities. Commodity production emerges at the periphery of economic life (luxury articles) spreading then to artisan and agricultural products for current consumption. It is only the *capitalist* mode of commodity production which *universalizes* itself by transforming *the whole of the means of production and of labor power into commodities*.

The abolition of the capitalist mode of production requires the appropriation of the means of production by society. In the transition epoch between capitalism and socialism the means of production cease to be commodities. The field of production and circulation of commodities is thus *restricted* in comparison with capitalist society. It is essentially limited to the means of consumption. At the same time, the production and circulation of these means of consumption as commodities is *enormously expanded* in the transition epoch, as Trotsky explained in detail twenty years before the brilliant discoveries of Stalin. The growth of agricultural production, the restriction of peasant production to family use, the development of peasant wants — all these phenomena of the progress of the economy and of civilization on the morrow of the socialist revolution carry with them not a restriction but an expansion of the circulation of the means of consumption, agricultural and industrial, as commodities.

These are well known truths, and Stalin remains on firm ground so long as he does not discard them. The question becomes knotty when it involves a determination of *the conditions of withering away* of the production and circulation of commodities in the transition epoch.

In the final analysis commodity production is the result of the development of division of labor and of the relative rise of the productive forces resulting from this division of labor. It is preceded by an epoch of *general poverty* in which the limited production and consumption of use-values is based on the extreme minimum of human needs and on the weak social productivity of labor. The distribution of goods takes the form of a *rationing of poverty*.

With the development and then the universalization of the production of commodities, human wants also develop. They are no longer limited to the labor products of each small community of producers. The labor products of the producers of the entire world are then required for the satisfaction of these wants. A prodigious rise of the productive forces corresponds to this generalization of commodity production. But at the same time, this rise occurs within the framework of an *antagonistic* society which limits to the utmost the consuming power of the producers. In fact the contradiction between limited incomes and the growing wants of the producers represents the essential mechanism which impels the proletarians into the economic class struggle to augment their share of the product of their labor.

The abolition of the capitalist mode of production does not at once diminish this contradiction but begins by accentuating it. The victory of the socialist revolution means primarily that millions (on the world scale, hundreds of millions) of proletarians and poor peasants become aware

of new wants. This is a highly progressive product of the development of consciousness of their own power and their own human dignity. But in most countries — and particularly in the USSR — the productive forces are not immediately suited, not even after a relatively brief lapse of time, to satisfying these suddenly multiplied social wants. The distribution of consumer goods in accordance with the needs of consumers is therefore impossible. How then can this distribution be effectuated?

One might conceive that all goods produced are gathered in a central store, and more or less equally distributed among all consumers, in proportion to the work each provides to society. Thus everyone would receive a fixed quantity of use-values. Such a system, in reality a return to "rationing of poverty," would meet two major obstacles. By seeking to ignore the differentiation and the universalization of the wants of contemporary man, it would quickly produce a "black market" where exchange of ration "tickets," then of consumer goods and finally of raw materials and instruments of labor would be reborn, everyone seeking to exploit the situation of *general scarcity* for his own advantage. In a word, under analogous social conditions this would mean the reproduction of the processes of initial development of small commodity production and the initial forms of private capital. Then, seeking to ignore the *interested* attitude of man in face of the problems of labor, such as results from centuries of poverty and exploitation, such a system of distribution would rapidly disinterest the producers in state industry and they would turn their productive energy toward "parallel" sectors of production. Having been put out the door, commodity production would return through the window.

Such a development can only be avoided if a *system of objective equivalence* is established between all consumer products, permitting each producer to divide his income according to his various individual wants. At the same time it requires the establishment of a system of *objective equivalence* between the labor furnished by each producer to society and the labor which he receives in return for it in the form of consumer goods. Such a system of equivalence, based on the exchange of labor power against an *indefinite variety of consumer goods*, and governed by an objective criterion, is precisely a system of circulation of commodities. The economy must submit to the play of supply and demand — of prices and wages — to govern the distribution of consumer goods because everyone's demand cannot yet be satisfied.

In reality, in the history of human society, only three great systems of distribution are possible:

1. The distribution of use-values based upon a system of rationing of poverty. This system presupposes an extremely limited number of wants corresponding to the low level of the productivity of labor if it is to function adequately.

2. The distribution of exchange values based on the production of commodities. This system presupposes for adequate functioning a minimum level of social division of labor, the development of the productivity of labor and the differentiation and generalization of wants.

3. The distribution of use-values in accordance with the

needs of consumers. This system presupposes a level of development of the productive forces permitting the production of an abundance of consumer goods which corresponds to the diversification and universalization of human wants.

The Withering Away of Commodity Production

All these real problems have completely vanished in Stalin's treatise. Obligated to start with the definition of Soviet society as a socialist society, and to underestimate if not to completely conceal the crying contradiction which continues in the USSR between consumer wants and the quantity of consumer goods produced to satisfy them, Stalin looks for the origin of the survival of commodity production in the USSR in the fact that two different sectors subsist in Soviet economy: the sector of statified industry and the sector of collective farm agriculture. Violating in passing his own statement that the economic laws "of socialism" (of the transition epoch) like all objective laws are established independent of man's will, Stalin declares that there is commodity production in the USSR because

"the collective farms are unwilling to alienate their products except in the form of commodities. . . do not recognize any other economic relation with the town. . ."

But why don't the collective farms "recognize" any other method of disposing of their products except by selling them on the market? Obviously because they would not receive an abundance of industrial products from the town. If they could freely draw upon an unlimited stock of industrial consumer goods — and this eventuality is largely independent of the subsistence of the collective farm sector — they would certainly not be so eager to "sell" their products partly to the state, partly on the collective farm market, partly on the "free" market regardless of the high "general overhead" which such a system of distribution imposes on them. Production and circulation of commodities exist because a scarcity of consumer goods subsists, and because the "collective farm sector" takes the form of a distinct economic sector defending its own economic interests. Stalin therefore confounds cause and effect when he writes:

"Comrade Yaroshenko does not understand that neither an abundance of products, capable of covering all the requirements of society, nor the transition to the formula, 'to each according to his needs,' can be brought about if such economic factors as collective farm, group, property, commodity circulation, etc., remain in force."

We would be more than justified in saying that Stalin does not understand that economic facts like the circulation of commodities and also undoubtedly collective farm property cannot be "eliminated" so long as an abundance of consumer goods capable of covering all the requirements of society is not produced.

As against the reasoning above there has several times been invoked the fact that the Marxist masters have many times repeated that with the elimination of the capitalist mode of production commodity production would also be eliminated. It is interesting to note that despite the appearance of Marxist orthodoxy that Stalin seeks to convey, he scarcely refers to Marx and Engels on this question and does not begin to meet these objections. Yet they were the

first to raise the problem of the *material base* for the withering away of commodities.

Marx writes concerning the *first phase* of communist society in his *Critique of the Gotha Programme*:

"Within the cooperative society based on common ownership of the means of production, the producers do not exchange their products; just as little does the labor employed on the products appear here as the value of these products. . ." (p. 8, International Publishers edition.)

Engels writes on the same subject in *Anti-Dubring*:

"The seizure of the means of production by society puts an end to commodity production, and therewith to the domination of the product over the producer." (p. 309, International Publishers edition.)

In reality what the Marxist masters have in mind here is the socialist revolution occurring in countries where capitalism has reached its highest development (such as the USA today) and where the development of the productive forces would permit the satisfaction of the fundamental wants of the producers and the elimination of commodity production, that is, if *national* wants alone were taken into consideration. But in the present epoch of imperialism, the *premise* for this *optimum* development of capitalism in some countries is the "under-development," the stagnation of the productive forces in the rest of the world. To break out of this stagnation the proletariat of other countries is obliged to start the overthrow of capitalism and the building of socialism under conditions where the disproportion between wants and the capacity to satisfy them remains very great. The abolition of commodity production in these countries thus comes into collision with this objective obstacle.

Let us add that Marx, in his extraordinary lucidity, seems to have envisaged such eventualities when he wrote in *Capital* in the section called "The Fetishism of Commodities:"

"Let us now picture to ourselves. . . a community of free individuals, carrying on their work with the means of production in common. . . the total product of our community is a social product. One portion serves as fresh means of production and remains social. But another portion is consumed by the members as means of subsistence. A distribution of this portion amongst them is consequently necessary. The mode of this distribution will vary with the productive organization of the community, and the degree of historical development attained by the producers." (p. 90, Charles H. Kerr edition, — my emphasis, E. G.)

In fact it would not be amiss to indicate the three stages through which the mode of distribution will pass after the socialist revolution:

- a) Continuation of the production of commodities in the entire first period of the transition.
- b) Transition, when the productive forces are sufficiently developed, to the distribution of use-values in proportion to work, this being the remainder of the first phase of communism.
- c) Transition, when the social consciousness of men is sufficiently developed after the withering away of classes and of the state and on the basis of an established abundance, to the formula: "To each according to his needs,

from each according to his abilities" in the second phase of communism.

The law of value is first of all only the statement of an objective criterion according to which commodities exchange with each other. This criterion is the quantity of socially necessary labor they embody. When there is production and circulation of commodities, either in limited sectors of the economy or in the entire economy of a given society, the law of value "is applicable" more or less generally, that is, in regulating exchange.

But the law of value is applied in different ways *in accordance with the relations of production*, under which the commodities which are involved in the regulation of exchange are produced.

In *small commodity production*, the producer is generally the owner of his means of production. In general, labor power has not become a commodity. Profit plays only a secondary role in economic life. There are few fluctuations in the level of the average productivity of labor. The law of value therefore applies here *directly*. Commodities exchange for one another, in general, in proportion to the amount of labor (living and dead) which their production actually necessitated.

Under *capitalist production* the means of production and labor power have become commodities. The realization and the capitalization of profit have become the principal motor of economic life. Here the law of value no longer applies directly but *indirectly* through the competition of commodities and capital. This competition causes a constant fluctuation in the average level of productivity. Whether or not a commodity embodies *socially necessary* time can only be determined *a posteriori* according to whether or not its sale returns an *average profit* to its owner. The sum of the costs of production equals the sum of values of commodities produced but the cost of production of each individual commodity no longer corresponds to its individual value. It is determined by the portion of the total social capital which had to be set into motion to produce this commodity. *The formation of the average rate of profit* is the *indirect mechanism* through which the law of value operates in capitalist society.

In the *transition society* between capitalism and socialism the means of production have been appropriated by society and cease to be commodities. The law of value is still operative but now in an indirect way. The sum total of "net costs" of all goods is equal to the sum total of the value produced and retained by the producers. But the *distribution* of this total value among the various categories of products is determined not by the play of the formation of the average rate of profit, but by the *goals of the plan*. If this plan provides for an increase of the production of machinery "at any cost," that means that the machinery produced under the least profitable conditions alone embodies the socially necessary labor. This brings about a redistribution of resources and incomes among the different sectors through the play of the law of value.

On the other hand, the law of value does not determine only the objective criterion according to which exchange of commodities takes place. In capitalist society, it also determines the division of productive resources among the

different sectors of the economy — since this division results from a circulation of commodities. It determines the division of the total social product into a necessary product, granted to the producers, and the surplus product, the necessary product being the purchase price of labor power by the capitalists.

Under the transition society the plan divides the available material and human resources among the various sectors. But it cannot do so arbitrarily. It is obliged to distribute a strictly fixed mass of value. A rise of the share granted to one sector leads immediately to the reduction of the share granted to another sector. Similarly, the fixing of the portion of the social product to be *accumulated* (in the broadest sense of the word) adequately determines the portion of this product available for *consumption* by the producers.

Confronted with all these complex problems, Stalin dodges the bulk of the difficulties and takes refuge in easier questions. His replies to them are no less lacking in clarity.

The Law of Value in the USSR

Stalin begins with the recognized fact that the means of consumption in the USSR are commodities. The law of value therefore determines the value of these goods. But the reservation follows immediately: "The sphere of operation of the law of value in our country is strictly limited."

What then is this sphere? "The fact that private ownership of the means of production does not exist and that the means of production both in town and country are socialized cannot but restrict the sphere of operation of the law of value and the extent of its influence on production."

If Stalin merely means to say that the means of production, no longer being commodities, are therefore not exchanged and that *a fortiori* the law of value cannot regulate these nonexistent "exchanges" he is only expressing a simple truism and we cannot but state our most complete agreement with such a banal truth.

But his conclusions go much further. Stalin declares in his reply to A. I. Notkin

"that in the sphere of domestic economic circulation, means of production lose the properties of commodities, cease to be commodities and pass out of the sphere of operation of the law of value, retaining only the outward integument of commodities (calculation, etc.)."

These outward integuments are filled with a "new content" which has "radically changed in adaptation to the requirements of the development of the national economy, of the socialist economy."

He puts forth this opinion by stating the following regarding the prices of agricultural raw materials:

"In our country, prices of agricultural raw materials are fixed, established by plan, and are not 'free'. . . the quantities of agricultural raw materials produced are not determined spontaneously by chance elements, but by plan . . . consequently it cannot be denied that the law of value does influence the formation of prices of agricultural raw materials, that it is one of the factors in this process. But still, less can it be denied that its influence is not, and cannot be, a regulating one."

It is obvious that the means of production, including agricultural raw materials, being no longer commodities, retain only the *external form* of commodities — a calculation of value in money* — and that their *social content* has changed. But after having enunciated the correct premises, Stalin draws an absolutely unjustified conclusion from them: *this change of social content modifies the quantitative determination of the form!* For in the end, *the sum of prices* has nothing to do with the social content. It belongs in the final analysis to the accounting of social expenditure in labor. To say that the means of production in the USSR have retained “the outward integument of commodities (calculation, etc.)” means that accounting of social expenditure in labor is still not effectuated directly in labor hours but indirectly in value. And to deny that the *amount* of these expenditures is determined by the expenditure in labor (by the law of value), does not prove the different social character of Soviet economy. *It throws the theory of labor-value overboard in favor of other theories of value.*

On the other hand Stalin confuses the *blind play* of the law of value — which is only the *peculiar form* of this law in a certain type of society — with the regulating play of the law of value *in its most general form*: exchange of equal quantities of labor (dead and living). The first form has naturally been eliminated in the USSR due to planning but the second form has by no means been “eliminated” and can hardly be eliminated by men’s will, as Stalin himself declared in the beginning of his work.

All this becomes clear when we consider the following passage:

“Totally incorrect, too, is the assertion that under our present economic system, . . . the law of value regulates the ‘proportions’ of labor distributed among the various branches of production. If this were true, it would be incomprehensible why our light industries which are the most profitable, are not being developed to the utmost, and why preference is given to our heavy industries, which are often less profitable, and are sometimes altogether unprofitable.”

It is clear on the face of it that Stalin *here confuses “the law of value”* in its most general sense with *the capitalist form of this law, the law of the average rate of profit*. The fact that unprofitable enterprises can develop and prosper in the USSR undoubtedly proves that the law of the average rate of profit is no longer operating. But that in no way demonstrates that the action of the “law of value” has been eliminated in the distribution of human and material resources among the different branches of Soviet economy.

What meaning do the terms “profitable” or “non-profitable” enterprises really have? They merely mean that the quantity of socially necessary labor contained in the products an enterprise furnishes to society is *compared* to the amount of labor actually expended in the process of their production (which it has received from society). If

the first amount exceeds the second the enterprise is very profitable. The initial point of profitability is equality between the two quantities. If the second exceeds the first — because of waste of raw materials, idleness of machinery increasing general overhead, excessive administrative expenditures, a too low degree of labor productivity, etc. — the enterprise is unprofitable. The very principle of profitability is thus determined by a *calculation which is based on the law of value!*

Then, if the leading bodies of the economy believe it necessary to keep unprofitable factories running, they are obliged to pump more value into these enterprises than they receive from them. But that is only possible — given the fact that the total sum of values at the disposal of society is not altered by such changes in distribution — if other enterprises in return receive less value from society than they have given it. For example, the plan redistributes social resources in favor of heavy industry and to the disadvantage of light industry. But this redistribution immediately sets into motion the mechanism of the “law of value,” that is, automatically causes a new division of production between the two sectors, corresponding to the new division of productive resources. Thus the plan can *alter the conditions in which the law of value operates*. From blind conditions under capitalism, they become socially alterable conditions. But this cannot prevent the play of the law itself from continuing so long as commodity production subsists in the consumer goods sector, so long as the determination of the price of labor power results from this, the consequence being the calculation of the “price” of all products as values.

In reality Stalin’s theoretical confusion originates in a real fact of Soviet economy: *the dual price system*. In principle, *cost prices* should be calculated as “real prices,” that is, on the basis of the actual value of the product. *Sale prices* are established by adding to cost prices a “profit” and a “turnover tax” fixed by the government for each product, which is the principal financial source of accumulation and of unproductive expenditures (armaments). But the sale prices of raw materials enter into the cost price of finished products. The sale price of machines in turn becomes part of the cost price of raw materials. In this way, the whole price system becomes artificial and arbitrary, and it is extremely difficult, even for the leading bodies, to estimate the *real* profitability — that is, disregarding artificial prices — of enterprises. This constitutes an important element of anarchy and inflation in Soviet economy, which is being eliminated very slowly. At the same time it constitutes an important stimulant for the bureaucrats to free themselves from all control, including, as Trotsky said, the control of the law of value. Stalin is obliged to fight the most excessive manifestations of bureaucratic arbitrariness in the fixing of prices. For example he denounces the absurd fixing of the price of cotton by relating it to the price of wheat. But he cannot attack the roots of the evil which reside in the whole of the artificial price system which is intended more to conceal the economic reality than to express it. His “Marxism” remains prisoner of bureaucratic management in the USSR.

Finally, Stalin keeps a discreet silence on the most dif-

* Besides, it is characteristic that while bank notes are used for the payment of wages and the circulation of consumer goods in the USSR, the entire circulation of production goods — leaving aside thefts, abuses, etc. — requires no issuance of paper money, and is carried on as a written transaction in the banks. Nothing but nominal money is involved.

difficult problem for Stalinist theoreticians, that of the explanation, on the basis of the law of value, of the enormous differences of incomes in the USSR. It is precisely in this sphere that these theoreticians had revised Marxist theory, and especially the theory of labor-value, in the most impudent way, explaining that individual remuneration was based on the *social utility* of the services each Soviet citizen rendered. Stalin does not raise this curtain. But if we penetrate to the bottom of his price formula, that prices are determined by "the necessities of the development of the national economy," we find very much in evidence the same theory of value based on utility. In fact, the germs of the *three theories of value* cohabit in his book: the labor theory of value; the theory of value determined by social utility (that is, use-value); and the vulgar and eclectic theory combining the effects of the law of labor-value with those of "social utility."

Proportionality Between Branches of Production in the Transition Epoch Economy

In replying to Yaroshenko, Stalin cites an important passage by Marx and transplants elements of his reproduction schemas to the post-capitalist society. In effect Marx' reproduction schemas establish, in the external form of commodity and capitalist production, *conditions of equilibrium* of production and consumption for any society up to the second phase of communism. The simplest of these conditions can be formulated in the following way: for any society to maintain a given level of social wealth, a portion of social labor has to be devoted to the renewing and reproduction of the instruments of labor, and this portion has to be at least equal to the mass of dead labor used up in the process of current production. This law can also be formulated another way: for any society to maintain its level of social wealth, it is necessary that the quantity of labor crystallized in means of subsistence which society places at the disposal of all those engaged in the production of these means of subsistence, not be greater than the quantity of labor, crystallized as instruments of labor, that it receives in return from them to produce the means of subsistence.

These laws retain their full validity in the transition society between capitalism and socialism. The value of the means of production to be provided to consumer goods industry (including what is needed to increase production) should be equal to the value of consumer goods which the workers and supervisory personnel employed in means of production industry can buy with their money income (this includes additional workers hired during the expansion of this industry).* Besides, this is only one of the proportional relations which the plan should seek to establish and maintain to avoid economic dislocations. There are other important proportions, also established by the calculation of

* In any money economy, this question embodies two realities: the equation between the value of two categories of commodities, and the equation between the given value of commodities and of distributed income. If the first does not correspond with the second, there will be inflation, price increases, fall of real incomes, and the re-establishment of the equilibrium on a new basis. This is exactly what happened in the USSR.

labor-value, between industrial and agricultural production; between labor to be siphoned from the countryside and means of production to be provided for agriculture; between means of consumption and the output of labor; etc.

Stalin is therefore entirely right when he scolds Yaroshenko for allegedly rejecting the validity (for the transition society) of equilibrium equations and of the proportionality formulas of Marx's schemas of reproduction. But we don't know what Yaroshenko actually wrote. Perhaps he merely wanted to say that the *equilibrium equation of simple reproduction* is somewhat *modified* in the transition-epoch economy. The hypothesis of simple reproduction — absurd on the face of it — in such an economy would in effect mean the absence of any accumulation. In that case, surplus value, the social surplus product, which was used in simple capitalist reproduction for the *unproductive consumption of the capitalist*, is greatly reduced and it is practically limited to the reserve and social work fund of the community (for the care of children and the aged). In this case Yaroshenko's "error" would seem to be an (unconscious?) revolt against the enormous scope of unproductive consumption, consumption by bureaucrats and their retinues in Soviet economy.

On the other hand the same Stalin who on one page speaks in slightly vague terms of "the net product (surplus-product?) considered as the sole source of accumulation" cavalierly proposes on another page to discard "certain . . . concepts taken from Marx's *Capital* where Marx was concerned with an analysis of capitalism — and artificially pasted onto our socialist relations . . . (such as) among others, 'necessary' labor and 'surplus labor' . . ."

Stalin crassly deforms Marxism when he declares that these notions apply exclusively to capitalist society or that they imply "relations of exploitation." In reality, in any society which is not in the process of withering away, "necessary labor" producing "necessary product," that is, the means of subsistence of the producers, may be distinguished from the "surplus labor" producing a "surplus product," that is "a surplus of the products of labor over and above the costs of maintenance of the labor." (Engels, *Anti-Duhring*, p. 221)

The *nature* of this surplus product varies with different societies and even with *the form of its appropriation*. But this surplus product has always existed and will always exist. In the primitive communist society it is broadly reduced to the social reserve fund, as well as a very meager accumulation fund (the slow increase of the stock of instruments of labor), which is socially appropriated. In capitalist society it is divided into an unproductive consumers fund, appropriated by the capitalists and disappearing from circulation, and an accumulation fund, also appropriated by the capitalists but thrown back into production in the form of machines, raw materials, supplementary consumer goods intended for an additional labor force. In the transitional society it is divided into a reserve fund and a social assistance fund, which is withdrawn from production, and an accumulation fund used for the expansion of production, both of which are collectively appropriated by society. In the degenerated bureaucratic transition society in the USSR a third fund arising from the surplus social

product, from the surplus labor of workers, is added: the fund of unproductive consumption of the bureaucracy, individually appropriated by the bureaucrats. Was it to conceal the existence of these funds that Stalin, fulminated against the "surplus product" and "surplus labor"?

Planning and Objective Economic Laws

Having admitted that *the conditions of equilibrium* of Soviet economy are largely the same as Marx established in his schema of reproduction, Stalin suddenly becomes enveloped in a series of new contradictions when he examines the relations between planning and proportionality. For example, he writes:

"The law (?) of balanced development of the national economy makes it possible for our planning bodies to plan social production correctly. But possibility must not be confused with actuality. They are two different things. In order to turn the possibility into actuality, it is necessary to study this economic law, to master it. . . and to compile such plans as fully reflect the requirements of this law."

What Stalin seems to want to say is that *knowledge of the relations of proportionality* — or if you wish: the laws of proportionality — provides the planning bodies with the possibility of planning correctly, but this possibility becomes a reality only if the plans fully (and not merely partially as is the case in the USSR) reflect the workings of this law.

At first glance, Stalin's statement appears to be in line with the classics. In Soviet society, as in any society, objective economic laws exist which can be known or utilized by man for his purposes but he cannot eliminate them or transform them fundamentally. Stalin adds that most of these laws are operative only "for a certain historic period" but that they "lose their validity owing to the new economic conditions and depart from the scene in order to give place to new laws . . . which arise from the new economic conditions."

This is a decided step forward from the crassly idealist conceptions which have been fashionable in the USSR up until now. In their works cited above, N. Voznessenski and K. Ostrovitianov seriously declared that the state economic plans in the USSR had "the force of a law of economic development," and Ostrovitianov had even added: "because they determine and realize the proportion in the distribution of labor and the means of production for the different branches of the economy." They forgot that the objective law "independent of the will of men," was the law of proportionality between the two big branches — the branch of means of consumption and the branch of means of production — discovered by Marx. By violating the conditions of equilibrium determined by this law, state plans can very easily cause a disproportionality between the different sectors.

But Stalin undergoes a strange metamorphosis when the application of these excellent principles to Soviet economy is required. We learn no more from him about these laws than that they are operative "for a certain period" and that under "new economic conditions" they will be replaced by "new laws"! In a nut shell, if we study his work attentively we will not discover *any* specific economic law

of "socialism" there — except for his famous "fundamental" law to which we will return later.

The law of value? Evidently this relates to a remnant of the capitalist epoch, the epoch of commodity production in its most general sense, which will disappear with "new economic conditions" — the production of abundance in consumer goods.

The law (?) of price fixing by leading bodies? This will also disappear with the withering away of the state and of all centralized directing bodies, not to mention the fact that where exchange no longer exists neither do prices.

The law (?) of the balanced development of the national economy (more exactly: of the conditions of disproportionality between the different sectors of the economy)? But it will disappear when humanity has at its disposal a sufficient stock of machines to satisfy all human wants, when the aim of economic "calculation" is no longer to determine equivalents in value but only to save *living labor*. The law (?) of the uninterrupted development of the productive forces? But it will cease to operate when humanity possesses an abundance of the means of production.* Does Stalin presume in his administrative arrogance that there will always be a "need" to expand productive forces of humanity?

We can now understand the origins of the errors of the unhappy Yaroshenko and of all those who undoubtedly went along with him. By taking Stalin's declarations on the establishment of a socialist society in the USSR seriously; by understanding the *historically transitory character of all economic laws*, also upheld by Stalin, they prematurely "liquidated" all the laws which really represent *remnants of the past* in Soviet economy and began the search for new laws. In a society where there is already an abundance of consumer goods it is perfectly correct to say, as Yaroshenko does, that the maintenance of the economic equilibrium depends essentially on a rational organization of *given* resources keeping growth of population in mind (which in such a society will also be consciously regulated by men). Yaroshenko's misfortune is that we are still decades and decades removed from such a state of affairs in the USSR. Stalin's misfortune is that his theory on "the achievement of socialism in the USSR" periodically produces illusions of this kind among the Yaroshenkos who take the definition of a socialist society seriously in the sense of the Marxist classics.

Stalin tells us that in the socialist society which supposedly is fully achieved in the USSR the policy of lead-

* As of the time that humanity possesses so vast a supply of machines that all its growing needs can be satisfied by merely a part of this supply, and by reducing living labor to an insignificant quantity, the development of the productive forces will have ceased to be a necessity, an economic law. Undoubtedly mankind will continue to develop these forces even in such an epoch, but for disinterested, esthetic aims, for the exploration of the universe, etc. This is the famous "leap from the realm of necessity" — the necessity to develop the productive forces to provide for human wants, to assure the full flowering of man — to "the kingdom of freedom" — the freedom to develop the productive forces *outside of human necessity* in the pursuit of disinterested knowledge or other motives actuating fully flowered humanity.

ing bodies may or may not adequately utilize the economic laws which govern its evolution. Besides we learn in passing

"that our business executives and planners, with few exceptions, are poorly acquainted with the operations of the law of value, do not study them, and are unable to take account of them in their computations."

The picture then "with few exceptions" is not particularly brilliant. Then, Stalin continues, if the policy of the leading bodies is not correct, the inherent contradictions in Soviet economy may "degenerate into antagonisms," and then "our relations of production might become a serious brake on the future development of the productive forces."

We are stupefied! "The relations of production" are, as every Marxist knows, reciprocal relations in which men engage in the production of their material needs. These productive relationships are *socially* expressed as social (class) relations, and *juridically* as property relationships. Now, Stalin has told us thousands of times that the class struggle has been liquidated in the USSR, along with all private antagonistic forms of property in the means of production. According to this thesis, therefore, "relations of production" in the USSR are largely mutual relations of producers working with the means of production which are collective property! And can these relations of production, which according to Marx's theory represent the *end product* of all social evolution, become a brake on the development of the productive forces? But then there would be posed the question of their substitution by other relations of production! And what "relations of production" can be envisaged *beyond* mutual relations of producers on the basis of the socialized ownership of the means of production? This is obviously a complete revision of the fundamental conceptions of Marxism.

The difficulty is resolved only when the absurd hypothesis that there is already a socialist society in the USSR is abandoned. After that we can understand 1.) that beside relations of production, heralding the socialist future, there subsist relations of production, which are survivals of the capitalist past, as well as intermediary relations of production (collective farms); 2.) that the degree of the development of the productive forces in no way guarantees the automatic disappearance of the latter to the advantage of the former; 3.) that on the contrary this degree of development of productive forces implies the survival of bourgeois *norms of distribution* which, in turn, are the principal source of a constant rebirth of non-socialist relations of production, small commodity production, "markets" and "parallel" sectors of production; 4.) that because of this fact, state constraint particularly in the economic policy of leading bodies is actually the *decisive* factor in guaranteeing the maintenance, the supremacy, and the generalization of new relations of production; 5.) that an erroneous policy of these guiding bodies becomes the principal factor in sharpening and transforming the social and economic contradictions that subsist in the transition society of the USSR into violent antagonisms — but which are inex-

plicable from the hypothesis of an already established socialist society.

It is precisely because the Soviet man is not yet completely master of his economic destiny that the conscious conduct of the economy, the concrete economic policy, assumes such elemental importance! But think of Stalin understanding such a dialectical truth. He is too busy shuffling the deck, keeping all the contradictory pieces of his system of thought in their place. This is the conscious expression of the contradictory nature of the Soviet bureaucracy.

The Bureaucracy, Brake Upon the Development of the Productive Forces

One could go further and say: The same causes which determine the preponderant role of economic leadership in the USSR also determine the need to subject this leadership to constant and effective control — the objective control of the market, the subjective, constant control of the workers. From both these sides, the needs of development and consolidation of Soviet economy batter at the arbitrary power, the omnipotence and the irresponsibility of the bureaucracy and its management.

The bureaucracy seeks to justify the enormous share of the national income it receives by stressing the indispensable role it fulfills in all spheres of economic life.

On the one side, the bureaucracy *plans "all"*: the exact amounts of every product of every enterprise; every cost price and every sale price; the exact distribution of consumer goods to every Soviet village. Naturally, such an undertaking is doomed in advance, as Stalin says, to "prattling about approximate figures." The market would be by far the best "planner" of prices and of the distribution of the various consumer articles, once given the sum total of their value (of the productive resources which society is prepared to devote to their production) and the sum total of revenues to be expended for their purchase. But the bureaucracy refuses to subject itself to this objective control, and its arbitrariness accentuates scarcity of consumer goods and tension on the market to the utmost.

On the other side, *it controls "all"*: the production of every enterprise and even of every worker, in money and in kind, compared to the goals of the plan; the resources of every enterprise in money and in kind along with its expenditures, etc. An enormous bureaucratic apparatus has thus been created to "control" millions of reference figures out of hundreds of thousands of formularies* . . . and constantly extends the area of maneuver for waste, embezzlement, theft. Workers' control would be the cheapest, the most effective and the most natural instrument of such control. But the bureaucracy refuses to subject itself to a control which would mean the end of its privileges, and it thereby accentuates the disequilibrium and disproportions on all levels of economic life.

* The above-mentioned Soviet journalist, V. Koroteyev, who seems to have a marked talent for "socialist realism," depicts the activities of many bureaucratic functionaries as follows:

"They lose infinite time doing nothing. . . and in preparing documentation to this effect."

Soviet economy can only be liberated from bureaucratic arbitrariness by subjecting planning to the dual control of the workers and the market. It is precisely in the transition epoch, when *balanced* planning is of vital importance for the survival of the new society, that this control becomes a life and death question for planning. But one should not expect to hear such liberating words from Stalin. Among other things, their realization presupposes the overthrow of the absolute political power exercised by the bureaucracy in the Soviet state today. This power is the principal lever of bureaucratic arbitrariness and more and more becomes, as Stalin himself admits, "a serious brake on the development of the productive forces."

It is possible to list the principal contradictions — not between the relations of production and the productive forces, but between *bureaucratic management* and the productive forces — which now curb the development of the productive forces in the USSR:

1. *The contradiction between the general needs of society (of planning) and the bureaucratic-centralist elaboration of plans.* As long as the plan goals were relatively simple (creation of a basic heavy industry), this contradiction was only relatively felt. With the enormous complexity which Soviet economy now possesses, bureaucratic-centralist elaboration of plans leads to an enormous waste of values and to the failure to utilize existing productive resources:

"As paradoxical as it may sound, almost 100,000 tons of metal is annually shipped out of Leningrad, although at least half this metal, and possibly even more with a change of arrangements could be utilized in Leningrad itself. A final example: Leningrad receives 7,000 to 7,500 tons of nails shipped from the South, although a single nail factory in Leningrad produces 7,000 tons of nails but sells its entire production outside the city." (Pravda, Oct. 10, 1952).

"There are rich reserves of capacity for the production of pig iron, forged and other types of metallurgical products in the electrical equipment factory at Novosibirsk. Nevertheless, the factory cannot accept orders. The matter is carried to the absurd. According to the planning department of the ministry, the funds at the disposal of the factory for the payment of wages are adjusted only on the basis of the production of replacement parts ordered by power stations. But the local power stations have to reduce their expenditures for parts. The factory can only maintain production with orders from very remote power stations. . . or it is artificially obliged to reduce production." (Izvestia, Sept. 23, 1952).

Such absurd situations can be eliminated only if the plans are elaborated from the bottom up, in accordance with the needs and possibilities worked out locally and on a regional basis, and, following integration and centralization on the top, they are again readjusted democratically by control from below.

2. *Contradiction between the general needs of society (planning) and the personal interests of the bureaucrats, which is the principal lever for the realization of the plan.* Since the time of the establishment of the omnipotence of the factory director, and the prevalence of the principle of individual profitability of enterprises, the bureaucrats' personal interest represents the principal lever for the realization of Soviet plans. In their constituent parts (wages, bonuses, allocation of part of the "director's

fund"), individual incomes of the bureaucrats fluctuate considerably in accordance with whether the *financial plan* of the enterprise is realized or not. This had the effect of greatly stimulating production while the new strata of profiteers were accumulating the essentials of their newfound comfort. When this level of well-being was attained, they lost interest in constantly pushing for an increase in production, since consumer privileges cannot be indefinitely extended. On the other hand, since the bureaucrats' income depends on the achievement of the *financial plan*, they prefer to divert important portions of productive capacity to products which circulate easier and at a better price, and whose production is not provided for in the plan. All this leads to waste and to considerable disorganization of the economy:

"Some plant directors are trying to fulfill the factory financial plan at the expense of production, which is profitable from the financial point of view but results in the plan not being fulfilled from the point of view of diversity of products." (Ostrovitianov, in article cited above.)

"Some establishments, in an effort to fulfill the gross output plan, resort to a practice that is inimical to the interests of the state, producing articles of secondary importance above the plan while failing to meet state plan assignments in respect to major items." (G. Malenkov: Report to the 19th Congress of the Russian C.P.)

"For a number of years, the electrical installations factory at Kharkov has allocated 30-40% of the plant's capacity to the production of indeterminate goods — that is, of products which are absolutely not provided for (for a factory with such equipment). . . It is particularly busy making window bolts, door handles and other hardware items." (Izvestia, Sept. 28, 1952.)

Such abuses can only be eliminated by the establishment of the strictest workers' control over all phases of production and distribution. By learning in practice that every complete fulfillment of the plan automatically improves their living standards, that is, by really participating in the elaboration of plan goals, the masses will learn to jealously guard this fulfillment.

Problems of Soviet Agriculture

In no sphere of Soviet economy are the dislocations caused by bureaucratic management so strikingly apparent as in agriculture. In no other sphere are the contradictions of Stalinist thought so apparent. Stalin's hypothesis that a socialist society has already been established in the USSR involves him in inextricable contradictions when he turns to the study of Soviet agriculture.

The first thing to be noted is that Stalin remains completely silent about the problem of the survival of *ground rent* in the USSR. There are unhappy precedents for him on this point: an academic speech he made in 1929 which did not shine in serious understanding of this most complex side of Marxist political economy. On the other hand, the *division of differential ground rent* is the principal source of the antagonism between the collective farm sector and the statified sector in the USSR. (Storage fees for farm machinery go up for collective farms in accordance with greater output.) After having proclaimed the disappearance of this antagonism, Stalin is now obliged to remain silent about everything that would remind his readers of it.

Stalin asserts that agricultural production in the USSR is socialist production. He speaks of the "collective farm

form" of socialist production. But agricultural production in the USSR is not only collective farm production. Stalin himself mentions the private property of the "collective farm households" (families comprising the collective farms). His enumeration of their household goods as composed of several "cows, sheep, goats, pigs, ducks, geese, fowl, turkeys" might give the impression that this is a trivial matter in Soviet agriculture taken as a whole. But this is not the case. On the eve of the war, 50% of Soviet livestock was private property, and even today this figure has not seriously altered. An important sector of private property therefore subsists in agriculture. And the products of this private sector play a growing role as commodities delivered to the collective farm and "free" market.

Then, it is absurd to characterize the collective farm sector as a socialist sector. It is even more absurd to say that "collective farm property is socialist property." This would lead us to the conclusion that there are *two* "socialist" forms of property: socialist property, "belonging to all the people," as Stalin says, and collective farm property, belonging to the producers' cooperatives. Since these two forms of property are in economic conflict with each other — otherwise there is no explanation for their coexistence, but that would be too dialectical for Stalin to understand — the economic antagonism, the social conflicts, would be perpetuated under socialism, which is the negation of one of the fundamentals of Marxist theory.

One would arrive at a similar revisionist conclusion by taking seriously Stalin's thesis that "the workers and the collective farm peasantry . . . represent two classes differing from one another in status." Classes are defined, according to Marxist theory, by their particular position in the process of production; in the final analysis by a characteristic relationship toward the means of production. For example, the different *technical* position of the industrial worker and the worker employed by the state for highway maintenance does not make a distinct social class of highway maintenance personnel. But if there is a difference of relation toward the means of production — therefore a difference of position in the process of production — there is inevitably a historic *difference of interest* between two social classes. When Marxism speaks of the *particular* interests and social consciousness of each class it is not a turn of phrase. To say that there is socialism in the USSR and to admit at the same time that two different classes subsist, is to assert that the class struggle continues under socialism!

All of Stalin's reservations on the "friendship" between the working class and the collective farm peasantry, on the fact that these two classes have a common interest in "the consolidation of the socialist system" do not in any way lessen the force of this reasoning.

Besides, Soviet reality confirms Marxist theory point for point. The workers' state and the working class have an interest in developing agricultural production as rapidly as possible in the transition epoch. But the maintenance of the collective farm sector of production can become a brake on the development of the productive forces in agriculture. Stalin recognizes that they are already beginning to play this role of a brake "by preventing the state from fully

planning the national economy and especially agriculture." The collective farm peasantry however, remains attached to the collective farm ownership of their products because under present conditions of supplying the countryside with industrial consumer goods this ownership represents a kind of guarantee that their share of the national income will not be further diminished. There is therefore, a conflict of interests, an apparent social and economic conflict. And this in a socialist society?

Another example: The workers' state seeks to develop agricultural production to the utmost while constantly drawing from the village the additional labor required for the expansion of industrial production. It is therefore interested in pursuing a vigorous policy of agricultural mechanization. The collective farm peasantry is also interested in employing agricultural machinery because it lightens their labor and permits an increase of output and therefore of the quantity of available commodities, which can be exchanged for industrial consumer goods. But for the working class and the state the increase of agricultural production should primarily result in the improvement of supply for the city and in the lowering of foodstuff prices. For the collective farm peasantry, the increase of agricultural production should primarily result in the improvement of supply for the countryside and the lowering of prices of industrial products. In the present state of things in the USSR, these two interests are therefore in conflict. Although latent, this conflict is so real that the state retains the means of decisive pressure by retaining ownership of agricultural machinery. To utilize these machines, the collective farms have to pay a price which absorbs an important part of the greater output obtained from this mechanization (category II of differential rent).

Naturally, classes with different interests do not thereby have to carry on a violent class struggle constantly. The workers' state, in the interest of as balanced a social and economic development as possible, can and should find a common denominator between the *immediate* interests of the proletariat and those of the working peasantry. But at the same time it should be clearly aware of their *difference of historic interest*. Otherwise it would be disarmed when confronted with the periodically inevitable outbursts of these conflicts. Even more, it would be incapable of projecting a clear road toward the real withering away of the classes and their different interests.

The Withering Away of the Collective Farms

This is demonstrated by the example of Stalin himself. A. V. Sanina and V. G. Venger propose to eliminate the collective farm sector as a "distinct" sector by remitting ownership of agricultural machinery to the collective farms. Stalin correctly combats this "right wing" thesis but with entirely inadequate arguments.* The only reply such a proposal requires is that it would *accentuate* the conflict of

* As unlikely as it may sound, he asserts that such a measure would impoverish the collective farms, obliging them to find the necessary funds for the replacement of agricultural machinery. As if this replacement had to occur all at once and as if long term credit did not exist!

interests between cooperative agriculture and socialist industry instead of diminishing it. It would shift the *struggle of economic competition* between these two sectors, which today prevails essentially in the sphere of the distribution of the means of consumption (division of income), to the sphere of the means of production, driving a wedge into the socialized sector of industry and trade. But such a clear reply would require a frank analysis of the opposition of interests which separates the collective farm peasantry from the proletariat and from the workers' state — not to speak of the workers' bureaucracy — and Stalin deliberately seeks to disguise this opposition which refutes the essence of his contention that socialism has been achieved in the USSR.

On the other hand Stalin is also right in fighting the thesis that the nationalization of the collective farms is the indicated road for "reabsorbing" the collective farm sector. At the present time, and undoubtedly for a considerable period ahead, such nationalization would meet fierce opposition from the peasantry. As in 1928-1933, the years of forced collectivization, it would threaten to unloose a veritable civil war on the countryside with the most disastrous consequences for the country.

But if these two extreme "right wing" and "leftist" answers are obviously erroneous, what correct answers are given by Stalin? Here again, the sphinx is practically silent. He advances one thought only, and with a great deal of hesitation. This is all the more astonishing because recent experience in the USSR allows for the determination of many of the elements needed for a coherent answer to this question.

Stalin limits himself to repeating several times: The distribution of agricultural and industrial production in the form of the exchange of products is replacing the production and circulation of commodities, which solution is made possible by "the setting up of a single national economic body (comprising representatives of state industry and of the collective farms) with the right . . . eventually, to distribute production." He already finds the seeds of such a solution in the payment in kind which the collective farms now receive for producing industrial raw materials and not foodstuff crops.

This idea is false and dangerous. First, Stalin confuses the elimination of the circulation of commodities with the elimination of money. Production and circulation of commodities existed before the appearance of money, and one can well imagine that the production and circulation of commodities — exchange in kind — will subsist in some sectors for a period after the disappearance of money. Furthermore payment in kind to collective farms producing industrial raw materials does not herald a better future but is the survival of a very dark past. It is a reminder of the scarcity and the bad provisioning of the country in foodstuff products which obliges the state to *guarantee* regular provisioning to these peasants at the peril of abandoning industrial crops which are indispensable to Soviet economy, in favor of foodstuff crops. But insofar as the production and distribution of foodstuff products is stabilized and extends over all Soviet territory; insofar as the standard of living of the peasantry rises and their wants

become more diversified, they prefer to be paid in money which permits them to obtain a much wider range of consumer goods than they receive from the state. In fact, the Soviet economists have recently insisted correctly on *the increase of money income as against income in kind* to the collective farm peasantry, which they see as a sign of progress in Soviet economy.

The last echoes of the discussion which opened at the time of the merging of the collective farms was heard in Malenkov's report to the 19th Congress of the Russian CP. That discussion clearly demonstrated that the collective farm peasants are beginning to have the same wants as the Soviet proletariat. What they were demanding when they put forth the idea of "agro-cities" was the comforts of the big cities, running water, gas, electricity, a modern and adequate sanitary system, medicine, education, recreation. Soviet society, in Malenkov's own admission, is still very far from the ability to assure them such comforts. So long as it remains that way, the maintenance of exchange of commodities between the city and the country is the only effective means of interesting the peasant in increasing production. With each new increase in the volume of consumer goods that the city is able to deliver to the country; with each new increase in the reserve of farm machines, measures of technical reorganization of agriculture — such as the absorption of the small collective farms, regional, local and then individual farm planning of areas planted with wheat with different products to be purchased by the state at attractive prices — such measures would appear acceptable to the peasantry as being to their interests. The progress of this *industrialization of agriculture* will conclude after several generations by completely upsetting the now still predominant peasant mentality. The inhabitants of the genuine "agro-cities" of the future will live under conditions not unlike those of the industrial workers. Thus all the conditions will be joined so that when the city places an abundance of industrial consumer goods at the disposal of the "agro-city," the latter will voluntarily give up the "ownership" of the products of their labor, an ownership which is no longer an advantage to them. It is on this road of the *withering away* of the collective farm sector, of fusion between agriculture and industry in a socialist economy, conjointly with the withering away of classes and of the state, that the withering away of the "two sectors" in Soviet economy can be envisaged.

The Stages Toward the Communist Society

The vigorous development of the productive forces in the USSR poses a number of *new problems* which become completely incomprehensible if they are approached from the point of view that a socialist society has already been completed in that country. Moreover their comprehension is further obscured by prejudices peculiar to the bureaucracy — which is doomed to extinction. But it clings to life and even now is seeking to carve out a place for itself in the socialist society of tomorrow.

Stalin is obliged to speak more concretely of the withering away of the state "with the extension of the sphere of

action of socialism to most of the countries of the world," thus in passing admitting the falsity of his theory of "the possibility of completing the construction of socialism and of communism in one country alone." He is obliged for the first time to recognize that statified property is not the highest but only the *initial* form of the socialization of the means of production. When the Yugoslav communist leaders revived this elementary Marxist truth in 1950, the Stalinist theoreticians fulminated against this "service for capitalism." Stalin himself is now very quietly reminding them of the same thing.

However, what form will socialist ownership of the means of production assume after the withering away of the state? In several instances Stalin speaks of "a central directing economic body" which will be the heir of the state. The bureaucracy excluded, it returns posthaste. It is comical to observe how incapable Stalin is of conceiving a society otherwise than crowned by "bodies" which "direct" and "centralize."

In reality the two phases of communist society should be clearly demarcated in this connection. The first phase of communist society, when the classes wither away, is also marked by a withering away of the state. Differences between manual and intellectual labor diminish as this process progresses. At the same time society will still require a strict accounting of resources and of social expenditures in labor, and will therefore require, as Trotsky pointed out many times, an increase of "the central organizing functions" of society. Nevertheless, the withering away of the state in this first phase of communism will express itself in the disappearance of the personnel distinction between producers and administrators, between directors and directed. All citizens will take their turn at "the central organizational functions" which are basically functions of accounting and rational distribution rather than functions of "direction" proper.

In the second stage of communist society, when the classes and the state have already disappeared, all difference between manual work and intellectual work will disappear to the degree that customary abundance and extreme wealth of society creates so high a social consciousness among men that all central accounting becomes superfluous. There will no longer be any justification for "central organizing functions." This will be the epoch of the *decentralization* of all spheres of social life, the epoch of the formation of "free communes of producers and consumers," to use the words of Fredrick Engels.

By labeling the transition society a "completed socialist society," Stalin in reality is substituting the picture of the *first stage* of communism for what he calls "the communist society."

This is particularly apparent in his conception of the withering away of commodity production. In reality, what he has in mind is the replacement of a *monetary commodity economy* by a *natural commodity economy*, since according to him there will still be *exchange of products* — and therefore relations of equivalents, therefore the persistence of value — which will be substituted for the circulation of commodities. But, according to the famous passage by Marx in "The Critique of the Gotha Program,"

when the formula "to each according to his needs" is realized all notions of equivalents and consequently all notions of exchange will have disappeared from economic life. Men will draw freely from the existing store of consumer goods and will freely give in return their labor power to society, without any *exchange* between these two categories, that is, without measurement or limitation.

The preparation, the seeds of the economy of abundance, are to be found today in the *free public services* (social wage, social dividend). It is in the development of this "social wage" in relation to the individual wage, in the inclusion of consumer goods staples in this category (bread, milk, school books, salt, soap, medicines, etc.) that the withering away of commodities is to be measured. It is significant that Stalin is completely silent on this point although until very recently Soviet propaganda assigned a leading place to these problems!

The same transposition is even manifested when Stalin raises the question of the disappearance of all opposition and of all difference between the city and the country, between intellectual labor and manual labor. It is in the first stage of communism that the *opposition*, the antagonism between these different forms of social activity should disappear with the withering away of classes and of the state. We won't dwell on the fact that this opposition, contrary to Stalin's assertion, still persists in the USSR. We have already pointed this out as regards agriculture. Insofar as intellectual labor is concerned, the "strata of progressive intelligentsia" represents the "ideal" incarnation of the bureaucracy in the USSR. Its antagonism to the proletariat is manifested, to speak only of what is most obvious, in the enormous privileges of compensation enjoyed by intellectual labor as against manual labor.

But Stalin distorts the wisdom of our teachers when he asserts that the problem of the *disappearance of differences* between the city and the country, between manual labor and intellectual labor was not posed in the Marxist classics. It is posed by Engels in *Anti-Duhring*, as well as by Marx in *The German Ideology* and in *Capital*, and by Lenin.

It is the problem of the second stage of communism that Stalin is again incapable of comprehending. The first stage of communism, the disappearance of opposition between the city and the country leads in effect, as Stalin says, not to the death but to the extension of the big cities. But the second stage of communism, the stage of great decentralization of "free communes of production and consumption," will bring with it the disappearance of the metropolises which are far from ideal centers for man's balanced development. Stalin's attempt to "correct," Engels only highlights the imaginative power of our teachers and demonstrates the wretched narrow-mindedness of "the father of the peoples."

The same can be said of the elimination of all differences between manual labor and intellectual labor. "Some distinction," Stalin says, ". . . will remain, if only because the conditions of labor of the managerial staffs and those of the workers are not identical. You almost lose the relish

for communist society — the second stage of communism, if you please! — when it is presented as a carefully stratified society (workers at their machines and “managerial staffs” in their offices) like present day Soviet society! That Lenin believed it possible to begin the rotation of the functions of management by the workers from the outset of the socialist revolution (see “State and Revolution”); that the *social* division of labor between producers and administrators will disappear with the completion of the first stage of communism; that in any case the *functional* division of labor will certainly disappear in the second stage of communism — this is what Stalin seems incapable even of perceiving. But how can the bureaucracy perceive its own negation!*

Stalin hypocritically attacks Yaroshenko because he declares the primacy of production over consumption in socialist society (meaning the transition society as it now exists in the USSR). This, Stalin says, leads to “an increase of production for the increase of production,” to “production as an end in itself . . . Comrade Yaroshenko loses sight of man and his wants.” This is just right but Yaroshenko is merely awkwardly expressing what Stalin himself asserts in his article, namely, “the primacy of the production of the means of production over the production of the means of consumption.” But, according to him this “primacy” is inherent in his “fundamental economic law of socialism.”** “the securing of the maximum satisfaction of the constantly growing material and cultural requirements of the whole of society through the continuous expansion and perfection of socialist production on the basis of higher techniques.” Yet Stalin adds to the exposition of his “fundamental law”: “uninterrupted growth of production” — “continuous expansion and perfecting of socialist production.”

It is true that he declares that this growth of production is a *means*, not an *end*. But the young workers and Soviet theoreticians, who dream of a better future, do not seem to be greatly impressed with such statements. Is Stalin unaware of the fact that the assertion of “the pri-

* As early as the end of 1948 — in the October 17th issue of *Krasnaya Zvezda* — the young Soviet theoretician Kuropatkin says in speaking of the conditions required for going over to the second phase of communism: “The cultural and technical level of the workers and the peasants must be continually raised if the development of the working class is to equal that of the engineer-technicians and the technical and cultural level of the peasantry is to equal that of the agronomists.” If the cultural level of the workers is on a par with that of the engineers, why then is a “directing personnel” necessary?

** Stalin covers himself with ridicule when he claims to have discovered “the fundamental law of capitalism,” — and thousands of parrots slavishly repeat his discovery by singing his praises. What use was there for poor Marx to wear himself out for decades working on “Capital” if all that was needed was to wait for Josef Vissarianovich to reveal the “fundamental law of capitalism” to us? Stalin does not appear to understand that the pursuit of the “maximum profit” by thousands of capitalist entrepreneurs is precisely the mechanism which leads to the formation of the average rate of profit! At the most, it should be added that in the monopoly capitalist epoch this averaging is no longer uniform, but differentiated: an average rate of profit in the monopoly sectors; a lower rate in the semi-monopoly sectors; an even lower rate in the non-monopoly sectors.

macy of the production of the means of production over the production of the means of consumption” means that the *major portion of human labor* is devoted to this production and not to that of the means of consumption? That, in other words, man is devoting more effort to producing “means” than to attaining the “aim”?

We understand that such a state of affairs is unfortunately inevitable for a certain period. Without it, the creation of genuine abundance, of a real classless society, of an actual withering away of commodities and exchange would be impossible. But if it is agreed that we are dealing here with *means*, then it must also be granted that we are dealing with a *transitory* situation. The particular *end* to be attained is the creation of so vast a reserve of machines that the “constantly growing material and cultural requirements of the whole of society” can be satisfied with a minimum of human labor without the need of continuing to divert a *major* portion of human labor to the manufacture of the instruments of labor. In other words, Stalin’s “fundamental law of socialism” is revealed as a typically transition law, a law of the transition epoch which will undoubtedly cease to operate with the completion of the first phase of communism and certainly during its second phase.

Stalin’s narrow-mindedness, which seems to make him incapable of imagining the possibility of fully satisfying all the growing wants of society without devoting its major effort to the production of the instruments of labor, is another reflection of the narrow *interests* of the bureaucracy. The bureaucracy derives its main justification for its role as policeman and overseer in Soviet society from the “primacy” of the production of the means of production in relation to the production of the means of consumption. The abolition of this “primacy,” the establishment of the “primacy” of the production of the means of consumption, will eliminate the material base of any preponderant role of the administrators, and will give central place in economic activity to the aspirations and desires of the consumers, that is, of the masses of the people. At present workers’ control of planning on all levels would represent a transitory stage toward this future transformation. It would embody in embryo this directing function of the consumers. But when Stalin speaks of the second phase of communist society and of production for needs, he adds immediately: “and computation of the requirements of society will acquire paramount importance for the planning bodies.” Even when he tacitly admits the “primacy” of the means of consumption in such an epoch, the “planning bodies” continue to retain unaltered their “primacy” over society!

The same narrow-mindedness is demonstrated when Stalin enumerates the material conditions required for going over to this second phase of communism. He is obliged to promise an improvement of living conditions to the workers. Otherwise the whole business would hardly be worth the trouble. At the same time he has to minimize the enormous gulf between the Soviet worker’s standard of living and that of a present day American worker, not to speak of the gulf between the standard of living of the present Soviet worker and that of a member of the socialist

society of the future. "To at least double real wages of the workers and employees" — what a paltry wretched aim compared to what the communist society was to have been in the minds of our teachers, although this aim may appear alluring to the workers of the USSR. Even so, each worker would have only two pairs of shoes a year! The annual production of automobiles would allow for one automobile for every 60 families! That would be a long way even from the condition of the worker in the United States.* Would that be the "full flowering of all man's physical and intellectual faculties" of which Engels speaks?

It is impossible to conceive of communist society outside of the world victory of socialism, if only because the universal, world relations of men alone allow for the full development of human wants and capacities. The possibility of building the communist society only on a world scale is explicitly stated in the Marxist classics. The fact that the Stalinist thesis on "the possibility of building socialism in one country" is in flagrant contradiction with all classical Marxist theory on this question is not the least of the causes for the mean and dismal picture that Stalin paints of the communism of tomorrow!

The Meaning of Stalin's Article

All these contradictions of Stalinist thought are visible not only to the handful of authentic Leninists who still survive in the USSR. The rising young generation which is "ardently desirous of proving their worth" never loses sight of these contradictions. It is able to see, to listen, to compare, to draw its conclusions. Its critical spirit is alive. It poses indiscreet questions. It puts its finger on the sore spots. It, unconsciously at first — is it always unconscious? — unveils the most flagrant contradictions in the thinking of the chief. Its Marxism is distorted, it is awkward, it is often in error — so be it! But a Yaroshenko calmly explained to Stalin that he was wrong. This is not an isolated case. Stalin's entire article proves that a genuine discussion occurred around the questions with which he dealt. It will not be the last theoretical discussion posed by the young Soviet generation. It will be one of the last manifestations of the efforts of the bureaucracy to maintain the monolithism of official thinking at any price.

It is significant that the principal defects of Soviet economy which its leaders are revealing every day are defects which no longer reflect the *poverty* but the *wealth* of the economy! To be sure, the opposition between the enormous productive apparatus created in the USSR and the living standard of the masses is greater than ever. But this opposition assumes a new meaning in an epoch when Soviet industry has become the second in the world, when

steel production has reached the combined *total* of British and German production! This opposition is one of the numerous manifestations of the same fact. The level of development of the productive forces has reached a point where it has become incompatible with bureaucratic management.

The role of the bureaucracy as a brake on this development is revealed more clearly than ever in the eyes of the entire youth, the entire worker and communist elite. The problem of the struggle against the supremacy of this bureaucracy is more and more posed as a practical, realistic task within the framework of a "rational organization of the economy." Entire layers of Soviet society are demanding this struggle — some for selfish social reasons, others from the point of view of the interests of communism. Stalin's theoretical polemic expresses a practical attempt to defend the *status quo* against the forces of social transformation set loose by the economic and social evolution of the USSR.

Stalin can no longer defend the privileges of the bureaucracy with the same arguments he did in the past. He has to get rid of the ballast. At the same time, and precisely because the *immediate possibilities of satisfying* the consumers are greater than ever, he is obliged to withdraw indefinitely if not to completely suppress the millennial visions of the future with which the agitators once appeased the impatience of the masses. Today 35 million industrial workers would reply to such visionary projections: "Don't speak to us about free bread 25 years from now. Tell us rather why we lack decent housing today despite our powerful industry!"

Stalin has lost the argument of the future just as he lost the argument of the past. The less he is able to reply to questions and criticisms which converge from all sides, the more he is tangled in his numerous contradictions, the more he is obliged to cling to the present.

There is a new generation now in the USSR which does not bear the marks of the *trauma* of the famine years of 1929-1933 and of the bloody epoch of the purges from 1935-1937. It is a generation that has grown up in the feverish development of an industrial society, in which millions of workers have received high school or first-rate technical education. This generation will be the gravedigger of the bureaucratic dictatorship. Like the Western proletariat it plays the dominant role in the nation's economy. It is conscious of its strength and its worth. It no longer accepts the arbitrariness of the bureaucracy without grumblings. Its grumblings prompted Stalin's article. They can be heard in the background as an accompaniment to the unchanging monotone style of the former theological student from Tiflis. But these grumblings herald a storm. In the tumultuous struggles for socialism which are in development and in preparation on a world scale, the Soviet proletariat will occupy the outstanding place which belongs to it. The re-establishment of Soviet democracy on a higher economic level — that is the program demanded by Soviet economy as its bureaucratic leaders have shown it to us. That is what the young workers and the Soviet communists will realize in practice after having tested the ground in the field of theory, as we can see from Stalin's article.

* In the above-mentioned article by Kuropatkin, it is said that Stalin declared at the 18th Congress of the CP of the USSR that capitalist production per capita would have to be surpassed in order to go over to the second phase of communism. That would require not doubling but, in terms of products, tripling or quadrupling the present living standards of the Soviet worker — at any rate, if the standard of comparison taken is consumption per capita in countries like the USA, Canada, Australia, etc. This should indicate how far away this goal appears if the USSR has to attain it alone.