
Marxist Studies

THE THEORY OF STATE-CAPITALISM: THE CLOCK
WITHOUT A SPRING

John Walters

THE INDUSTRIALISATION OF BACKWARD COUNTRIES

Ernest Germain

BUKHARIN AND SOCIALIST REALISM

B. Biro

BOOK REVIEWS - NOTES ON THE HISTORY OF BRITISH
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This Issue

This present issue marks a step forward in our journal insofar as we move into print. Such a move is not without its risks for such a modest venture because it has involved us in a heavy increase in costs, and therefore an increase in price. However, we feel that such a risk is justified because of the increased demand for such a journal as ours. Present subscriptions will be honoured but new subscribers will have to pay the increased rates.

The material presented in this issue continues along the themes of our previous two issues. The article on the theory of state capitalism and the one on industrializing backward countries both deal with differing aspects of the same problem. Ernest Germain's article has been shortened from the original version - published some years ago - so that it mainly deals with the theoretical aspects of the problem. The original first appeared in the journal Fourth International published in Paris by the then International Secretariat of the Fourth International, and should not be confused with the journal of the same name now published by the Socialist Labour League.

Editorial : Defeat on Merseyside ?

The recent collapse of the proposed occupation and self-management of the GEC-EE factories in Liverpool has raised many questions relating to the whole campaign for workers' control here in Britain. First, it would be well to remind readers that the occupation had been mooted as a means of combating sackings due to take place because of 'rationalisation' plans laid down by Arnold Weinstock since he assumed effective control of this newly created giant combine. Second, it is also important to remember that the proposed occupation was in large measure defeated by the apathy of the largest section of the workers, those who were to be least effected by the planned sackings.

How did it come about that the planned take-over collapsed so suddenly? Right up to the eve of the projected take-over the Joint Action Committee had presented a picture of unshakable solidarity within the three factories, yet when it came to the crunch only a minority of the workers were in favour.

The idea of the occupation was originally conceived by a group of militant shop stewards as a dramatic demonstration, one that would not last more than a few days. And although they obtained the support of the majority of the workers in two of the three factories concerned, these were the smallest units and the ones that would bear the major impact of the sackings. But in the largest, and therefore key plant, no real campaign seems to have been carried out to ensure not only the support, but active support, of the workers. It is on these two points that the proposed occupation came to grief.

What the occupation would have done, had it taken place, would have been to raise, not merely the question of jobs, but a fundamental question of power. Such an action would not have only challenged Weinstock's right to dispose of the livelihoods of this particular group of workers, but the very rights of ownership of the means of production by the whole capitalist class. Seen in this light the occupation had been singularly unprepared,

and the events that took place at the mass meeting that rejected the take-over should not have come as any great surprise. Workers' control is essentially a situation of dual power, a regime of crisis, one that is inherently unstable. Either it quickly passes from control by the workers to self-management and then control of the whole productive apparatus, or it will be sucked into 'participation'.

Moreover, such a situation can only arise when the majority of the workers are no longer prepared to accept the intolerable conditions imposed on them by the bosses. Did such a situation exist in Liverpool? It is clear now that it did not. This partly flows from the second aspect mentioned earlier. The fact that the majority of the workers in the largest plant had not been drawn into active support meant that there was a fatal flaw in the whole plan. No doubt most of the workers involved were against the sackings, and were discontented and apprehensive. But they had not yet reached the position where they were no longer prepared to accept the conditions imposed. Much more shop floor level discussion and agitation over a period was needed to prepare them and to draw them into the situation in an active way. The idea that workers' control and self-management can be introduced by a small committee is a contradiction by definition. Unless the idea strikes deep roots amongst the majority of the workers concerned, such attempts as the Liverpool affair will be still-born.

What of the role of the Institute for Workers' Control? No doubt the right-wing press and the ultra-left sectarians will agree in trying to put the blame for what happened onto its doorstep, each for their own purposes. However, they will be very wrong to do so. At no time was the IWC 'masterminding' the proposed take-over. On the contrary, Ken Coates (spokesman for the IWC) said "A body like the Institute cannot of course offer any advice about how particular actions should be undertaken. That is the job for organisations... which are directly implicated." So, far from 'masterminding' the occupation the IWC played a rather self-effacing role, being merely content to service the operation with technical expertise. At all stages the direction of affairs remained firmly in the hands of the Joint Action Committee. This of course raises the question is this enough? Is the IWC to be seen merely as some sort of leftish Fabian Society or should it have other functions? It is obvious that, for the Marxist current in the movement, the IWC can never perform functions analagous to those of the Fabians because the latter's fundamental premise was that the existing institutions were open to rationally argued advice, or at least pressure. We have argued elsewhere that the ultimate logic of any workers' control movement must be that of

the overturning of the power-structure of class society. It follows therefore that a pamphleteering role cannot be enough because, unlike the ruling class the Fabians serviced, the working class has got to obtain the dominating position in society. To gain this position it will have to fight every step of the way. For this it needs fighting organisations as well as technical advisory services and research groups - however valuable the latter may be, especially when the studies are being carried out by the workers in the industries concerned.

In our opinion the workers' control movement is a key one for mobilising workers in socialist struggles. It is obvious that one of the great merits of the campaign up to now has been its open character, its non-exclusiveness and its ability to sponsor fruitful dialogue between various shades of opinion. However if the argument above is correct then at some stage the movement must pass beyond discussion to action - and action organised with careful advanced planning or we risk more fiascos like GEC-EE. Certainly it is correct to stress that a body such as the Institute for Workers' Control cannot impose its ideas on any body of workers engaged in struggle. Such manipulation is impossible and is simply the fiction invented by frightened bureaucrats faced by militants. However, this should not beg the question of leadership and the problems raised by the false start on Merseyside.

In passing to the stage of being the centre or leader of struggles for workers' control the IWC may well find that certain elements withdraw when the question becomes one of action and not just talk. But we cannot hold up the transition from programmatic discussion to action because of such people.

The key question in this respect is how far are ordinary workers prepared to go? GEC-EE indicated that the ideas of workers' control are beginning to strike chords in wider sections of the class than for years. But it also indicates that much more grass roots propaganda needs to be done. If in relation to GEC-EE "very much needed was some form of action committee broadsheet", then how much more applicable is that idea to the IWC. Mass propaganda and struggles cannot be carried on only with pamphlets, only a regular broadsheet which has widespread circulation and a corps of grass roots supporters can lay the basis for such struggles.

The events on Merseyside may well prove to be a turning point for the present workers' control movement. Such a

movement cannot be a pressure group, it can only live as a movement of struggle.

Was Merseyside a defeat? We would argue that it was, but only just. The fact that large numbers of workers were prepared to occupy and manage their factories is an indication of the very real progress that has been made in the last few years, and this should not be under-rated. The fact that the take-over did not take place is a measure of the work that still needs to be done. But it should not be the occasion for dejection, the movement has yet to engage in large battles. When it has, that will be the time for overall re-appraisals.

The Theory of State Capitalism - The Clock without a Spring

Ken Tarbuck

The invasion of Czechoslovakia in August of 1968 by Soviet (and allied) troops brought forth a spate of slogans such as 'Russian Imperialism', and in general brought once more into question the nature of transitional societies. However, it is not only the invasion itself that raises this question, but also the events that led up to it. The undoubted upsurge that occurred in Czechoslovakia was to some extent or other communicated to most other East European countries. Moreover, the fact that there was undoubtedly a process of 'liberalisation' being unfolded, both politically and economically, indicates that simplistic and naive explanations will not suffice. Be that as it may, it certainly remains true that here in Britain there is a large body of opinion - mainly in the IS group - that holds to the theory that the Soviet Union and the other transitional societies are a form of state capitalism. One of the best known proponents of this theory is Tony Cliff. His book, "Russia - A Marxist Analysis", has been published in three different versions, the first one as an internal bulletin of the R.C.P. in 1947, the third in a revised and enlarged edition in 1964. To this extent his theories have played some part in shaping the ideas and attitudes of many socialists, therefore these theories must be accorded the importance they undoubtedly have.

Given the fact that I have had to deal with a book of nearly four hundred pages, it is clear that I have not been able to deal with every point raised. In this essay I have confined myself to dealing with only certain aspects and problems, those that I feel are relevant to an appreciation of Marxist political economy.

I

A great deal of one's understanding of the nature of a transitional economy depends to a large extent on one's knowledge of what is new and what remains from the previous capitalist economy. Because of this the question of the operation (or otherwise) of the law of value becomes of key importance.

Preobrazhensky says that "the law of value is the law of spontaneous equilibrium of commodity-capitalist society" (1). However, it is necessary to emphasize - as he does - that this law is not an expression of the relationship between things, material objects, but rather a relationship between people. Whilst the law of value determines the relationship of prices for various commodities, it must never be forgotten that behind the various categories - value, price, surplus value, etc. - are people whose social relationships are veiled and mystified by the intervention of these categories.

The law of value has as its foundation the labour theory of value. Briefly stated, this postulates that the exchange value of a commodity is determined by the average amount of socially necessary labour required to produce it. Each commodity has two types of value, use value which is determined by its utility - real or imaginary -, this being a precondition for its arrival on the market; and exchange value which expresses the average amount of socially necessary labour. Exchange value, or value, is therefore abstract labour in the sense that all commodities have it although they have been created by differing specific kinds of labour.

Let us look at this question of socially necessary labour a little more closely. Those who assume that socially necessary labour time is merely contingent upon technology and its application are guilty of a vulgarisation of the Marxist labour theory of value (2). It is certainly true that the given state of technology plays some no small part in determining the amount of labour necessary to produce a commodity. However, it is contingent on more than this. Both the state of class forces, and the general class character of the society, along with the state of demand enter into the determination of what is socially necessary.

Baran and Sweezy show that in the U.S. automobile industry it has been estimated that the cost of model changes which add nothing to the auto's utility averaged around 25 per cent of the purchase price in the period 1956-60. Furthermore, they estimated that auto model changes were costing around 2.5 per cent of the Gross National Product of the U.S.A. in the same period (3). This is very interesting when one compares the British detergent industries sales costs, these also work out at 25 per cent of the purchase price. The point here is that in both instances the extra labour embodied in such sales efforts or model changes was 'socially' necessary from the point of view of monopoly capitalist society. From the point of view of a rationally planned society much labour today is totally unproductive, e.g. Polaris submarines, but not from

the point of view of the capitalist who makes a profit out of such products. *

Similarly, the state of demand, i.e. market forces, also comes into play here. Whilst it may take X number of hours to produce an automobile, and with the given state of technology etc., these X number of hours are the average socially necessary number required; if the market is unable to absorb all the auto's produced it means that the total amount of labour time invested in auto production has been too much, and there will have to be adjustments made accordingly. In the case of a competitive market the price for the auto's will have to be reduced so that they may be selling below their individual value.

Therefore, it is necessary to take into account more than technological factors in the labour theory of value. What is socially necessary is itself socially determined, and to forget this is to fall into an economic determinist vulgarisation.

II

Well, how does the matter stand with Cliff? His introduction to this question is unexceptionable, if rather timid, since he uses his favourite method of doling out large quotations from the originator of the theory. However, as soon as he comes to apply the method he begins to demonstrate his unsureness. Cliff introduces the subject in his chapter on "The Economy of a Workers' State" with these words -

"Now, the law of value holds absolute sway only under conditions of free competition, i.e. when there is free movement of capital, commodities and labour power. Therefore, even the most elementary forms of monopolistic organisation already negate the law of value to a certain extent. Thus when the state regulates the allocation of capital and labour power, the price of commodities etc., it is most certainly a partial negation of capitalism...." (4).

* One of the problems associated with Baran and Sweezy's use of the concept of surplus is that it blurs the distinction between productive and unproductive labour in the sense that Marx used it. Marx used the term productive labour to denote that which produced surplus value; unproductive labour may be necessary, e.g. doctors, but does not produce surplus value. Unproductive labour, therefore, is paid out of surplus value. However, much unproductive labour under capitalism is not necessary from the point of view of a rational society.

To clinch the point Cliff brings in a quotation from Lenin - "When capitalists work for defence, i.e. for the government treasury, it is obviously no more 'pure' capitalism, but a special form of national economy. Pure capitalism means commodity production. Commodity production means work for an unknown market" (5).

The first point that has to be made here is on Cliff's use of the term free competition, one can only assume that he means perfect competition, i.e. a static equilibrium model. In this he betrays his faulty understanding, for the law of value operates without these conditions obtaining. Cliff, here is making the mistake of confusing prices and values, and the fact that under certain conditions prices deviate from values (in fact it is more normal for them to do so). But this is not to say that the law of value is not operating. Price is a measure of value, not its determinant. Marx explains this in numerous passages in his own works, but one example will suffice -

"If demand and supply balance one another, they cease to explain anything, they do not affect market-values, and therefore leave us even more in the dark than before concerning the reasons for the expression of market-values in just a certain sum of money and no other."(6)

Marx was pointing out that one must look further than the equilibrium of supply and demand to explain value, and that the operation of the law of value was not dependent upon perfect competition holding sway.

Cliff commits another error, an apparently semantic one but nevertheless important in constructing his case, when he talks about the "partial negation" of the law of value. How can there be a partial negation? Negation of something means its total opposite is achieved. The reason for this slip is evident when he goes on to talk about the "partial negation" of the law of value being a "partial negation of capitalism". The conditions which Cliff describes are modifications of capitalism, but the totality remains capitalist. - Otherwise what are the parts that have been "partially negated"? Are they some sort of indeterminate social order as yet unknown to us? The introduction of monopoly certainly modifies capitalism, but it remains capitalist. Cliff was also unfortunate in his quotation from Lenin. If one reads it with a modicum of care one can see that Lenin did not speak about capitalism being negated, partially or otherwise, nor does he speak about the law of value being 'negated', he only speaks about capitalism being "no more pure", i.e. it is adulterated or modified. His reference to a form of national economy must be read in this light.

Now, the point I wish to establish here is that apparently harmless semantic foibles can become the basis of quite erroneous conclusions, because they lead to vague and confused thinking, as I shall try to establish later on in relation to the operation of the law of value in the Soviet economy. Moreover, one should also be very careful when on quotes from any source that such quotations do in fact bear out the argument, also the quotation from Lenin only asserts the proposition, it does not establish it. This is not proof, for Cliff is merely hiding behind authority.

III

However, let us return to the question of monopoly, since an understanding of it will assist in coming to grips with the main question. Now it is quite true that insofar as the monopolist has control of his market, the price charged for his goods can be determined subjectively to a considerable extent. But, there is a strict limit as to how far prices can be varied. Even taking the extreme (and highly theoretical) case of a complete monopoly for one commodity, the monopolist will not be able to control all consumer expenditure, he must compete for his share of the aggregate demand. Therefore to this extent he is subject to competition. Moreover, since the law of value is expressed in exchange (not competition as Cliff asserts) the monopolist is subject to it. Certainly the monopolist can accrue a larger share of surplus value proportionate to his capital than he would under conditions of perfect competition, but this will be at the expense of the non-monopolised sectors of the economy. Very often this surplus profit of the monopolist is garnered because of the productivity differential, which is brought about by economies of scale, of innovation, and new products.

Cliff moves towards his theory of state capitalism via his ideas on monopoly, and as usual backs himself up by serving up some quotations, this time from Hilferding, thus -

"... When the monopolist associations abolish competition, they remove with this the only means by which an objective price law can be realised. Price ceases to be an amount determined objectively, and becomes a problem of calculation for those who determined it with will and consciousness; instead of a result it becomes an assumption, instead of being objective, subjective.... The realisation of the Marxist theory of concentration - monopolistic merger - seems to lead to the invalidation of the Marxian theory of value." (7)

prices lose their regulating function and become merely a means of distribution. The economy, and with it the extents of economic activity, are more or less subjected to the state, becoming its sub-ordinate." (8)

Whatever the merits of Hilferding, he is clearly in the wrong here. What is true is that monopoly suppresses competition within a given sphere. It does so only to find it breaking out with greater ferocity at another level. Moreover, we can no longer speak so confidently about monopoly suppressing competition, we can more properly speak about the periodic suppression of pure competition. There are few, if any, complete monopolies, rather we have a number of oligopolies, i.e. two or three giant firms - monopolies in the Marxist usage of the term - dominating various national markets. Far from stopping competition, these giants vie for a bigger share of the given market. And as mentioned earlier none of these monopolies are able to control total demand, since even the largest corporations in the world only constitute a small percentage of their respective national economies (9). Furthermore, Hilferding seems to be falling into the error of confusing the determinant of value and its measure, i.e. price is the measure, whereas socially necessary labour is the determinant. To use an analogy we use a ruler to measure a length of wood, but the wood itself determines the amount to be divided. Therefore when Hilferding says that under monopoly prices lose their determining functions he is standing the process on its head. The monopolist can only determine his prices subjectively within a given range of variables, beyond these limits he is faced with certain market determined factors which are objectively measurable. It is certainly true that given a certain level of monopoly prices diverge from value for individual commodities, and therefore seem to be determined subjectively, but these divergences are merely distortions of value. The more the monopolised sector of the economy diverges from value in its prices in an upwards direction, the more prices will diverge from value in a downwards direction in the competitive sectors of the economy. It is impossible to extract more surplus value from the economy than is created within it.

It could seem that Hilferding, and Cliff, both make the same mistake of assuming that the law of value is expressed in competition, regarding that the competitive - or free trade - market is only a short episode in the history of capitalism, based on the conditions - at a much higher level - to many of the present day conditions of its infancy.

(8) "The Law of Value" p. 100. Hilferding also uses the material mechanism of a market to explain the law of value, but it is clear that his basic

methodology is revealed. This methodology is undialectic, being a form of formal logic, one that admits to no unity of opposites or contradictory totalities. He says -

"State capitalism and a workers state are two stages in the transitional period from capitalism to socialism. State capitalism is the extreme opposite to socialism - they are diametrically opposed, and they are dialectically united with one another." (10)

This passage confuses stages, which by their nature are intermediaries, and phenomena that are opposites, and exposes the linear concepts underlying such thinking. Moreover, it confuses form and content. A workers' state is a synthesis of previous contradictions, because a workers' state abolishes state capitalism, (i.e. those property forms which are state owned but subordinated to the needs of monopoly capitalism, along with the expropriation of the law, police, the normal and judicial forms have deceived Cliff. When he claims that state capitalism and a workers' state are two stages in the transition to socialism he shows clearly that he is an economic determinist not a historical materialist. Looked at from Cliff's point of view, capitalism is 'only' a stage between feudalism and socialism! To talk of stages in this way betrays a fatalistic view of history, of inevitability in a very crude form.

Moreover, if state capitalism is a stage towards socialism, how does he account for Bismark's nationalisation of the German railways in the nineteenth century, or Wilson's nationalisation of steel? To play around with words by saying state capitalism and socialism are "diametrically opposed and they are dialectically united" is to make nonsense of dialectics. That they are diametrically opposed is correct, but state capitalism (in the sense used above) pushes the capitalist relationships to their extreme. The nationalisations that take place under a capitalist regime are not such as to end the bourgeoisie's rule, rather they serve to strengthen it. Politically under a social-democratic government, they are served to impart illusions among the working class. Economically they have enabled unprofitable industries to be taken over and put in order to serve the monopolies. The nationalisations of a workers' state may only seem to push these forces further, but their content is of a completely different order, because the nature of the state that undertakes them is an expression of a changed relationship of classes. In state capitalism, where the bourgeoisie is expropriated, its hands are weakened, and the levers of power. Far from being a stage in the evolution, i.e. one that has direct and palpable links with what comes before, it represents a sharp break, a dialectical leap, a dialectical unity.

This misunderstanding explains why for Cliff, and his followers, the nationalisations in Cuba, and, for example, in Egypt, seem to be of the same character. In both cases they arose out of a struggle with imperialism, yet the outcome expresses a very different relationship of class forces within the respective countries.

Cliff continues:

"... in a workers' state, wage labour ceases to be a commodity. The 'sale' of labour power is different from the sale of labour power under capitalism, because under a workers' state the workers as individuals do not sell their labour power but put it at their own service in the role of a collective" (1).

It is here that Cliff displays his inability to grasp the transitional nature of a workers' state. Value and material wealth are antagonistic because, all other things being equal, an increase in productivity will lead to a decline in the value of the commodity produced. This is because the average socially necessary labour required falls for each unit of production. This antagonism in a transitional society also rests upon the fact that so long as there is a struggle between the need to raise productivity (because of the relative shortage of commodities) and the needs of the individual workers, there will have to be some means of measuring what each individual contributes to, and receives from, the common pool of social wealth. Only in a society of material abundance will it be unnecessary to ration what each individual takes from this common pool, and also use this rationing as a coercion to motivate labour. Work in such a society of material abundance will have ceased to be labour.

Now, in a workers' state, actually the individual worker's position in relation to the means of production is nearer to capitalism than to socialism. This is an expression of the transitional nature of the society because there is a divergence between the workers' role as a worker and his role as member of the class. Under capitalism these two roles converged, his role as a worker and of his class expressed his subordination to capital. Under a transitional regime he remains subordinated and alienated as his labourer, but not as a member of the new ruling class.

It is nonsense to say that under a transitional regime a worker does not sell his labour power to the collective, and it is sophistry to say that the output is at "their own service". There is still an exchange of commodities, i.e. labour power for consumption goods, and it is still regulated on the basis of

the law of value, i.e. average socially necessary labour. (For the sake of simplicity I ignore the question of social wages here). To use an analogy, do not trade union officials sell their labour power to their union, i.e. to the collective? Do not workers in a co-operative sell their labour power? How can any worker put his labour power at the service of the collective except by selling it for a quantifiable number of commodities. Until there is general abundance of goods value will determine distribution.

Cliff's confusion arises because he fails to distinguish between the collective ownership of the means of production and the private ownership of labour power. Labour power is a unique commodity in this respect, it can only be privately owned, because it cannot be separated from the worker who supplies it. Cliff further betrays his confusion when he says that in a workers' state labour power will cease to be a commodity but immediately follows this by saying the sale of labour power is different from under capitalism. If labour power is no longer a commodity it is no longer labour power. When the power to labour ceases to be sold, the labour expended in production ceases to be labour mediated and alienated, it becomes work by which means men identify themselves as human beings, it becomes a spontaneous activity without coercion. But in a transitional society this coercion still exists for the individual worker, he must still sell his labour power, not his labour and Cliff confuses these two categories.

During the transitional period it is in the consumption goods sector (wage goods) that commodities remain in circulation longest after the overthrow of capitalism. This is because of the private ownership of labour power, and because it is impossible for even the most efficient planning authority to plan consumption to the nth degree. To abolish market relationships in this sphere it would be necessary either to impose iron rigid rationing (which in practice would break down) or to achieve abundance.

For Cliff the economy of a workers' state remains a closed book, he is unable to comprehend its transitional nature. His criteria for labour is essentially one that can only apply under socialism, a society of material abundance. In such a society it will be inappropriate to speak about labour power, because this along with all other commodities will have been replaced by use values.

V

When Cliff searches for the law of value within the Soviet Union he is unable to find it. But he is left with a problem - 'if this is a form of capitalism, the law of value must operate,

therefore where does it arise?' Quite correctly he rejects its operation within Department I, the capital goods sector of the economy, since the state only uses prices here as an accounting device, there being no market for such goods inside the Soviet Union. Goods in this sector are allocated in a fairly precise way as to their use, therefore the prices 'charged' for them are an accounting device. Yet these prices are not, and cannot be, arbitrary (as Stalin found out), they must have some objective determinant of value. This determinant arises from the buying of labour power, this enables prices of production to be formed. Cliff rejects this conception, and also the operation of the law of value in the wage goods sector of the economy, he says -

"Hence if one examines the relations within the Russian economy, one is bound to conclude that the source of the law of value, as the motor and regulator of production, is not to be found in it. In essence, the laws prevailing between the enterprise and the labourers and the employer-state would be no different if Russia were one big factory managed directly from one centre, and if all labourers received the goods they consumed directly in kind." (12)

There is a confusion here between the technical division of labour and the social division of labour that obtains in any capitalist factory - be it large or small. There is an important difference between the two types of division, one is dependent upon technology, the other upon the relationship of classes. For the working class under capitalism this difference is expressed by its condition of propertylessness, i. e. it does not own the means of production. This division is the fundamental one, not as Cliff implies the technical one.

There is also the astonishing claim that a social system can operate while one of its most fundamental laws of motion is excluded. One can only admire the audacity of such a claim. But, whatever else this society is, it cannot be capitalist without this law working internally.

How does Cliff resolve this? Since foreign trade is such a small proportion of the economic activity he is unable to use even this as a means of inserting the law of value into the Soviet economy. Therefore he comes up with the most bizarre idea - that of arms competition, that is that the arms race is the instrument of the law of value being inserted into the Soviet economy. *

"Hence the commercial struggle has so far been of less importance than the military. Because international competition takes mainly a military form, the law of

value expresses itself in its opposite, viz., a striving after use values." (13)

"The state does not offer another commodity in exchange for armaments. It pays for them out of taxes and loans levied on the whole economy. In other words, the burden of armaments is spread more or less over the whole economy. . . . use values have become the aim of capitalist production." (14)

"The law of value is thus seen to be the arbiter of the Russian economic structure as it is seen in this historical situation of today - the anarchic world market." (15)

Error and confusion abound here. In the second quotation Cliff has made a detour into looking at capitalist arms production, and this should be kept in mind when reading what follows.

Firstly, the law of value is expressed through exchange, recall the two types of value a commodity must have - use value and exchange value. Use value is the particular form which

* Mike Kidron in *International Socialism* no. 32 attempts to get around this embarrassing solution put forward by Cliff by suggesting that the law of value exerts itself on the Soviet Union through foreign trade. But he is either very misinformed or is displaying studied ignorance when he tries to do this. He argues that the Soviet Union is dependent on the world market for certain essentials and thus subject to the law of value. But the percentage of the national income of the Soviet Union accounted for by foreign trade was only 3.9 per cent in 1964, and there seems to be little evidence that this has changed in the last few years. In 1940 the figure was as low as 0.7 per cent, so that there has hardly been a dramatic increase. From 1950 to 1964 the proportion of imports to national income increased by an annual average of less than 0.1 per cent. Some dependence! But this does not tell the whole story. Trade with the advanced capitalist countries was still only 19 per cent of the total foreign trade in 1963, and over a considerable period has remained constant at 0.7 per cent. Kidron argues that the Soviet Union is dependent upon the world market for certain "techniques, equipment, material. . .", yet conveniently forgets that for many years there has been an embargo on so-called strategic goods which could be sold to the Soviet Union by the Capitalist powers. One can appreciate his unwillingness to be saddled with Cliff's 'solution', but this really will not do either.

an exchange value clothes itself in when it appears on the market, i. e. it must have some utility for the buyer, and none for the seller. The exchange value is an expression of the average socially necessary labour embodied within the particular commodity.

This exchange value is abstract or generalised labour. The only method we have of determining the relative exchange values of commodities is by exchanging them. For such an exchange to take place competition between buyers or sellers or both may be taking place, but it is not a vital part of the act. Cliff by substituting the word competition for exchange thinks he has resolved the dilemma, one of his own making. But if we were to take his criteria seriously we should end up by seeing the law of value expressed via competition at the Olympic Games! From being a scientific and objective tool of analysis, Cliff has reduced the law of value to the lowest subjectivism that borders on the mystical. To bring the subject back to the level of reality, one has only to point out that any workers' state in a situation where there is a threat of attack would need to produce arms. Would Cliff deny this need, in case they succumbed to the law of value? By trying to place the loci for the expression of the law of value outside of the economy of a transitional regime Cliff (and Kidron) by implication - following his logic - denies the possibility of any sort of workers' state being created on a stable basis so long as one capitalist country remains in existence. On Cliff's reasoning, just so long as any workers' state produced arms for defence it would be dominated by the law of value, and would in fact be a state capitalist regime.

Secondly, to argue that capitalism has replaced the profit motive with the aim of producing use values is also a flight of the imagination. It is true that the buyer in any exchange will be searching for a use value, a utility, but in any capitalist exchange the seller will be seeking to realise surplus value, i. e. to make a profit. The state, when it buys arms, is in its capacity of buyer, seeking such a utility, but are we to believe that the sellers are only interested supplying these utilities? Is there not a profit to be made on such transactions? Ferranti? Moreover, the arms manufacturer is a buyer of labour power, and will seek to realise the surplus value extracted. Of course the economy as a whole pays for such arms, but who profits, and who makes up the majority of the 'economy' when it comes to paying taxes? Cliff, makes the error in this instance of seeing production as being determined by the market, by demand, forgetting that this inverts the Marxist method of viewing the position, i. e. demand is determined by production and investment.

Now, is the law of value the arbiter of the Soviet economy as Cliff asserts? The answer must be an emphatic no. If the law of value had been the arbiter it is certain that the Soviet economy would not have progressed as far as it has done so up to now. To say that it was controlled by the law of value is to suggest that the market determined the order of priorities and the allocation of resources. There is no market in that economy in Department I (means of production), since the state produces, allocates and utilises the goods directly. All this is planned before production, and not adjusted after the event by the market. If the law of value was the arbiter it would have meant that capital * would have flowed into the most profitable sectors of the economy, which given the level of productive forces at the beginning of the five year plans, would have been the consumer goods industries, agriculture, and a general dependence on imports for industrial goods.

This is not to say that the law of value can be ignored or forgotten, it cannot. In a transitional society seeking the optimum growth rate the law of value has to be broken, but in a conscious way, by the use of very careful accounting so that the working class is very much aware of the transfer of value from one sector of the economy to another. Of course the law of value exerts its pressures in any society that has not yet reached the stage of material abundance and still seeks to raise labour productivity. The most efficient weapons a workers' state has in the conscious manipulation of the law of value are planning and its monopoly of foreign trade.

Suppose that a workers' state needed to import certain machines, with which to start a new industry, from capitalist countries. For this it would need to have foreign currencies, therefore it would have to export goods to earn these. (I am ignoring the use of gold, but the same scheme would apply). Now, assuming that the goods, that it had available for export were such that it cost more to produce them than they would earn on the world market, such goods would have to be subsidised. This would mean that they would have to be sold below their value, but at world prices. This would be an indication that the productivity differential was markedly in favour of the advanced capitalist countries. However, for

* Cliff does not seem to grasp the difference between capital and means of production. The two are not necessarily synonymous. Capital is that quantity of value put into circulation to gather surplus value for private appropriation. In this sense means of production in a workers' state does not constitute capital.

such goods to be exported at a subsidised price would mean that other goods within the workers' state economy would have to carry an extra burden of taxation to enable such a transfer to take place. Unless the state had a monopoly of foreign trade it is likely that cheap imports would come into the country and undercut the home produced goods bearing the extra taxation. It is by its monopoly of foreign trade and planning techniques that a transitional economy can manipulate the law of value. Internally this manipulation is carried out by the planning process, by the direction of investment into means of production which would have a low profitability but a high social priority. Therefore, although the law of value would exert its pressure, it would not be the arbiter. In a transitional society conscious planning and the law of value struggle for supremacy. If the society is to move towards socialism the market must be subordinated, but it cannot be eliminated until there is general material abundance.

Cliff signally fails to understand this process and its application to the Soviet Union. Far from being regulated by the law of value it was only by its manipulating it was able to overcome the historic backwardness that dominated pre-1917 Russia. The fact that this was done at great human cost should not blind us to this fact. Cliff sees that capitalism in its early life subjected the working class to brutal exploitation and equates the sacrifices imposed on the Soviet working class with this process. Had he understood the process of the industrial revolution here in Britain and then compared it with Soviet industrialisation he would have realised that the pattern of development was very different. This difference cannot be explained by the difference in time, it basically devolves on the social patterns imposed by different classes historically.

VI

Cliff spends twenty-nine pages of his book discussing the "Law of Value and Crisis". In the process he takes us on a conducted tour of some of the literature of the subject. We are given snippets of Bukharin and Tugan-Baronovsky, and give an outline of the stagnation and expansionist theses for overcoming crisis. (Incidentally it is clear that Cliff is very much influenced by the idea that crisis = slump a la 1929). At each step we feel that perhaps we are getting nearer to Cliff's own theory of crisis in relation to the Soviet economy, but alas this is not to be the case. After twenty-nine pages of exposition he prefers to duck the issue so -

"Given the world situation today, it appears that the war economy 'solution' is the only expedient of the Russian

bureaucracy until such time as either socialism or barbarism will render a 'solution' to the contradictions inherent in capitalism - orthodox or state-superfluous."

How anyone who chooses to describe a society as 'capitalist' can beg such a fundamental question is, to say the least, difficult to understand. How anyone who claims to put forward a coherent theory can duck out on this and still lay claim to credibility is also difficult to understand. Not once does Cliff attempt to suggest in what form the 'crisis' will take in the Soviet Union. By any of the normal Marxist criteria, unemployment, cyclical fluctuations, declining rate of profit, surplus capital, export of capital, the Soviet Union cannot be described as capitalist. After twenty years or so of the theory of state capitalism one would expect that the author could draw some - even tentative - conclusions. But this is not the case. Instead of an attempt to grapple with the problem, it is shrugged off by saying that history will solve this problem. Same theory.

Cliff's whole theory, so impressive at first sight, is on closer examination seen to be a set of eclectic ideas gummed together with yards of quotations. At heart this failure is one of a lack of understanding of dialectics, the dialectics of transitional societies. He is unable to view matters in anything but a black or white, formal logical view. Trotsky once remarked that Marxist theory without dialectics was like a clock without a spring, never was it more apt than in this case. Cliff's 'clock' has shown the same time for the last twenty years or more, it bears all the marks of the times of its birth. That was a time of retreat and isolation for revolutionary Marxists. The communist movement was, in the large majority, still in the icy grip of Stalinism, and imperialism seemed to be all - powerful. It was little wonder that the times produced such theories of despair. For make no mistake about it, this particular theory is fundamentally one of despair. Each victory for the international revolution has been seen as a victory for - state capitalism! So pre-occupied with victories for the 'bureaucracy', that the defeats of imperialism seemed to have been half-forgotten.

When Cliff first put forward his theory it was seen as an exceptional situation, the backwardness and isolation of the Soviet Union were the main factors in the development of 'state capitalism'. Yet since that time we have had the Chinese revolution, Cuba, Vietnam, only to find that the exception has become the rule according to Cliff. It must be a very gloomy world looking out of his window.

AppendixOn the Use of Statistics

One of the first things that strikes anyone who delves into Cliff's book is the large amount of factual material gathered there. One is presented with page after page of 'hard faced facts', who march forwards in solid array, until one is almost numbed by their quantity and scholarly annotations - almost, but not quite. On closer inspection their validity begins to be put into doubt.

On page thirty-three Cliff launches into a discussion of the subordination of consumption to accumulation. He says - "Under capitalism the consumption of the masses is subordinated to accumulation.", and emphasises this by stating that this is a "basic relationship". He then produces a set of figures to show that this subordination is prevalent in the Soviet Union.

Division of Gross Output into Means of Production and Means of Consumption

	1913	1927/28	1932	1937	1940	1950
Means of Production	44.3	32.8	53.3	57.8	61.0	68.8
Means of Consumption	55.7	67.2	46.7	42.2	39.0	31.2

There are a number of points on this one simple table. Firstly, gross output tells us very little. We need to know net figures for means of production, i. e. how much is new accumulation. Secondly, the 1913 figures disprove the point Cliff is making. According to his own definition, Russia in the year 1913 was not a capitalist country! Thirdly, there is no explanation as to what the categories being used mean. Are they value calculations, price calculations, or what? The reader is presented with a generalised statement, but given no terms which defines them. Marx used the two departments of production, means of production and means of consumption, in a highly abstract manner, here we have an attempt to use these abstract terms at a much lower level of abstraction and the result is confusion. This may impress those unused to such categories but it betrays bad methodology. Cliff's definition of capitalism and the subordination of consumption is so vague as to be meaningless. In any society all new accumulation that takes place is a curtailment of consumption, to the extent that it is not consumed. Moreover, no

society can survive if it does not subordinate present consumption to ensure replacement of means of production used up in production. Every farmer who keeps back a portion of wheat to sow in the spring of the following year is subordinating his consumption. Cliff presents a supra-historical category under the guise of talking about capitalism and as such it is meaningless.

Still on the trail of subordinating consumption to accumulation Cliff gives us further figures.

"The quantity of cotton goods available (in the Soviet Union) for private consumption fell from 15.2 metres per capita in 1927/28 to less than 10 metres in 1940. . . . One can see how low these figures are by glancing at the figures of output . . . in Britain in . . . 1937 60 sq. ms. of cotton goods . . . were produced per capita." (16).

Cliff makes an astonishing mistake here. He compares unlikes, you cannot compare consumption with output unless you are dealing with closed economies in which all output is consumed internally. Cliff also forgot that even in the 1930's British cotton goods were exported, so that total production tells us nothing about consumption at home, if may have been lower than in the Soviet Union or higher, but you will not be able to determine this from Cliff's figures. Finally, he compares metres with square metres, which may be the same but we are not told.

A similar mistake is made when Cliff is dealing with housing.

"In the sixteen years between 1923 and 1939 there was an increase of only 106.6 million sq. metres in Russian towns whereas in England and Wales in four years 1925-28 alone a total floor space of not less than 70 million sq. metres was built." (17)

Again we are asked to compare unlikes. Russian figure is presumably one that excludes rural and other non-urban housing, but on the other hand the figures for England and Wales are total figures which would include each areas. Also one has to take into account the fact that the Soviet rural population was not only absolutely but also relatively much larger than in England and Wales, therefore it would be necessary to include rural areas to obtain a true picture. Cliff goes on about housing

"Some idea of what a living space of 4 sq. ms. means has

be gained by considering that in Britain the minimum allowed in new buildings is from 550 to 950 sq.ft. per dwelling, or about 51-88 sq.ms."

But the 4 sq.m.s does not include kitchen, bathroom, hall etc., according to Cliff's own figures for the Soviet Union, so that when such items were added in they would be considerably more than 4 sq.ms. Of course even then such living accommodation would be poor by British standards, but why make it seem worse than it actually was by comparing two different standards? Cliff is comparing dwellings with a narrowly defined living space.

Other slipshod handling creeps in elsewhere, e.g. on p.35 two indexes are used to make a comparison, but they have different base years, which makes them useless in determining the point at issue.

I have no doubt that the Soviet workers and peasants did make huge sacrifices during the first five year plans, and I do not think there is much doubt that the standard of living did fall. That is not the point at issue here. What is, is that one should not try to bolster up a case by mis-handling statistics. The net result is that much of the evidence that Cliff presents must be suspect, his mistakes on quite simple sets of figures makes the other more complex tables highly suspect, but without access to the originals it would be difficult to determine how far he has used them correctly.

References

- (1) Preobrazensky The New Economics p.147
- (2) see M. Kidron "Marx's Theory of Value" International Socialism No. 32
- (3) Baran and Sweezy Monopoly Capital chp5
- (4) T. Cliff Russia - A Marxist Analysis p.111
- (5) quoted in the above p.111
- (6) Marx Capital Vol. III p.145
- (7) quoted by Cliff p.152
- (8) quoted by Cliff p.154
- (9) Monopoly Capital p. 53
- (10) Cliff p.113
- (11) " p.113
- (12) " p.159
- (13) " p.160
- (14) " p.161
- (15) " p.161

- (16) " p. 37
(17) " p. 39
(18) " p. 38

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Bukharin and Socialist Realism

B. Biro

Zhadnov's name has been associated with the doctrines of 'socialist realism' - but he was little more than a literary policeman. However socialist realism has had a propounder of some Marxist culture - N. Bukharin - especially in his report on Poetry to the 1934 Writers' Union Congress*.

In this report Bukharin discusses in an intelligent way the work of many poets, including Pasternak. He then makes some general points which he enumerates as follows:

1. It is necessary to raise poetry to the level of our epoch.
2. We must proceed to the task of summarising life in poetry: on the basis of the concrete and individual, we must proceed to the portrayal of the richly variegated and dissected whole.
3. All the diversity of life must form material for poetic creation.
"Unity should be achieved through the point of view from which the material is treated by the poet, not by impoverishing the material itself. This point of view is that of the triumphant struggle of the proletariat."
4. Forms should be the most diverse, unified by the one great style or method of socialist realism.
5. Socialist realism is the method of depicting the real world differing in content from bourgeois realism and also having a distinct style.

On the first two points he does not say much, apart from quoting Marx to show that communism aims at an infinitely diversified development of human wants, and from this he concludes the entire diversity of life should serve as poetic material.

On the points about the diversity of material and forms being achieved within a unified point of view, he says:

"Unity does not mean that we must all sing the same song at the same time... Unity does not mean the presentation of the same ideal types and 'villains', not the abolition, on paper, of all contradictions and evils. Unity consists in a single aspect - that of building socialism. All the richness of life, all tragedies and conflicts, defeats, struggles, must become material for poetic creation."

The demand by Bukharin for a unified point of view in poetry seems to be connected in his mind with a vision of Soviet society itself as being essentially a unity. All the diversity of the activities of the citizens are comprehended, he seems to be saying, by the whole system, a system engaged on the construction of socialism. Thus he demands that when an individual or a type e.g. The Red Pilot, is depicted, he should not be taken in isolation, but in such a way as to show he forms a unit of the life of society, a particular focus of this life.

"If not we shall be threatened with the danger of poetic work becoming departmentally alienated from life and bureaucratized, orders being issued by the People's Commissariat of Communications, by the Peoples' Commissariat of Education, by the Trade Unions etc."

This use by Bukharin of the term 'alienation' is rather interesting. One of the sub-themes of Marx's critique of the alienation inherent in capitalist society is that modern man is not an integral being. Of course in his writings on historical materialism he emphasizes that the life of social man forms a totality with one history - that it is mistaken to talk of the history of literature, of ethics, of constitutions, or even of economics - that one must always be conscious in each of these fields that they are only abstractions, different articulations, or expressions, of a common human substance; even if the poet you study is a full-time poet he is no Robinson Crusoe, he has an infinite multiplicity of relationships to the rest of society, from the most material - where does his food come from? - to the most refined intellectual influences. Thus Marx opposes that account of history which represents it as the mere sum, or resultant, of autonomous so-called 'factors'.

Nevertheless, granting all this, the tendency to write separate histories cannot just be dismissed as a mistake. If we are to be true to our method, this tendency too can be shown to derive from the character of the social whole. Not just in ideology but in reality, the various expressions of social life have been fragmented and estranged from each other. This

has partly to do with the extreme lengths to which the division of labour has been taken. Professional politics, art, philosophy etc. make plausible the separation of these spheres from each other and from the whole. Alienated labour and commodity fetishism are also relevant here.

At all events Marx noted that instead of being an integral being man was at odds with himself - economics says one thing, morality another. In socialism these various contradictions and estrangements in social life were supposed to be transcended and man was supposed to establish himself as the self determined subject of his world instead of having the economy, the state, morality, religion, etc. standing over against him as exteriorised determinants.

Now Bukharin seems to have implicitly acknowledged that in Soviet society the various Ministries he mentions have developed their own bureaucratic empires and may wish to make poetry serve their own narrow interests and identities. He seems to think that poetry can mediate between the individual and the universal by showing the individual in his connection with the whole. This of course will be so much ideological window-dressing if in fact the individual is estranged from the structures which concretely mediate his position in the whole; but Bukharin avoids this problem which obviously existed at the time.

Having stressed this necessity for achieving a unified vision of society against which all the diversity and richness of life should be placed, he then admits no man can grasp the whole multiformity of life. He says:

"But no man can 'embrace the unembraceable'. People approach a problem from different angles until sufficiently broad generalisations are found. 'Prohibitive' measures are therefore absurd."

Now to point five - the nature of socialist realism. He develops this mainly by a contrast with bourgeois realism. Apart from the obvious differences of material in that we are concerned with the building of socialism, he argues that there will be stylistic differences based on different philosophical approaches. He argues that bourgeois realism is based on positivist science which sees its function as that of passively contemplating the world and reproducing it in forms of thought. Socialist realism on the other hand, he defines as dialectical materialism in the field of art. He says:

"In the socialist society which is coming into being, the difference between physical labour and brainwork is

gradually being replaced. A new type of man is arising who knows the world in order to change it. Mere contemplation, mere portrayal of the objective, without elucidation of the motive tendencies, without reference to the practical alteration of the objective world, are here receding into the past. Hence, socialist realism cannot base its views on the naturalism of Zola, who proposed to describe reality 'such as it is' and nothing more. Neither can it accept his other slogan 'imagination is no longer needed'. Socialist realism dares to 'dream' and should do so, basing itself on the real trends of development."

He further argues that an antithesis between romanticism and socialist realism is devoid of all meaning because the soaring imagination of romanticism need not now be displaced into metaphysics but can find its heroic themes in the future of the real world.

Actually I think this insight of Bukharin's is valid abstractly. What he does not discuss is whether the individual in the U.S.S.R. has the real mediations through which he can impress his purposes on reality. Only such a man might sincerely write revolutionary romantic works. To reverse cause and effect and blame the poet for not writing this way is absurd. When literary criticism became a function of the police department this degenerated into the prohibition of all but 'optimistic' works - a completely unmarxist approach.

Bukharin goes on to explain the diversity of forms comprehended by his definition of realism by referring to Faust.

"This in its form, is not a portrayal of a concrete historical process, but the struggle of the human spirit. And at the same time Faust is a philosophical-poetical conception of the bourgeois era establishing itself. It seems to us that poetry of the type of Faust must unquestionably find a place as a component part of socialist realism, and that it will create the most monumental form of socialism's poetry."

He ends by referring once more to the low level of culture in Russia, its provincialism, and says that those who really want to create must do their best to make themselves masters of all the treasure houses of the world's culture - which would not need saying except in Stalinist Russia.

It has often been observed that 'socialist realism' is neither socialist nor realist. It is not socialist because it is written, not on the basis of socialist conditions, but by conscripts of the bureaucracy. It is not realist because

writers are forbidden to describe the real conditions in which they find themselves. More accurate than 'Socialist realism' is Bukharin's term 'revolutionary romanticism' which really means romanticising the present, i. e. lying.

* All quotations taken from Problems of Soviet Literature
1939

The Industrialization of Backward Countries

Ernest Germain

1. THE THEORETICAL SETTING OF THE PROBLEM

"Poverty breeds poverty": this simple formula which has become a platitude still summarizes all the wisdom of most economists on the subject, bourgeois and Marxist alike. What they mean, in Marxist terms, goes more or less like this. Backwardness means a low level of productivity, a low level of productivity stems in the last resort from a low level of fixed capital equipment and of industrialization. But industrialization means (under capitalism) capital accumulation, and in any case a larger social surplus product. The poorer a country, the greater the part of its current production that is necessary (and barely sufficient) to maintain the mass of the producers at a low level of subsistence. Hence, the poorer a country, the lower its rate of capital accumulation, the lower its social surplus product. Hence, the poorer a country, the slower its industrialization: poverty breeds poverty.

We shall return in a moment to one of the main links in this chain of reasoning: "the poorer a country, the smaller its surplus product." This formula is correct only as a most sweeping historical generalization, i. e., if for example a purely feudal society is compared to modern industrial capitalism. It ceases to be true if one compares the relative poverty of present-day societies, which are all more or less products of combined development. But in any case, the traditional emphasis of the reasoning lies on the supply side of fixed capital equipment, not on the demand side.

It has been the merit of Professor Nurkse, (1) whatever mistakes he also makes in the assumption of a low social surplus product in backward countries, decisively to change this emphasis, and to rediscover a truth long known to Marxists (e. g. Lenin and Trotsky in their writings on Russia before

1914), i. e. that the real vicious circle of poverty works the other way round.

It is not because a country is poor that it lacks financial resources for industrialization; it is because a country is poor that it lacks a market which makes industrialization a profitable business from the capitalist point of view. Because of the absence of this market, capital (the social surplus product) is invested in other fields than industry (trade, buying and speculation in real estate, hoarding, or, paradoxically, capital export). Therefore, the level of industrialization remains low, the level of productivity of labour remains low, and the country remains poor, which means that there is no stimulus for private industrial enterprise. "Poverty breeds poverty."

In his recently published and to a large extent very valuable book, Paul A. Baran, who is one of the rare American Marxists to teach at a university (Stanford) draws an impressive picture of the social surplus product in backward countries. (2) He mentions the huge part of the agriculture product appropriated by landlords and money-lenders (usually up to 50% of the national agricultural product in many backward countries, and as agricultural production itself represents more than 50% of the national product of such countries, this reveals the existence of a social surplus product of the order of 25-30% of the total product!). He further mentions the income of the great number of intermediaries between the countryside and the city, and inside the city itself, whom he aptly describes as lumpenbourgeoisie, a group so numerous that, even if it is not composed of individually prosperous persons, it absorbs quite a fraction of the national product. He finally mentions government income and native capitalist income, as well as income of foreign-owned plantations, mines and other enterprises, which in some countries (e.g. Rhodesia), represents a huge fraction of the national income.

We may therefore say that the central problem is not that of creating resources which make industrialization possible, but one of reallocating existing resources in order to industrialize the country. Or more correctly, the problem is that of creating social and economic conditions which make such a reallocation possible. Such conditions require the suppression of colonial rule, the expropriation of foreign capital (at least in cases where such capital already occupies an important place in the economy), and a radical agrarian revolution, which suppresses the income and even the very class of landowners - money-lenders - compradores. As a general historical rule, one may add that the existing weak native

industrial class also becomes an obstacle on the road to industrialization, and has to be disposed of.

Once however this social revolution has been accomplished (as for example by the October Revolution in Russia, by the Yugoslav revolution of 1941-1946, or by bureaucratic-military means, with a limited mobilization of the masses, in the "people's democracies" from 1945-48), the problem of re-allocating national resources to further rapid industrialization is still not solved at all. On the contrary, the obstacle now seems even more formidable than before.

For the revolution itself carries through a reallocation of resources of its own, and in a most peculiar manner. As a backward country is a predominantly agrarian country, the fate of the revolution depends on the willingness of the peasant to accept the new order. The peasant, who, to quote Khrushchev, knows how to count, will accept the new order only if he is better off than before. He will be better off only if he has to give, to the state and the city in the form of taxes and costs of industrial goods purchased, a smaller part of his income than he gave before to the landlord, the money-lender, and the merchant. In other words: the first economic result of the successful colonial revolution is to diminish the social surplus product, or to hand part of it over to the agricultural petty commodity producers.

This fact has been empirically proved both in Russia under the NEP and in the "people's democracies" under various policies of slow collectivization. Everywhere, the peasantry appears as the main if not the only class of society which substantially increased its standard of living after the revolution. This increase in its standard of living now creates of course a market sufficiently large to make rapid industrialization possible. But at the same moment that the problem seems to be solved on the demand side, it pops up again on the supply side. Although the general standard of living of the peasantry (up to 80% of the population of a backward country!) has only been moderately increased, this increase is enough to absorb not only the greater part of the former surplus product, but also the greater part of the new potential surplus which results from a first substantial increase in the general level of production and productivity.

This is of course no paradox: as the social product is composed of the income of the producers plus the surplus product, any increase in the former has for result a decrease of the latter.

For that reason, traditionally, bourgeois and Marxist economists alike thought there were only two solutions to this problem: either massive foreign aid or "primitive socialist accumulation" (the phrase was coined by the Soviet economist Preobashensky, who was temporarily associated with the Left Opposition). Either an advanced industrial country would give the backward country an important part of the resources necessary for industrialization (in the form of massive cheap credit, or more directly in the form of capital equipment, railways, ships, airplanes, prefabricated houses, and, not to be forgotten, technicians and scientific personnel); or the backward country would have to cut back extensively the standard of living of its population, above all its peasant population, in order to free the resources necessary for industrialization. Apologists of the tragic Stalinist experience with industrialization of this kind even added the theorem: "The more backward the country and the quicker the industrialization, the greater must be the setback in general consumption, and the harsher must be the dictatorship which has to force people to work under those circumstances."

Of course, Trotsky and the main economic specialists of the Left Opposition (e. g. Rakovsky and Piatakov) never accepted these theorems. They always pointed out that a parallel and harmonious increase in production and popular consumption was a necessary condition for socialist industrialization. Today their their concept is widely accepted. Tito has made it his own. Polish economists like Lange have stated it in unmistakable terms. We have still, however, to try to find a theoretical foundation for this political advice. This is what we shall attempt, as a first tentative sketch, in this article.

2. THE THEORETICAL SOLUTION OF THE PROBLEM

In the framework of a workers' state, the problem of industrializing a backward country involves solutions for every element of the reproduction process; supply (production and import) of the fixed capital equipment necessary; supply of a regular flow of raw materials; increase of the number and qualifications of industrial workers; adequate distribution of the social product between industry and agriculture, and the two sectors of industry, in order to prevent disequilibriums, shortages, and bottlenecks, e. g. in the food supply, in the supply of agricultural raw materials, etc. All these problems are interrelated. Inadequate supply of industrial consumer goods to the village, for example, could become one of the main reasons for a slower rate of development of

agricultural production, especially of agricultural raw materials for industry, and thereby reduce the general rate of growth of industrial production.

We shall not go into all these problems here, but concentrate on the main field, that of the adequate distribution of social product (or income), i. e. that of the rate of accumulation.

The mistake committed by the Stalinist planners during the first Five-Year Plans, and even more - and with less excuse - by the apologists who try today to justify the wrong course followed, is a confusion between maximum and optimum rate of accumulation. Or rather: these planners started from the wrong assumption that the maximum rate of accumulation is also the optimum rate, at least in the short run.

Even if we define the optimum rate of accumulation from a purely economic point of view, i. e. as the rate which enables the maximum increase in the social product (or income) in a given period, this identification is completely wrong. It is all the more wrong because no Marxist can give such a purely economic definition to that central notion. He cannot leave out living class forces. He can never forget that any rate of accumulation which creates demoralization of the proletariat through hunger, political apathy, tendency to flee from the factories and the city, etc., cannot be called "optimum" from the point of view of working-class revolutionists.

It is interesting however to beat the apologists of a maximum rate of accumulation even on their own field, i. e. the purely economic result, in tons of steel, cement, coal and cotton goods. The mistake made has its roots in the absurd assumption that the productivity of labour is independent of the level of consumption of the producer. We say that this assumption is absurd not only in the long run, but even and especially in the short run. The whole history of modern industry has shown that any sharp decrease of the standard of consumption of the workers results in a decrease of per capita productivity. And the poorer the country and the lower its initial level of consumption, the stronger this interrelation will be. One could of course point out that this decrease will translate itself into a decrease of production only if one assumes that the fixed capital on which the producers operate remains unchanged. It is evident that the goal of a maximized rate of accumulation is precisely to increase the supply and quality of fixed equipment of industry. If the workers tend to make less efforts, because they eat less and live under worse conditions, then, so the argument will

continue, this decrease of per capita productivity will be ten times overcome by the increased productivity resulting from the introduction of better machinery.

It is at this point that our concept of optimum rate of accumulation becomes all-important. Let us assume that with a given quantity of fixed machinery, 1,000 workers produce over a given period a value of \$1,000,000, when their real wage is \$500 a year (we should not forget that we are concerned with workers in backward countries!). If we double the value of capital equipment in the course of three years, the product of these workers could, for example, treble and be worth \$3,000,000 (first hypothesis) on condition that their real wage is not changed or even that it increases. (3) If, however, in order to double the value of the capital equipment, we first cut the real wages of the workers to \$250 a year, we might find that the final product will not be \$3,000,000, but only \$1,500,000 (second hypothesis). Production has, of course, still increased. But we have caused a terrible waste of wealth. For had we increased the value of capital equipment only by 50%, instead of by 100%, in order to leave real wages where they were before, or to increase them even by a given percentage, then the total final product would have been say \$2,000,000, instead of \$1,500,000 (third hypothesis).

The first hypothesis is the ideal one: it presupposes more or less unlimited resources freed for the given project. The second and the third hypothesis are both trying to divide limited resources in a given way. The second hypothesis, the one of the maximum rate of accumulation, does not lead to maximum expansion of production. The third hypothesis, with a lower rate of accumulation than the second one, leads to a bigger expansion of production under given conditions, and is therefore the optimum rate of accumulation (or the optimum division of the social product, of the social income, etc.).

In real fact, it is of course not very easy to determine this optimum rate. It can be discovered only by trial and error. But what we should understand from the start is the fact that in a backward country, with a generally low standard of living of the workers, the maximum rate will never be the optimum rate, i. e. will always result in a level of productivity of labour below the level rendered possible by a given set of machinery and a given level of qualification and cultural background of a working class.

We may add that we have understated our point. For a "purely economic" solution leaves out a serious social consi-

deration, with important economic repercussions. Any attempt to impose a maximum rate of accumulation results in a lowering of an already low standard of living. As the workers do not accept this without resistance - even be it passive - it is necessary to drive them back to the production line by force and keep them there by constant supervision. In order to achieve this result, a huge army of gendarmes, bureaucrats, and supervisors of all sorts must be built up and kept supported, generally at far above the subsistence level down to which the producers have been forced.

But this in turn means a large increase of unproductive consumption in society, lowering thereby the fraction of the social product ready to be used for productive accumulation.

A "maximum rate of accumulation" is "maximum" only if we "forget" the huge waste it involves: in fact, it may be lower, after a decade, than a level which would have allowed an increase in workers' consumption, would thereby have much more quickly increased the social average productivity, and would have enabled society greatly to reduce the funds for unproductive consumption of policemen, uniformed or not.

Just to show the reader that all these considerations are not purely theoretical, we shall limit ourselves to a single example, but a decisively revealing one. There were in 1928 3.1 million workers and employees (technicians and engineers with university degrees not included) in Soviet industry. In order to achieve the First Five-Year Plan, figures worked out at that moment estimated the manpower necessary for attaining the production goals at 4.1 million workers and employees (i. e. an increase of 1 million, or 33%). In fact, in 1932-3, without all the goals of the First Five-Year Plan having been achieved, 6.7 million workers and employees were working in Soviet factories, an increase of more than 110% over the figure of 1928, and of 65% over the planned number of workers! What should have been produced by 4 million workers needed 6.7 millions to be manufactured, i. e. per capita productivity was more than 50% below the planned level. The maximum rate of accumulation was far from being the optimum rate, far from maximizing the social product.

We now understand how wrong are those who excuse the Stalinist variant of industrialization by the argument that, anyway, as the war danger was growing, as the country was weak and surrounded by enemies, it was necessary to industrialize as quickly as possible. (4) In reality, what we are trying to prove is that a "maximum" rate of accumulation

produces a slower overall rate of growth of the economy than the "optimum" rate. It was that point that Trotsky, Rakovsky, and other Marxist critics of Stalin's economic policy did not cease to make between 1928 and 1940, and the now existing factual material completely confirms the accuracy of their criticism.

It is interesting to note that Professor Baran is carried by his theoretical elan to a thesis quite similar to ours when he writes:

While the maximization of the rates of growth - if such be the requirement of the concrete situation - is tantamount to a minimization (?) of current consumption (or, conversely, maximization of the economic surplus), it would be erroneous to equate such minimization of consumption conducive to speediest growth with its reduction to some rock-bottom levels. In view of the obvious relation between consumption standards and the ability and willingness to work on the part of the population, minimum consumption compatible with maximum output (and growth) may, and in most under-developed countries will, require a more or less substantial increase of the existing consumption standard. Given a small initial output and accordingly limited possibilities for such an increase, it will have to be differentiated... Accordingly, while it might be thought at first that maximization of the rates of growth calls for plowing back into the economy all increments in output resulting from current investment, in actual fact some splitting of these increments so as to increase both investment and consumption may be a more effective, or even the only possible, method of attaining the largest possible increase in production. (Op cit, p 270.)

However, in a passage describing concretely the Stalinist industrialization policy of the period 1928-1937, Professor Baran cannot shake off his old apologetic hide, and we are confronted with various platitudes like the "war danger" which made necessary a "rapid rhythm" of industrialization etc. Professor Baran even tries to make us believe that the "inconvenience" caused by the desperate attempt of maximization of the rate of accumulation was only of short duration. He therefore conveniently quotes the crop figures of 1937, without adding that those figures remain exceptional, not only for the period 1928-1940, but even for the period 1928-1953, if we take into consideration the increased territory and population of the USSR! He also forgets to add that Soviet livestock for 25 years fell below the 1928 level, and that we had to wait till 1956(!) in order to find a number of milch-cows

equal to that of 1928 (which does not mean equal per capita of Soviet population, given the important increase during this quarter of a century). It is impossible to cover up the tremendous price Soviet economy had to pay for Stalin's attempt to "maximize" the rate of accumulation by brutally lowering the consumption levels of workers and peasants.

3. AN INTERESTING THEORETICAL SIDELINE

Up till now, we have always considered economic growth and industrialization as a result of the increase in the real supply of fixed capital equipment, machinery, buildings, power works, etc. Professor Nurkse, however, has made another and interesting contribution to the theory of industrialization of backward countries, by concentrating attention on one of the most striking characteristics of backwardness: rural overpopulation.

This phenomenon has, of course, long been known to economists and especially to Marxists. More than half a century ago, Lenin and Trotsky made of that rural overpopulation, and the pressure it exercised on the old land rent, one of the main links in the chain of arguments explaining backwardness: the preference given by capitalists to the buying of land over industrial investment, the land rent allowing a higher average return than industrial profits.

But whereas the problem of rural overpopulation has always been considered from the point of view of an easy supply of manpower for urban industry, once the industrialization process got into motion, Professor Nurkse now has stressed a new and strikingly important aspect of the problem. Economic growth, he says, is essentially an increase in the average productivity of labour. No Marxist will quarrel with that definition. But in a country with a huge population of underemployed peasants, it would be more correct to say: village unemployment. It is not necessary to start with huge capital investment in order to achieve a substantial increase in the average productivity of labour.

For what else is underemployment if not the fact that in such backward countries half or two-thirds of the population, living in the village, are only really working 150 or 200 days a year! (5) The rest of the year, they do nothing. Now if it were possible to give them something to do during the rest of the year, some productive purpose which does not need huge fixed equipment, their annual production, and thus their annual productivity, would tremendously increase. In fact,

while doing nothing, they continue to eat. It would be sufficient to give them a little bit more to eat, while getting them to work, in order to treat the largest part, if not the whole, of their increased production as social surplus product, as a social investment fund. And once this surplus product has been created, the basis is laid for large-scale industrialization, not by lowering but by increasing the standard of living of the working population, at least in real terms. (6).

At first sight, there seems to be different "catches" in this line of reasoning, but Professor Nurkse deftly does away with them, one by one. How is it possible, we may ask, to give a huge amount of new jobs to the overpopulated countryside, if the land is already fully occupied? To this there are different answers. First of all there is no underdeveloped country in the world, not even Indonesia, in which the land is "fully occupied" from an economic point of view. Possibilities of increasing agricultural production by fertilization and irrigation operated with relative low-cost methods (from shoveling the mud out of river beds for use as fertilizers to the digging of thousands of small canals, the drilling of thousands of cement-ed water pits, etc.) are everywhere present. (7).

Professor Nurkse does not add, but this we may do in his place, that these jobs are not limited by natural but by social conditions, as long as landlordism, and capitalism are not overcome. For opening up these tremendous and relatively "cheap" opportunities for the big mass of unemployed peasants means must be found - means of concentrating the marketable food supplies in the hands of central authorities and/or of peasant cooperatives, means of concentrating the peasants themselves, either by appeal or by coercion, means of planning these thousands of local projects in a way that their results are split up between the producers themselves and the community, and not siphoned away by landlords, money-lenders, usurers, black-marketeers, compradores, or capitalists,

We shall see further on that these social preconditions are all-important for the success of these experiments.

A second question which crops up is the question of equipment. Professor Nurkse of course knows very well that millions of underfed underemployed peasants cannot start to "produce" a social surplus product with their bare hands. His solution is: a) to import a large mass of cheap simple tools, and b) to have them produce these tools themselves:

The investment workers, before they start building a

piece of fixed capital such as a road, could, after all, sit down and make the most necessary primitive tools with their own hands, starting if need be from scratch. They could make their own shovels, wheelbarrows, carts, hoists, and other things to help them build the road.
(p 44)

But there remains a third, and formidable, difficulty. An underdeveloped country is characterized by very low standards of living, especially of food supply, in the countryside. Underemployment means that the working peasants have to share their meagre pittance with practically unemployed sons, nephews, and uncles living with them. Now the whole theory of the "accumulation fund hidden in underemployment" hinges on the stability of peasant consumption. If the working peasants increase their food consumption from the moment their nephews, sons, and uncles are mobilized to build irrigation trenches, water pits, and roads, then of course the problem of feeding these newly occupied workers will appear. There will be a deficit of the food balance of the country, and the increase in real wealth created by the products of these workers might be wiped out entirely by the need to import supplementary food.

Professor Nurkse states the problem admirably. But he does not solve it adequately, for somewhat sinister formulae like "the saving has to be made" are not solutions. He tries to introduce a difference between densely and sparsely occupied countries. In fact the solution he indicates for sparsely occupied countries only, applies for all of them: the supplementary amount of workers must be occupied in such a way as to make possible, among other things, a substantial increase in agricultural production. Any other solution would impose the process of growth on the peasantry through various forms of "forced savings" and then we should again be up against the old problem of estimating the negative results of such a decline in the standard of living.

Is it possible substantially to increase agricultural production in the backward countries? Of course it is. And it is at this point that Professor Nurkse makes his most substantial mistake, when he minimizes or even excludes this possibility in the densely populated countries. As a matter of fact, two of the most densely populated backward countries of the world, India and China, are most susceptible of mobilizing the biggest "accumulation fund" from a heavy increase of agricultural production.

For if we look closer at those various "low-cost local investment projects," made possible by drawing on the under-employed village populations, we find that nearly all of them tend to increase agricultural productivity. Irrigation, regulation of local rivers, flood control, road building, local iron foundries, manufacture of agricultural implements of a more modern though still simple type, local building industries helping the peasants to build better houses for themselves and stables, or better stables, for their livestock - all these projects tend to prepare larger harvests. What is more, they permit almost immediate results in elevating living standards in the countryside. Thereby they enable the mobilization of a big - and growing - part of the increased surplus product for purposes of national economic growth. If they are better fed, better clothed, and better housed, the sons, nephews, and uncles of the toiling peasants will work without resistance the second year on provincial and national roads, and not just local ones. They will without resistance build local foundries in order to manufacture not just agricultural implements but machinery of various sorts, i.e., means of production. The initial impetus will have been given. B. "building" Professor Nurkse's conception into our general theoretical solution, and correcting it in that sense, we get a clearer picture of the possibilities of initially industrializing a backward country, without (sufficient) foreign help and without pushing down the standard of living of the working population.

We should like to emphasize a warning: the setting to work of the village unemployed on local investment projects is no panacea for solving the industrialization of backward countries. It is only a relatively cheap means of giving that industrialization an initial push. If a correct balance between the local "low-cost" investment projects and the "high-cost" "modern" industrialization projects is not struck, the economy will rapidly run into the classic difficulties of Soviet Russia during the NEP.

Local industries, built with ancient technology and locally manufactured equipment, are of low productivity. As long as they are an absolute addition to national wealth, and a school of industrial technique and habits which makes the transition of the peasant towards the modern factory easier, they are of tremendous importance. But from the moment productivity in agriculture starts to rise rapidly, the well-known phenomenon of the seasons will appear. Agricultural prices will fall in comparison with the prices of (scarce) industrial consumer goods and means of production. At the same time, the peasantry will need more money and cry

for cheaper industrial goods. There will be a political risk of alienating the peasantry from the workers' regime; there will be the economic danger of an artificial withdrawal or even decrease of the agricultural surplus. The investment fund mobilized through the voluntary mobilization of the rural unemployed has to be transformed into modern fixed equipment, ready to deliver cheap industrial goods to the countryside. Modern steel works will progressively take over from the local foundries. Both processes, intertwined in the beginning, will become unraveled: the local low-productivity projects will wither away.

- (1) Ragnar Nurkse: Problems of Capital Formation in Underdeveloped Countries, pp 163, Oxford, Basil Blackwell, 1953.
- (2) Paul A. Baran: The Political Economy of Growth, pp 308, New York, Monthly Review Press, 1957.
- (3) In order to leave out complicated calculations of value production, we may assume that these workers produce some very rare industrial equipment, for which the social need remains unsatisfied even if production increases ten-fold, so that a tripling of production means a tripling of value produced, social average productivity of labour remaining unchanged outside this sector. The assumption is only apparently unreal; in fact, in the initial stages of industrialization, most heavy industrial plants operate precisely under such conditions.
- (4) These apologists of course also "forget" that Stalin opposed a quick increase in the rate of accumulation between 1924 and 1927; that thereby four years had been lost; and that the division of the accumulation fund of the First Five Year Plan over the timespan 1924-1932, instead of being concentrated in 4 years, would have enabled to realize exactly the same projects at a considerably lower expense of hardship, sacrifice and ... loss of productivity of the workers and peasants.
- (5) The First Five-Year Plan of India estimated the number of underemployed adult males in Indian agriculture at the staggering figure of 70 million people!

- (6) In money terms, of course, increased agricultural production could mean, under conditions of stable currency, lower agricultural prices, and even lower money income of the peasants. This would be of no consequence, if at the same time a constant flow of industrial consumer goods, at falling prices, would be directed towards the villages.
- (7) In India, only 15% of the arable land is irrigated; in China only 45%.

Some Notes on British Trotskyist History

John Walters

It is clear from Comrade Greenark's comments in the last issue of *Marxist Studies* that he is not familiar with the history of the British Trotskyist movement because he refers to the Socialist Labour League (S.L.L.) as though this had had a continuous existence for over twenty years. The S.L.L. was in fact launched in 1959, and the group which he referred to as the one that the Cliff tendency broke from was only one of the component parts of the S.L.L. in 1959.

However, that is a minor aspect of the question. What I am concerned about is to examine the proposition that the Cliff tendency came into existence because of the pressures of the cold war, and in particular its hot phase i.e. the Korean War. Unfortunately for those who like their history and politics handed out in neat simple packages, the truth was far more complicated and to understand it, it is necessary to go back a little further than 1950.

The situation after 1944 was that for the first time in the history of British Trotskyism there was one united organisation, i.e. the Revolutionary Communist Party (RCP). After the advent of the Labour Government to office in 1945 there arose a dispute within the organisation on the question of entry into the Labour Party. G. Healy was the leader of the minority faction in favour of entry, whilst the majority faction which opposed entry was led by J. Haston.

This particular dispute was waged fiercely for three years, but the minority still remained the minority. In 1947 the Executive of the Fourth International stepped in and decided that this dispute could only be settled in practice. It decided to allow the minority to enter the Labour Party as a separate organisation under the direction of the International. This was done despite protests from the leadership of the RCP. De facto this once more split the British Trotskyist movement, although in theory there was supposed to be still only one section. (Incidentally, it was in the same year that Cliff issued his

theses on Stalinist Russia, and hardly caused a ripple either in the majority or the minority faction because they were locked in combat over the Labour Party question.)

Therefore, from 1947 there were two official British sections of the Fourth International, the RCP and the Healy Group inside the Labour Party. This situation caused relations between the factions, and between the RCP leadership and the International, to become even more embittered.

The Healy Group were instrumental in the publication of a monthly (later weekly) newspaper - Socialist Outlook - which gradually gathered support inside the Labour Party and Trade Unions, but no spectacular results were obtained in the first three years or so. At the same time the RCP gradually declined in numbers and influence, and the circulation of its publications declined considerably. The RCP leadership, which had pinned its hopes of a turn to the left of the rank and file of the Labour Party and an eventual split, gradually became disillusioned and began to capitulate intellectually to reformism. As they had previously exaggerated the prospects for revolution now they exaggerated the real changes brought about by reformism.

In 1949 the majority of the RCP leadership decided to recommend entry into the Labour Party, and even those who were against it decided not to fight on the issue. Therefore when a special congress of the party was held in 1949 the leadership won the day fairly easily, despite misgivings on the part of even their own supporters. At the same time it should be noted that the demoralisation amongst the leadership had been carefully screened from the membership even by those who were not capitulating to reformism.

When this had been accomplished, the RCP and the Healy Group fused, once more becoming a united organisation. But with this difference, the Healy faction demanded and were given, a majority on the executive bodies of the fused organisation. Shortly after this fusion took place Haston and others of the old leadership resigned from the organisation, renouncing their Trotskyism. This was a tremendous blow to the morale of those they had led. Moreover, the regime of the unified organisation was a very authoritarian one, with many members being expelled for formal infractions of discipline, or on trumped up charges.

There is another factor that has to be considered. Trotskyism as an international and national political tendency had been forged in a battle against Stalinism. Therefore, much of the propaganda of the movement was directed to

criticising Stalinism. Having sprung from the world communist movement Trotskyism was therefore very largely oriented towards it. The transition to entry work was for many members a very difficult change to make, because the mode of operation, priorities and milieu was radically different to that of an open party. The pages of Socialist Appeal (the RCP's twice monthly newspaper) were studded with biting attacks upon Stalinism, but in contrast the entry paper Socialist Outlook made only the most passing and muted reference to this question.

It was with this background that the outbreak of the Korean War made its impact upon the organisation. This war was partially a civil war and partially an imperialist attack upon North Korea. In such circumstances it was the duty of revolutionary Marxists to support and defend the North Korean State but at the same time it was necessary to distinguish between support for such a state under attack from imperialism and the particular regime of that state. The North Korean State was a Stalinist police regime, which should have been criticised. Trotsky always emphasized that whilst ones support for a workers' state was unconditional, this in no way meant that one gave unconditional support to the regime. In the case of the Korea the line pursued by the Healy leadership was completely uncritical of the Stalinists. This meant that Socialist Outlook was indistinguishable from the Daily Worker (now Morning Star) and to many people outside the organisation (and inside) it seemed that a Stalinist policy was being pursued.

This was the final cause of the crisis inside British Trotskyism in 1950. It was in this situation that Cliff emerged from the obscurity that he had rested in since 1947 and proceeded to argue his case. The logic of his case was really simple, in essence he said "if you continue to call these states workers' states you end up carrying out semi-Stalinist and Stalinist policies and practices. The evidence he presented was very real, firstly there was the internal regime of the organisation which seemed designed to drive out all those who opposed the leadership; secondly there was the complete lack of criticism of Stalinism in the public policies of the organisation. In a situation where many members felt betrayed first by Haston and then by Healy, Cliff for once found fertile ground for his ideas. If one were to examine this situation in detail one would understand that for many people Cliff was merely carrying on the traditions that they had known, but carried them to their 'logical' conclusion.

When the SLL today thunder about the iniquities of 'Pabloism' it is conveniently forgotten by them that it was Healy that first

introduced this dread virus into British Trotskyist body politic. Cliff was not the only person to break from the British section at this period. A smaller group of people who were not state-capitalists also broke, and they too argued that Healy was giving in to the pressures of Stalinism. But perhaps even more important is the fact that most of the people who actually joined the Cliff group at this period did not leave the British section of their own accord, but were expelled because they opposed the leadership.

Therefore, to argue in such simplistic terms as that 'the Cliff group was formed because of pressures from the general anti-communist feeling at the time' is to say the least inaccurate. The complex of pressures was much greater than allowed for. Personally I think it fair to say that the person who did most to create the Cliff Group was - G. Healy.

Under Review

Czechoslovakia and Socialism *

This is a collection of speeches and papers presented to the Stockholm and London conferences on Czechoslovakia convened by the Bertrand Russell Peace Foundation. Contributors include, Ernest Mandel, John Berger, Ota Sik, Stephen Bodington and others.

As with all such collections there is some unevenness, and because the contributions are all on one general theme there tends to be a little repetition. Nevertheless, there are a number of well argued essays that need to be read and discussed. John Berger perhaps sums up what the Czechoslovak events meant

"What ultimately was at stake in Czechoslovakia was the continuity of the present form of leadership of the Russian communist party and all other parties based on the Russian model. Almost despite itself, the Czech party has been forced to challenge this continuity in order to put an end to Stalinism and rediscover its own revolutionary meaning"

It was precisely to abort this rediscovery that the Warsaw Pact armies invaded Czechoslovakia in 1968, and since then have proceeded to gradually ease out the 'liberals' and suppress the free debate that had blossomed. What was being strangled was much more than the right to express opinions, it was multiplicity of initiatives and the resurgence of a new-found strength on the part of the Czechoslovak working class. Stephen Bodington remarks,

"It is remarkable that the new ideas have become so deeply rooted within a matter of months, only since the January reforms. These days suggest almost that the potential of a socialism based on free self-determining individuals as against political government based on the manipulation of masses controlled by central authority, has a power in it much greater as, by analogy, atomic

power is greater than chemical."

This, above all, is what the bureaucrats of all the Eastern European countries were so afraid of.

What this book does is bring together socialists of various kinds and shows how deeply felt was the sense of outrage and shame at the Soviet invasion. Perhaps one of the most interesting essays in the collection is the one by Mihailo Markovic of the University of Belgrade entitled "An Experience in the Struggle Against International Bureaucracy". This underlines the international character of this social caste and indicates that its main source of strength is still within the Soviet Union. Perhaps what we witnessed in Prague will happen in other countries until Moscow has its 'spring'. Then one doubts if there will be any 'friendly' powers ready to protect the bureaucrats from the 'atomic' power of the Soviet workers.

The Russell Foundation have performed a genuine service by making these essays available, perhaps they will make others accessible as they become available.

* Published by the Bertrand Russell Peace Foundation
price 25 - hardback, 7 6d paperback.

R. Carter.

A New Annual?

Merlin Press have this year published a stable mate to Socialist Register, it is the Trade Union Register*. The new Register is edited by Ken Coates, Tony Topham and Michael Barratt Brown. There is an impressive list of contributors, which seems to cover many shades of the left (and centre?). The book claims to be "A symposium designed for active trade unionists". However, one can hardly imagine that an 'active trade unionist' would find time to read all the material collected in these 350 pages. If future issues are to live up to the stated aim they will need to be slimmed down somewhat. One has the feeling that the editors were a little unsure of their own aims when assembling the material and hence the large selection. Some of the essays are more suitable for publication in journals than in a book, which presumably is meant to be partly a reference volume. Also some of the essays are so heavily annotated that the references serve to impede ones progress.

These are however minor criticisms compared with the real value of the book. All the contributions are of a fairly high standard, and many introduce new ideas on perennial topics. Janet Blackman's contribution on the Campaign for Women's Rights is a must for all those who are interested in this subject (and shame on you if you are not). Her point about there being two labour forces - mens and womens - is a very useful idea. She points out that far from women gaining equal rights what is really happening is that a small number of women are jumping into the male labour force without changing its character, and the vast majority of women still work in what are classified as womens work. Men do not join this labour force under any circumstances.

Tony Topham writes a very solid item on Productivity Bargaining, tracing its development since the early sixties, and demonstrates how this has now become the central part of the employers and Government's insidious attack on the unions. He also examines the reactions to this development by the trade union movement, ranging from full co-operation to outright rejection. He also demonstrates that this is a method of keeping the proportions of the division of the national income either static or pushing it in favour of profits. Quite cogently argued is the need for an offensive strategy by the unions in face of this development.

John Hughes, Ken Coates and Richard Silburn all contribute essays on low pay, and John Hughes analyses the unemployment trends since 1964 bringing out some very disturbing and little noticed factors.

One essay in particular makes this volume significant. This is Andree Hoyles' item on the Occupation of Factories in France: May 1968, which is based upon the spot research, the basis for which was an extensive questionnaire which was used in selected factories. This seems to be the only attempt so far to find out what was actually happening in the factories and among the rank and file workers. Most writings that have appeared so far on the French events have concentrated upon the political-cum-student aspects, not surprising in view of the ease with which material can be gathered on these aspects and the fact that the students in particular were very articulate. However, in many ways Andree Hoyles' research presents a more fundamental picture of what was actually going on during those very hectic days, it is much closer to the grass roots. No one who wants to obtain a full picture can afford to miss this vital piece of research.

It is not possible in a short review to mention any more of the contributions, but most of them are worth study. One final

point, the book contains a very useful Diary for 1968 and several statistical tables, both of which are useful for those who do not have the time to hunt around for such information.

J. W.

- * Published by Merlin Press Ltd. price £2 hardback, £1 paperback.
-

Condemned from the Dock - John Maclean's speech to the court in 1918*

The reprinting of this speech is a step that is very welcome at the present time. John Maclean has long been a neglected figure in British working class history, both the Labour Party and the Communist Party, each for their own reasons, have tended to bury his memory. However, it is well that workers should be reminded what red-blooded Marxist leaders are like. Having suffered over the last few decades from a surfeit of boneless wonders, Maclean's words come as a breath of fresh air. "I am not here as the accused; I am here as the accuser of capitalism, dripping with blood from head to foot." Little wonder that Lenin was happy to have such a man as the first Soviet Consul in Britain. As Nan Milton says in the Forward "His speech... was a vivid exposition of international socialism, and should be preserved as a part of the socialist tradition."

I certainly recommend this pamphlet as a 'good buy'.

J. W.

- * Obtainable from Smith, 61 Fergus Drive, Glasgow NW.
2/- post free.

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