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**INTERNATIONAL**

***STALIN ON SOCIALISM***

*By Max Shachtman*

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***POLITICS of the CIO CONVENTION***

*By Ben Hall*

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***The Bureaucratic Conflict  
In Czechoslovakia***

*By George Benda*

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***TWO ERAS OF WAR—II***

*By G. Zinoviev*

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## THE NEW INTERNATIONAL

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Vol. XVIII, No. 6

Whole No. 157

NOVEMBER-DECEMBER

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# THE NEW INTERNATIONAL

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## Politics of the CIO Convention

The Forces Behind Walter Reuther's Victory

By sheer coincidence, the labor leaders who met in convention at Atlantic City faced a drastically changed political climate just as they had to choose a new CIO president. Had Phil Murray lived and deigned to serve, they would have gratefully reelected him. And everything would have seemed unchanged. It would have been unthinkable for Reuther, at this juncture, to aspire to the presidency if Murray blocked his path. But Murray died on the very eve of the convention. To that extent, Reuther's success was a fortuitous product of biological chance. But politics had its way in the end.

With the defeat of Stevenson, CIO officials discovered to their amazement and dismay that they were soon to live under a Republican administration. For two decades, labor's politics were dominated by an alliance with a Democratic administration. The two largest CIO unions—auto and steel—were founded, reared and matured under Truman-Roosevelt and had experienced no other form of political existence. Whether it was willing to admit the fact or not, the CIO would be forced to become an opposition. Its leaders had not come to Atlantic City to alter their policies, or program. But the shock of November left its impression—a dull realization that tomorrow might imperiously demand new methods and tactics.

Because it was electing a new leader, the CIO gained an unanticipated opportunity to prepare itself for the new while clinging to the old. It could do both at once by elevating Reuther to the CIO presidency; and so his election became a relatively simple and painless process.

Murray died without an heir apparent and the field quickly narrowed down to two contenders: Walter P. Reuther and Allan S. Haywood. In the nature of their respective candidacies; the character of their support, and in the choice before the delegates lies the significance of the recent CIO convention.

A genuine struggle for succession erupted, no less serious because it was excluded from convention debate and confined to chats in conference chambers, private offices, and hotel rooms. Both sides contrived to mask the fight in a cloak of simulated total agreement. All resolutions were passed in virtual unanimity; the candidates and their respective spokesmen showered public praise upon one another. Yet neither would bow to his rival. Long after Reuther's majority was guaranteed, Haywood insisted upon a convention roll call as a demonstration of continuing power and solid support sufficient to wrest concessions from his victorious opponent at the convention and after. Such stubborn insistence is an almost unprecedented violation of

the labor officials' code of ethics which prescribes that candidates in private may seek support from other officials but must bow out gracefully in public if their efforts are in vain. It is even laudatory, if not mandatory, for the disappointed candidate to nominate the rival whom he had been bitterly excoriating (in confidence) the day before. Haywood's course pointed to the intensity of the fight—not critical enough to pose a split, but sharp enough to permit an open display of differences.

THE OFFICIAL and public unanimity on every other question seemed to turn the elections into a personal contest based upon mutually exclusive private ambitions. What took place, however, was a conflict between two different tendencies in the CIO and the convention effected a shift of control from one to the other—by cold, uninspiring, bureaucratic methods but a significant shift nonetheless.

Like Murray, Allan S. Haywood came out of the miners union where he had been part of the arbitrary Lewis machine. But where Murray was able to carve out his own satrapy in the Steel Workers Union, Haywood always remained the hired hand of more powerful officials. When the break with Lewis came, he became a Murray lieutenant. He stood for office as the continuator of the régime, traditions, and policies of Murray and ran as the chosen candidate of the Steel Workers Union. He had been executive vice-president of the CIO, appointed to that post by his boss, Murray; in that capacity he directed and controlled the far-flung CIO organizational apparatus. He disposed of hundreds of appointed officials, regional directors, organizers and they in turn controlled scores of small local industrial unions, city and state coun-

cils, and even small dependent international unions. This staff supported Haywood, aggressively, anxiously, even desperately. They were for the status quo in the most ordinary sense; they wanted no change because they wanted to stay where they were.

Although they were most conspicuous at the convention, applauded loudest and gave an aura of mass support to his candidacy they were not his main base. Without the Steel Workers Union he could not have even announced his candidacy. The leadership of this union was nurtured by Murray and trained in his tradition. Conservative in ideology, distrustful of new things it was suspicious of Reuther for his socialist past, his unorthodox background, his unusual slogans and methods, and his radical, intellectual and socialistic admirers. While the conservative Association of Catholic Trade Unions, as far as is known, took no open public position it was undoubtedly on Haywood's side. Just before he died, Murray had appeared as the invited guest at an ACTU convention—an unusual endorsement by a high labor official for a small faction inside the union movement. When leading labor officials conceal real differences and ignore genuine issues because of a mistaken sense of diplomacy, the frank expressions of groups like ACTU, give us an invaluable insight into what remains hidden. In Michigan, where many ACTU members are part of the Reuther faction, it has carried on a permanent campaign against the "socialists" in the UAW. In New York, ACTU warned Reuther, after his election, that he would have to get rid of the "secular liberals" that surround him or face a future of trials and tribulations. After his election to the CIO presidency, its spokesmen held out a diffident hand, offering to sup-

port him but warning him to cut loose from radicalism. The ACTU reaches its conclusion via its own private ideology, which does not necessarily correspond to the trend of thought among Reuther's CIO opponents, but in their conclusion they express openly the misgivings which his critics inside the labor movement prefer to express in private.

The Communication Workers of America and the United Packinghouse Workers Union joined the Haywood camp. But although he could mobilize some smaller unions, steel, and the CIO paid staff, it was not enough. The vote stood at 2,613,103 for Haywood and 3,079,181 for Reuther.

The decisive mass production unions lined up in the Reuther column: Oil Workers, Rubber Workers, Textile Workers, Amalgamated Clothing Workers, Auto Workers, Electrical Workers. Jacob Potofsky of the Amalgamated memorialized Murray and James Carey of the International Union of Electrical Workers expressed his humblest gratitude toward him; Rieve, Reuther and other paid their respects to the memory of their late leader. But when the time came to choose his successor, they selected not the man who symbolized the continuation of his policies, but a new, younger, and different type of leader, Walter Reuther.

IN CONTRADISTINCTION to the Haywood bloc, Reuther and the UAW constituted a left-wing; and the CIO convention witnessed its triumph over the more conservative right." "Left-wing" is a relative term [we employ it in its authentic sense to signify a more radical tendency and not to imply any similarity with Stalinism]. It serves to pinpoint the geographical-political location of Reuther in relation to all its

rivals. If Reutherism displays few of the inspiring characteristics which we might associate with an ideal left wing—the militant, pioneering, idealistic spirit, self-reliant and aggressive—then this is one sign of the backwardness of American unionism. Such is the left-wing of such a union movement. In the absence of any mass socialist wing or even of any more uncompromising tendency. Reutherism, with all its weaknesses and vacillations, stands on the extreme left of the American labor movement. The convention saw its push for power in the CIO and at the same time recorded its utter failure to maintain its own self-chosen perspectives.

In his rise to power in the UAW, Reuther assembled around him a group of rank and file union militants and secondary union leaders who viewed his struggle as a crusade for a new brand of unionism. They were inspired by the magnificent traditions of the sit-ins and were fresh out of their own war-time struggle against the no-strike pledge, a fight waged without his support. He rallied them and won their confidence with the slogans of the GM strike of 1945-6. He led a fight against Stalinism which appealed by reason and argument to the best class sentiments of the UAW membership—a model procedure in a labor movement whose first recourse in every dispute is bureaucratic suppression.

Many of his closest supporters had been socialists in their union youth, Emil Mazey, now UAW secretary-treasurer, most conspicuous of all. By this time, they had abandoned or forgotten their old socialist perspectives but they retained a belief that it was the destiny of their union to breathe fresh life into the labor movement. The ideals they had once sought through socialism were now to be

realized in down-to-earth fashion in keeping with the facts of life in the United States. How and when, they were not sure; but that this was their task, they knew. To the UAW came a group of professionals attracted to its staff by similar goals. Here they could build a union not as mere hired hands, but as full participants in creating "the vanguard in America, the architect of the future."

It was this UAW, these men with their not quite defined aspirations that brought Reutherism to the fore as the left wing in the labor movement. It is the same tendency which came to the CIO convention. But in the interlude their dreams had faded, their ideals became somewhat shopworn. Reuther called in vain for a revival of the crusading spirit of the days of the sit-in strikes; he must first recapture the crusading spirit that once animated Reutherism as it rose to power and prominence.

His victory in the UAW was a successful revolt of active union militants against their old leadership and a rebellion even of the appointed staff. His program remained ill-defined—effective enough to undercut the rise of any serious opposition but not distinctive or adequate to create a conscious mass cadre of effective political supporters. At any rate, he felt compelled to consolidate his hold, and make it permanent, so to speak, by creating inside the UAW a replica of the machine which dominates virtually every union in the country. Former militants joined the paid staff and abandoned their once irrepressible rank and file to assume the demeanor of appointed officials, respectful and acquiescent to the top leader. He built a machine similar in type, although more progressive in its ideology, to that which Haywood had constructed within the CIO and which

Reuther defeated at Atlantic City.

He rose in the UAW as leader of a democratic mass caucus. This alone sets him apart from most labor officials who inherited their office as a hand-me-down from other powerful labor leaders. A distinctive feature of UAW life has been a rich internal caucus life through which the active militants dominated the political existence of the union. In the dull bureaucratic calm that has settled over most unions, the UAW stands apart for its vigorous internal life. But it was not this that fascinated those who voted for Reuther at the CIO convention. Their confidence in him rose as they saw the old UAW caucus life tend to disintegrate. Perhaps his union is becoming more like ours, they seemed to say, and they felt secure against any outside stimulus that might make democracy pulse inside their own bailiwicks. Not that they oppose democracy; they are eminently for it but shun the uncertainties which it carries along. They look upon a free inner union caucus life as a bearer of disunity, a seed of disruption, a revelation of weakness and a potentiality for an overturn in leadership. In retrospect, the past shines differently even to Reuther, former faction leader now a successful labor leader.

R. J. Thomas, former president of the UAW defeated by Reuther, addressed the most recent auto convention as an invited guest; as is fitting, he urged them to forget the past and think only of the harmonious future. The now totally victorious Reuther, willing to forget his own past as a faction leader, utilized the occasion to admonish the delegates.

"... The past is dead, as far as the factional considerations are concerned; and I urge the fellows in those few remaining locals where they are still

living in terms of the 1946 convention and 1947 convention and the Grand Rapids convention and the Chicago convention and the Buffalo convention—those conventions are behind us and the future, that bright future that beckons us all, where a better life awaits us and our families and our kinds. . . . You are going to have contests for offices, we are going to have an election tomorrow; anybody who wants to run for president who is eligible ought to run. That goes for every other office. But let's have democratic contests without factionalism. Let's have democracy but not factionalism. That is what we need."

In this spirit, O. A. Knight, president of the Oil Workers Union, who nominated Reuther commended him for bringing unity to a divided and faction-torn union. Here, in one union, representatives of hundreds of thousands of workers, demonstrated in life that they could hammer out their differences, keep their union powerful and settle their acute problems without the heavy-handed arbitration of an all powerful bureaucratic machine. Out of UAW history, today's crop of labor officials remembers only the inconveniences of the democratic struggles and not its inspiring quality.

UAW political policy is the most radical expression of labor's line in the CIO; but it was never advanced in the councils of labor with vigor and forthrightness. In this respect it permits a concentrated summary of Reutherism: a left policy proclaimed in the UAW but never defended inside the labor movement.

In 1948, the UAW called for the formation of a new progressive party to bring about a "political realignment." In a special message to his membership, Reuther solemnly vowed to press urgently and continuously for its achievement. With the passage of

time and the election of Truman, the latter became a museum curiosity and the policy was relegated to the status of an ultimate objective without relevance to the tasks of the moment. Nevertheless, during the crisis of labor's walkout from all war agencies, the 1951 UAW convention went on record for the summoning of an emergency political congress of labor to gird itself for the presidential campaign. Wherever the UAW dominated the labor movement, as in Michigan, Reutherites actively intervened in Democratic Party policies with the intention of dominating it in practice if not in theory.

THE 1952 ELECTIONS have come and gone; the CIO heard nothing of the UAW political plans; UAW delegates sat through CIO conventions, well-mannered enough not to allow their views to obtrude into the harmoniously unanimous sessions. Leaders of other CIO unions could relax; their equanimity would never be ruffled by any of the distinctive proposals of the UAW.

There is no question here of "insincerity." The Reutherites are quite serious about their political views; they see organized labor acting as the driving force behind the Democratic-labor coalition without gaining the recognition and influence it deserves. A "new political realignment" aims to magnify the power of labor in general and of the UAW in particular. But Reuther has no intention of irritating other labor leaders. "We must not get too far ahead of the parade," he is fond of cautioning his followers. What he means is now clear. The progress of the UAW and the success of its policy is so inseparably intertwined in his mind with his own personal advancement that the two are almost indistinguishable to him. To win the CIO

presidency, he had to allay the suspicions of fellow union presidents and prove his own reasonableness. If this meant soft-peddalling, even abandoning, his own political line, was it too high a price to pay?

An open and public demand for a new political policy would not win out immediately in the CIO. In this, Reuther's calculations are doubtless correct. But it would have wide repercussions in the labor movement. It would begin a reorientation; it would stimulate a reexamination in the conscious ranks of the unions and tend to create a sort of union-wide Reutherite tendency. But a Reuther responsible for such trends could hardly endear himself to his CIO colleagues.

He had to make a choice. Either (1) play the role of left critic as a minority, banking upon the impact of his line upon the ranks and leadership of the labor movement in the course of time; or (2) conciliate the existing CIO officialdom, serve as its instrument in advancing *its* policies today in return for the prestige of office and the hope of standing at the head of the parade when they themselves had finally decided to move forward. This chapter in his career got its title from the decision: "He would rather be president."

Reuther came to Atlantic City with over one-third of the total votes in his pocket. This alone gave him a powerful bargaining position with the secondary International Unions. Clearly, he had the strength to lead the CIO. But he did not bludgeon his way into the CIO presidency by sheer force of numbers. Haywood matched his strength with the aid of the Steel Union.

Reuther's strong and insistent bid for leadership was a sign that he and the UAW were at last ready to play

first rôle in the CIO; that he was strong enough to replace Murray and Steel in aiding and directing the whole federation. This intention he had announced in effect many months before at the auto convention when he drove through proposals for increasing UAW dues to finance the struggles of other unions and for lengthening the period between UAW conventions to free himself for broader participation in the work of the CIO. All this could only encourage the leaders of other mass production unions who, under the special impact of the 1952 defeat were wrestling with the grim possibilities of tomorrow. In a way, their own left leanings were stimulated. Emil Rieve, president of the Textile Workers, more clearly than the others illustrates what was happening. In 1948, he had hinted darkly of the formation of a labor party while Reuther was calling for the new progressive party. In 1951, when the CIO rejoined the War Boards he ended up on the Wage Stabilization Board, but quickly expressed a restive dissatisfaction. We are still just captives, he said; and he tried to resign in protest. But the conservative counsels of Phil Murray induced him to remain. In 1952, he voted for Reuther. In the breast of every labor leader two instincts battle for supremacy. Reuther's strong candidacy strengthened the instinct of self-preservation through struggle—if necessary.

Reuther had proved himself responsible by their standards; able to replace the domination of steel; progressive yet safe and sane. And thus he emerged as their leader. The election of Reuther does not signify a radical turn or the adoption of a new program. But it reveals that the decisive sections of the CIO, despite the efforts to cling to the past, are induced to re-

vamp the control of the CIO and hold the door open for a future reorientation.

As Reuther expands his rôle to encompass a wider purview of activity in the labor movement, the significance of Reutherism is altered; it becomes less a source of power to stimulate and urge the labor movement forward and more a tool to be picked up by labor officials when they are ready. Reutherism remains suspended, a potential, a future possibility. It arises as a crusading force to raise a new clean banner of labor struggle. We see, however, how its inordinate preoccupation with the sensitivities of the labor officialdom has, at least for the time being, turned its eyes away from the ranks of labor and led it to evade the responsibilities which it had proclaimed; that of reorienting the labor movement.

The next step before the labor movement, one which is indicated by every consideration of logic and politics, is the reunification of CIO and AFL. For a moment, any union left-wing, would find the balance of power shifted toward the right as the more conservative crafts are thrown into the scales. But, by enhancing the social power of the workingclass, such unity would soon stimulate more de-

manding and less compromising policies. In a combined federation, a left wing tendency could present its policy with great persuasiveness and cogency; it would be addressing a united labor movement conscious of new power and not a section of it.

The story of the UAW is one chapter in the strivings of the workingclass toward a new policy. This left wing had to be able to maintain itself against the Stalinists, to keep intact its union strength against a powerful group of industrialists, withstand the pressures of the rest of the union movement and its bureaucracy—all without a clearly defined platform to bind its militants into a homogenous group. If this proved too difficult at the moment, it is not because the task is impossible but because this tendency is temporarily stifled in the general union conservatism. In electing Reuther, the CIO leaders were recognizing, in their own way, that the road ahead may lead through new political and strike battles. The evolution of the CIO saw the first beginning of a genuine, if amorphous, left wing in the union movement, most strikingly evident in the UAW but not confined to it. And in the days ahead, it will have many opportunities to demonstrate its viability.

Ben HALL

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# The Bureaucratic Conflict

## The Contradictory Stresses and Strains in Czech Regime

The continuing high turnover among the Stalinist big-shots in Czechoslovakia would be of little interest if it were only a matter of personalities. But this merry-go-round of power-hungry mediocrities is more than some pure and meaningless "circulation of élites"; that Comrade Gottwald holds Comrade Zapotocky's head under water, or that they conclude an alliance in order to decapitate Slansky—such facts become meaningful if one can discover how they fit into the picture of social forces.

The men behind and in the Prague trials, for example, are all members of the Stalinist bureaucracy. But bureaucracy is no more an indivisible entity than the bourgeoisie. If representatives of the bureaucracy are feuding among themselves, it means that some sections of the bureaucracy are in conflict with others. Each move of a leader in the highest spheres must be accompanied by a parallel move of the bureaucratic clan he represents and on which his position is based. This "move" may consist of innumerable molecular acts of one set of bureaucrats making life miserable for another, first of all in their inter-administrative daily routine, but preferably also with the help of the press and the judicial apparatus. A faction must be rooted in some social substratum in order to survive. Whether its representative will be successful in the long run will depend on its vitality which, in turn, depends on whether the given apparatus is indispensable for the system as a whole, or whether its autonomy is justified. Otherwise it will be either eliminated or swallowed

up by another sector of the bureaucracy.

In this article we shall not trace the specific relationships between the Czechoslovak leaders and their respective species of bureaucrats, except in passing. Our purpose is to show some of the major areas of conflict among various sections of the Czechoslovak bureaucracy, to describe the field of tensions in which Stalinist politicians operate.

### Bones of Contenton

All the pulls and stresses we can detect in the allegedly monolithic bureaucracy, in the last analysis, concern the extraction and the division of surplus value.\* The surplus value can be considered as divided roughly into three parts:

(1) Net exports toward Russia, domestic "socialist constructions," armaments.

(2) Consumption of the domestic bureaucracy, including the general expenses of exploitation like the police, the army, etc.

(3) Net investments.

These three destinations of surplus value are in constant competition with each other, a competition which provides one of the chief clues to the conflicts we observe.

\*Comrade Benda obviously holds to the view that Russia and her European satellites are "state capitalist" systems. Thus, his use of such terms as "surplus value" and "bureaucratic capitalism" in this article. Although the editors disagree with these concepts there is no need to discuss them at this point as the state capitalist view is not discussed in the article. Elsewhere in this issue Comrade Shachtman has written a detailed polemic against the theory that the law of value continues to operate in Stalinist countries.

—The editors

In the case of funds for investment, their size influences not only that of the other two sectors but determines the size of the total "cake" to be distributed at a future period. However, the pressure for current production [(1) + (2)] is so great that it drains off not only surplus value that might be used for accumulation but makes inroads on the depreciation allowances. The result is a dis-investment which reduces the productive capacity of the economy and therefore the amount of the surplus available for distribution at the next round.

There is an additional factor influencing the size of the "cake" which, at least, must be mentioned, and that is the decline in the rate of profit. It continues to operate after the change from monopoly capitalism to bureaucratic capitalism, and creates the same basic problems east of the Iron Curtain as west of it.

Since the question of investments is central to the whole economy, we should expect the Czechoslovak Stalinists to do everything they can to substitute for the relative lack of accumulation. Two possibilities are open to them. First, rationalization of production can take the place of net new investments, and even of replacements, at least to some extent. Secondly, increased exploitation of labor—apart from that accompanying rationalization—may make up for used up machinery and furnish more surplus value with a given fixed capital.

It is this last alternative which the Czechoslovak Stalinists seem to depend on chiefly. Increased exploitation, however, means a larger apparatus of repression and supervision. The number of Czechoslovak bureaucrats and "watchdogs" is increasing in proportion to the productive workers, again diverting funds that might have been used for accumulation. Logically

it would entail further intensification and prolongation of work, would workers' resistance not make this way largely inoperative. And as the squeeze between the pressures from Moscow and the resistance of the workers becomes tighter the internecine feuds among the Czechoslovak ruling class become increasingly frantic.

The antagonism which opposes various sections of the Czechoslovak bureaucracy is hidden behind a totalitarian front.\* Besides, each particular struggle may be the result of a complex of motivations, of which the protagonists need not always be aware. But those conflicts which finally burst into the open can be understood only against the background of the economic dilemmas facing the Czechoslovak bureaucracy as a whole.

### Plant Patriotism versus Central Planning

The pressure which the Kremlin exerts on the Czech economy makes life difficult for the Czechoslovak bureaucracy. On the other hand, it is highly doubtful whether it could maintain its position without Moscow's oppressive protection, not to mention a possible military intervention in case the Czechoslovak Stalinists should declare themselves independent. There is thus a constant tug-of-war between the desire to administer the Czechoslovak economy for their own benefit and the fear of the consequences of independence. So far, the tension between the Czechoslovak bureaucracy and the Kremlin has not been expressed openly. It has been transposed into the relations of the plant managers to the central plan-

\*The mastery with which they succeeded in the Prague trials to divert world opinion from their conflicts to the issue of anti-Semitism is but an example.

ning and governmental agencies, in so far as this central apparatus represents Russian wishes and interests. Lacking an independent tribune, the plant managers show their attitude in inter-administrative relations.

The animosity between the central planning organs and the factory executives is rather similar to the state of affairs denounced by Malenkov at the last Party Congress in October, 1952. Malenkov said:

Economic workingmen [sic!] with party organizations looking on, present intentionally exaggerated demands for raw materials; in case the plans of production are not fulfilled, they permit the falsification of production reports. Not a few economic workingmen forget that the enterprises entrusted to their care and direction are state enterprises. They try to make their own dominion out of them where such a—forgive me the word—manager does whatever “his left foot desires.”

The difference lies in the fact that in Czechoslovakia the feud between Factory and Central Agencies is not only “*Factory Patriotism*,” as the Central Agencies have been calling it since about March, 1952, but also the patriotism of a colonial bureaucracy forced to run the economy for a foreign account.

To begin with, the plant administrations do not take the prescriptions of the plan too seriously. They try to fulfill the plan according to weight, but cheat on specific items. “Thus rare raw materials often were transformed into items for which no market was assured in advance, at the expense of important supplies for the constructions of socialism and for the Soviet Union . . .” (*Rude Pravo*, July 29, 1952). Before the planned quotas filter through all the levels of planification, they are often adapted to the wishes of the producing units. “It has led to the saying: ‘The plan is elastic—put it down in pencil!’” (*Ibid.*)

More specifically, the conflict between managers and planners centers around Kuncice. The “constructions of socialism” mentioned above mean a huge iron and steel trust under construction on the Polish-Czechoslovak border in Kuncice near Moravska Ostrava, the main coal mining center. This future supply depot for a “Red” army on its western march pumps all productive resources, raw materials, building equipment and labor out of the rest of the economy, and is to be listed under the heading “exports toward Russia,” although it remains in Czechoslovakia. This, in any case, is the implicit opinion of the plant administrations throughout the country. The central organs complain relentlessly that the factories delay supplies of installations for Kuncice and fail to fulfill their quotas of “voluntary brigades” of labor which have to be sent to Kuncice. Or else they use this obligation in order to get rid of inefficient, elderly or refractory workers.

Envious of the preference given to Kuncice, the factory managers try to bring the deterioration of their own equipment to a halt by pressuring higher organs for more investment funds and materials. In this respect the factory managers have recourse to the most devious methods. They accumulate illegal buffer stocks of materials, with the idea of partly channelling them back into their own factories. They use their personal influence at the Central Bank in order to get extra, unplanned investment credits. Another example. The campaigns for a general “stiffening” of the efficiency norms resulted every year in the so-called “collective contracts” concluded between the management and the workers. In them, the workers pledged to work according to the revised, more severe norms, and the management promised, *pro forma*,

certain technical and organizational improvements. Now the management took the initiative and presented these “contracts” to the ministry, using them as a legal basis for additional investment grants which were supposed to be made unnecessary precisely by the general “stiffening” of efficiency norms.

### Managers versus Party

Leaving aside the opposition to the Plan and assuming it to be accepted “as a law we give to ourselves” (as Gottwald would hypocritically say), there remains a rivalry concerning the methods best suited to fulfill it.

The technical bureaucracy prefers the technical approach. Not merely by professional prejudice but because the labor market is “tight” and resistance against direct exploitation is strong. It is the factory management that must “live with” the workers, not the Central Agencies. If larger investments for meeting the growing requirements are being denied, the technical bureaucracy would try to solve the problem by a large-scale rationalization. This is the path the factory managements took during the last year to an increasing degree. They do not get new machines, so they reshuffle and reorganize the existing equipment into new quasi-assembly lines, adapt an old machine for one single operation it still is good for, try to redistribute orders among themselves in such a way that each factory makes what it is best suited for, etc. Whether this rationalization drive is able to tackle the problems successfully in the long run is another matter.

The factory managers were not able, however, to begin with large-scale rationalization so long as there was another bureaucratic body interfering

with everything, following its own lines of action for which it did not have to account, making everybody nervous by its arbitrariness, that is to say, the party apparatus.

The period of uncertainty as to the powers of factory managers ended officially in the fall of 1951. Simultaneously with the fall of Slansky, the whole edifice of the top party apparatus crumbled. It did not disappear; it simply fused with the state apparatus. The high spheres of the secretariat were invaded by ministers and economic planners, who gave the green light to the factory managers. The Russian principle of “one-man management” (*edinonatchalie*) and “decentralization” were stressed with big-drum-beating. The arbitrariness of the party apparatus was denounced and the planning and administrative specialists confirmed in their powers. At the same time it seemed that the police apparatus would lose some of its autonomy, too, and that it would become mainly an auxiliary of the economic bureaucracy.

On this front the balance was unmistakably favorable to the State Planning authorities and factory managers, as opposed to the party.

### Managers versus Trade Unions

There remained another apparatus which continued to claim its indispensability: the trade unions. Whereas the managers clung to technical solutions, the trade unions boasted about the importance of influencing the “human factor.”

In order to prove itself essential, the trade union apparatus tried to pile upon itself administrative functions which previously were performed by specialized institutions. This was the case of the social security manage-

ment. Since the beginning of 1952 the trade unions proceed systematically to the transfer of social security supervision to their plant officers. The trade union plant officers have to watch whether workers get their social security payments illegally; they practice "comrade's visits" at home to make sure that the worker is really sick, etc. In the fight against absenteeism the interests of the trade-union apparatus and the plant administration did not clash sharply, though the plant administrations probably were not enthusiastic about trade union interference.\*

In other instances, however, their respective interests did clash, for example, in the case of "socialist competition." There was a sort of moribund "movement of socialist competition" since the early days of the régime, but it resembled more a periodic collecting of autographs among the workers than anything else. Parallel to it limped the movement of spontaneous inventions, called the movement of "ameliorators." Both of these "drives" were driving the technical plant personnel mad. An active "socialist competition" would mean constant disrupting of the organization of work and the supply of materials, bottlenecks, disharmony in the flow of operations. "Spontaneous ameliorations," often impracticable, only undermine the authority of traditional worked-in methods and are thus another element of disorganization, not to mention the spontaneous reaction of the normal, non-ameliorating worker.

The plant management has always tried to dampen these outbursts of competition and amelioration. In or-

\*In this connection it should be noted that the trade unions try to replace the check-off system of dues collection by an individual collecting of dues by trade union officers.

der to keep "socialist competition" drives under control, special competition-commissioners were named among the staff of employees to do the paper-work and protect intermediary technical cadres from the necessity of organizing competition in addition to their normal work load. As regards projects for ameliorations, the plant administrations learned to put them "into the long drawer," as the Russians say, "for latter use. . ."

There has been in general a constant attempt on the part of the managers to reduce the ties of local party and trade union organs with their respective central bodies and to group them around the plant. The plant directors proceeded to turn trade union and party officers into a sort of handy-men for management. They were sent all over the country to look for raw materials or spare parts, or urged to make themselves useful in production as assistants to the foremen.

Some time during the first months of 1952 a reaction set in against this ancillary position of the trade-union organs in the plants, though not on the initiative of these plant organs which had enough trouble solving their attitude toward the workers. The initiative came from the highest spheres of the trade-union bureaucracy which probably wanted to avoid the sad fate of the party apparatus. The push for a revival of the trade union organs to an independent life centered around the organization of "socialist competition," which had to be rehabilitated. Mr. Zapotocky, the unofficial boss of the trade unions, began last spring to scold "the formalistic and lukewarm attitude of our economic workingmen, technicians and foremen, toward the organization of competition" (*Rude Pravo*, May 1, 1952), and proclaimed the necessity for the "plant councils" to take the mat-

ter into their hands. This fall, directives were issued for "production commissions," the new auxiliary organs of the trade union plant councils. Their purpose is to free the trade union officers from the hegemony of management, and to turn them into control agents tailing the management instead.

The plant bureaucracy did not watch these moves quietly. It maintained that there is no reason to withdraw the responsibility for competition from the management and its commissioners. This is on the defensive side. At the same time, the managers proceeded to a countermove trying to take the wind out of Mr. Zapotocky's sails. They started a drive for a socialist competition "factory against factory," which leaves their prerogatives undamaged and fundamentally alters the purpose of the individual "socialist competition" of the trade-union apparatus brand.

### Managers against Managers

Given the total volume of the "wages of superintendance" accruing to the Czechoslovak bureaucrats, the fight centers on the distribution of this fund. The fight is intensified by the progressive bureaucratization of the economy which tends to reduce the individual shares. The Stalinists tried to unload some ballast by sacrificing state employees of lower echelons—this was the season for the transfer of 80,000 employees into production in 1951. But this transfer was unable to check what is a deep tendency toward bureaucratization at this stage of capitalism.

In the distribution of managerial income the Central Agencies discriminate in favor of those sections which are of key importance to the fulfillment of the plan. But in doing so they

antagonize the other sections, which exert pressure upon the Central Bureaus in order to recover their "just" share.

By a decree issued in September, 1951, the incomes of the managers and technicians in the Ostrava coal mining industry, and later those in heavy metallurgy, were substantially increased, particularly as compared to other sectors where sometimes ordinary workers get more pay than a director. This is the case in the building trade, according to *Prace* of October 19, 1952.

The discrimination in managers' income provoked a wave of discontent. In the case of coal mining, where a regional discrimination worked against secondary coal basins, a movement of "egalitarianism" was noted among the coal technocracy. In other branches, technicians showed signs of a kind of passive resistance: "First adjust our salaries as you did those of mining and metallurgical engineers and technicians, and we shall show you afterwards what we can do!" (*Prace*, December 5, 1951.)

The samples of intra-mural conflict among the Czechoslovak bureaucracy described above are those which have left a trace in the press and which certainly comprise only a part of such rivalries and mutual sabotage occurring behind the scenes. But they are sufficient to show that the fissures are deep. They are also complex; for example, the Central Planning Agencies are in conflict with the local plant administrations, but at the same time support them in a common rivalry with the party and trade union apparatus.

The two chief pressures which influence the Czechoslovak bureaucracy's stability—Moscow, on the one hand, the workers' resistance, on the



other—will to some extent drive the factions toward unity. But at the same time each of these pressures, reinforcing the influence of the other, tends to sharpen the economic dilemma facing the bureaucracy as a whole, and there-

fore to increase internecine warfare. Future developments will depend largely on the two basic pressures exerted on the Czechoslovak ruling class. So far, the trend has been toward an increase in both cases.

George BENDA

## STALIN ON SOCIALISM

### Decoding Stalin's Message to the Russian Stalinist Congress

Marx was not very fortunate with his *Capital*. It finally became widely clear that in it Marx had dealt the analytical death-blow to capitalism and provided the proletariat with the theoretical means of annihilating capitalism altogether. But when it was first published in Germany eighty-five years ago, this masterpiece which proclaimed the discovery of the law of motion of capitalism met a restrained reception. In the working-class movement, it was announced in a modest review by Schweitzer in his paper and a little later in a couple of unsigned articles by Engels in the elder Liebknecht's paper. Its epochal impact could never have been guessed at the time from these quiet commentaries.

With Stalin it is different. No one is left to guess if his contributions are momentous. That is authoritatively indicated, underlined, repeated and insisted upon when the contribution appears, i.e., when the revelation is vouchsafed. It is immediately guaranteed not only by a tremendous circulation by its obligatory publication in full in every periodical of the author's world-wide empire, but in the obligatory fifteen million reprints which make up the first Russian edition alone. A million voices and pens are mobilized to propagate the new

gospel to millions more who cannot help but listen and read. Everything written and said on the subject up to the historic moment is execrated and extirpated as the veriest idiocy, where it is not suspected of having been poison deliberately introduced into the public mind at the instigation of wreckers. Resolutions are mimeographed for adoption at factory meetings, thanking the author for having at last turned night into day with the exceptional sun-genius which is his unique property, assuring him that critics of the clarification will be beaten to a pulp on the spot, and pledging the redoubled efforts of the factory to surpass its production quota even if it means working more overtime without pay. At all succeeding assemblies, plenary meetings, conferences or congresses, every reference to Stalin and his latest revelation is punctuated by applause which, the record shows, seldom fails to be prolonged, often becomes tempestuous and always ends in an orgiastic ovation for the Vozhd which would redden the cheeks of an ox. The banality, absurdity, ignorance and irrelevance of the revelations seem only to heighten the frenzy of his audiences.

Yet the reaction is not pathological, but political. Who else has yet succeeded in kneading profane ingredi-

ents so artfully into palatable, theoretical and political justifications for the rule of tyranny in the name of freedom, and of swinishness in the name of brotherhood? Stalin has improved on the old Roman emperor who appointed his horse to membership in the Roman Senate, therewith inaugurating one of our oldest parliamentary traditions. Stalin's appointees understand and appreciate him as no dumb animal could. Their ovations rise from the deepest wells of their gratitude for the one who raised them to sovereignty and its perquisites, not only in the reality of the "happy life" but also in the gospels which sanctify their wallowing in it.

A prime example is Stalin's *Economic Problems of Socialism in the U.S.S.R.*,\* which was made public on the eve of the 19th Congress of the Communist Party of the Soviet Union, convened last October although the 18th Congress was held only thirteen years ago. Formally, it appears as a series of remarks addressed to the participants in a discussion, held November, 1951, on a proposed textbook on political economy; and, accompanying them are replies to four economists who were plucked out of obscurity to serve as objects of rebuttal for Stalin and were then just as abruptly returned to the unknown. Practically speaking, they no longer exist; they could not possibly survive the seigneurial contempt, the coarse sneers

\*In this article, we are using the official English translation which appeared in the *Daily Worker* of Nov. 9, 1952. The translation of the excerpts from Stalin's work which appeared a little earlier in the *New York Times* is quite unusable. The translator was plainly unfamiliar with the subject matter and by trying to render the text into syntactically graceful English succeeded in reducing Stalin's authentic incoherence into incomprehensibility. The translation in the *Daily Worker* is superior in all respects: the elegance, lucidity and music of Stalin's distinguishing style are faithfully reproduced, that is, it reads like a sandbag dragging through a field of glue.

and the menacing interdictions with which Stalin annihilates the views they are supposed to hold.

The mere statement by Malenkov, in his Central Committee report to the 19th Congress, that the new Stalin revelation "is of the greatest importance for Marxist-Leninist theory and for all practical work," sets off the familiar "prolonged, tempestuous applause" from everyone in the hall. But that is only one of the more inhibited statements by Malenkov. He warms to the task as he progresses.

"Comrade Stalin's substantiation of the objective character of economic laws is of the greatest importance from the standpoint of principle." This will come like balm in Gilead to the shades of those like Marx and Engels and their bourgeois predecessors who insisted upon the objective character of economic laws: to receive substantiation from Stalin was worth waiting for.

"Comrade Stalin's discovery of the fundamental economic law of contemporary capitalism and of the fundamental economic law of socialism is a tremendous contribution to Marxian political economy." It would be a mean adversary who begrudged Stalin admiration for a discovery of such intoxicating import. Here are people who have been fighting capitalism and building socialism for most of their lives without realizing the basic economic laws involved in either case; then in the twilight hours of capitalism, which is on its very last toe in Russia, and the twilight hours of socialism, under which life is gay and which is steadily passing over into full-bodied communism, they learn at last what these fundamental laws really are. Like the good citizen in Molière who is told that he has been speaking prose all his life, they find that all their labors have been in the most

harmonious and scientific consonance with objective law! Small wonder that they honor the genius in their midst who discovers or invents or elaborates, and at the very least substantiates, these splendid laws.

"Comrade Stalin," continues Malenkov, "discovered the objective economic law of the obligatory conformity of the production relations to the character of the productive forces, and substantiated the tremendous cognitive and transforming rôle of that law." There are two passages in the writings of Karl Marx that are quoted by friend and foe more often than any others. One of them, written almost a hundred years ago in his famous introduction to the *Critique of Political Economy*, sets forth the law that Marx himself calls the "general conclusion" he drew from his study of political economy and which remained the "leading thread" in all his further studies:

In the social production which men carry on they enter into definite relations that are indispensable and independent of their will; these relations of production

## "Economic Laws Under Socialism"

What Stalin's new work is formally and what it has as its real aims, are two different things. And what its real aims are, is not easy to discern at first glance. It helps a good deal, to start with, to know Stalin's method in such matters:

Confronted with a problem, espe-

\*In the following examination of Stalin's new work, the writer has felt obliged to confine himself to the theoretical questions raised by Stalin. But theory is anything but the most important question on Stalin's mind, and the careful reader of his work will not fail to perceive what really concerns Stalin and, in this instance, all the rest of us. I therefore hope soon to return to Stalin's work in order to deal with such matters as the conflicts within the Stalinist bureaucracy over agricultural

correspond to a definite stage of development of their material powers of production. . . . At a certain stage of their development the material forces of production in society come in conflict with the existing relations of production, or—what is but a legal expression for the same thing—with the property relations within which they had been at work before. From forms of development of the forces of production these relations turn into their fetters. Then comes the period of social revolution. With the change of the economic foundation the entire immense superstructure is more or less rapidly transformed.

This is the "objective economic law" that Stalin discovered. Stalin has a clear case of plagiarism to make out against Marx, for, as the Viennese poet once said, "that is exactly how I would have written it." Whatever may be said about the laws that exist in Stalinist Russia, there is obviously none that prohibits public ignorance or ignorant shamelessness or shameless bootlicking or bootlicking plagiary. But let us leave this director of the official agglutination of Sir Pertinax MacSycophants for the more profitable object of their adoration.\*

cially if it is represented by a real or potential adversary, it is Stalin's way to start by bagatellizing its seriousness, by denying that it has the weight which substantial forces would lend it, by selecting some obscure or defenseless persons as the object for a crushing attack in which ideas utterly

policy—the attitude toward the collectives and the peasantry; over international policy—the attitude toward war and peace in the struggle with the U. S. bloc. These conflicts are "finally" settled by Stalin's article, that is, settled until the next stage of the fight within the bureaucracy. The relation between these internal bureaucratic fights and the struggle of the people for the overthrow of the Stalinist regime, will form one part of the article to follow —M. S.

alien to Marxism and socialism are injected under cover of the most illiterate or irrelevant but always most pious and self-contradictory references to Marxian orthodoxy; he never fails to make far-from-irrelevant references to the indestructible unity of the party and the integrity of the state, both of which are represented exclusively by the Central Committee with Comrade Stalin invariably at its head. The bureaucracy, which has learned to understand the esoteric language of Stalinism, is immediately alerted, that is, it loosens its holster straps. Public discussion on the problem does not end, only because it never begins. The innocent object of the attack is massively and scientifically abused, ridiculed, isolated and menaced, so that the poor whipping boy sometimes wishes he were dead, a wish which is not always denied. Only later, sometimes much later, it is learned that Stalin's attack was directed toward an acute problem and against important persons or forces. By then, the persons have been forced to their knees, ready for a bullet at the base of the skull or an uncertain reprieve; the problem has either been solved or violently repressed; it may reappear later in another form, but Stalin has gained time.

So it is in the present case. After setting forth his principal contentions against the unnamed "some comrades" who "deny the objective character of laws of science, and of the laws of political economy in particular, under socialism," Stalin writes:

It may be said that all this is correct and generally known; but that there is nothing new in it, and that it therefore [is] not worth spending time reiterating generally-known truths. Of course, there really is nothing new in this; but it would be a mistake to think that it is not worth spending time reiterating certain truths that are well known to us.

Anyone in Russia who "might say"

that the Stalin revelations are "generally known" and are "nothing new," or who would call them anything short of "epoch-making," must be living an underground existence, or else he enjoys the luxury of a police license for silence. But that apart, what is so importantly new that it induces Stalin to reiterate with such ceremony and to all continents these "truths" which are not only correct and generally known but have nothing new in them?

The fact is that we, the leading core, are joined every year by thousands of new and young forces who are ardently desirous of assisting us and ardently desirous of proving their worth, but who do not possess an adequate Marxist education, are unfamiliar with many truths that are well known to us, and are therefore compelled to grope in the darkness.

This does not speak too well for the quality of instruction in the educational system which any Stalinist publication will insist, without false modesty, is the best in the world. Whatever its higher duties, surely its elementary duty is to teach the young forces the "correct and generally-known" truths. The ones who every year join the "leading core" are surely the best products; and if the best are *that* ignorant, what must their inferiors look like? It is a dismal picture. But what disturbs Stalin is the practical result. The ardent thousands of new and young forces are consequently.

...staggered by the colossal achievements of Soviet government, they are dazzled by the extraordinary successes of the Soviet system, and they begin to imagine that Soviet government can "do anything," that "nothing is beyond it," that it can abolish scientific laws and form new ones . . . I think that systematic reiteration and patient explanation of so-called "generally-known" truths is one of the best methods of educating these comrades in Marxism.

Now we are moving out of the cave and into the light. The "ardent youth"

is a clear case of substitution, not in the neurotic but in the political sense, and we shall come soon enough to who is really meant to be the object of the "systematic reiteration and patient explanation." The "disease" which needs curing is, however, now known: it is that bedazzlement with the colossal achievements and extraordinary successes which makes people imagine that the Soviet government can do anything—for them.

That is an illusion, it now seems. The braggart who confounded his dupes by repeatedly boasting that "we Bolsheviks" are "men of a special mould" who can "conquer any fortress," that is, *can* "do anything," is now not content with putting a minus where the plus was, but scornfully derides anyone else who ever held that a plus sign made any sense in the first place. All self-criticism under the Stalinist régime follows this model.

It is an illusion because what can be done under the Russian régime, as under any other social formation, is limited (if not controlled) by the "laws of political economy [that] reflect the law-governed processes which operate independently of the will of man." Profoundly mistaken, continues Stalin, are those comrades who "believe that in view of the specific rôle assigned to the Soviet state by history, the Soviet state and its leaders can abolish existing laws of political economy and can 'form,' 'create,' new laws."

Stalin does not want his point to be missed. He is not dealing with political economy of economic law under capitalism alone. Man cannot abolish laws of nature, laws of science, or create new ones. What holds for the laws of nature,

... must be said of the laws of economic development, the laws of political economy—*whether in the period of capital-*

*ism or in the period of socialism.* Here, too, the laws of economic development, as in the case of natural sciences, are objective laws, reflecting *processes of economic development which take place independently of the will of man.* Man may discover these laws, get to know them and, relying upon them, utilize them in the interest of society, impart a different direction to the destructive action of some of the laws, restrict their sphere of action, and allow fuller scope to other laws that are forcing their way to the forefront; but he cannot destroy them or create new economic laws. (My emphasis. M. S.)

Unfortunately, we need a little more of this. It must be taken dose by dose, for without more, the full breadth and depth and height cannot be grasped.

It is said that some of the economic laws operating in our country under socialism, including the law of value have been "transformed," or even "radically transformed," on the basis of planned economy. That is likewise untrue. Laws cannot be "transformed," still less "radically" transformed. If they can be transformed, they can be abolished and replaced by other laws. The thesis that laws can be "transformed" is a relic of the incorrect formula that laws can be "abolished" or "formed." Although the formula that economic laws can be transformed has already been current in our country for a long time, it must be abandoned for the sake of accuracy.

If the law of value cannot be transformed, let alone radically transformed, because that implies that it can even be abolished, then under socialism, it continues to exist. Certainly, writes Stalin, "it does exist and does operate." But "the system of wage labor no longer exists and labor power is no longer a commodity, and . . . the system of exploitation has long been abolished," writes the same Stalin. How then does the law of value exist and operate? Because, continues Stalin, "today there are two basic forms of socialist production in our country: state, or publicly-owned production, and collective-farm production,

which cannot be said to be publicly owned." In the latter case, unlike the former, "the collective farms are unwilling to alienate their products except in the form of commodities, in exchange for which they desire to receive the commodities they need."

With a sweep of the pen Stalin lifts the curtain on an economic category which Marx, at any rate, who was an enemy of hobgoblins in all sciences, never dreamed of, namely, socialist commodity production, or the production of socialist commodities. From the production of these weird objects which are at once socialist and commodities, it is elementary to conclude that "under the socialist system" the law of value "does exist and does operate." For:

Wherever commodities and commodity production exist, there the law of value must also exist.

In our country the sphere of operation of the law of value extends, first of all, to commodity circulation, to the exchange of commodities through purchase and sale, the exchange, chiefly, of articles of personal consumption. Here, in this sphere, the law of value preserves, within certain limits, of course, the function of a regulator.

But the operation of the law of value is not confined to the sphere of commodity circulation. It also extends to production. True, the law of value has no regulating function in our socialist production, but it nevertheless influences production, and this fact cannot be ignored when directing production. As a matter of fact, consumer goods, which are needed to compensate the labor power expended in the process of production, are produced and realized in our country as commodities coming under the operation of the law of value. It is precisely here that the law exercises its influence on production. In this connection, such things as cost accounting and profitableness, production costs, prices, etc., are of actual importance in our enterprises. Consequently, our enterprises cannot, and must not, function without taking the law of value into account.

Is this a good thing? It is not a bad thing.

It would indeed be a bad thing, so bad that humanity's position would be hopeless, if all this nonsense were true. Fortunately, it is not. The pursuit of truth does not concern Stalin. His aim in all this is to falsify the social position of the workers in order to falsify the social position of the ruling class. This aim requires him to go back on himself, so that two contrary positions serve the same basic purpose. The first position has been sufficiently reiterated: economic laws reflect objective processes which take place independently of the will of man, and they cannot be transformed or abolished or repealed or replaced by other laws. But in the middle of all this reiteration, we learn from Stalin that

The law of balanced development of the national economy arose in opposition to the law of competition and anarchy of production under capitalism. It arose from the socialization of the means of production, after the law of competition and anarchy of production had lost its validity.

A few paragraphs earlier, after calling to his aid a quotation from Engels in a way which, as Engels liked to say, is enough to give you epilepsy, Stalin comments with satisfaction:

As we see, Engels' formula does not speak at all in favor of those who think that under socialism economic laws can be abolished and new ones created. On the contrary, it demands, not the abolition, but the understanding of economic laws and their intelligent application. . .

It has been demonstrated that society is not powerless against laws, that, having come to know economic laws and relying upon them, society can restrict their sphere of action, utilize them in the interests of society and "harness" them, just as in the case of the forces of nature and their laws. . .

The first question that arises, then, is this: why was the law of competi-

tion and anarchy of production allowed to "lose its validity"? Once understood, why was it not applied intelligently—once known, why was it not relied upon, utilized and harnessed? The answer seems to be: here we have one economic law, to start with, that governs the economic development of a given social formation but doesn't even have "validity" for the economic development in another social formation.

The second question that arises is this: if the law of competition and anarchy was valid for capitalism, but is not valid for socialism (for the moment we make the preposterous assumption that there is or can be such a thing under Stalinism), how can it exist anywhere under socialism except in history books? A law that has no validity, a law that is inoperative, is a non-existent law. If it was put out of existence by the revolution which instituted the "socialization [accurately: the nationalization] of the means of production," did not the revolution abolish this law of capitalism?

The third question that arises is this: if the law of balanced development of the national economy (for the moment we make the preposterous assumption that there is or can be such a law) did not exist under capitalism, but exists today under socialism where it "arose in opposition" to the capitalist law which it invalidated only because of the revolution which nationalized the means of production, did not the revolution thereby "create" or "form" a new, socialist economic law?

No matter: whatever the question, whatever the answer, we have Stalin's word for it that while man cannot abolish or even change economic laws, man can, by revolution, for example, render economic law invalid—and any faithful Stalinist can plainly see that

if I render a law invalid I have not changed it in any way. We also have his word for it that while man cannot create or form new laws, man can, by revolution, for example, render previously non-existent laws operative and even dominant—and this thought too will strike the faithful Stalinist as patent and pellucid. And we have his word for it—it is good tidings—that even the famous law of value which "does exist and does operate," while it dogs our every footstep in what we now have, socialism, will disappear under what we shall some distant day have, communism.

Value, like the law of value, is a historical category connected with the existence of commodity production. With the disappearance of commodity production, value and its forms and the laws of value also disappear.

In the second phase of communist society, the amount of labor expended on the production of goods will be measured not in a roundabout way, not through value and its forms, as in the case under commodity production, but directly and immediately—by the amount of time, the number of hours, expended on the production of goods.

Verily, that will be a day of greatness for man—that second phase of communist society, or briefly, pure communism, as distinguished by Marx from the first phase of communist society, or socialism, which is and has been officially established in Russia since as far back as 1935. When that day comes, production and distribution will be on the highest imaginable plane—"From each according to his ability, to each according to his need"—and the antithesis and distinctions between town and country, skilled and unskilled, mental and physical labor will be abolished. "We, the leading core," give you our most solemn promises that we will speed you toward that paradisaic day as swiftly as

the Trotskyists, wreckers and cosmopolitans let us.

Meanwhile, however, we are only in the first or socialist phase of the communist society. To pass from the first phase to the blissful second, means work, hard work, more work, uncomplaining work, and satisfaction with the colossal achievement therefrom. But do not "begin to imagine that the Soviet government can 'do anything,' that 'nothing is beyond it,' that it can abolish scientific laws and form new ones." In plain Russian, do not imagine that because the achievements are colossal and the successes extraordinary, your conditions of life, economic and political, are going to improve. That is for tomorrow, which happens to be incalculably distant. For today, we live under law, particularly the law of value, which not only "does exist and does operate," but does so in a mysterious way that explains nothing but justifies everything.

It would be simple honesty if it were all put bluntly: why are the necessities of life so scarce, why are the prices for the available necessities so high, why is the quality of the available necessities so low? On the other hand, why does "the state" fare so well in the work of maintaining and expanding big industry, maintaining and expanding the armed forces in general and the police forces in particular, and above everything else, in maintaining and expanding "itself," that is, its personnel? But it is contrary to the inner and outer nature of the author of the *Economic Problems of Socialism in the U.S.S.R.* to put so honestly and plainly the question to which his whole work is devoted. Wherever there is embarrassment, there is substitution, anonymity, pseudonymity, circumlocution, but nowhere straightforwardness. In this way, the defenseless law of value,

present or absent, is made to justify all without explaining anything.

Stalin has already been quoted as to where the law of value is involved: the law

. . . extends, first of all, to commodity circulation, to the exchange of commodities through purchase and sale, the *exchange, chiefly, of articles of personal consumption*. Here, in this sphere, the law of value preserves, within certain limits, of course, the function of a regulator. . . [the law] has no regulating function in our socialist production, but it nevertheless influences production. . . As a matter of fact, *consumer goods, which are needed to compensate the labor power expended in the process of production, are produced and realized in our country as commodities coming under the operation of the law of value*. It is *precisely here* that the law of value exercises its influence on production (My emphasis. M. S.)

To put it crudely, the share of the national income allotted to the workers falls under the workings of the law of value, according to Stalin. The real significance of these utterly incredible words we have quoted will receive a more detailed treatment later, in order not to break the thread of Stalin's exposition.

However, does the law of value, "in the first phase of development of communist society," regulate the proportions of labor distributed among various branches of production? At this point, unlike others, Stalin's exposition is not only important but appropriate and irrefutable:

If this were true, it would be incomprehensible why our light industries, which are the most profitable, are not being developed to the utmost, and why preference is given to our heavy industries, which are often less profitable and sometimes altogether unprofitable.

If this were true, it would be incomprehensible why a number of our heavy industry plants which are still unprofitable and where the labor of the worker does not yield the "proper returns," are not closed down, and why new light in-

dustry plants, which would certainly be profitable and where the labor of the workers might yield "big returns," are not opened.

If this were true, it would be incomprehensible why workers are not transferred from plants that are less profitable, but very necessary to our national economy, to plants which are more profitable—in accordance with the law of value, which supposedly regulates the "proportions" of labor distributed among the branches of production.

This is very well put, and no Marxist could reasonably quarrel with it. Here it is quite obvious that the law of value does not operate. In determining the annual or quinquennial investment distribution over all the separate branches of industry—and by virtue of the fact that it is able to determine it because industry, agriculture and the working class are nationalized—the Stalinist state is able to ignore that capitalist law which determines and regulates that incessant ebb and flow of capital to and from different branches of industry which tends to equalize the rate of profit in all branches. Price fixing by means of the notorious Stalinist turnover tax regulates, as the late Rudolph Hilferding perspicaciously observed, the distribution of the national product among the classes of this new society. Light industries, which, essentially, provide the workers' share of the national income, "are the most profitable." The turnover tax makes quite sure of that by placing a levy of some eighty percent on agricultural products, and some twenty percent on the products of light industry—which is anywhere from ten to fifty times more than the tax on the means of production! But "more profitable" though they are, the light industries "are not being developed to the utmost." That is, for the workers and for the peasants: scarcity. The heavy industries are

built up "even though" they are "unprofitable." Why unprofitable? Is labor less productive than in light industry? Not very likely. It is simply a matter of the all but nominal turnover tax levied on the means of production and their products. But that is precisely why the bureaucracy has the lion's share of the national income at its disposal. *Every bit of strengthening and expansion of heavy industry, which is centralized entirely in its hands and controlled exclusively by it, correspondingly strengthens and expands its power over society (at home and abroad!), that is, its power over the masses, over the national income, over production and distribution, over all forms of social and personal life.* And this is true in the Stalinist state to a degree never enjoyed by any other ruling class, anywhere or anytime in history!

"Consumer goods, which are needed to compensate the labor power expended in the process of production"—these come "under the operation of the law of value." But means of production—can they

... be regarded as commodities in our socialist system? In my opinion they certainly cannot.

... In the first place, means of production are not "sold" to any purchaser, they are not "sold" even to collective farms; they are only allocated by the state to its enterprises. In the second place, when transferring means of production to any enterprise, their owner—the state—does not at all lose the ownership of them; on the contrary, it retains it fully. In the third place, directors of enterprises who receive means of production from the Soviet state, far from becoming their owners, are deemed to be the agents of the state in the utilization of the means of production, in accordance with the plans established by the state.

In the absence of a better statement of the relationship, this one can be accepted as perfectly accurate. But if the law of value does not operate in the

different branches of the nationalized industry, which are most directly embraced in state planning, where does it exist and regulate? Perhaps in that strange sphere of economic life, the collective farms, where "socialist commodity" production moves in mysterious ways its wonders to perform? According to Stalin, there is one who holds that view, a comrade Alexander Ilych Notkin, not otherwise identified, and characterized only by having given the Vozhd the opportunity to expose him as a public cretin (we say "holds that view," which is wrong; he "held" that view; but assuming he is among the living it is dead certain that he no longer does). Stalin rejects the view, and again, his statement is perfectly accurate:

Is the influence of the law of value on the price of raw materials produced by agriculture a *regulating* influence, as you, comrade Notkin, claim? It would be a regulating one, if prices of agricultural raw materials had "free" play in our country, if the law of competition and anarchy of production prevailed, if we did not have a planned economy, and if the production of raw materials were not regulated by plan. But since all these "ifs" are missing in our economic system, the influence of the law of value on the price of agricultural raw materials cannot be a regulating one. In the first place, in our country, prices of agricultural raw materials are fixed, established by plan, and are not "free." In the second place, the quantities of agricultural raw materials produced are not determined spontaneously by chance elements, but by plan. In the third place, the implements of production needed for the producing of agricultural raw materials are concentrated not in the hands of individuals or groups of individuals but in the hands of the state. What then, after this, remains of the regulating function of the law of value? It appears that the law of value is itself regulated by the abovementioned factors characteristic of socialist production.

Consequently, it cannot be denied that the law of value does influence the forma-

tion of prices of agricultural raw materials, that it is one of the factors in this process. But still less can it be denied that its influence is not, and cannot be, a regulating one.

What this "influence" is that the law of value exerts, here or elsewhere in Stalin's remarks, here or elsewhere in the Stalinist economy, is not stated. Is it the influence that supply and demand have on price, or one friend has upon another, or the moon has on the tide, or music has on the savage breast, or Stalin has on Malenkov? No one can tell. It is entirely without definition, specification, measurement, or substance—the Holy Ghost of the "socialist commodity," in Stalinist political economy. Anyhow, it is good to learn that the law of value does not regulate the production of the collective farms. It is itself regulated, and so being, is reduced, as a law, to atomic proportions without atomic power.

What remains, after all this, of the law of value under Stalinist socialism? In the planned economy of big and small industry, it is not in evidence at all; in the more-or-less planned economy of agriculture, "it appears that it is itself regulated." These two spheres account for the overwhelming bulk of production in the Russian empire. It preserves its function of regulator—and even there only within certain limits, "of course,"—in what is, in Stalin's own version, a necessarily minor and constantly diminishing sector of economic life, one which in any case could not be considered weighty by comparison with the heavily predominant and determinant importance of the rest of economic life. But even in this sphere—the "consumer goods"—is the situation really the way it is described by Stalin? Let us look a little closer.

## The Marxian Law of Value

According to the Marxian theory or law of value, the value of every commodity is determined by the amount of socially necessary labor required for its production (or reproduction). In the highest stage of commodity production, the one in which it becomes predominant, namely, capitalism, labor power itself becomes almost universally a commodity, a peculiar commodity, it is true, but one whose value is nevertheless determined like that of any other commodity. The worker sells his commodity, as he must, to the capitalist. But, exploiter though he is, the capitalist pays the worker the full value (more or less) of his labor power. He pays him in the form of another peculiar commodity, money, which is a universal equivalent and with which the worker in turn acquires those commodities he needs to live on (that is, to reproduce his labor power). He in turn pays the full value (more or less) for these commodities. For the value of his labor power, the worker receives an equivalent value in other commodities. The bourgeois principle of equality is perfectly maintained. Equal values have been exchanged. There has been no cheating, no stealing. Commodity exchange can operate on no other principle, above all under the conditions of capitalism, than that of the exchange of equivalents.

Yet the capitalist exploits the worker. In paying for labor power at its value, the capitalist has the *use* of labor power, namely, labor itself, for a longer time than is needed to reproduce the value of the labor power he has bought. That is, he disposes of its use during the time when it is *necessary labor*, and during the time when it is *surplus labor*, that is, while it produces a value above that of the labor

power purchased. The secret of surplus value is laid bare. No cheating, equal values fairly exchanged—and that is exactly how the worker is exploited and surplus value appropriated by the capitalist. Thus, the Marxian theory of value is nothing but the theory of surplus value. That is all it is or ever was.

Under Stalin's socialism, Lord be praised, "the system of wage labor and exploitation has been abolished," or so he says. But the workers' need for consumer goods, however undesirable that need may seem to some, has not been abolished. But it turns out that the "consumer goods, which are needed to compensate the labor power expended in the process of production, are *produced and realized* in our country as commodities coming under the operation of the law of value" (my emphasis. M. S.).

Now we are in a maze, not easy to enter and harder to leave. If that is how consumer goods are produced and realized (that is, exchanged or sold), then their value, like that of all commodities, must be determined by the labor time needed to produce them. The law of value, under whose operation these "socialist" commodities come, tell us that commodities exchange only against other commodities, and that in the proportion of the labor time embedded in each of them. Against what commodity are the consumer-goods-commodities exchanged in Russia? Against the commodity known as labor power—since these goods are "needed to compensate the labor power expended in the process of production"? If that is the case, we have before us not a socialist economy, in the first, second or any other phase, but capitalism. For capitalist economy

is distinguished from all others in which commodities are produced by the fact that labor power, too, has become a commodity. But only a few lines earlier, Stalin takes pains to explain that "Talk of labor power being a commodity, and of 'hiring' of workers sounds rather absurd now, under our system." Not only sounds absurd, but is absurd. In that case, we, along with Stalin, are stuck. If the consumer goods are not exchanged against another commodity of equal value—and they are not, for labor power is no longer a commodity—then they are not *realized* as commodities, and the genial Stalin is talking gibberish.

Are they perhaps *produced* as commodities, that is, is there at least a half-truth in what Stalin writes? Not even half of a half-truth. In the first place, an object which is produced for the use of others but which is not exchanged against another commodity, which is not realized as a commodity, may be a delicious thing to eat, a handsome thing to wear, an excellent thing to polish boots with, a hallucination or invention of Stalinism—a commodity it is not and cannot be. If we ignore the first place, then in the second place an object is produced as a commodity only in one of two circumstances: One, if the labor power employed in producing it is itself a commodity, as is typically the case under capitalist economy. But labor power is certainly not a commodity under Stalinism, not because Stalin denies it, but in spite of his denial.\* Two, commodities can be produced even when labor power is not a commodity—but only under

\* "For the conversion of his money into capital, the owner of money must meet in the market with the **free laborer**, free in the double sense, that as a free man he can dispose of his labor power as his own commodity, and that on the other hand he has no other commodity for sale. . . ." (*Capital*, Vol. I, p. 188.) There is no such free laborer in Stalinist Russia, and labor power is not a commodity there.

pre-capitalist economy, or under capitalist economy to the extent that pre-capitalist forms persist. But that is so only because the worker (or peasant) is an individual producer who still privately owns his instruments of production, himself exchanges his products against others, and is therefore not obliged to offer his labor power for sale on the market as a commodity. But except for a diminishing handful whose influence on the Russian economy is negligible, and to whom Stalin is not even referring, there is no pre-capitalist commodity production, there are no individual producers owning the means of production, there are virtually no consumer goods produced for distribution on the basis of private ownership of the instruments of labor. In a word, Stalin is still talking gibberish.

How consumer goods, like all other products, are produced under Stalinism, must be left for later, with the notation made in advance that the way they are produced is of determinant importance. But produced they are, and consumed they are. What Stalin was to tell us is how consumer goods become goods of the consumer, that is, how they are distributed. If they are not distributed in accordance with the familiar laws of commodity exchange, what law does regulate distribution? The answer is of interest not only to us, but to millions who work under the Stalinist régime. And from precisely this standpoint, Stalin's work was not written for nothing. What it has yielded toward enriching our understanding, we already know. But that was only *hors d'oeuvres*; our mental belts must be loosened for richer courses to come. The next platter contains nothing smaller than the fundamental economic law of socialism which, we have it on the superior authority of Malenkov, has just been

discovered by Stalin. Even though the picayune critic might deem it a little late in being discovered, in view of the fact that socialism in Russia is moving with such unarrestable speed to communism, it is not too late. At any rate, it is not too little, for it encompasses within itself more than any other economic law ever contained. Perhaps we will learn from it the basis upon which the wealth produced in Stalinist society is distributed.

The essential features and requirements of the basic law of socialism might be formulated roughly in this way: the securing of the maximum satisfaction of the constantly rising material and cultural requirements of the whole of society through the continuous expansion and perfection of socialist production on the basis of higher techniques. . . .

It is said that the law of balanced, proportionate development of the national economy is the basic economic law of socialism. That is not true. Balanced development of the national economy, and, hence, economic planning, which is a more or less faithful reflection of this law, can yield nothing by themselves, if it is not known for what purpose economic development is planned, or if that purpose is not clear. The law of balanced development of the national economy can yield the desired result only if there is a purpose for the sake of which economic development is planned. This purpose the law of balanced development of the national economy cannot itself provide. Still less can economic planning provide it. The purpose is inherent in the basic economic law of socialism, in the shape of its requirements, as expounded above. Consequently, the law of balanced development of the national economy can operate to its full scope only if its operation rests on the basic economic law of socialism.

There we have the whole of it, and forthwith it prompts the melancholy thought that nobody in the vast fiefs of the Kremlin dares roll on the floor laughing when he reads it. However, let us listen very carefully to every word of this wondrous law, lest its full juiciness escape us:

It is a *law* because its requirements are the securing of the fullest satisfaction of society's requirements;

It is a *socialist* law because it secures this satisfaction not by expanding and perfecting capitalist or feudal production, as some thoughtless, incautious people might imagine, but by expanding and perfecting socialist production;

And it is the *basic* socialist law because while the other, the non-basic, law of socialism—balanced development of the economy—has no purpose, and planning has even less, this law is as full of purpose as a cow of milk, with this feature that makes it Stalin's first great improvement over the cow: the cow must be fed for her milk, whereas the fine thick cream of socialism is inherent in the law itself, built right into it.

What other law can be mentioned in the same breath with this one? Ohm's law that the current flowing in any portion of an electrical circuit is equal to the applied electromotive force divided by the resistance, has, no doubt, some interest, but is there inherent in it the purpose of satisfying the maximum electric light and power requirements of the whole of society? No. And all other laws of nature and society suffer from the same fatal inadequacy. Not so under the Stalin Law of Inherent Purpose, to give it the name under which it will pass into oblivion.

But if the newly-discovered basic law of socialism is already operating, why—if one may ask without meaning offense—why do we need the appalling congestion of big and little Stalins, Malenkovs and Berias, with their Politbureaus, Secretariats, Collegiums, Praesidiums and associated slave-drivers, prison wardens, trained lickspittles and trained assassins? We need them, it should be plain, to en-

force the excellent basic law of socialism in order that socialist production shall grow and improve so that the maximum satisfaction of society's requirements shall be secured. But—one asks further—is not that very purpose inherent in the law, and besides, is not this law too a mere "reflection of objective processes which take place independently of the will of man"?

To this question there will be no answer, particularly not in Russia where the Discoverer sees to it that there is no question in the first place. If there were an answer, we would flee it: the question is based on a "law" which is lunacy incarnate, and any answer related to it would be correspondingly tainted. More important, however, is the fact that the new law proclaimed by Stalin gives no answer at all to the concrete question: how are consumer goods distributed under Stalino-socialism, by what criterion or standard or formula, if any, are they distributed among the members of this socialist society? Even if Stalin's new discovery were an "economic law" instead of the sheer fiddle-faddle that it is; even if it were the honest statement of a social aim—which is all such a statement ever could be—instead of the cold and mocking duplicity that it is; it would still tell us nothing about the basis on which consumer goods are distributed.

There is, fortunately for the patient, a last resort. It is the formula now familiar in Marxian literature, and known widely in the Stalinist world as well. Under communism, wrote Marx in the famous passage of his criticism of the draft of a program prepared for the unification congress of the German Social Democracy at Gotha in 1875, "the narrow bourgeois horizon of rights [can] be left far behind and society will inscribe on its banner: 'From each according to his

capacity, to each according to his need.'"

The formula presupposes an enormous increase in the forces of production, the end of the distinction between physical and mental work, with labor becoming "not merely a means to live but . . . the first necessity of living." How far distant such a stage of society may be, or even whether it can be fully attained by man, is not involved for the moment. We are concerned only with what is being done and what can be done to draw society ever closer to the realization of the principle expressed in Marx's watchword. The principle itself is unambiguous: "In a higher phase of communist society," as Marx puts it, everybody will work for the community to the best of his capacity without any compulsion or regulation from society, and society will freely accord him everything he needs.

Stalin makes no claim that Russia has reached the "higher phase of communist society." Quite the contrary. He insists that it has not, and under the given conditions, with the best will in the world, it could not have attained this stage. In this he is, of course, perfectly right. Just as perfectly right is his corresponding insistence that the quoted formula of Marx cannot yet be applied to "our socialist society," since it represents only the first phase of communist society. "To pave the way for the transition to communism" in its higher phase, says Stalin, a number of conditions must be met. Let us leave these conditions aside for a while, and ask if Stalin, in this very connection, gives any indication of the formula which can be and is supplied in the meantime. He does indeed.

Only after all these preliminary conditions have been satisfied in their entirety will it be possible to pass from the

socialist formula, "from each according to his ability, to each according to his work," to the communist formula, "from each according to his ability, to each according to his needs."

Patience is therewith doubly rewarded, once for itself and again for having finally reached to the all-resolving formula. We are not only given it. We get more than we bargained for. It is only very little overstated to say that the purpose of the entire Stalin work—including all his somnoliques on political economy, on economic law in general and the law of value in particular, and on the truly ecstatic discovery of basic laws of socialist economy which are distinguished from all economic laws in that they are not laws at all—was to defend this "socialist" formula, to bolster it up again with learned obscurities, to justify it again in the language if not in the sense of Marxian theory.

"From each according to his ability, to each according to his work"—that is the distinctive contribution Stalin has made to the mind and life of his time. That is his lasting contribution, and not the theory of "socialism in one country"—or the theory of "the bloc of four classes" in the colonial revolutions or the theory of "social-Fascism" or any of the other constructions which, however important the rôle they played for a given period or

moment, faded when they served their transient or auxiliary purpose. It is to this "formula," in so far as a formula expresses social needs and social hopes, that Stalin owes his rise as the authentic and venerated leader of the new ruling class; to it the new ruling class owes its success in destroying the Bolshevik revolution root and branch, owes its own conquest of state power.

Although there have been vague hints attributing the formula to Marx, no such out-and-out claim has been made; the falsification—it is nothing else—has not advanced to such a point as yet. It has only been designated as "Marxian." Any number of times since the beginning of the rise of Stalin and the coagulation around him and his program of the new bureaucracy, Stalin has advanced with diminished restraint the idea which is the essence of this "formula of socialism." Each time, the argument for it, the justification, has been different; some of the arguments exclude others that were made; some are in out-and-out conflict with others. But it is also a fact that the idea itself has been persistently and more and more confidently advanced, with increasing support from those who grasped its meaning and benefited from its implementation in the real life of Stalinist society.

## Equality and Inequality Under Stalin

It is the idea of inequality—not in general and not as a law of nature, to be sure, but as economic inequality which is only a manifestation of the fundamental social, or class, inequality of Stalinism.

The Bolshevik revolution was an equalitarian revolution in the socialist, not the religious or bourgeois, sense. The Stalinist counterrevolution,

anti-socialist through and through and from start to finish, was therefore necessarily anti-equalitarian, in reality as well as in ideology. The counter-revolution goes back of course to the early days of the resistance of the Left Opposition. When Zinoviev, on the verge of the open break with Stalin which preceded the alliance with Trotsky, wrote his *Philosophy of the*

*Epoch* in 1925, Stalin was the first one to denounce him. Zinoviev, not without factional designs against Stalin, reminded people that the proletariat had made the revolution of 1917 in the name of equality, and now that the civil war was over and the Soviet régime politically and economically more-or-less stabilized, it was necessary, he urged cautiously, to begin taking steps again to realize the equality for which the proletariat almost secretly yearned. Stalin's attack upon him was prompt, surprisingly—for those days—violent, ugly, ominous; but except for the charge of "demagoguery," dark and vague. Only after the Trotskyist and Zinovievist opposition had been crushed and dispersed, and the Bukharin-Rykov-Tomsky opposition, the last representatives of the historical Bolshevism, even if in its right-wing form, had been brought to its knees, did Stalin find it possible to champion inequality directly and make it official party, state and police policy. It is significant that this came in the period of super-industrialization and all-out collectivization. It was the beginning of the end of the last traces of working-class power and rights, and the substitution of omnipotent police absolutism.

Stalin did not as yet, in those days, say a word about "socialist political economy" and "socialist commodity production" and "basic economic laws of socialism" and "law of value under socialism," for even then people might have giggled or laughed out loud. These were invented later to make the wormy social reality appear "Marxistic." But the beginning of the enslavement of the masses required that inequality be placed prominently on the banner of the state. In 1931, in his speech before the conference of the industrialists, he said:

...It must not be tolerated that a loco-

motive engineer should receive the same wages as a writer.\* Marx and Engels said that the difference between skilled and unskilled work would continue to exist even under socialism, and even after the abolition of classes; that this difference would disappear only under communism, and that therefore even under socialism "wage labor" must be paid according to need. Our industrialist and trade-union equalitarians are not, however, in agreement with this and believe that this difference has already disappeared under our Soviet system. Who is right: Marx and Lenin or the equalitarians? We may take it that Marx and Lenin are right. But from that it follows that whoever draws up wage scales today on equalitarian "principles," without considering the difference between skilled labor and unskilled labor, breaks with Marxism, with Leninism. (Stalin, *Fragen des Leninismus*, [Problems of Leninism], p. 621.)

By that time, it is doubtful if a single "industrialist" considered himself less than the superior in skill of the locomotive engineer or even the writer; and if, moreover, it was so clearly a choice between the "equalitarians" and Marx and Engels, the equalitarians were as good as counted out before the voting.

A year later, in an interview granted to Emil Ludwig who, being a skilled writer, did not hesitate to discuss matters about which he knew thrice less than zero, Stalin put the case of inequality more blatantly and with utterly unashamed demagoguery:

The sort of socialism in which everyone receives the same wages, the same quantity of meat, the same quantity of bread, wears just the same things, and receives the same products in the same quantity—such a socialism is unknown to Marxism. Marxism only says: until the final annihilation of classes, and until labor, instead of being a means to existence, has become the first necessity of life—volun-

\*A curious historical coincidence—this choosing of a railroad engineer as an example of a "socialist" wage differential. See further on what Lenin called a higher wage for a railroad engineer in 1918, i.e., well before the revolution was destroyed by Stalin's "socialism."



tary labor for society—everyone will be paid for his labor in accordance with the work done. “From each according to his ability, to each according to his labor”—this is the Marxist formula for socialism, that is, the formula for the first state of communism, the first stage of communist society. . .

Read how Marx criticized Stirner for his tendency to equalitarianism, read Marx's *Critique of the Gotha Program* of 1875. . . Equalitarianism has nothing in common with Marxist socialism. . . (*An Interview with the German Writer, Emil Ludwig*, p. 15f.)

This was 1932, and Stalin had already seen to it that not one living soul remained in all the broad lands of Russia who would rise in public to read what Marx did write in the *Critique of the Gotha Program*. For Ludwig, no doubt, it was enough to be assured that socialism has no equalitarian notions of the kind that Stalin so cheaply ridiculed; for the expanding bureaucracy, which was moving measurably closer to its own private “socialism” every single day, it was enough to be assured that Stirner was dead and that Marx had explicitly allowed it to have a greater quantity of meat and bread than the “unskilled” and even to have meat and bread when others had none.

Like a criminal to the scene of the crime, Stalin feels compelled to return unflinchingly to his new doctrine at frequent intervals. “Every Leninist knows,” he said, coming back again to the same subject, at the 17th Congress of the Stalinist party in 1934,

. . . that is, if he is a real Leninist, that equality in the sphere of requirements and personal life is a piece of reactionary petty bourgeois stupidity worthy of a primitive sect of ascetics, but not of a socialist society organized on Marxian lines. . .

[By equality Marxism means]. . . the equal duty of all to work according to their ability and the equal right of all toilers to receive according to the amount of work they have done (*socialist society*)

. . . the equal duty of all to work according to their ability and the equal right of all toilers to receive according to their requirements (*communist society*). (*The State of the Soviet Union*, pp. 71f.)

This systematic campaign, personally led by Stalin, which made the Russian state the only one in the world openly and officially to proclaim the implanting and protection of economic inequality, came to an abrupt halt with the outbreak of the war, most particularly when Hitler's legions threatened the very existence of the bureaucracy and its privileges. The outrageous mockery of the sentiments, dignity and deep aspirations of the masses was instantly and completely suspended. Not a word about “socialist” inequality can be found in the Stalinist literature during that period. We cannot escape the significance of the fact that the campaign was resumed only after the Russian victory at Stalingrad and the launching of the anti-German offensive which carried to Berlin and allowed the bureaucracy to breathe freely again. Even then—in 1943—Stalin took care not to put his name to the theory he had argued for so aggressively before the war. The thread was picked up, instead, ostensibly by the editors of *Pod Znamenem Marxizma* (*Under the Banner of Marxism*), a name which is only one of the many fictions which make up the style of the régime.

The Stalinist editors, clay figures like all their ilk, were assigned to announce that the teaching of political economy had been restored in the higher academic institutions (when and why had it been dropped?) and to explain its significance for the “socialist economy.” It was the most elaborate, ludicrous and even monstrous theoretical justification for Stalinist exploitation and inequality yet put forward. Crudely, stupidly, and, one might almost say, with a sense of

shame at having to write the very, very opposite of what all of them, especially their chief, Leontiev, had been writing up to yesterday, they gave the “Marxian” arguments to justify inequality of “wages” under socialism and the extraction of surplus products from exploited labor which is its twin.

The “hints” in the editorial statement were broad enough for any moderately-well-informed person. As one example, take their criticism of the “mistake which crept into our teaching of political economy in the field of primitive communism,” namely, “the romantic idealization of that system.” And why, except for generally valid and obvious reasons, should that system not be romantically idealized? Because, it yielded so little, that “had any one received a somewhat larger share of the social product, there would not have been enough left to satisfy the hunger of the other members of the primitive society, who then would have perished from starvation.” It does not take too perspicacious a reader to infer the rest: in “our socialist society,” on the contrary, there is “enough left to satisfy the hunger” of the masses, i.e., keep them from starvation, even though there are those who have “received a somewhat larger share of the social product.” But why the difference? Because—well, because—to blurt out the unpleasant truth, because there is a difficulty.

The difficulty is that the labor of the citizens of a socialist order is not qualitatively uniform. In this respect it differs from the work of a communist society. . .

Work of one category requires more training than that of another. [Let us remember this sentence well. It is entirely in order. . . for a different conclusion. M. S.] In other words, there exist differences between skilled and unskilled work, and between work of various degrees of skill. . . .

All this signifies that the hour (or day) of work of one worker is not equal to the

hour (or day) of another. As a result of this, the measure of labor and measure of consumption in a socialist society can be calculated only on the basis of the law of value. (*American Economic Review*, Sept. 1944, p. 522.)

In the twenty preceding years of anti-equalitarian propaganda the law of value had never before appeared. Inequality was motivated by any number of considerations, as has already been indicated, but not one of them invoked the law of value. The war was won but not yet over. The masses of the Kremlin empire were restless and discontented, and even openly rebellious in fifty different ways. With the victory already assured, the bureaucracy did not lose a day in resuming the struggle for its privileges. Only now it found it necessary to summon the aid of an “objective economic law” as a supplement to that other kind of law which is so emphatically administered by the G.P.U.

As is always the case when the order for a new turn comes from above, the under strappers, terrified lest they appear to show insufficient belief in the new revelation and zeal in public self-degradation, went to unusually preposterous extremes. In the inevitable access of vertigo, they wrote such things as these:

The labor of the members of socialist society produces commodities. . . .

In the planned economy of the U.S.S.R. commodities are objects of purchase and sale. . . .

The value of a commodity in socialist society is determined not by the units of labor actually expended on its production, but by the quantity of labor socially necessary for its production and reproduction. . . .

In socialist society the product of labor is a commodity; it has use value and value. . . .

If the word “capitalism” were substituted everywhere for the words “socialist society” or “U.S.S.R.” the sen-

tences would be perfectly correct and valid. Applied to socialist or Stalinist society, however, they were a disaster, devoid of Marxism, logic, truth or common-sense. However, such deficiencies are not, by themselves, a handicap in Russia; indeed, in most cases where theory and politics are involved, they are regarded as assets.

In any case, by Stalinist standards, the editors of *Pod Znamenem Marksizma* may congratulate themselves upon being so extraordinarily lucky, and they undoubtedly do. The product of their terror-stricken zeal has lasted nine years without public exposure, public self-condemnation and worse. In 1952, as if he has just heard of what the editors wrote as a world-wide sensation in 1943, and as if he is too polite to mention even such reprobate ignoramuses, Stalin cancels out everything contained in the four sentences quoted above by writing that means of production "certainly cannot" be regarded as "commodities in our socialist system" and are therefore not "objects of purchase and sale"; that in reality essentially the same holds true even of agricultural products, so that the law of value there "is itself regulated"; that in reality the law of value has only an "influence" which "is not, and cannot be, a regulating one."

Apparently, it doesn't matter if the premises are diametrically opposed one to the other, so long as the conclusion is the same. The lucky editors have had their more palpable hallucinations replaced by others more impalpable; the essence of the cause has been preserved and, what is more, consolidated by the all-but-too-late discovery of the basic economic laws of socialism.

Everything has changed a dozen times in more than a quarter of a century of the rise of Stalinism, but

the flinty opposition to "equalitarianism" remains the eternal soul of the social system:

—For the indefinite future which is nowhere on the horizon, the ceremonial pledge that the Marxian law of communist society, in its higher phase, will prevail: *From each according to his ability, to each according to his need.*

—For the highly definite present, the grim insistence that the Marxian law of socialist society must prevail: *From each according to his ability, to each according to his labor.*

Yet, after all is said that should be said, shouldn't the devil be given his due? Does justified general opposition to Stalin and Stalinism demand opposition to everything Stalin says, even if what he says is a truism? After all, a man like Isaac Deutscher who, although an apologist of Stalinism, is nevertheless a severe critic, acknowledges that in his fight against the equalitarian trends, for all its exaggerations, Stalin "found support for his thesis in Marx's well-known saying that even in a classless society workers would at first be paid according to their labor and not to their needs." After all, even Trotsky, irreconcilable foe of Stalinism though he was, acknowledged, precisely by reference to Marx's *Critique of the Gotha Program*, that "In so far as the state which assumes the task of socialist transformation is compelled to defend inequality—that is, the material privileges of a minority—by methods of compulsion, in so far does it also remain a 'bourgeois' state, even though without a bourgeoisie," and that in this sense, the very "essence of the present economic and cultural work" under Stalinism is the "application of socialist methods for the solution of pre-socialist problems." If that is what two such different opponents of Stal-

inism write about the basic question of inequality that is at stake—or seems to be at stake—is it necessary to say much more on the matter?

Not only is it necessary to say more, but fortunately for socialist aspirations, it is possible to say it much differently — much, much differently.

## Marx and Engels on the Socialist Society

It would be unfruitful—to say the least, it would yield us too little from what has so much to offer us—if we went directly to the famous *Critique of the Gotha Program*. Without further apology for the delay, let us set forth some preliminary considerations in the expectation that their value will reveal itself with their unfoldment. And our first preliminary deals with *political economy*.

Stalin assails "Comrade Yaroshenko" for denying "the necessity for a single political economy for all social formations, on the grounds that every social formation has its specific economic laws. But he is absolutely wrong there, and is at variance with such Marxists as Engels and Lenin." There is then a "single" political economy for all social formations, hence for socialism, hence for communism, for it too is a social formation.

Now it is true that in the famous *Anti-Dühring*—which is required reading for anyone who wants a clear grasp of the problem—Engels, to whom Stalin refers for authority, does write that "political economy, in the widest sense, is the science of the laws governing the production and exchange of the material means of subsistence in human society" (my emphasis—M. S.). But what follows only emphasizes what small significance the founders of scientific socialism attached to the statement which, as the

Since Marx and Engels have been invoked so often in the discussion, it is simple decency to allow them to speak for themselves. Our understanding will not suffer from their direct participation—and I mean our understanding of Marxism and of socialism and of Stalinism.

polemic against Dühring shows, is made *pro forma*—only so that the writer can hurry along to significant matters.

In the first place, Engels hastens to add:

The conditions under which men produce and exchange vary from country to country, and within each country again from generation to generation. Political economy, therefore, cannot be the same for all countries and for all historical epochs. . . Anyone who attempted to bring Patagonia's political economy under the same laws as are operative in present-day England would obviously produce only the most banal commonplaces. (*Op. cit.*, p. 167.)

"Only the most banal commonplaces"—that's a direct personal thrust at Stalin!

In a later chapter, Engels is less charitable (actually the chapter was written for Engels by Marx), not because he denies "the natural laws of all economics," as Dühring called them, but because they are not of the essence of political economy, because they "prove to be merely universally familiar and often not even properly understood platitudes of the worst description" (*Ibid.*, p. 258x). Why?

Because, in the second place, "the basis of all political economy," as it is so flatly stated in Marx's denunciation of Proudhon, is "exchange-value" (*Poverty of Philosophy*, p. 197). And the only exchange-value, or value,

known in economics is the value of commodities. It is true that the same Engels who makes this statement about the only value known to economics, elsewhere traces the law of value and commodity production to the dimmest recesses of history, thousands of years back. But he does that, in replying to the critics of the third volume of *Capital*, only to emphasize the "historical age" of the law of value from the standpoint of correspondence between the real value of a commodity and price, its money form and not to indicate the universal and eternal applicability of political economy. In fact, Engels speaks of political economy "in the widest sense" applying to non-capitalist societies only to the extent that the categories which alone form the subject matter of political economy and are to be found in their most highly developed and most predominant and decisive form in capitalist society, are also to be found in pre-capitalist societies in embryonic form, and therefore *not* as factors determining the economic and social relationships that were the *distinguishing* characteristics of those societies.

Anybody who sought to write the "political economy" of Asiatic despotism or slavery or feudalism, to establish the "laws of motion" of the economy that was the fundamental characteristic of any of these social formations (and not of some subordinate segment of the economy—commodity production, let us say—which may have existed but was not its basic feature), would merit the sympathy you give to a heroic but futile effort. Engels could not fail to understand this:

Political economy, however, as the science of the conditions and forms under which the various human societies have produced and exchanged and on this basis have distributed their products—political

economy in this wider sense has still to be brought into being. Such economic science as we have up to the present is almost exclusively limited to the genesis and development of the capitalist mode of production. (*Anti-Dühring*, p. 171.)

"Has still to be brought into being"—but we may confidently add, never will be. "Almost exclusively limited" to the capitalist mode of production—but why only "almost"? That is explained further on, in a sense which is absolutely identical with what we say above about the "political economy" of "all" social formations, and absolutely opposed to Stalin's fantasy:

Since political economy, as it makes its appearance in history, is in fact nothing but the scientific insight into the economics of the period of capitalist production, statements and theorems relating to it (for example, in the writings of ancient Greek society) can only be found to the extent that certain phenomena—such as commodity production, trade, money, interest-bearing capital, etc.—are common to both societies. . . Because of this, their views form, historically, the theoretical starting point of the modern science. (*Ibid.*, p. 259. My emphasis. M. S.)\*

In a fragment he wrote in 1859 to present Marx's *Critique of Political Economy* to the German public, Engels was even more unambiguous: "Political economy is the theoretical analysis of the modern bourgeois society and thereby it presupposes developed bourgeois conditions." (*Engels Brevier*, Vienna, 1920, p. 113.)

And in a letter written in 1865 to the German scientist who was interest-

\*The quotation occurs early in Chapter X of the second part of the *Anti-Dühring*. This is the chapter Marx wrote for Engels. This particular quotation is just about word for word and syllable for syllable taken from Marx's original text, which can be found, so far as I know, in the *Marx-Engels Gesamtausgabe*, a special volume published on the fortieth anniversary of Engels' death, not serially numbered like the other volumes of this collection. Marx's "Glossary Notes on Dühring's Critical History of National Economy" begin on p. 341, and the above quotation is to be found on the following page.

ed in the labor question and in the history of materialism, F. A. Lange, Engels said:

To us so-called "economic laws" are not eternal laws of nature but historic laws which arise and disappear; and the code of modern political economy, in so far as it has been drawn up with proper objectivity by the economists, is to us simply a summary of the laws and conditions under which alone modern bourgeois society can exist—in short the conditions of its production and exchange expressed in an abstract and summary way. To us also, therefore, none of these laws, in so far as it expresses *purely bourgeois conditions*, is older than modern bourgeois society; those which have hitherto been more or less valid throughout all history only express just those relations which are common to the conditions of all society based on class rule and class exploitation. (Marx-Engels, *Selected Correspondence*, p. 198.)

But what better reference can be made in this respect than the one that Marx himself makes to the only bourgeois writer, an unnamed Russian, who showed by his review of the first volume of *Capital* that he grasped Marx's dialectic method of economic analysis? The Russian reviewer, as quoted with unconcealed pride by Marx, wrote:

Marx treats the social movement as a process of natural history governed by laws not only independent of human will, consciousness and intelligence, but rather, on the contrary, determining that will, consciousness and intelligence. . . But it will be said, the general laws of economic life are one and the same, no matter whether they are applied to the present or the past. This Marx directly denies. According to him, such abstract laws do not exist. On the contrary, in his opinion every historical period has laws of its own. . . As soon as society has outlived a given period of development, and is passing over from one given stage to another, it begins to be subject also to other laws. In a word, economic life offers us a phenomenon analogous to the history of evolution in other branches of biology. The old economists misunderstood the nature of economic laws when they likened them

to the laws of physics and chemistry. A more thorough analysis of phenomena shows that social organisms differ among themselves as fundamentally as plants or animals. Nay, one and the same phenomenon falls under quite different laws in consequence of the different structure of those organisms as a whole, of the variations of their individual organs, of the different conditions in which those organs function, etc. (*Capital*, Vol. I, pp. 23f.)

There is nothing in the mysterious and much-discussed soul of the Russian that prevents him from understanding Marxian economics. Far from it. Marx's unnamed Russian, though a bourgeois, grasped it without difficulty, requiring for that only intelligence and honesty. But when these two simple qualities are replaced by a motive as ulterior as it is unmentionable, it is more difficult, even if the Russian is not really a Russian, and not a bourgeois at all.

What about commodity production under Stalin's "socialism"? Stalin is quite right in recalling that commodity production antedates capitalist commodity production. It existed under feudalism and even earlier, yet capitalist production did not dominate the economy. In other words, commodity production is not, by itself, capitalist production. So far, so good. The interesting question, however, is this: Is there commodity production under Stalinism? Even Stalin does not—does not yet—presume to say in just so many words that the law of value, be it as "regulator" or as "influencer," is applicable to any product other than a commodity.

Stalin does not anywhere define a commodity or the law of value in the

\*Rosa Luxemburg expressed the Marxian conception in a winged phrase: "The Marxian doctrine is a child of bourgeois economy, but a child whose birth has cost the life of the mother." (Luxemburg, *Einführung in die Nationalökonomie*, p. 77.)

language of Marxism. His silence is dictated neither by considerations of literary economy "or the feeling that his readers know what is meant, but simply by discretion. Marx begins his monumental anatomy of capitalist economy by analyzing the commodity as the fundamental cell of that economy. And it is upon his analysis of that commodity, the typical and preponderant product of capitalist society, and of the basic inner contradiction between its use value and its (exchange) value, that he constructs little by little the edifice of his analysis as a whole and of that negation of capitalism which is the proletarian struggle and victory. And what is a commodity? The entire richness of Marx's answer cannot be reproduced or even summarized here; a knowledge of it would suffice to explode every word of Stalin's new views on economics. But a simple Marxian definition of the commodity will suffice for the narrow question we have before us at the moment.

Engels, as if anticipating our Dühring when dealing with his own, makes perfectly clear what is meant by a commodity:

Marx is dealing here directly only with the determination of the value of commodities, i.e., objects which, within a society composed of private producers, are produced and exchanged against each other by these private producers for their private account. (*Anti-Dühring*, p. 225.)

And again, to make sure:

The only value known in economics is the value of commodities. What are commodities? Products made in a society of private producers more or less separate from each other, and therefore in the first place private products. These private products, however, become commodities only when they are made, not for the use by their producers, but for use by others, that is, for social use; they enter into social use through exchange, (*Ibid.*, p. 342.)

Then, to leave no room for doubt:

Therefore when I say that a commodity has a particular value, I say (1) that it is a socially useful product; (2) that it has been produced by a private individual for private account. . . (*Ibid.*, p. 343.)

If that is what a commodity is—and it has always been that to all Marxists, and not only to them but to all serious bourgeois economists—where is commodity production in Russia? Among the poor wretches whose products reach the illegal market, or the occasionally legalized open market, and whose total economic activity accounts for a fraction of a fraction of one per cent of the total of the country as a whole? Practically speaking, commodity production in Russia, if it cannot be called unknown, may certainly be called insignificant, utterly insignificant in determining the character of the mode of production and distribution under Stalinism.

But if products are not produced by private owners, blindly for the market, what happens to the law of value? The law of value applies only to commodities, whose value is the "only value known in economics." When capitalist property has been replaced by state property, and production and distribution are centrally planned, organized, carried out, controlled from start to finish, then commodity production has been abolished. With it is abolished the law of value. Stalin may repeat one hundred times that economic laws cannot be "reformed" or "repealed" or "abolished," but he is talking like an ignoramus or a reactionary (Marx always insisted on what should be self-evident, namely, that whoever preaches the eternal validity of economic laws or economic formations, is a reactionary) or an ignorant reactionary. Marx, impatient with the continued repeti-

tion of Lassalle's "iron law of wages" by the German social-democrats, berated them sharply in his *Critique of the Gotha Program*:

If I abolish wage-labor, then naturally I abolish its laws whether they be of "iron" or of sponge.

But perhaps the law of value is some sort of exception which can and should be considered valid in a socialist economy, and not only under capitalism. The Marxian law of value is nothing but the law of surplus value, that is, the specific law of exploitation under capitalism, as we said above. In fact, Engels remarks in his preface to the second volume of *Capital* (p. 25) that "In order to understand what surplus value is, Marx had to find out what value is." When Stalin, ducking and tacking and squirming, and talking two dialects at the same time, not daring to say outright that the law of value is the regulator of his "socialist" production but yet making obfuscatory references to an inchoate "influence" of the law of value, he is in simple fact stating that there is *exploitation of labor* under his "socialism" and that it must not be resisted because it has the personal approval of Marx and Engels. Nowhere are the founders of scientific socialism so perfidiously treated as under Stalinism. According to Engels, in passages which must be known to Stalin, or those in his Secretariat-for-Theory,

. . . the exchangeability against each other of products of equal social labor, that is to say, the law of value, is precisely the fundamental law of commodity production, hence also of its highest form, capitalist production. (*Anti-Dühring*, p. 349.)

But there is more to the law of value than that. There is so much more, as to make it the most comprehensive and the basic conception in

Marxian theory, the indispensable foundation of its critique of capitalist society and its theory of proletarian socialist triumph—that and nothing less. In a passage that absolutely pulverizes Stalin's argumentation, if there is anything left of it by now, Engels writes;

The concept of value is the most general and therefore the most comprehensive expression of the economic conditions of commodity production. Consequently, the concept of value contains the germ, not only of money, but also of all more developed forms of the production and exchange of commodities. . . . The value form of products therefore already contains in germ the whole capitalist form of production, the antagonism between capitalists and wage workers, the industrial reserve army, crises.

Now give special attention to the words that follow directly, and which every Stalinist bureaucrat should some day be compelled to recite before every meal:

To seek to abolish the capitalist form of production by establishing "true value" is therefore equivalent to attempting to abolish catholicism by establishing the "true" Pope, or to set up a society in which at last the producers control their products by the logical application of an economic category which is the most comprehensive expression of the subjection of the producers by their own product. (*Ibid.*, p. 347.)

Again, a direct thrust at Stalin, with his talk of the law of value "influencing" production and distribution, and the law of value being "itself regulated"—that is, in effect, with his talk of how his "socialism" assures the "logical application of an economic category," the law of value, which best expresses class rule and exploitation, the domination of living labor by dead labor, as Marx likes to put it!

The socialist founders saw the end of the law of value under socialism because

The quantity of social labor contained in a product has then no need to be established in a roundabout way; daily experience shows in a direct way how much of it is required on the average. Society can simply calculate how many hours of labor are contained in a steam engine, a bushel of wheat of the last harvest, or a hundred square yards of cloth of a certain quality. It could therefore never occur to it still to express the quantity of labor put into the products which it will then know directly and in its absolute amount in a third product, and moreover in a measure which is only relative, fluctuating, inadequate, though formerly unavoidable for lack of a better, and not in its natural, adequate and absolute measure, *time*...

On the assumption we made above, therefore, society will also not assign values to products. It will not express the simple fact that the hundred square yards of cloth have required for their production, let us say, a thousand hours of labor in the oblique and meaningless way, that they have the *value* of a thousand hours of labor. It is true that even then it will still be necessary for society to know how much labor each article of consumption requires for its production. It will have to arrange its plans of production in accordance with its means of production, which include, in particular, its labor forces. The useful effects of the various articles of consumption, compared with each other and with the quantity of labor required for their production, will in the last analysis determine the plan. People will be able to manage everything very simply, without the intervention of the famous "value." (*Ibid.*, p. 346.)

We will do without the famous value and its famous law under socialism! So thought Engels and so he wrote. So also did Marx, and so he wrote, most explicitly in his letter to Engels on Dühring (January 8, 1868) and in his famous letter to Kugelmann on the law of value six months later. It is worth quoting from the latter in particular:

The nonsense about the necessity of proving the concept of value arises from complete ignorance both of the subject dealt with and of the method of science. Every child knows that a country which ceased to work, I will not say for a year,

but for a few weeks, would die. Every child knows too that the mass of products corresponding to the different needs require different and quantitatively determined masses of the total labor of society. That this necessity of distributing social labor in definite proportions cannot be done away with by the *particular form* of social production, but can only change the *form it assumes*, is self-evident. No natural laws can be done away with. What can change, in changing historical circumstances, is the *form* in which these laws operate. And the form in which this proportional division of labor operates, in a state of society where the interconnection of social labor is manifested in the *private exchange* of the individual products of labor, is precisely the *exchange value* of these products.

The point of bourgeois society consists precisely in this, that *a priori* there is no conscious, social regulation of production. The reasonable and the necessary in nature asserts itself only as a blindly working average. (Marx-Engels, *Selected Correspondence*, pp. 246f.)

The conclusion then seems inescapable—in so far as the views of Marx and Engels are concerned—that if Stalin claims, as he must, that under his "socialism" production is regulated "by the direct and conscious control of society over its working time—which is only possible under common ownership" (as Marx puts it above) then the form in which the "*natural law*" operates is not and cannot be the *law of value*.

Apologists for Stalinism—and here we mean those apologists who are honestly and entirely unaware of what they are saying, who regard themselves as objective but intransigent enemies of Stalinism—now retreat to their last trench: "Yes, perhaps, possibly, maybe, it is worth some meditation, you may be right, *but* one thing cannot be denied—that in the socialist or first phase of communism, the social product cannot be distributed to the producer on the basis of need, as would be the case in the highest phase, but

on the basis of labor, as Marx makes so clear. So—give Stalin his due, if only out of deference to Marx and Engels."

We swear we have no other intention. Only, our conception of what is Stalin's due derives from what Marx, Engels and Lenin actually said and not from what careless readers think they said.

Marx avoided like a plague all attempts to draw him into the construction of utopias. His references to the society of tomorrow were invariably in the form of parenthetical asides to his critique of the society of today. He did not hesitate to dwell on the strategy and tactics of the socialist revolution, but he allowed himself the formulation of only the most general principles of rational organization of the socialist society. But these principles remain, down to our own day—indeed, in our own day more than ever before—of the very essence of socialism, and without them all talk of socialism is a joke and a malicious one.

Marx felt impelled to state the principles that interest us here most forcefully and clearly in connection with a clause in the German party's draft of a program which was based on Lassalle's formula that under socialism every worker will receive the full proceeds of his labor. In a few scornful words, Marx demolished this absurd formula. Before the worker receives his share of the total social product (there is no such thing as his share of the individual product he helped to produce—say, the ink on a printed book), two sets of three deductions must be made from it:

—a fund to cover deterioration of the plant; a fund for expanding production; a fund to cover mishaps and natural disasters. But before "the other portion of the total product . . . can

go for individual consumption there has to be taken from it yet"

—a fund to cover costs of administration not directly connected with production; a fund for such communal needs as schools, hospitalization, sanitation, *etc.*; a fund for those unable to work, *etc.*

It is with respect to the remainder of the social product that Marx is now prepared to set down the principles of their distribution. He could do it without hesitation only by virtue of his studies of political economy, the commodity, the law of value and their *historical* nature, that is, those very matters that Stalin is compelled to deal with in order to justify his "theory" of distribution and which we, accordingly, have had to deal with much too briefly in prefacing the matter in hand.

Marx starts with a passage which is now obliterated from the literature of Stalinism: in quoting from the *Critique* in 1943, the editors of *Pod Znamenem Marxisma* took good care to omit the passage and it goes without saying that reading Stalin you would never guess that it existed:

Within the coöperative commonwealth based on the social ownership of the means of production, the producers do not exchange their products; just as little does the labor embodied in the products appear here as the *value* of these products, as a material quality possessed by them, since now, in contrast to capitalist society, the individual labor no longer exists as an indirectly but as a directly constituent part of the total labor. (*Critique of the Gotha Program*, p. 29.)

These words alone suffice to consign Stalin's "world-historical discovery" to the trashbasket. But Marx is not yet through with him, so neither are we. There is still the matter of distribution not only according to *quantity* of labor, as Marx puts it, but as the Stalinists illicitly insert into the formula,

the "quality" of labor contributed to society, that is, inequality of consumption due to the difference between "skilled and unskilled"—at least in the "first phase." Continuing his commentary, Marx makes particularly clear to his reader that it is precisely this phase he is dealing with, and not the indefinite future:

What we have to deal with here is a communist society, not as if it had developed on a basis of its own, but on the contrary as it emerges from capitalist society, which is thus in every respect tainted economically, morally and intellectually with the hereditary diseases of the old society from whose womb it is emerging. In this way the individual producer receives back again from society, with deductions, exactly what he gives. What he has given to society is his individual amount of labor. For example, the social working-day consists of the sum of the individuals' hours of work. The individual working time of the individual producer is that part of the social working-day contributed by him, his part thereof. He receives from society a voucher that he has contributed such and such a quantity of work (after deductions from his work for the common fund) and draws through this voucher on the social storehouse as much of the means of consumption as the same quantity of work costs. The amount of work he has given to society in one form, he receives back in another. (*Ibid.*, p. 29.)

There is not a word about skilled labor as against unskilled, there is not a word about distribution being based upon "quality" of labor. What the producer contributes is measured by his share of the social working-day, and that is his own working-time. That and nothing else determines what he draws from society. It is not the "socialist" principle of *inequality* that prevails, but the socialist principle of *equality*—and that in the society just emerging from capitalism! That is what Marx insists upon:

Here obviously the same principle prevails as that which regulates the ex-

change of commodities so far as this exchange is of equal values. Content and form are changed because under the changed conditions no one can contribute anything except his labor, and, on the other hand, nothing can pass into the possession of individuals except individual objects of consumption. But so far as the distribution of the latter among individual producers is concerned, the same principle prevails as in the exchange of commodity-equivalents, *i.e.*, equal quantities of labor in one form are exchanged for equal quantities of labor in another form. (*Ibid.*, p. 29.)

Commodities and therefore values are no longer produced. But the principle of equality prevails—and here Marx is making a convenient comparison with a familiar phenomenon—in the same sense in which commodities are exchanged as value equivalents. For equal working-time contributed, an equal share of the social fund: "the equality consists in the fact that everything is measured by an *equal measure*, labor." And as we already heard from Engels, the socialist society will not dream of expressing "the quantity of labor put into the product" by anything but "its natural, adequate and absolute measure, *time*."

But at this point, Marx adds a consideration which is not a "clever paradox," but a shining example of dialectical thinking. The principle of equality for all producers which he insists upon as the basis of distribution in the first stage of communism, the "equal right," turns out to be "*an unequal right for unequal work*." Individuals are different and therefore unequal; one has a different "individual endowment and thus capacities for production" than another; one is married, another single. For all these reasons, and others no less obvious,

Given an equal capacity for labor and thence an equal share in the funds for social consumption, the one will in practice receive more than the other, the one

will be richer than the other and so forth. To avoid all these inconveniences, *rights must be unequal* instead of being equal.

But these deficiencies are unavoidable in the first phase of communist society when it is just emerging after prolonged birthpangs from capitalist society. Right can never be higher than the economic structure and the cultural development of society conditioned by it. . . .

In a higher phase of communist society . . . the narrow bourgeois horizon of rights [can] be left far behind and society will inscribe on its banner: "From each according to his capacity, to each according to his need."

The equal right of the first stage of communism, because it is necessarily applied to unequal individuals, is a violation of genuine equality! For genuine equality, possible only with superabundance and the new type of communist man, rights must be unequal!

Stalin is not even talking the same language as Marx. He is not even talking about the same things as Marx. In actuality, he is not even talking about the different standards that should be applied under socialism to skilled and unskilled labor. He cannot but know the traditional Marxian position on this matter. In the first place, Marx, quite well aware of the difference between skilled and unskilled labor, nevertheless refused to exaggerate its importance *even under capitalism*.\* In the second place, Engels, who knew Marx's view like the back of his hand, and was particularly familiar with the sections we have quoted from Marx's *Critique of the Gotha Program*, took up the self-same question directly, three years after the critique, in his polemic against Dühring.

Dühring proposed, for his "socialitarian" régime, that all labor be compensated exactly the same way, that is, full equality. He argued that all labor time "is in its essence and with-

\*See the footnote on pp. 220f of Vol. I of *Capital*, as one example.

out exception . . . absolutely equal in value." He denounced Marx's "foggy conception" on the difference between the commodity values produced during the same period of time by skilled labor and by unskilled labor. He went further and derided Marx for not ridding himself of the "ghost of a skilled labor time," adding that Marx "was hampered by the traditional mode of thought of the educated classes to whom it necessarily appears monstrous to recognize the labor time of a porter and that of an architect as of absolutely equal value from the standpoint of economics." Hence, according to Marx—as Dühring understood him—socialism will recompense the skilled architect at a higher rate, so to say, than the unskilled porter.

Engels' reply is as if written as a special—and conclusive—contribution to this discussion, and we reproduce it with particular pleasure. Writes Engels: If Herr Dühring presents Marx's statements (about the difference between skilled labor and unskilled labor, and the reducibility of the former to the latter in determining the value of commodities)—if he presents these statements

. . . as the principles on which Marx would like to see the distribution of the necessities of life regulated in organized socialist society, he is guilty of a shameless imposture, the like of which is only to be found in the blackmailing press. (*Anti-Dühring*, p. 228.)

Brrrr! What Engels would say today about Stalin in this connection, cannot safely be left to the imagination; but it would not be affectionate.

But let us look a little more closely at the [Dühring] theory of equality in values. All labor time is completely equal in value, the porter's and the architect's. So labor time, and therefore labor itself, has a value. But labor is the creator of all values. It alone gives the natural products which exist a value in the eco-

conomic sense. Value itself is nothing more than the expression of the socially necessary human labor materialized in an object. Labor *can* therefore have no value. It would be just as possible to speak of the value of labor and to try to determine it, as to speak of the value of value, or to try to determine the weight, not of a heavy body, but of heaviness itself . . . And now let the reader judge Herr Dühring's audacity in making Marx responsible for asserting that the labor time of one person is in itself more valuable than that of another's, that labor time, and therefore labor, has a value—Marx, who first disclosed that labor *can* have no value, and why it cannot!

For socialism, which will emancipate human labor power from its position as a *commodity*, the discovery that labor has no value and can have none is of great importance. With this discovery all attempts . . . to regulate the future distribution of the necessities of life as a kind of more exalted wages, necessarily fall to the ground . . . It is true that, to the mode of thought of the educated classes which Herr Dühring has inherited, it must seem monstrous that in time to come there will no longer be any professional porters or architects, and that the man who for half an hour gives instructions as an architect will also push a barrow for a period, until his activity as an architect is once again required. It is a fine sore of socialism which perpetuates the professional porter! (*Ibid.*, pp. 228f.)

Every word a contemptuous condemnation of Stalin, Stalin's ideas, Stalin's reference to Marx and Engels, Stalin's "socialism"! Engels does not, of course, dream of rejecting the idea of equality under socialism, but only the ridiculous economic theory on which Dühring based it, So he adds:

How then are we to solve the whole important question of the higher wages paid for compound labor? In a society of private producers, private individuals or their families pay the costs of training the skilled worker; hence the higher price paid for the trained labor power also comes first of all to private individuals; the clever slave is sold for a higher price, and the clever wage earner is paid higher wages. In a socialistically organized society, these costs are born by society, and

to it therefore belong also the fruits, the greater values produced by skilled labor. The laborer himself has no claim to extra payments . . . (*Ibid.*, p. 229.)

It is clear, and there is no possibility of honest misunderstanding, assuming you read Marx and Engels as they themselves wrote, and not as someone re-wrote them. Lenin had no doubts as to what Marx was saying. He dwelled upon it at great length on the very eve of the Bolshevik revolution, and not in some obscure letter read by four people, but in an open publication to which he attached the most decisive theoretical and political importance of anything he ever wrote, *State and Revolution*. He quotes voluminously from the *Critique of the Gotha Program*, commenting and elaborating every passage, almost every line. Under socialism, as he sees it,

"He who does not work, shall not eat"—this socialist principle is *already* realized; "for an equal quantity of labor, an equal quantity of products"—this socialist principle is also already realized. However, this is not yet communism. (*State and Revolution*, p. 78.)

In the socialist phase—and by that Lenin emphasizes, as does Marx, that he is referring to the society as it emerges directly from capitalism and is tainted by it—we have

. . . the attainment of equality for all members of society *in respect of* the ownership of the means of production, that is, of equality of labor and equality of wages. . . . (*Ibid.*, p. 82.)

All citizens are here transformed into hired employees of the state, which is made up of the armed workers. All citizens become employees and workers of one national state "syndicate." All that is required is that they should work equally, should regularly do their share of work, and should receive equal pay. (*Ibid.*, p. 83.)

The whole of society will have become one office and one factory, with equal work and equal pay. (*Ibid.*, p. 84.)

But most important of all:

Until the "higher" phase of communism arrives, the socialists demand the *strictest* control, *by society and by the state*, of the quantity of labor and the quantity of consumption; only this control must *start* with the expropriation of the capitalists, with the control of the workers over the capitalists, and must be carried out, not by a state of bureaucrats, but by a state of *armed workers*. (*Ibid.*, p. 80.)

The whole trouble lies in the fact that the armed workers have long since not only been disarmed but totally disfranchised and enslaved, and the state is nothing but a state of bureaucrats. That is why there is nothing faintly resembling equal pay; that is why equal pay is denounced more violently than in any bourgeois country; that is why Stalin puts forward his reactionary theories, for which he impudently makes Marx and Engels his authority.

But the real heart of the problem will have been missed if it is not understood that, basically, as we wrote above, Stalin is not concerned with justifying the higher compensation

that a skilled worker gets in Russia as compared with an unskilled worker. That is only the formal cover for his attempt to give a Marxist, a socialist, legitimation to the difference between all the workers, on the one side, and the bureaucracy, on the other, the difference by means of which the former is exploited and oppressed by the latter in a new class society. For when Stalin sneers at equalitarianism as something fit for ascetics, it is not the skilled worker who applauds, for his lot is not significantly better than that of the unskilled worker; the enthusiastic applause comes from the bureaucrats who are anything but ascetics, physical or spiritual. Anti-equalitarian socialism—through thick and thin, from start to finish, with or without quotations from Marx—that has been and remains the sacrosanct unalterable and indestructible, official ideology of the new ruling class, the collectivist state bureaucracy. Anti-equalitarian socialism is the new barbarism, it is not socialism at all.

## The New Stalinist Society

Every advance—I think it is Hegel who says it somewhere—is an obstacle to another advance. This holds true of the installation of new, efficient machinery, we know; but it is also true of the acquisition of a rational idea by the mind. The more energetically the mind is obliged to defend the rational idea against some irrational idea, the more conservative the mind becomes and the less inclined it is to self-criticism. Marxist minds are not free from this tendency. It is common knowledge among Marxists that capitalism produces its own gravedigger, the socialist proletariat, and that with the collapse of capitalism from the

contradictions imminent in it, the socialist proletariat, taking command of society, will reorganize it on rational, socialist foundations. Capitalist society, then, is the direct precursor of socialism.

Virtually everything that was aduced above against the idea that Stalinist society is in any sense socialist, serves in passing to dispose of the claims advanced by various schools of thumbsucking that it is some sort of capitalist society. To ordinary people who do not live on their thumbs but in the real world around them, the anti-capitalist nature of Stalinist society is obvious. It is from this reality

that, by the mere mechanical process of elimination, they create in their minds the socialist or at least the working-class nature of Stalinism. What holds their thinking in a paralyzing vise is the theory that society can move from capitalism only to socialism. They have converted this belief into a dogma standing above history and above reality.

Marx was not really responsible for the ossification of his theory of historical materialism into a dogma. To be sure, he dwelled in his work only on the socialist succession to capitalism, for no other social forces appeared that would seem to require a modification of this historical conception. Nevertheless, on those rare occasions when thinking Marxists, Marx included, were taxed with a dogmatic conception of social evolution, they took pains to divorce themselves from the association.

In a letter, much less well known than it merits, to a Russian editor, in 1877, Marx protests against such a conception:

... my critic ... feels himself obliged to metamorphose my historical sketch of the genesis of capitalism in Western Europe into an historico-philosophic theory of the *marche général* [general path] imposed by fate upon every people, whatever the historic circumstances in which it finds itself, in order that it may ultimately arrive at the form of economy which will ensure, together with the greatest expansion of the productive powers of social labor, the most complete development of man. But I beg his pardon. (He is both honoring and shaming me too much.)

... Thus events strikingly analogous but taking place in different surroundings led to totally different results. By studying each of these forms of evolution separately and then comparing them one can easily find the clue to this phenomenon, but one will never arrive thereby at the universal passport of a general historico-philosophical theory, the supreme virtue of which consists in being super-histori-

cal. (Marx-Engels, *Selected Correspondence*, pp. 354 f.)

The scintillating Russian Marxist, Plekhanov, seems to have had more than one occasion for disavowing any supra-historical concept in Marxism. In one of his best polemics against the Populists of his time, particularly their leading light, Mikhailovsky, he points out that, according to Marx

... dialectical materialism doesn't sentence any countries to anything at all, that it doesn't point out a way which is general and "inevitable" for all nations at all times: that the further development of every given society always depends on the relationship of social forces within it; and that therefore any serious person must, without guessing or whimpering about some fantastic "inevitability," first of all study those relations. Only such a study can show what is "inevitable" and what is not "inevitable" for the given society. (Plekhanov, *In Defense of Materialism*, p. 264.)

Immediately afterward, and in almost the same words used by Marx in the above letter to the Russian editor, Plekhanov pokes fun at the Utopians:

The conformity to law of historical movements assumed in their eyes a *mystical* appearance; the path along which mankind proceeds was in their imagination *marked out beforehand*, as it were, and no historical events could change the direction of that path. An interesting psychological aberration!\* (*Ibid.*, p. 265.)

The nature of Stalinist society cannot possibly be established by seeing whether or not it conforms to some abstract "law of succession" from capitalism to socialism. But a study of the social relations which produced and consolidated it will yield all we need

\*An Open Letter directed exclusively to the attention of the most "official" editorial boards, "official" theorists, "official" secretariats, "official" bureaus, and assorted official confusionists: "Dear Comrades. Please take note—Plekhanov, although not an official member of your International, calls it an interesting psychological aberration!"

to know about it. Only the salient points can be indicated here.

Russia in 1917 was ripe for a socialist revolution as the only means of preventing a general disintegration, but it was anything but ripe for socialism—for that it required an economic legacy which capitalism in Russia had scarcely begun to accumulate for it. Lenin did not even propose to nationalize the means of production, but to establish workers' control over them with the guarantee of a reasonable profit to capital; even where he proposed to nationalize the banks, he denounced as a canard the story that the Bolsheviks would confiscate the modest savings of the worker or the millions in the accounts of the capitalists. He undoubtedly hoped that, since capitalism historically paves the way economically for socialism, the Russian capitalists, the managers, the technicians and experts, or most of them, could be persuaded, on patriotic or financially attractive grounds, to cooperate in building up the country's economy in a socialistically-controlled-capitalist manner made possible by the political domination of the proletariat. It never even began to work out that way. The bourgeoisie fled the factories to take up arms against the proletarian régime. The workers often nationalized plants spontaneously, on the spot, and submitted their acts for legal endorsement by their Soviet government; Lenin signed the necessary documents reluctantly, but there was no other way. After all, everything depended, basically, on the spread of the world revolution to the advanced countries, which was expected every day (and not only by the Bolsheviks, but by virtually the entire terror-stricken world bourgeoisie which, in-grate, has yet to strike medals for its Social Democratic saviors).

What Lenin had planned in the

sections of *State and Revolution* we quoted above, could never really materialize. A few months after the seizure of power, he proposed, in his draft of the party program,

... the gradual reduction of the working day to six hours and ... the gradual equalization of all wages and salaries in all professions and categories. (Lenin, *Selected Works*, Vol. VIII, p. 334.)

It was not implemented and never realized, except, perhaps, in the rough equality that prevailed in the heroic but bitter days of War Communism, when everybody, except some peasants at one end and some bureaucrats at the other, was equally on the verge of hunger. Lenin knew the socialist principles of distribution; but there was no adequate economic level for socialism in Russia.

To save the country from the ruin of the civil war and the blockade of the world, the Bolsheviks finally adopted Lenin's plan of "state capitalism," as he called it for lack of a better term, insisting repeatedly that there was no such "state capitalism" in any of the "books" because there had never been such a "state capitalism" in the world. It was unique, not only in Lenin's view but in reality. The retreat to freedom for capitalist production and exchange was rigidly confined to limited spheres and always under the control of an anti-capitalist régime which held all the political power and the "commanding heights" of the economy, the statified means of production in particular. One of the main aspects of Lenin's "state capitalist" plan hardly ever left the paper it was written on and played virtually no rôle in the economy, namely, plans for the concession of mines, forests, oil wells, and the like, to foreign capitalists. But free trade (more or less) for the peasants and freedom (more or less) for the urban



trader, soon began to restore friendly relations between the state and the peasant mass—and between the state and the discontented worker—and also to restore the economy as a whole to stability. Differentiation of wages—in no way comparable, however, to what it is today—was introduced, but Lenin never dreamed of calling *that* socialistic. In concluding his report to the All-Russian Central Executive Committee at the end of April, 1918, he referred angrily to the criticisms of his proposal for paying higher wages not only to certain skilled workers, like railroad engineers, but to bourgeois experts as well:

And if it is said, if Bukharin says, that that is no violation of principle, then I say that we do have here a violation of the principle of the Paris Commune. State capitalism does not consist of money, but of social relations. If we pay out, on the basis of the Railroad Decree, wages of 2000 rubles, that is state capitalism. (Lenin, *Sämtliche Werke*, Vol. XXII, p. 569.)

But with the growth, side by side, of “state-capitalist” production and what Lenin called production of the socialist type, and in the protracted absence of the world revolution, inequality grew apace and conflict brewed. Fostering the inequality from which they benefited were the richer peasants, their trader-counterpart in the city, but above all the growing ranks of the bureaucracy, relishing the taste of privilege for the first time. Resisting inequality—and in this Zinoviev was absolutely right in 1925 in his *Philosophy of the Epoch*—was the mass of ordinary workers, who were at the less attractive pole of inequality. The resistance proved inadequate. Trotsky gave us a profound insight when he wrote that in the first period of the Soviet régime,

... the “equalizing” character of wages destroying personal interestedness, be-

came a brake upon the development of the productive forces. (*The Revolution Betrayed*, p. 112.)

Is the socialist method of distribution a brake on progress? Yes, under certain circumstances! In a country which, isolated, was not ready for socialism, socialist distribution was impossible. The Russian working class, bearer, so to speak, of this socialist method, and the Left Opposition, its spokesman, had to be crushed. To the eternal disgrace of the international working class, it was allowed to be crushed; and to this day all of us are suffering bitterly from its consequences.

Engels wrote, in another but a related connection:

... with the differences in distribution, class differences emerges. ...

The development of each new mode of production or form of exchange is at first retarded not only by the old forms and the political institutions which correspond to these, but also by the old mode of distribution; it can only secure the distribution which is essential to it in the course of a long struggle. (*Anti-Dühring*, p. 169.)

This applies without changing a word to the development of Stalinism out of the Russian socialist revolution and as its negation.

In alliance with the kulaks and all the conservative elements in the country who grumbled at the favored position of the working class, the bureaucracy, not yet fully conscious of its own rôle and aspirations, crushed the Trotskyist Opposition, and therewith the proletariat, “in the course of a long struggle.” Then, “in the course of a long struggle,” it crushed the Bukharinists, then all the other remaining representatives, radical or conservative, of old Bolshevism, then the entire peasantry, and therewith all remnants of democracy. As Trotsky put it, “The régime had become ‘totalitarian’ in character several years

before this word arrived from Germany.” The bureaucracy which now ruled the state had become conscious of itself and its rôle in the course of struggle—as happens with all classes—but to no one does it owe more for consolidating it, for clarifying it to itself, and for masking its social self, than to its authentic leader, Stalin, the renegade from socialism and assassin of the revolution.

Stalin nurtured and “legitimized” and expanded the inequality in distribution to an extent unknown in any modern country on the face of the world. But “with differences in distribution, class differences emerge.” Stalin attended, supervised, led the bureaucracy through its counterrevolution against the enfeebled workers’ power and to its consolidation as a class enjoying *all* the power in the state and all the benefits of that power.

Trotsky acknowledged that a basic change had taken place in the field of distribution when Stalinism took power, but he denied that such a change had taken place in the field of production, or what he called “nationalized property.” He was drastically wrong. The mode of distribution could be changed, or changed durably, only if the mode of production was changed! And, as always in history, the mode of production could be changed only if there were a change in the distribution of what Marx calls the “conditions of production.” Let us follow this for a moment. Marx writes:

Capitalist methods of production for example depend on the condition that the material conditions of production are distributed among non-workers under the form of capital and landownership, while the masses are only owners of the personal production, *i.e.*, labor power. If the elements of production are so distributed, then the contemporary distribution of the means of consumption results automatically. But if the material conditions of

production are the collective property of the workers themselves, then, naturally, a different distribution of the means of production from the present one will result. (*Critique of the Gotha Program*, p. 32.)

Excellent, better than excellent! For some people whom we have in mind, but whose names are too sacred to mention, this passage should be required reading, not less than once a week for the first year. “*The collective property of the workers themselves*”—that’s an ideal formulation, we have never seen a better. Broadly, that can exist under two conditions: one, under communism, when *all* are workers and “associated producers” and no state is required either for purposes of coercion or as a repository of the collective property; two, after the socialist revolution but before communism, in the transition period, when a state is still needed. But in the latter case, it is the collective property of the workers *only* if the workers have the state in their hands. In that case, the mode of production is clearly indicated: *self-disciplined, self-determined, self-regulated* production for use according to general plan which is made possible by centralized disposability of the means of production. Property is then not simply nationalized. That is an anonymous term, without reference to the class character of the “nation”; it is therefore deception. Property is in the collective hands of the workers-in-power.

But what if the nation is in the hands of an anti-proletarian, anti-socialist bureaucracy—as Trotsky rightly called it—and it enjoys all the political power, all the state power, all the political rights, *exclusively*? To repeat that property is “still” nationalized is, at best, self-hypnosis. The means of production are now *entirely*—to paraphrase Marx—“the collective property

of the bureaucracy itself." The bureaucracy's seizure of power in the state, *when the state owns the means of production*, automatically, by the very act, assured a radically different "distribution of the conditions of production." And therefore a different mode of production! And therefore a different mode of distribution!

As under the early Soviets, so today, there is production for use and not for profit in the capitalist sense, production of products and not of commodity values. But production is for the use, first of all and primarily and predominantly, of the ruling class, the bureaucracy. The worker is not a proletarian, *i.e.*, a free wage worker, free from ownership of the means of production but also free to sell his labor power on the market; neither is he the worker of the socialist type that was being formed in the first period of the revolution, *i.e.*, the worker who collectively determined production and distribution. He is the new, Stalinist type of worker, *i.e.*, a modern slave, whose labor power is a chattel belonging to the state, *i.e.*, the bureaucracy. And the peasant is a state serf or the agricultural equivalent of the modern slave in the industrial centers.

The worker has nothing to say and the bureaucracy everything to say about: what is produced, where and when it is produced, how it is produced, with what intensity of physical exertion it is produced, and how it is distributed, to whom it is distributed, how much of it is distributed. "The very fact," wrote Trotsky (*op. cit.*, p. 249) "of its appropriation of political power in a country where the principal means of production are in the hands of the state, creates a new and hitherto unknown relation between the bureaucracy and the riches of the nation." True to the highest degree of importance! Power in the state-own-

ing-the-property, which excludes power of any other kind or degree in the country, gives the bureaucracy a power of exploitation and oppression never before known in any period of history—with no exception, not one! It is precisely that centralization and complete fusion of all political and economic power that gives the bureaucracy a "hitherto unknown" power over man's economic life, his personal life, his marital life, his life with any and all other human beings, his cultural activities—in a word, his whole life.\* What else does it need to be characterized as a ruling class? Trotsky wrote in his fine essay on *Marxism in the United States* (p. 13):

He who owns surplus-product is master of the situation—owns wealth, owns the state, has the key to the church, to the courts, to the sciences and to the arts.

It is not less than the exact truth! Does it apply to the Stalinist ruling class in Russia? Not *as much* as it applies to the capitalist class in the United States, but *much more and more completely!*

The mode of distribution flows from the mode of production, under

\*Despotism on the basis of common ownership is not only not unknown but quite familiar. The notion that there is something immanently socialistic or communistic in property that is not privately owned is a product of trained ignorance. Engels reminds us that "The ancient communes, where they continued to exist, have for thousands of years formed the basis of the most barbarous form of state, Oriental despotism, from India to Russia." (*Anti-Dühring*, p. 206.) However, these despotisms were trivial compared with that based upon the state (pseudo-common) ownership of **modern** means of production. In the hands of a working-class régime, nationalized property makes possible the march toward total democracy. In the hands of a Stalinist bureaucracy, it makes possible a total despotism. All with one all-important reservation, to be sure. The social forces arrayed against Oriental despotisms were as nothing compared to the social forces arrayed against the totalitarian bureaucracy. They are modern slaves, but **modern** slaves, *i.e.*, willy-nilly socialized by modern production and therewith endowed with an invincible potential.

Stalinism as elsewhere. Under feudalism, where production also was for use, the distribution of the surplus product proceeded; generally speaking, in accordance with hierarchical rank, political power, or both. Under capitalism, the distribution of the surplus value takes place in accordance with the principle of "capitalist communism," as Marx calls it, that is, generally speaking, in the same proportion as the share of the total capital owned by each capitalist. Under "Stalinist communism," whose structure so strongly resembles some of the theocratic and feudal societies, the distribution of the surplus product also takes place in accordance with hierarchical rank, political power or a combination of the two, as decided by the bureaucracy collectively, or more exactly, in its summits.\* It goes without saying that while the law of value exists in Russia for Stalin, he insists that the very category of "surplus labor" is absurd, for *all* the labor of the working class is just as much "neces-

\*The latest five-year plan for the period 1951-1955 provides for the following aims: a 70% growth of the entire gross industrial product; a minimum of a 60% rise in the national income, "and in this connection, to ensure a further rise in the incomes of factory and office workers and of the peasants." And that "further rise" is what—in the light of the 70% increase in gross product and 60% increase in national income? "To raise the real wages of factory and office workers by not less than 35%, taking into account reduction of retail prices"! Add to this, that the 35% promised wage rise is the notorious "average," that is, includes armies of highly-favored bureaucrats and their entourages who—since we have socialism—most often come under the heading of "factory and office workers." More or less the same relation is to be found in all the five-year plans from the first one onward.

Note also that the plan for 1951-1955 is submitted for the first time to any public body not earlier than October, 1952, at the 19th Congress of the Stalinist party, submitted presumably for the approval without which the plan would be inoperative. That is, it is submitted for endorsement two years after it has been in effect. Since the plan has another three years to run, one can only ask: What was the rush?

sary labor" as *any* of it is. As the French say: *Ca se comprend!*

We have here, so to say, the realization of the Rodbertus utopia, but in a form that would surely have scared the old Pomeranian feudal-socialist out of his skin. His charge that Marx plagiarized his ideas, and Engels' answer to the charge, are familiar to most Marxist students. They may not have paid the proper attention to Engels' comments on the socialist utopia of Rodbertus. Rodbertus devised a society free from economic crises, but with ruling classes who fulfill a number of economically unproductive but, according to Rodbertus, necessary functions and whose existence would be necessary for some 500 more years (until the "highest phase" of the Rodbertus society?). Meanwhile, there would of course still be exchange (again the law of value!) with the workers participating to the extent of getting labor-notes equivalent, in his scheme, to four out of the twelve hours per day of labor—as Engels notes, two hundred per cent surplus value! In the course of the gay time he has slicing this stuff and nonsense to ribbons in the preface to Marx's famous attack on Proudhon, Engels writes these interesting words:

The support of functions, economically unproductive, by the product of labor has not been neglected by the other labor-note utopians. But they leave the workers to impose this obligation upon themselves, *following in this respect the customary democratic method*, while Rodbertus, whose whole theory of social reform in 1842 is fashioned according to the Prussian State pattern of that time, *refers everything to the judgment of the bureaucracy*, which authoritatively determines the share of the worker in the product of his own labor, and graciously abandons that part to him. (*Marx, Poverty of Philosophy*, preface, p. 24. My emphasis. M. S.)

The harmless dream of Rodbertus,

modified in form but its essence raised to the *n*th power, is the nightmare of Stalinism. Yet, this nightmare of barbarism is condoned, if not supported outright, by an incredible variety of people on the grounds that it is a socialist or a sort of socialist régime which, in its young days, is experiencing inevitable difficulties; whose leaders may make an honest error here and there, but which is moving on the whole and ever so purposefully toward heaven on earth. They run the range from cabinet minister-mystics in the U.S.A. to cabinet minister-careerists in France, from demented Anglican clergymen to demented Moslem mullahs, from pukka-Sahib journalists to unskilled pen prostitutes, from millionaire ambassadors to millionaires' sons, from actors to actresses and artists to models, from British Laborites who care nothing about philosophy to French philosophers who care nothing about labor, from Austro-Marxists to anti-Bolshevik Mensheviks, all the way over to absolutely guaranteed, stamped at the factory, official Trotskyists. In the best of cases, they are victims of a fetishism.

In capitalist production and exchange, says Marx, we have the *fetishism of commodities*. Just as in the religious world, "the productions of the human brain appear as independent beings endowed with life, and entering into relation both with one another and the human race," so it is with the products of man's hand in the world of commodities. The fetishism of commodities conceals the real relations between persons, at bottom, the relationship between classes, in the process of production, so that they appear instead as a relation between things—commodities—which have a mysterious social property.

In Stalinist production, this is replaced by the *fetishism of state prop-*

*erty*. Like commodities, state property acquires a mystical social character of its own independently of who possesses the state power and who thereby determines the real relations in the process of production, which are relations between classes. The Stalinist Constitution, it goes without saying, does not fail to make this fetishism its prime principle, identifying state property with "the possessions of the whole people." Trotsky is exactly right in calling this identification "the fundamental sophism of the official doctrine" (which did not prevent his self-styled "orthodox" followers from repeating this sophism for years as their own and from acting to this day as if it were not a sophism). On this basis, there is indeed no longer a difference between the "necessary labor" of the producer and the "surplus labor," since the labor goes to expand and consolidate state property, that is, the possessions of the people, that is, the people themselves. If the bureaucracy squeezes the last drop of energy out of the worker it is simply one part of the people helping another part of the people to satisfy the requirements of all the people—the strengthening of state property. If a hungry 12-year-old steals a loaf of bread, and is shot, as "Soviet" law says, it is only in defense of state property, owned by all. The worker is necessary, the corrupt official is necessary, the factory and farm Legrees are necessary, the G.P.U. in the plant, the death cell, the concentration camp is necessary—all are necessary for the building of state property. Each receives according to his labor and contributes according to his very best ability—the worker gives his lifeblood and his freedom, the official his sacred honor, the Legree his terrified and terrifying lash, the G.P.U. its fist and pistol, and Stalin himself the consoling religion of the

Highest Phase. (For "communism" is the religion of Stalinism, that is, the opium of the people. It plays the same rôle under Stalinism that heaven plays in other churches: as the future reward for enduring without undue complaint the misery of *the masses* in the present.)

It can be set down as a "dogma": until at least the vanguard of the working-class movement in all countries, Russia included, dispel the misty fetishism of nationalized property, Stalinism will never be replaced by socialism.

It is hardly necessary to add that the socialist proletariat does not reject nationalization of the means of production as an evil in itself. That is as absurd as the blind adoration of it. If people gather together loose stones into a solid mass, they have only laid a good foundation for a structure. But let us suppose that a gang of thugs emerges out of their ranks and forces them to build, not the palace of the people they first dreamed of, but a prison of rock and steel whose cells are inhabited by the mass of them and locked and guarded by the armed thugs. They clothe and feed and house the inmates, after a fashion, but their main purpose is to keep them working to produce a surplus product for the thugs. If the thugs have any sense at all, they will see to it that the equipment of the prison and the prison itself is kept intact ("defense of state property"). There will be no crises of overproduction, no commodity production or values in the first place, and the "socialist" principle of distribution will be rigorously observed and enforced by club, machine-gun and iron bars. Whatever else it is called, nobody would dream of calling it a "degenerated workers' palace," any more than imprisonment in general is called degenerated freedom.

Above all, it would cause some consternation if, at the annual banquet of the guards, turnkeys and stool-pigeons, the warden proclaimed, amid tumultuous, prolonged applause rising to a tempestuous ovation, that the inhabitants as a whole, from himself down to the humblest inmate of a solitary punishment cell, were now flatfootedly installed in the first phase of socialism.\* Still, it is doubtful if some of our contemporaries could even then be persuaded that this workers' prison will gradually evolve into a workers' palace as a concomitant of the softening of the warden's heart and brain. Most people would see that it will first have to be torn down to its base.

It will be torn down—the real prison, not the one in the parable. Stalinism has done its work. The next great Russian revolution will not find at hand the scraggly heritage of the Czarist economy but a vastly more developed economic heritage built up in the decades of its Babylonian captivity, one from which it can really advance to socialism with seven-league boots. To conclude from this incontestable fact, as do some socialists, that Stalinism has played a progressive rôle, is to put it gently, rather risky. It comes down to saying that the conservatism of the German working class, which failed to make its revolution in time, which would have solved smoothly the economic problem of Soviet Russia, made Stalinism neces-

"We are perhaps overreaching ourselves in saying that 'nobody would dream' of doing this or saying that. A few years ago, the incredibly official *Militant* said editorially that the Stalinist factory was a prison to which the Russian worker was sentenced for life. Not before and not since has it said anything truer or more scientific. Conclusion: Stalinist Russia is a workers' prison? Of course not! It is obviously a workers' state. It would be sad to think that man dragged his way upward out of the primeval ooze, from the ape to Goethe, as Engels says, and from Goethe to Darwin, Marx and Einstein, only to go back to this.

sary and progressive! It comes down to saying that the defeat of Trotsky by Stalin made Stalinism progressive! It comes down to saying that the more economically backward the country in which Stalinism comes to power—and therefore the further removed it is from providing, by itself, the material pre-conditions for socialism, and therefore the more savage and brutal and privileged the native Stalinist bureaucracy would have to be in order to squeeze enough surplus labor out of the toiling masses for the creation of such a pre-socialist foundation—the more progressive Stalinism is!

The permanent crisis of Stalinism, which reaches sharp peaks at times and then subsides but is never overcome, attests what we regard as its inner incapacity to attain stability, even that stability of stagnation that characterized feudalism. The never-ending, always-growing, all-pervading political police, which not even the most

repressive, the most exploitive or the most hated régime anywhere else in the world uses or needs on such a scale, is the bureaucracy's public acknowledgment of the irrepressible popular opposition to it which assures the permanency of the crisis. To detail how the antagonisms manifest themselves between the people and the ruling class and within the ranks of the ruling class itself, is for another time. But they are antagonisms which can never be eliminated by the régime; on the contrary, it will itself be eliminated by them.

When that happens, the theoretical rubbish written to justify Stalinist inequality, that is, Stalinist exploitation, will not be burned in the public places but widely reprinted with appropriate commentaries to show the new generation the abominations that were committed before its day in the noble name of socialism.

Max SHACHTMAN

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## TWO ERAS OF WAR—II

### *The Bismarckian Unification of Germany*

*(Continued from last issue)*

The unification of Germany took a different path. If a revolution from below to above played the biggest rôle in Italy, the Bismarckian "revolution from above" acquired the decisive significance in Germany.

From the beginning of the 19th century, and even earlier than that, Germany passed through a very long and very onerous epoch of the most terrible national oppression, principally on the part of France. Time and again, the conqueror carried out experiments on the living body of Germany, time and again she was torn up, more and more often her composition was changed, this or that portion was directly or indirectly subordinated to the conqueror.

But Germany was oppressed not only by France, but also by Russia. In the peace treaty of Teschen (1779), Russia appeared next to France as the protector of Germany. Germany, however, became spoils to be divided between France and Russia. During the peace of Tilsit (1807), Russia contributed heavily to Prussia's disgrace. Olmütz signified the peak of Russian influence on German affairs and of the debasement of Prussia by Russia.\*

But in the course of the seven and a half centuries of alien oppression, Germany suffered most heavily under France. The high point was the era of the Napoleonic wars and the founding

\*The reference is to the Olmütz conference of November 2, 1850, resulting from the conflict between Prussia and Austria over Schleswig-Holstein. Russia was called in in the person of Nikolai I as arbiter. She forced Prussia to renounce union with Schleswig-Holstein. Nikolai took the side of Austria and treated Prussia only with contempt.

of the so-called Rhine League (in July, 1806). Napoleon created the Rhine League out of a few German princelings, subordinated it to himself in every respect, and exacted the right to provide himself with an army 63,000 strong from the Germanic lands subordinated to him in case France should become involved in any war with any power, even against Germany. Napoleon was not content with the rivalry between Prussia and Austria. He endeavored to create still another, a "Third Germany" (*la troisième Allemagne*) in the form of the Rhine League, in order to sharpen still more the antagonisms among the Germans, to extend the dismemberment, and to create a situation in which a unification of Germany seemed even more impossible. The constitution of the Rhine League was an enormous debasement for Germany, so enormous indeed that the Kaiser preferred to renounce the crown. The German historian Gentz called this constitution "a constitution of affront and mockery of slave peoples under despots who stood in turn under a supreme despot."\*

The cruellest peace that Napoleon ever imposed upon a defeated opponent was the peace of Tilsit. Prussia was, in the true sense of the word, mutilated. She was left with only 2856 square miles with 4,594,000 inhabitants. Even this she got only after the intervention of Alexander I. Russia acquired Byalostock. Alexander I concluded a mock treaty on defense and offense with Napoleon. Russia re-

\*Cf. *Handbuch der deutschen Geschichte*, published by Bruno Gebhardt, p. 403f.

ceived rule over all the East, France over the West.

During the so-called wars of liberation that lasted till 1815, Germany offered resistance to France. But national oppression did not therefore come to an end. The policy of resistance to the unification of Germany was handed down from Napoleon I to Napoleon III. Even before the Franco-Prussian war, Napoleon III stood out as the greatest obstacle on the road to the unification of Germany. On the very eve of 1866, he extorted from Prussia certain lands on the Rhine as "compensation" for his neutral attitude in the struggle against Austria.

We have already spoken above of the social-economic factors which must be considered the driving forces for the founding of the national states and for the consolidation of large, nationally-united, economic territories. All these general considerations apply also to the unification of Germany.

The alien yoke and the state dismemberment had the worst influence upon the fate of the economic development of Germany. The neighboring countries, one after another, erected customs barriers against German goods. England prohibited the import of wood and bread from Germany. Germany, split into many states, could not succeed in having the foreign states grant German merchants any sort of acceptable conditions. In the petition addressed to the Prussian king, the Lower Rhine manufacturers wrote that all the markets of Europe were closed off to their goods by customs barriers, while all the goods of Europe found an open market in Germany.

Still more ruinous to German industry was the fact that it did not even possess some sort of substantial internal market. Each of the individual

German states set up its own customs limitations, enacted special taxes, etc. More than that: even within the borders of a single state, individual provinces constituted special states and took over from the Middle Ages their own rights, their own legislation and their own taxes. No wonder that Germany of that time, with its countless border barriers, appeared to the Frenchman, de Pradt, like a great prison whose inhabitants could communicate with one another only through bars.

As late as 1806 there were 67 separate customs duties, of which 11 excise duties taxed the sumptuous number of 2775 objects.\*

Only gradually and after overcoming great difficulties, did the customs unification of the separate German states begin to take place. In 1841, the Duchy of Braunschweig entered the Customs Union. In 1842, Luxemburg.\*\* In 1837 and 1839, the Customs Union succeeded in concluding the first trade treaties with Holland; in 1841 with England; in 1839 with Greece; in 1841 with Turkey; in 1844 with Belgium. In 1853, the Prusso-Austrian trade treaty was concluded.\*\*\* A good two decades of development were needed for the customs unification of Germany to take another step forward, to the customs parliament. The customs parliament provided the impulsion to the formation of the German Reich. After the treaty of July 8, 1867, a special League State was founded under the presidency of Prussia. Out of the 58 votes, 17 went to Prussia, 6 to Bavaria, 4 each to Saxony and Württemberg, 3 each to Baden and Hesse, etc. And at

\**Deutsche Geschichte*, by Karl Lamprecht. Vol. III, p. 421. 1907.

\*\* Bruno Gebhardt, I. c., p. 604.

\*\*\**Geschichte Europas von 1830 bis 1848*, by Alfred Stern, Book 3, p. 238f.

the same time a customs parliament was founded, consisting of the Reichstag members of the North German Alliance and of the South German deputies, who were elected on the basis of general suffrage.

The unification of Germany had become an absolute economic necessity. But there were many obstacles in its way, primarily the dismemberment and the military impotency. Young Germany possessed no fleet and for a long time could not even measure up to little Denmark. The best German democratic poets of those days expressed in their works the wish for unification, for attaining the power necessary therefore. Herwegh dreamed of the formation of a German fleet:

For thine dead ashes must thou contend.  
Ah! In them only slumber German heroes  
From thine Hanseatic days.

And Freiligrath, later the intimate friend of Marx and Engels, sang in his "Dreams of the Fleet":

Spake somewhere in Germ'ny a fir:  
O that I could tower aloft as German  
was-mast,  
O with pride the youthful pennant bear  
Of the one Germany in the North Sea!

The most outstanding representative of young bourgeois Germany, Friedrich Liszt, spoke of the terrible damage inflicted upon the interests of economic development by state dismemberment in the following terms: "Forty-eight customs and duty lines in Germany cripple commerce within, and produce about the same effect as if every member of the human body were tied up so that blood could not flow from one into the other. In order to trade from Hamburg to Austria, from Berlin to Switzerland, there are ten states to cut through, ten customs and duty regulations to study, ten toll taxes to pay. But he who has the misfortune to live on a frontier where three or four states collide, must live

out his whole life amidst hostile customs and duty agents; he has no fatherland."\*

"The rule of many is the enslavement of all"—that was the formula of the rising German big bourgeoisie. At every step in their activity they could feel that the state dismemberment (the rule of many signified the rule of many *princes*) paralyzed the economic development, led to the enslavement of all, held up economic progress, hampered the speedy tempo of capitalist development. Especially noticeable at every step was the economic dependence upon England. "*Zu Haus unein, nach aussen klein*" [Divided at home, no account abroad]—these words of Dingelstedt were then on the lips of every educated representative of the German bourgeoisie.\*\* In those days the song was born:

From the Maas up to the Memel,  
From the Etsch up to the Belt,  
Germany, Germany above everything,  
Above everything in the world.

It is noteworthy that this anthem came from the celebrated *democrat*, Hoffmann von Fallersleben, who surely never dreamed that this song was fated to become the *Marseillaise* of the Junkers, anti-Semites and imperialists. In those days, the song contained only the wish for unification, the wish that Bismarck later expressed in the words: "Our right is the right of the German nation to breath, to unite as one."

## Prussia or Austria?

The unification of Germany became an ever more urgent, ever more burning economic necessity. In 1848-1849, the victory of the German counter-

\*Lamprecht, p. 421.

\*\**Cf., England's Wirtschaftskrieg gegen Deutschland* [England's Economic War Against Germany], by Dr. Gustav Stresemann, p. 15. 1915.

revolution postponed the victory of German unification. This important task fell to the post-revolutionary period. In the '60s, it was once again placed on the order of the day. How could the German unification be effected in spite of everything?

There were two methods: *either* by a revolution *from below*, that is, by the overturn of the numerous kings and princes and by creating a republican régime; *or* by a "revolution" *from above*, by means of a series of wars in which the smaller German states would be swallowed by the larger. In this case, the question was posed: *Prussia or Austria?* Which of the two would bring about this "revolution from above," which of them would unite the smaller states around itself? Would the German states unite into a Greater Germany with the inclusion of Austria, or would Prussia succeed in driving Austria out of the German alliance and in creating a *Little Germany* under its dictatorship?

"Three roads lay open, after the almost-without-exception nebulous attempts of 1848 had failed, but precisely because of that had dispersed a good deal of evil," wrote Fr. Engels. "The first road was that of genuine unification by eliminating all separatist states, thus, the openly revolutionary road. This road had just led to the goal in Italy; the Savoy dynasty had joined the revolution and therewith garnered the crown of Italy. Such an audacious act was, however, absolutely beyond our German Savoyards, the Hohenzollerns, and even of their most daring Cavours *à la* Bismarck. The people would have had to do everything themselves. . . . An emergency situation would have been created in which Germany would have no way out other than the revolution, the expulsion of all the princes, the

establishment of the united German republic.

"As things stood, this road to the unification of Germany could be taken only if Louis Napoleon were to begin the war for the Rhine borders. This war did not, however, take place. Thereby the question of national unification ceased to be an unpostponable question of life or death which would have to be resolved overnight on penalty of ruin.

"The second road was unification under the predominance of Austria. In 1815, Austria, as a result of the situation imposed upon it by the Napoleonic wars, had completely retained a compact, rounded state formation. But she was weaker than Prussia. She no longer laid claim to her lost possessions in South Germany. Metternich surrounded his state on the German side with a veritable Chinese wall. The customs kept out the material products, the censorship the intellectual products of Germany, and the unmentionable passport chicanery reduced personal intercourse to the minimum necessary. Just as before the revolution, so after it, Austria remained the most reactionary state of Germany, the one most obstreperous against the modern feeling, and what is more—the only still remaining specifically Catholic great power. The more the post-March government endeavored to restore the old priestly and Jesuit management, the more impossible became its hegemony over a two-thirds Protestant land.

"In short, German unity under Austria's wing was a romantic dream and proved to be such when the German petty and middle princes convened in Frankfort in 1863 in order to proclaim Franz Joseph of Austria as the German kaiser. The King of Prus-

sia simply stayed away and the kaiser-comedy dribbled away miserably.

"There remained the third road: unification under *Prussian* aegis. The February revolution came, then the March Days in Vienna and the Berlin Revolution of March 18. The bourgeoisie had triumphed without fighting seriously, it did not even want the serious battle when it broke out. This bourgeoisie, which only a while ago had flirted with the socialism and communism of those days (particularly on the Rhine), now suddenly noticed that it had nurtured not individual workers but a working class, still half wrapped in dreams but nevertheless a gradually awakening and by its very nature revolutionary proletariat. And this proletariat, which had everywhere won the battle for the bourgeoisie, already put forward demands, especially in France, which were incompatible with the existence of the entire bourgeois order; in Paris the first terrible struggle between the two classes occurred on July 23, 1848 and after four days of battle the proletariat was beaten. From that time on the bourgeoisie all over Europe passed over to the side of reaction, and united with the bureaucrats, feudalists and priests, whom it had just overturned with the help of the workers, against the enemies of society, these very same workers."\*

Now that the German bourgeoisie had reconciled itself with the reaction, it was inevitable that Junkerdom should win the upper hand within the counterrevolutionary bloc. This left its ineradicable imprint upon the course of the national unification of Germany. This unification, which had long before become an economic and political necessity, was now taken in hand by *Prussia* in the form of *Prussian Junkerdom*. Prussian Junkerdom

produced Prince Bismarck from out of its midst. In 1863, Bismarck was already at the helm. The "Iron" Chancellor began to realize the national unification by a "revolution from above," by means of a policy of "blood and iron." Germany stood before a series of wars. The dynastic element played a great rôle in them. But by their objective significance these wars were national wars; in them, the problem of eliminating the national dismemberment of Germany and the founding of the German union was resolved. Bismarck created this union according to his own plan. In the course of three bloody wars, the united German *Reich* was founded, for the Democracy (and the Social Democracy) was too weak to create the German *Republic*. This Reich bore from the beginning a reactionary coloration, even though Bismarck, in order to reach a speedier solution, had to embark upon universal suffrage, which was to constitute the cement holding the German states together under the hegemony of Prussia. Thus was the problem of the unification of Germany solved, even if in Bismarck's manner, in the manner of Junkerdom. . . .

Gregory ZINOVIEV

(Concluded in the next issue)

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\*Fr. Engels, I. e., pp. 685-711.

## BOOKS IN REVIEW

### Unrealized Ambition

CAPITALISM AND SOCIALISM ON TRIAL, by Fritz Sternberg. John Day Co., N. Y. C. 604 pages. \$7.00.

For the task which Fritz Sternberg set himself, his book is too short; for the ideas which he has actually summoned up, it is far too long. Intended as a sequel to his other books, *Capitalism and Socialism on Trial* is presented to readers as the conclusion to Sternberg's long studies of the rise and decline of bourgeois society and an affirmation of his socialist beliefs. That is perhaps its chief merit. It is not an unimportant merit either in these days when the apostates, particularly those who have fled a decaying and disintegrating bourgeois order in Europe in order to affirm the elasticity and power of that same order behind the borders of a still powerful American capitalist society are the stoutest defenders of capitalism.

But the truth is that Sternberg's book is a very spotty one and not easy to follow. The large chapters, divided into many sub-parts, skips through the subject matter to form a rather mechanical statement of the main thoughts of the author. In the most general Marxist sense, very often mechanical in its understanding and presentation, Sternberg does bring home, with considerable statistical proof, the unmistakable decline of world capitalism. He does prove the collapse of capitalism as a world order and the centralization of its strength in one country, the United States. But these economic sections are very summary in character. Sternberg presents

many of them merely to introduce some of his own pet theories (imperialism, Russia, etc.).

The political aspects of the book are weak and disorienting, particularly when he writes about the Russian Revolution and the Stalinist degeneration. Because of his own confusions and what appears in the book as an inability to understand Stalinism, he permits himself to be the butt of smart-alec criticisms. It is true that Sternberg has traveled several inches away from his earlier position that the economic basis of Russian society (nationalized property) had progressive aspects and that Russian imperialism ("expansionism") was not organically inherent in the system (you see, it is a matter of choice and Stalin has chosen to be imperialistic). Yet, there is no basic analysis of Russian society and Stalinism, and Sternberg unwittingly falls a victim of his own unclarity. That is why Franz Borkenau, in his supercilious review of the book, could accuse Sternberg of "refusing to call 'socialist' the only completely socialist country of the world." Borkenau taxes Sternberg precisely on the point where the latter thinks his position is strong: that Russia is not structurally driven to follow an "expansionist" line. Such a view is possible only if one makes a fetish of nationalized property and invests it with a significance *per se* it cannot and does not have.

It is this kind of "Marxism" that provides critics with the opportunity of side-stepping the challenge of genuine Marxism to take on its superficial and half-representatives. Sternberg does not discuss the "Russian question" fundamentally; in fact, he

does not preface his discussion by a statement of what socialism is, so that a fundamental comparison might be made between the ideal of Marxism and the Stalinist nightmare. The whole section on Russia is thus quite superficial and merely serves Sternberg with the opportunity to re-heat his old chestnuts about the historical mistake of Lenin in faking the Russian Revolution, which is, in Sternberg's mind, second only to the permanent capitalist crisis as the source of the world's ills.

The book's weakness—or sectarian bias—in political scholarship is again revealed in the discussion of the Russian question and Stalinism. In this part of the book there is no reference to Trotsky. Is this not unusual scholarship, when one recalls that the struggle against the Stalinist counter-revolution was organized and led by Trotsky and that it was he who wrote all the main theoretical, political and practical ideas in that struggle for a period of fifteen years. It was Trotsky who, almost alone, first made the world conscious of what was happening inside Russia. The outside world relied almost wholly on his writings for knowledge of the economic and political situation in Russia. Yet in the bibliography which Sternberg gives for his sections on Russia and Stalinism, not a single one of the many books, pamphlets and articles Trotsky wrote is given as a reference. Isn't this incredible? But Lenin, too,

is given short-shrift when Sternberg details his own views of the Russian Revolution.

In general, the political writing in this book is wholly unsatisfying where it is not wrong. One of the most un-instructive sections is that dealing with the New Deal. In "The Growth of the Trade Unions," as my colleague Hal Draper has already pointed out in *Labor Action*, Sternberg does not even mention the CIO, except in a table of membership figures of the two American labor organizations. But in the body of the section dealing with the New Deal, the NRA and the rise of unionism, the CIO is not mentioned; therefore, nothing follows about its enormous significance in the American social struggle. Sternberg was guilty of the same glaring omission in his more limited work "The Coming Crisis," in which he devoted a great many pages to the United States and its rôle in the present world crisis.

A close examination of Sternberg's writings will reveal that while he seems at home when presenting a statistical analysis of capitalism in its periods of rise and decline, sustaining the general Marxist prognoses on the social order, he is a terribly confused man politically. In this field, his conceptions are mechanical and inept; economic-determinist rather than historical-materialist; static rather than dynamic.

Albert GATES

*In the Coming Issue of the NI*

### THE GROWTH OF ANTI-SEMITISM IN RUSSIA AND AMONG HER SATELLITES

by Abe Stein

# THE NEW INTERNATIONAL

A Marxist Review

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