TWO TEXTS FOR DEFINING THE COMMUNIST PROGRAMME

Published by

International Correspondence 《國際通訊》
THE CAPITALIST NATURE OF THE "SOCIALIST" COUNTRIES: A POLITICO-ECONOMIC ANALYSIS

RUSSIA: REVOLUTION AND COUNTER-REVOLUTION (1917–1921)

L. L. MEN

Published by International Correspondence 《國際通訊》
Revolutionary communist work is not “doing a good deed”. Subjective intentions are not enough. Our role in history is determined objectively by the objective class nature of our positions. In all programmatic discussions today two of the most fundamental questions that must be examined are the class nature of the so-called ‘socialist’ countries and the Russian Revolution. The two texts in this book examine these two questions on the basis of the Marxist materialist method.

Published by

*International Correspondence* 《國際通訊》

P.O. Box 44007,
Shaukeiwan Post Office,
Hong Kong.

First published 1986
THE CAPITALIST NATURE OF THE ‘SOCIALIST’ COUNTRIES: A POLITICO-ECONOMIC ANALYSIS

Preface
Value, Commodity, the Law of Value, Capitalism and Current ‘Socialism’
What is Socialism?
Addendum

RUSSIA: REVOLUTION AND COUNTER-REVOLUTION (1917–1921)

Forward
Prologue: In Defense of the Socialist Nature of the Russian Revolution
Method and Analytical Framework
The Economic Theory and Practice of the Russian Revolution
Part One: Industry
Part Two: Agriculture
The October Revolution: The Establishment and Destruction of the Dictatorship of the Proletariat
The Organization of the Soviet Government: The Russian Revolution’s Theory and Practice
(Part 1)
(Part 2)
The Relationship Between the Party, the State and the Class: Theory and Practice of the Russian Revolution
The Crushing of Kronstadt: The Final Defeat of the Russian Revolution
‘Exporting’ the Revolution: The Russian Revolution’s Theory and Practice
Conclusions

LEFT COMMunist POSITIONS
THE CAPITALIST NATURE OF THE "SOCIALIST" COUNTRIES: A POLITICO-ECONOMIC ANALYSIS
PREFACE

As a Marxist revolutionary, I had once for a long time been bothered by one problem: on the one hand, I found the Stalinist (this generic term is used to refer to those belonging to the traditional 'communist' parties including Maoists, Titoists, Dengists, etc.) claim that the so-called 'socialist' societies are socialist, the Trotskyist claim that they are 'degenerated workers' states' worthy of the proletariat's defence in case of conflict with other countries, the various theories which say that they are a 'new' class society (such as Paul Sweezy’s thesis of 'post-revolutionary society') and the various theories that some of them are 'socialist' while some are 'state-capitalist' (for example, Charles Bettelheim used to (still does?) regard Maoist China to be 'socialist' and the 'Soviet' Union to be 'state-capitalist') unable to stand up to close scrutiny under Marxist theory and, thus, have to be rejected as ideologies, yet, on the other hand, I had been unable to prove that these societies are capitalist in a way that is completely satisfactory in terms of Marxist theory. Before going on, let me hasten to explain emphatically that such a proof is not necessary in order to placate our Marxist theoretical conscience, nor is it any indulgence in 'intellectualist' or 'academicist' pursuit irrelevant to the class struggle. There are elements in the revolutionary milieu who regard that what is important is only to agree that the 'socialist' countries are capitalist, that the unions are counter-revolutionary organs, etc., full stop. For them, theory = a series of blank assertions. What Marx says of Proudhon in Poverty Of Philosophy: he simply "affirms what he has to prove" applies equally well to them, for whom any theoretical work which goes beyond that is 'intellectualist', 'academicist' or other similar banalities they find utterable. For Marxists who understand what being a Marxist means, what responsibilities are upon them, on the contrary, the above proof is above all necessary because if we are unable to provide it, we will never know how to build socialism. Let me explain.

As we will prove in the text, capitalist production (since production is the base of any society, our focus is, thus, on it) is a social method of production that has developed spontaneously. In contrast, socialist production is and can only be a conscious method. (Central planning alone is not a conscious method of
production.) If the proletariat's theoreticians do not possess a scientific understanding of the socialist method of production, then after the proletariat has seized power, social production will *perforce have to develop spontaneously*, which means it can only follow the capitalist method since the latter is the previously existing method. A scientific understanding of the socialist method of production is tied inextricably to a scientific understanding of the capitalist method because the socialist method is instituted *in the very process in which* the capitalist method is uprooted. In other words, the possession of a scientific understanding of the capitalist method of production is a *prerequisite* for building socialism. Now, if we are unable to prove that the so-called 'socialist' societies are capitalist (while having rejected the various other theories as anti-Marxian), it can only mean that our understanding of capitalism is incomplete (in Marxist theory, these societies can only either be capitalist or socialist, otherwise, the very scientific basis of Marxism itself is in doubt). Which means that our understanding of the socialist method (at least its *basic principle*) must be incomplete also.

For the Left-Communist milieu (on this milieu, see footnote 23 to the adjacent text), the ‘socialist’ societies are capitalist. But groups/individual militants of this milieu, the same as the non-Left-Communist tendencies which regard these countries as capitalist, have no more been able to provide the above-mentioned proof than the Trotskyists, for example, have been able to prove that these countries are ‘degenerated workers’ states’. For the International Communist Current (ICC: read its leading ‘theoreticians’, ditto below), for instance, for whom Marxism “has nothing in common with science”, the starting point and conclusion are both... a blank affirmation that these countries are capitalist. The Communist Workers Organization (CWO), to give another example, has provided a more serious attempt at such a proof (see “Theories Of State Capitalism” in its theoretical journal *Revolutionary Perspectives* no. 1, a slightly rewritten version of which is reprinted in no. 19 – the title of this text is very misleading since it seems to imply that state capitalism is a category specifically and only applicable to the ‘socialist’ countries and not also to the ‘mixed’ economies of the West), but has failed totally.

The following text, which is based upon (not a translation of) a text originally written in Chinese entitled “Eastern Capitalism:
A Politico-Economic Analysis” and published in *International Correspondence* no.2, Oct. 1984, is an attempt to provide the above-mentioned proof. Though making no pretensions that it is a final statement, I do regard it as an important contribution.

The Chinese original contains three sections: 1. Introduction; 2. Value, Commodity, The Law Of Value, Capitalism And Current ‘Socialism’; 3. What Is Socialism? In the present English version, the introduction in the Chinese original is skipped altogether. As to sections two and three, by and large, I follow the main lines of argument of the Chinese original. The arguments are developed in as much or almost as much detail as in the Chinese original. Only several parts are abridged which, however, does not affect the continuity or clarity of the exposition. For example, in the Chinese original, many more citations from Chinese Stalinist economists are made than I have incorporated into the present version. At several points, the present English version even improves on the Chinese original. The present English version also contains a brief critique of the CWO’s analysis of the relationship between the socialized sector and the unsocialized sector of petty peasants during the period of transition at the end which is not in the Chinese original. The Addendum is partly adapted from the short article in Chinese in *International Correspondence* no. 3 (January 1985) entitled “Concerning The Nature Of The ‘Socialist’ Countries: A Brief Reply”.

Marx analyses capitalist society on the basis of one central category: VALUE. The nature of a society is defined by its relations of production. When a society is based upon the capitalist relations of production, the law of value constitutes its fundamental law. In order to prove that the so-called 'socialist' societies are capitalist through and through, it is necessary to prove that their relations of production are capitalist, in other words, it is necessary to prove that they are based upon the law of value. Before we proceed to do that, it must be mentioned that many leftists (on this term, see footnote 26 to the adjacent text) deny that the law of value is the fundamental law of capitalist society. We shall deal with this ideology after proving the above.

Value must count as one of the most, if not the most, misunderstood or least understood categories of Marxist theory. What is it? Why and how does it come into existence? (I say 'existence', but it must be noted that value, like the category electro-magnetic wave in physics, to name just one example, cannot be observed, i.e., it does not exist in the directly, sensorily experienced world, which is why positivist economics discards it as 'metaphysical' — as can be seen, the consistent positivist would, if he is honest, have to discard all similar categories such as causation, gravitational pull, etc., etc., also as 'metaphysical'. I will return to this important point in the course of the following analysis later.) Under what conditions do products become commodities, i.e., congealed values? Engels says in Anti-Dühring:

"The only value known in economics is the value of commodities, What are commodities? Products made in a society of ... private producers, and therefore in the first place private products. But these private products become commodities only when they are made, not for consumption by their producers, but for consumption by others, that is, for social consumption; they enter into social consumption through exchange ... Although they are the private products of each individual, their products are therefore simultaneously, but unintentionally and as it were involuntarily, also social products. In what, then, does the social character of these
private products consist? ... they are at the same time products of human labour as such, of general human labour."

(Foreign Language Press, Peking, 1976, p. 398)

In other words, only under two conditions that must be met simultaneously, do general human labour constitute value and congealed general human labour (products) become commodities:
1. the existence of private ownership; 2. that the purpose of producing is not for one’s own consumption, but for exchange with other commodity producers. But why is it that under these two conditions, general human labour is transformed into value?

This central question will be answered in the course of the following analysis. For the moment, this much is certain: value is a historical category of human society, where either private property or exchange (this latter term will be defined precisely later) does not exist, value does and can not exist. In a letter to Kautsky of 20.9.1884, Engels said:

“You make the same mistake [as Rodbertus] with value. [According to you] current value is that of commodity production, but, following the abolition of commodity production, value would also be ‘changed’, that is to say, value in itself would continue to exist, and only its form would be modified. But in fact, however, economic value is a category specific to commodity production, and disappears with the latter, as it likewise did not exist prior to commodity production. The relation of labour to the product [emphasis added], before as after commodity production, is no longer expressed under the value-form.” (Quoted in Charles Bettelheim, Economic Calculation And Forms of Property, Monthly Review Press, 1975, p 30)

In Anti-Dühring Engels has this to say about the situation obtaining before and after commodity production:

“In the ancient Indian communities and in the family communities of the southern Slavs, products are not transformed into commodities. The members of the community are directly associated for production ... Since direct social production and direct distribution preclude any exchange of commodities, they also preclude the transformation of the products into commodities (at any rate within the community) and consequently into values as well.

“From the moment society enters into possession of the
means of production and uses them in direct association for production [Engels is referring to socialism here, whenever socialism is mentioned, I am referring to the transitional period, i.e., the period Marx refers to as “the first phase of communist society” in the *Critique of the Gotha Programme* (hereinafter referred to as *CGP*), the labour of each individual, however varied its specifically useful character, becomes social labour straight away and directly. The quantity of social labour contained in a product need not then be first established in a roundabout way... society will not assign values to products... People will be able to manage everything very simply, without the intervention of the much-vaunted ‘value.’” (Ibid., pp 401–3)

In pointing out that value did not exist in primitive communism and will not exist in socialism (within the socialized sector, that is, see later), Engels introduces the following important concepts, which can only be understood in conjunction with the understanding of what value is and why it exists in commodity production: “the labour of each individual... becomes social labour... directly”; “the quantity of social labour contained in a product... established in a roundabout way”. Marx, the same as Engels, points out very clearly and categorically that in the absence of private property and exchange, value does and can not exist, and employs exactly the same categories in doing so:

“Within the co-operative society based on common ownership of the means of production, the producers do not [emphasis added] exchange their products; just as little does the labour employed on the products appear here as the value of these products, as an objective quality possessed by them, since now, in contrast to capitalist society, individual labour no longer exists in an indirect fashion but directly as a component part of the total labour.” (*CGP*, Foreign Language Press, Peking, 1972, pp 14–15 — Note that Marx is talking about the early phases of the transitional period here.)

Our discussion begins by explaining the meanings of these categories. In the following analysis, for the sake of simplicity, assume, except where indicated: 1. a non-natural economy, i.e., an economy in which an individual’s consumption is met from the production of others; 2. simple commodity production and exchange; 3. the average intensity of labour in every branch of pro-
duction is the same; 4. the economy is in a state of general equili-

brium, i.e., the quantities of labour (both dead and living, i.e.,
labour-power) that it assigns to the different branches of produc-
tion exactly match society's demands; 5. in every individual case,
price = value; 6. simple reproduction and the wear and tear of
means of production is nil and, thus, the latter requires no replace-
ment; 7. all labour is simple labour. The same conclusions can be
drawn without making these assumptions, but it is not necessary
to complicate the analysis.

We begin with a simple question: if abstract labour or general
human labour is the only source of value, and its only measure is
time, why does not commodity exchange use labour time as its
basis, but instead uses money as an intermediary? Marx asks in the
Critique of Political Economy (1859) (hereinafter referred to as
CPE):

"Since labour-time is the intrinsic measure of value, why use
another extraneous standard as well? Why is exchange value
transformed into price? Why is the value of all commodities
computed in terms of an exclusive commodity, which thus
becomes the adequate expression of exchange-value, i.e.,
money?" (Progress Publishers, Moscow, 1970, p 84)

John Gray was also faced with this question, and proposed an
'answer':

"John Gray was the first to set forth the theory that labour-
time is the direct measure of money in a systematic way. He
proposes that a national central bank should ascertain through
its branches the labour-time expended in the production of
various commodities. In exchange for the commodity, the
producer would receive an official certificate of its value,
i.e., a receipt for as much labour-time as his commodity
contains, and this bank-note of one labour week, one labour
day, one labour hour, etc., would serve at the same time as
an order to the bank to hand over an equivalent in any of the
other commodities stored in its warehouses . . . Gray says that
under this system "to sell for money may be rendered, at all
times, precisely as easy as it now is to buy with money . . ."
The precious metals would lose their 'privileged' position in
comparison with other commodities . . ." (CPE, pp 83–84)

In other words, according to Gray, since labour-time is the intrinsic
measure of value, there is no need to require precious metals
(commodity money) as an intermediary, and labour-time should be used as the basis of commodity exchange, the ‘most natural’ form of money (Gray’s famous ‘labour money’). That precious metals (and today’s currency and deposit money) became money is not a matter of ‘should or should not’, but is a matter of law, though this law, as is seen later, has a social, and not natural, basis. That Gray’s ‘labour money’ has never existed is also for the same reason. Marx analyses Gray’s error in the following difficult passage:

"Why is the value of all commodities computed in terms of . . . money? This was the problem which Gray had to solve. But instead of solving it, he assumed that commodities could be directly compared with one another as products of social labour. But they are only comparable as the things they are. Commodities are the direct products of isolated independent individual kinds of labour, and through their alienation in the course of individual exchange they must prove that they are general social labour, in other words, on the basis of commodity production, labour becomes social labour only as a result of the universal alienation of individual kinds of labour. But as Gray presupposes that the labour-time contained in commodities is immediately social labour-time, he presupposes that it is communal labour-time or labour-time of directly associated individuals. In that case, it would indeed be impossible for a specific commodity, such as gold or silver, to confront other commodities as the incarnation of universal labour and exchange-value would not be turned into price; but neither would use-value be turned into exchange-value and the product into a commodity, and thus the very basis of bourgeois production would be abolished. But this is by no means what Gray had in mine — goods are to be produced as commodities but not exchanged as commodities. Gray entrusts the realization of this pious wish to a national bank. On the one hand, society in the shape of the bank makes the individuals independent of the conditions of private exchange, and, on the other hand, it causes them to continue to produce on the basis of private exchange. Although Gray merely wants “to reform” the money evolved by commodity exchange [Gray’s ‘reform’ is that if the living and dead labour currently expended on the production of precious metals, which are to be used
as money, is diverted, as a result of replacing commodity money with his famous ‘labour money’, to the production of goods that can either be consumed or invested, society’s well-being can be raised], he is compelled by the intrinsic logic of the subject-matter to repudiate one condition of bourgeois production after another. Thus he turns capital into national capital [note that for Marx, on the assumption that value is abolished, nationalization and socialization are synonymous], and land into national property and if his bank is examined carefully it will be seen that it not only receives commodities with one hand and issues certificates for labour supplied with the other, but that it directs production itself...

"Every commodity is immediately money; this is Gray’s thesis which he derives from his incomplete and hence incorrect analysis of commodities. The “organic” project of “labour money” and “national bank” and “warehouses” is merely a fantasy in which a dogma is made to appear as a law of universal validity. The dogma that a commodity is immediately money or that the particular labour of a private individual contained in it is immediately social labour, does not of course become true because a bank believes in it and conducts its operations in accordance with this dogma. On the contrary, bankruptcy would in such a case fulfil the function of practical criticism. The fact that labour money is a pseudo-economic term, which denotes the pious wish to get rid of money, and together with money to get rid of exchange-value, and with exchange-value to get rid of commodities, and with commodities to get rid of the bourgeois mode of production, – this fact, which remains concealed in Gray’s work and of which Gray himself was not aware, has been bluntly expressed by several British socialists, some of whom wrote earlier than Gray and others later. But it was left to M. Proudhon and his school to declare seriously that the degradation of money and the exaltation of commodities was the essence of socialism and thereby to reduce socialism to an elementary misunderstanding of the inevitable correlation existing between commodities and money.” (CPE, pp 84–86)

In the above quotation, Marx points out that Gray mistakenly assumes “the particular labour of a private individual” to be “immediately social” labour. As we have seen, Marx in CGP and
Engels in *Ant-Dühring* use this category (we shall as of now call it direct social labour) to refer to the labour of individuals in socialism (as will be seen in the section "What Is Socialism?". infra. this actually only applies to individuals *within* the socialized sector.) In contrast, in capitalist society, individual labour "exists in an indirect fashion" (see quotation from *CGP* above), it "becomes social labour only as a result of the universal alienation of individual kinds of labour". As of now, we shall call the labour of private individuals in a commodity economy (I say commodity economy and not capitalist society for reasons to be mentioned later but are as yet irrelevant) private labour. To explain what direct social labour is, we first explain what private labour is.

Private labour is simply the labour of individuals related to one another by relationships of private ownership. And commodities are products produced by private labour which are destined for exchange and not immediate consumption by their producers. The exchange ratios between commodities (i.e., their exchange-values) are determined by their values, i.e., the labour-time congealed in them. However, the value of a commodity produced by a certain individual (recall that we are assuming simple commodity production) is not determined by the labour time that he has expended in its production, but by the socially necessary labour time required for its production. Assume that in a commodity economy, there are five private producers engaged in the production of commodity 'A': 'a', 'b', 'c', 'd' and 'e'. To produce 1A, 'a' spends 10 minutes, 'b' 12, 'c' 8, 'd' 14 and 'e' 6 (the difference being due to differences in efficiency). In other words, society has totally expended 50 minutes to produce 5A, 'A's' socially necessary labour is, therefore, 10 minutes, which, in a commodity economy, is *expressed as its value* (as said, we will explain why it is, and has to be, so expressed later). Assume the value of commodity 'B' to be 5 minutes of socially necessary labour. In such a case, the *exchange value* of 'A' is 2B, that of 'B' is ½A. However, these exchange values are not determined *a priori* by the commodity producers, but by thousands upon thousands of daily exchanges. This is what Marx and Engels mean in saying that the value of a commodity, *expressed* in exchange value (we will shortly see the immense significance of the relationship between value and exchange value), is established in a "roundabout way".

Assume that in our commodity economy, five other private
producers are engaged in the production of ‘B’: ‘f’, ‘g’, ‘h’, ‘i’ and ‘j’. To produce 1B, ‘f’ requires 5 minutes, ‘g’ 6, ‘h’ 7, ‘i’ 4, and ‘j’ 3, making the socially necessary labour time of ‘B’ 5 minutes as assumed just now. Let ‘a’ and ‘f’ be engaged in exchanging ‘A’ and ‘B’. It so happens that ‘a’ exactly exchanges 10 minutes of his labour for 10 minutes of ‘f’s’ labour (1A exchanging for 2B). Now let ‘b’ and ‘i’ be engaged in the same exchange. If they accept the exchange values of ‘A’ and ‘B’ (which they must and can only do), then ‘b’ will be exchanging 12 minutes of his labour for 10 minutes of social (ly necessary) labour (as can be seen, ‘A’s’ socially necessary labour is 10 minutes, in other words, it embodies 10 minutes of social labour, hence the peculiar way in which I put the term), while ‘i’ will be exchanging 8 minutes of his labour for 10 minutes of social (ly necessary) labour. In other words, ‘b’ will be exchanging 12 minutes of his labour for 8 minutes of ‘i’s’, labour. If ‘b’ requests to exchange 12 minutes of his labour for 12 minutes of ‘i’s’, ‘i’ will certainly tell him that he is no philanthropist, because that would allow ‘b’ to obtain 3B in return for 1A. Obviously, therefore, although labour time is the intrinsic measure of value, it cannot constitute the basis of commodity exchange, because philanthropy does not exist there. I.e., because commodity producers are private owners of their products which take the form of commodities. (The error of Gray’s theory is already apparent, but it requires a much more involved analysis to fully expose it, which is why we cannot analyse it as yet.)

Next, assume a primitive communist society engaged in hunting and gathering, three individuals ‘X’, ‘Y’ and ‘Z’ in hunting and three others ‘M’, ‘N’ and ‘O’ in gathering. In other words, this is also a non-natural economy with a systematic division of labour, though only a primitive one. Let each individual work 3 hours a day, and on a certain day, their production is: ‘X’ brings home one rabbit, ‘Y’ none, ‘Z’ two; ‘M’ brings home six apples, ‘N’ three and ‘O’ nine. Society has totally expended 9 hours getting three rabbits in return, and another 9 hours getting eighteen apples in return. In other words, the socially necessary labour of one rabbit is 3 hours, and that of six apples is also 3 hours. If this were a commodity economy, the exchange value of one rabbit would be six apples, that of one apple would be 1/6 rabbit. Since this is a primitive communist society, the total social product is shared equally by everybody. Each individual receives ½ rabbit
and three apples for consumption. In the case of 'O', he contributes the equivalent of 4½ hours of social (ly necessary) labour (nine apples) but only receives back 3(½ rabbit and three apples). 'Z' contributes the equivalent of 6 hours of social (ly necessary) labour but only receives back three. 'Y' contributes the equivalent of zero hours of social (ly necessary) labour but receives back three. Why would 'O' and 'Z' allow 'Y' (and 'N') to benefit at their expense? Of course, none other than because private property does not exist.

In the commodity economy example, except in the rare cases of 'a' and 'f' (they are rare when we consider not several but numerous commodity producers), the quantity of his labour that a private producer contributes to society is different from the quantum of social (ly necessary) labour that he receives in return, because his efficiency is different from the social average efficiency. In the primitive communist society example, each producer contributes to society three hours of his labour and receives in return three hours of social (ly necessary) labour, no matter whether his efficiency is higher or lower than the social average efficiency. What Marx says about the transitional period, with which we are not concerned as yet, applies here just as well: each individual producer, whatever his efficiency, "receives back from society —...— exactly what he gives to it... The same amount of labour which he has given to society in one form [example, 'O's' form of labour is gathering, the amount is three hours] he receives back in another" (example, 'O' receives back three hours of social (ly necessary) labour, the form being 1½ hours of gathering and 1½ hours of hunting). (CGP, p 15)

Of course, a primitive communist society does not calculate production or distribute the way we do in our example. Neither does a commodity economy do the way we do in the other example. What we are providing here is a scientific analysis of the inner relationships of these societies. The methods of production and, dependent upon them, the corresponding systems of distribution, of these societies develop spontaneously. Which is why they have objective laws governing them. Members of these societies do not have to be aware of these laws to act in accordance with them. I shall return to this important point and discuss it in greater detail later.

Formally speaking, 'O', to quote him as an example, 'exchan-
ges’ his three hours of labour (nine apples) for three hours of social (ly necessary) labour (three apples and \( \frac{1}{2} \) rabbit) – a result of the social division of labour. However, this type of ‘exchange’ is of a different nature compared to the exchange of commodities: the latter being based upon private property while the former upon its absence. Again, what Marx says about the transitional period applies here equally well: “Within the co-operative society based upon common ownership of the means of production, the producers do not exchange their products” (emphasis added). As of now, ‘exchange’ (without quotes) is used to refer to commodity exchange, and “exchange” (in quotes) is used to refer to the economic relationships between producers in a society where private property does not exist, the nature of which is: “The same amount of labour which he has given to society in one form he receives back in another.”

We can now proceed to analyse Gray’s error. Firstly, note that exchange value is “the necessary phenomenal form of value, the only form in which value can be expressed.” (Capital vol. 1, Everyman, 1974, p 7) As mentioned earlier, we will shortly see why value must express and can only be expressed in its phenomenal form, exchange value, and cannot ‘assert’ itself directly. In Capital vol. 1, Marx analyses the various forms of value or the various states/forms of existence of exchange value, from the “elementary, isolated or accidental form”, through the “total or extended form”, the “generalised form” to the “money form”, i.e., price. In other words, money is only the ultimate form of value, or exchange value in its most developed state/form. In the above commodity economy example, we used the elementary, isolated or accidental form of value to illustrate why commodities cannot be exchanged on the basis of the direct labour time expended in its production by individual private producers. What applies there applies also to commodity exchange based upon the money form of value. The point can be stated in the following way: since where private property exists, direct labour time cannot serve as the basis of exchange, the latter has, therefore, perforce to rely on another measure. This measure is the social (ly necessary) labour embodied in the products. It is on this condition and only on this condition, with private producers insisting to exchange their labour for what it is worth, i.e., to exchange their labour for its equivalent in terms of social (ly necessary) labour, that the
social (ly necessary) labour congealed in products is transformed into value which serves as the basis upon which private producers exchange their commodities. But, for reasons to be explained later, value, as said, is unable to 'assert' itself directly, it cannot, as a result, be observed or calculated. What can be observed and calculated is the phenomenal form of value, i.e., exchange value. Exchange value, thus, serves as the only basis upon which commodities are exchanged. (This is the meaning of the earlier comment that the appearance of commodity money is a matter of law, while the basis of this law is social in nature: the existence of private property and exchange). Commodity exchange requires commodity money (or exchange value in general) as an intermediary because they are produced as commodities. This is why although labour time is the intrinsic measure of value, it cannot serve as the basis of exchange, since the value of a commodity is determined by the socially necessary labour it congeals, while the direct labour time each private producer expends in its production, except in rare cases, departs from the socially necessary labour time required for its production. (As a matter of fact, as to be seen later, neither the quantum, measured in time, of the social (ly necessary) labour congealed in a commodity, i.e., its value, nor the direct labour time each private producer expends in its production are known on the phenomenal level. I.e., they cannot be observed or calculated. But, this is not why direct labour time cannot be used as the basis of exchange; that is the result of the existence of private property. I.e., value, and not direct labour time, becomes the basis of commodity exchange, not because it cannot be observed (for in that case we would not have explained why it comes into being in the first place), but because of the existence of private property.)

In the primitive communist society example, what provides the basis of 'exchange'? Each individual producer gives society 3 hours of (his) labour and receives 3 hours of social (ly necessary) labour in return. In other words, 'exchange' is based upon direct labour time (to repeat: we are making a scientific analysis, our starting point is not whether members of the primitive communist society are aware of the laws governing their actions. — to repeat also: primitive communism is a spontaneous method of production, as Marx says, -primitive communism was forced upon the earliest human societies by the low level of the development of
the productive forces.) The products produced are still congealed social labour (3 hours for one rabbit, ½ hour for one apple), however, since direct labour time now serves as the basis of exchange (because private property does not exist, i.e., because individual producers do not demand their labour be exchanged for what it is worth, in other words, do not demand that it be exchanged for its equivalent in terms of social (ly necessary) labour), there is no need to rely on another basis. In this case, the congealed social labour embodied in products does not need to transform itself into value. Without value, there is no exchange value and, thus, no money. In other words, 'exchange', having direct labour time as its basis, no longer requires another basis, namely, value expressed in exchange value.

We can now understand what Marx and Engels mean by the category direct social labour. In the commodity economy example, we see that in establishing the value of a commodity, the labour of all private producers are counted but in a "roundabout way": the value of a commodity is equal to total output divided by the total labour time expended on its production. The private labour of each private producer is then transformed into its equivalent in terms of social (ly necessary) labour. We said just now that the primitive communist society would not calculate production or distribute the way we do in the example. In contrast, a socialist society will. (Though we have not yet discussed the socialist method of production, the parallels between it and the primitive communist method are obvious.) In other words, instead of establishing the congealed social labour in a product in a "roundabout way" as in a commodity economy, it can be calculated directly simply by adding up all the quanta of labour expended in its production by all individual producers producing it. For instance, ten producers are involved in producing product ‘W’, spending ten hours each and producing a total of one hundred units. Society can directly calculate ‘W’s’ congealed social labour to be one hour (per unit). In other words, the labour of each individual producer is counted directly as part of the social working day/week/etc., and his direct labour, measured in time, ‘exchanges’ for equivalent amounts of social (ly necessary) labour. This is the meaning of direct social labour: "Within the co-operative society based upon common ownership of the means of production . . . individual labour no longer exists in an indirect
fashion but directly as a component part of the total labour. What he has given to society is his individual quantum of labour. For example, the social working day consists of the sum of the individual hours of work; the individual labour time of the individual producer is the part of the social working day contributed by him, his share in it." (CGP, pp 14–15) Engels says in Anti-Dühring:

"From the moment society enters into possession of the means of production and uses them in direct association for production, the labour of each individual, however varied its specifically useful character, becomes social labour straight away and directly. The quantity of social labour contained in a product need not then be first established in a roundabout way; daily experience will show in a direct way how much is required on the average. Society will be able to calculate in a simple way how many hours of labour are contained in a steam engine, a bushel of the last crop of wheat, or a hundred square yards of cloth of a specific quality." (pp 401–2)

Gray’s error is exactly this: he fails to realize that congealed social labour only takes the form of value where private property (and exchange) exists. The existence of private property precludes the use of direct labour time as the basis of exchange, which can only be provided by value. As value cannot ‘assert’ itself directly, but has to express itself in exchange value, the latter, thus, becomes the only basis upon which exchange is premised. Thus, though labour time is the intrinsic measure of value, exchange requires an external measure, namely, exchange value in general (and money in particular, which is Gray’s concern). To give an example, suppose the production of one ounce of gold (our economy uses commodity money) and ten pounds of beef both require a socially necessary labour time of one hour. In that case, the price of ten pounds of beef will be £3 17s 10½d (to use Capital vol. 1’s figures, see ibid., p 77). Even if a certain private producer ‘S’ requires 1½ hours to produce ten pounds of beef, he still can only sell them for £3 17s 10½d (i.e., receive in return only one

1. As we will see in the section ‘What Is Socialism?’, there are people who argue that the socialist method of production should be based upon ‘calculation’ in kind and not (direct) labour time, an erroneous view deriving from a confusion between economic calculation as an economic category, and economic computation as a technical operation.
hour of social (ly necessary) labour), and cannot sell them for £4 17s 4 1/8d (= £3 17s 10½d times 1¼), i.e., he will not be able to receive in return ¼ hours of social (ly necessary) labour. Gray proposes to use labour time directly as 'money'. This is to propose that 'S' be allowed to exchange ¼ hours of his (direct) labour which is only equivalent to one hour of social (ly necessary) labour for ¼ hours of social (ly necessary) labour. But this can only happen when private property does not exist. Yet, this is not Gray's intentions. He wholeheartedly supports commodity production. But his scheme is unable to co-exist with commodity production. Gray wants "goods . . . to be produced as commodities but not exchanged as commodities." He wrongly "presupposes that the labour time contained in commodities is immediately social labour time, he presupposes that it is communal labour-time or labour-time of directly associated individuals." I.e., he wrongly presupposes private labour to be direct social labour. Gray, on the one hand, demands that individuals be "independent of the conditions of private exchange", yet, on the other, demands simultaneously that they "continue to produce on the basis of private exchange". Gray's 'labour money' "is just as little 'money' as a ticket for the theatre is 'money'." (Capital vol. 1, p 70) "Were it otherwise, individual [Marx means private here] labour could be treated as directly social labour, which is its opposite." (Ibid.) In that case (i.e., where individual labour is direct social labour), "it would indeed be impossible for a specific commodity, such as gold or silver, to confront other commodities as the incarnation of universal labour" for value would not have existed: "neither would use-value be turned into exchange value and the product into a commodity." But this also means that "the very basis of bourgeois production would be abolished." Proudhon and his school, unable to go beyond surface phenomena, seeing the evils of money, seriously declare that money has to be abolished, yet at the same time exalt commodities as "the essence of socialism", totally failing to understand "the inevitable correlation existing between commodities and money." Kautsky, on the other hand, seeing that value is congealed social labour, jumps to the conclusion that the reverse is also true, i.e., congealed social labour must constitute value, and that since goods are necessarily embodiments of social labour, value (in itself) will, therefore, continue to exist in socialism, never understanding that congealed social
labour is transformed into value *only* where private property exists.

To precis our analysis so far: on the basis of private exchange, direct labour time cannot be used as the basis of exchange which, thus, has perforce to rely on another measure. This other measure is value. Value, in turn, has to express itself in exchange value (this point still has to be explained). Thus, though labour time is the intrinsic measure of value, exchange, however, has to rely on an external measure, namely, exchange value. In socialism, in contrast, direct labour time is used as both the basis of and measure for production calculation and distribution. As a result, a product’s congealed social (ly necessary) labour does not need to be transformed into value and, further, can be ascertained directly. This is how Engels puts it in *Anti-Dühring*:

“Society will be able to calculate in a simple way how many hours of labour are contained in a steam engine . . . society will not assign values to products. It will not express the simple fact that the hundred square yards of cloth have required, say, a thousand hours of labour for their production in the oblique and meaningless way involved in stating that they are *worth* a thousand hours of labour. It is true that even then it will still be necessary for society to know how much labour each article of consumption requires for its production. It will have to arrange its plan of production in accordance with its means of production, which include, in particular, its labour-power . . . People will be able to manage everything very simply, without the intervention of the much-vaunted ‘value’.” (pp 402–3)

In an earlier quotation from *Anti-Dühring*, Engels introduces another category: direct social production. This, obviously, is related to the category direct social labour. So far, our analysis is mainly conducted on the level of exchange/exchange’, i.e., of circulation, which is dependent on production. Thus, we need to conduct our analysis on the level of production, while circulation will also be considered at the same time. This is done by examining the socialist society as analysed by Marx and Engels.

As said, the socialist society will calculate production (and distribute) the way we do in our example. Let us continue to use the primitive communist society example. ‘X’, ‘Y’, ‘Z’, ‘M’, ‘N’ and ‘O’ all work three hours a day each, the socialist society
would issue them a labour time certificate, stating that they have given society three hours of labour each. At the same time, society can calculate that its social working day consists of eighteen hours, nine hours producing three rabbits, and another nine producing eighteen apples. It can, therefore, calculate that the congealed social (ly necessary) labour of one rabbit is three hours, and that of one apple is ½ hour. With their labour time certificates, 'X' et al can draw from the social stock of means of consumption means of consumption which are 'worth' (in quotes because in the previous quotation from Engels, he uses this word (without quotes) to refer to the situation where value exists) the equivalent of three hours of social labour. Assuming their tastes to be identical, each would draw ½ rabbit (= 1½ hours or social labour) and three apples (= 1½ hours of social labour). With direct labour time providing the basis of and measure for calculating production and organizing distribution, congealed social labour does not constitute value. Society no longer says a certain product is worth, say, $10 (the money form of value), but says, instead, that it embodies such-and-such a quantum of social labour. Assume this society to be a commodity economy instead, that the value of one ounce of gold is ½ hour and that the government calls one ounce of gold $100 (our society uses commodity money). In such a case, the value of society's total output, expressed in money form, would be $3600, the price of a rabbit would be $600, that of an apple would be $100. These prices, as said, are determined in a "roundabout way", not a priori.

In the above example, it appears that a commodity economy can in a "roundabout way" determine a commodity's absolute value. This, however, is only an illusion. As we said earlier, value is unable to 'assert' itself directly, but must and can only express itself indirectly in exchange value. Why? Simply because a commodity economy does not calculate production the way we do in our example (recall that ours is an analysis). Commodity production is a spontaneous method of production (in contrast, socialist production is a conscious method of production — note that planning alone is not a conscious method, because if planning is done on the basis of price, though prices may be set by the planners, they are determined "behind their backs" without their knowledge — the relationship between the setting and the determination of prices is discussed later). There is no way in which the
commodity economy can find out the (absolute) value of a commodity, i.e., the social (ly necessary) labour congealed in it. The value of a commodity can only be determined in relation to other commodities in an indirect, relative fashion. Engels' exposition in Anti-Dühring is admirable:

"when I say that a commodity has a particular value, I say . . . (3) that, although it is a product of individual labour, it is at the same time . . . also a product of social labour and, be it noted, of a definite quantity of this labour, established in a social way through exchange; and (4) that I express this quantity not in labour itself, in such and such a number of labour-hours, but in another commodity. If, therefore, I say that this clock is worth as much as that piece of cloth and each is worth fifty shillings, I say that an equal quantity of social labour is contained in the clock, the cloth and the money. I therefore assert that the social labour-time represented in them has been socially measured and found to be equal. But not directly, absolutely, as labour-time is usually measured, in labour-hours or days, etc., but in a roundabout way, through exchange, relatively. That is why I can express this definite quantity of labour-time not in labour hours — how many remains unknown to me — but only in a roundabout way, relatively, in another commodity, which represents an equal quantity of social labour-time. The clock is worth as much as the piece of cloth." (p 399)

This is why value is non-observable, why it must, can only, be and is expressed in its phenomenal form exchange value. In the above example, the commodity economy can only determine the figures $3600, $600, $100, etc. (the prices — the money form of value — of the total social product, a unit of rabbit and a unit of apple respectively), but not the quanta 18 hours, 3 hours and $\frac{1}{2}$ hour respectively. The situation of the socialist society is exactly the reverse:

"Society will be able to calculate in a simple way how many hours of labour are contained in a steam-engine . . . It could therefore never occur to it to go on expressing the quantities of labour put into the products, quantities which it will then know directly and absolutely, in yet a third product [commodity money], in a measure which, moreover, is only relative . . ., though it was formerly unavoidable as an expedient [unavoid-
able because given private exchange, value inevitably arises which is expressed in exchange value], rather than express them in their natural, adequate and absolute measure, time.”
(Anti-Dühring, p 402)

We can now draw the following conclusions which serve as the basis of the ensuing analysis: A commodity economy, just as every economy does, requires a basis upon which and measure for which production can be calculated and distribution effected. But, private property precludes the use of direct labour time as this basis and measure. Thus, the commodity economy needs to find something else to serve as this basis and measure. It is under this circumstance and under this circumstance alone, that congealed social (ly necessary) labour is transformed into value in order to serve as this basis and measure. The value of a commodity, however, can only be determined in relation to other commodities. Thus, value must, can only, be and is expressed in its phenomenal form exchange value, the ultimate state/form of which is the money form, i.e., price. Money, thus, constitutes in a commodity economy the basis and measure by means of which production is calculated and distribution effected. In a non-natural economy, therefore, an inevitable correlation exists between private property and money. I.e., private property inevitably gives rise to money as the only basis upon which and measure for which society can calculate production and effect distribution. In contrast, in the socialist economy, private property is uprooted by the use of direct labour time as the natural basis of and measure for production calculation and effecting distribution. As a result, though socialism is also based upon a non-natural economy, congealed social (ly necessary) labour does not need to and is not transformed into value. In other words, the labour time certificate system proposed by Marx in CGP abolishes value. With value abolished, its phenomenal form exchange value including money loses its basis of existence. I.e., it is abolished at the same time. Again, there is an inevitable correlation between the abolition of private property and the measure used to calculate production and effect distribution, namely, direct labour time. I.e., the abolition of private property inevitably and necessarily involves the use of direct labour time as the basis upon which and measure for which society calculates production and effects distribution.

(One can only laugh at the earth-shattering ICC thesis that
labour time certificates are 'just another kind of money'. Some one-and-a-half centuries after Gray, the ICC, our self-styled “fruit of all the communist factions of the past” (International Review no. 40, p 18), redisCOVERS his ‘ingenious’ theory – unconsciously, it must be mentioned, thus the ICC cannot be accused of plagiarism. For our self-styled “guardians against empiricism” (this claim is not dissimilar to the extortion gang’s claim that it is ‘protecting’ its victim), money, a surface phenomenon, is simply money. It never occurs to them that it is only a form of a category that is non-observable, that does not exist in the directly, sensorily experienced world. They are not Gray’s only copy-cat though. Some sixteen years after the publication of Gray’s The Social System, the ‘ingenious’ Proudhon also took out “a patent for the same invention.” (CPE, p 83)

(Incidentally, that labour time certificates cannot be accumulated is not the essence of these certificates which is that they abolish value. On this point, see later.)

In the conclusions that we drew before digressing to pay due respects to the ICC, we said private property is uprooted by the use of direct labour time as the basis of and measure for production calculation and effecting distribution. Our analysis so far has proven this, but it may be questioned whether there are other ways to uproot private property. In a non-natural economy, there is not. We can prove this by attempting an exercise in pure logic. A non-natural economy can have only three possible methods of production other than one based upon direct social labour. 1. Whatever an individual producer’s efficiency, there exists no definite relationship between the quantum of his labour that he renders society, and the quantum of social labour that he receives in return. Obviously, this is only a logical possibility. No society can be based upon such a method of production. 2. All producers whose efficiency are above the social average efficiency become philanthropists. For instance, ‘O’ and ‘Z’ in the above example starve to allow ‘Y’ and ‘N’ to have one rabbit and six apples each. Philanthropy, however, is not an economic category, and, therefore, can be disregarded. 3. The ratio of exchange between the two quanta of labour is determined by the efficiency of the producers. This, of course, is none other than the case of the commodity economy. Obviously, therefore, (3) is the only possible method of production other than the socialist
one, given our assumptions. We can, certainly, combine (1), (2) and (3) in various combinations. But, the conclusions are not affected.

Private ownership is not a legal category, it is a social relation. In a non-natural economy, unless direct labour time constitutes the basis of the social method of production, private ownership must inevitably exist, as is proven in the above. We will return to this when we examine the nature of the so-called ‘socialist’ societies.

It is now necessary to analyse Marx’s comments in CGP since it has been a main target of ideological distortion.

Marx says: “What we have to deal with here is a communist society . . ., just as it emerges from capitalist society . . . Here obviously . . . the same principle prevails as in the exchange of commodity-equivalents: a given amount of labour in one form is exchanged for an equal amount of labour in another form. Hence, equal right here is still— in principle — bourgeois right . . ., this equal right is still perpetually burdened with a bourgeois limitation. The right of the producers is proportional to the labour they supply”. (CGP, pp 15–16) According to the leftists of the Stalinist, Trotskyist and other varieties, Marx means that each producer renders society a certain quantum of labour in one form (not measured in direct labour time, but in its equivalent in social (ly necessary) labour) and receives back an equal quantum of labour (social (ly necessary) labour) in another form. According to them, this is why Marx says “the same principle prevails as in the exchange of commodity-equivalents.” If Marx really meant that, he would have been contradicting himself, throwing overboard his political economy. But, Marx’s meaning is exactly the reverse. Producers render society a certain quantum of labour measured in direct labour time and receives back an equivalent quantum of social labour also measured in labour time. Marx says: “Hence, equal right here is still — in principle — bourgeois right, although principle and practice are no longer at loggerheads, while the exchange of equivalents in commodity exchange exists only on the average and not in the individual case.” In commodity exchange, producers render society a certain quantum of labour
transformed into its equivalent in social (ly necessary) labour, and receives back an equal quantum of social labour. Social (ly necessary) labour is determined in a roundabout way by dividing the total output of a certain commodity by the total quantum of labour expended on its production by all producers concerned. In other words, it is an average magnitude. In the above quotation, Marx contrasts two situations: “the exchange of equivalents in commodity exchange” which “exists only on the average” and the ‘exchange’ (Marx has not put this word in quotes, but what he says earlier: “Within the co-operative society ... producers do not exchange their products” shows clearly that he makes the same distinction that we are making) of equivalents in the labour time certificate system which exists “in the individual case”. Commodity exchange exists “on the average” because private labour is transformed into its equivalent in social (ly necessary) labour, an average magnitude. ‘Exchange’ in socialism exists “in the individual case” because the direct labour of every producer is counted equally and is ‘exchanged’ for an equal quantum of social labour, one hour of direct labour for one hour of social labour and so on. I am by no means trying to read more into Marx’s original meaning, his entire analysis in CGP and elsewhere proves this.

Why, then, does Marx talk about the retention of bourgeois right? Socialism is a method of production the banner of which says: “From each according to his ability, to each according to his labour”. Two producers rendering society the same quantum of direct labour, receive the same quantum of congealed social labour in the form of means of consumption. But, “one worker is married, another not; one has more children than another, and so on and so forth. Thus, with an equal performance of labour, and hence an equal share in the social consumption fund, one will in fact receive more than another, one will be richer than another, and so on. To avoid all these defects, right instead of being equal would have to be unequal. But these defects are inevitable in the first phase of communist society as it is when it has just emerged after prolonged birth pangs from capitalist society. Right can never be higher than the economic structure of society and its cultural development conditioned thereby.” (CGP, pp 16–17) In communism, “society inscribes on its banners: From each according to his ability, to each according to his needs!” (ibid.)
In communism, even when two producers render society the same quantum of direct labour, because of different family background etc., what they, including their families, receive from society would be different quanta of social labour. Only then can the 'bourgeois right' of the 'exchange' of equivalents which still exists in socialism be totally abolished. In talking about the retention of bourgeois right, Marx is comparing socialism with communism, and not saying that socialism has to retain value and commodities.

Marx also says: "and labour, to serve as a measure, must be defined by its duration or intensity". (ibid., p 16) According to the leftists, in socialism, since the intensity of labour is different between producers (in the same branch of production, the more efficient labour is more intense), their contribution to the collective is therefore, different, and, thus, they should be rewarded differently. This, they say, is the principle of "from each according to his ability, to each according to his labour". Obviously, they are merely repeating the same point that they are making when referring to the issue of retaining bourgeois right in socialism.

Let us see what Marx actually says:

"The right of the producers is proportional to the labour they supply; the equality consists in the fact that measurement is made with an equal standard, labour. But one man is superior to another physically or mentally and so supplies more labour in the same time, or can work for a longer time; and labour, to serve as a measure, must be defined by its duration or intensity, otherwise it ceases to be a standard of measurement. This equal right is an unequal right for unequal labour. It recognizes no class differences, because everyone is only a worker like everyone else; but it tacitly recognizes unequal individual endowment and thus productive capacity of the worker as natural privileges. It is, therefore, a right of inequality, in its content, like every right." (ibid., p 16)

Obviously, Marx is saying that although different producers have different endowments and productive capacity (upon emerging from the ashes of capitalism, a large part of these differences will be social in nature, which is not to deny that there are, and as far as I can see, there will always be, natural differences), the labour time certificate system regards them "only as workers, and nothing more is seen in them, everything else being ignored", though "it tacitly recognizes unequal individual endowments..."
as natural privileges.” Hence, the direct labour of each producer is treated equally, which is why it is “therefore, a right of inequality”, because the direct labour of producers of differential natural endowments are treated equally. “To avoid all these defects, right instead of being equal would have to be unequal. But these defects are inevitable in the first phase of communist society as it is when it has just emerged after prolonged birth pangs from capitalist society.” In contrast to dreamers, Marx realizes that communism cannot be reached overnight: “Right can never be higher than the economic structure of society and its cultural development conditioned thereby.” But to reach communism, the law of value must be superseded, and the only means which allows us to do so is to use (direct) labour time as the basis of the social method of production. Such a system, however, has many defects, but they have to be tolerated if we want to reach the goal of communism (cf. Marx’s remark in The Poverty Of Philosophy that, Proudhon notwithstanding, one “cannot have the good side of capitalism without its bad side”). These defects are the defects of the socialist method of production, not the retention of value as the leftists say.

So far our analysis has been based upon an economy of individual producers. In order to give a sense of reality (‘sense’ is underlined because the above analysis is perfectly real: the reality of a theory is not constituted by its ‘closeness’ to the realm of the observable, which is the positivist position, because scientific categories such as value or causation do not exist in that realm, i.e., are non-observable), let our economy be composed of enterprises employing workers. Assume a commodity economy with three enterprises ‘J’, ‘K’ and ‘L’ engaged in the production of commodity ‘C’. Further assume: 1. the exchange value of constant capital (for the moment, we assume that a commodity economy is a capitalist economy, thus we can use categories such as constant capital, which, in any case, are value categories) remains constant; 2. the value of an hour of social labour expressed in price is $100; 3. the rate of exploitation (S/V) = 0.25. Let the output of each enterprise be 10C; because their efficiency differs, the amount of constant capital transferred to the output and the amount of variable capital used will be different. For example:

see table 1

C1 = value of instruments of labour (machinery, etc.) transferred to
the product; $C_2$ = value of raw materials transferred to the product. For society as a whole, the values of $C_1$ and $C_2$ transferred to the total output of $30C$ expressed in price are respectively $1350 (= 13\frac{1}{2} \text{ hours of social labour})$ and $2700 (= 27 \text{ hours of social labour})$. The newly added living labour is thirty-three hours, its value expressed in price is $3300$. The total value of $30C = 73\frac{1}{2} \text{ hours of social labour}$, expressed in price is $7350$. The value of $1C = 2.45 \text{ hours of social labour}$ (i.e., the socially necessary labour of $1C = 2.45 \text{ hours of abstract labour}$), expressed in price is $245$. $S/V = 0.25$, therefore, the necessary labour for $30C = 26.4 \text{ hours}$ ($0.8 \times 33 \text{ hours}$), and the surplus labour for $30C = 6.6 \text{ hours}$, expressed in price, they are respectively $V = 2640$, $S = 660$.

In a commodity economy, commodities are sold at value expressed in exchange value. Because enterprises differ in efficiency, as a result, some make profits, others losses. For example (all value variables are expressed in price):

see table 2

'J' is the most efficient, rendering society 22 hours of private labour and receives 24\frac{1}{2} hours of social labour in return (= $2450), making a profit of $450. 'K' renders society 24\frac{1}{2} hours of private labour and receives 24\frac{1}{2} hours of social labour in return, making a
Now we can analyse the relations of production of the so-called 'socialist' societies. Assume: 1. all branches of production are nationalized; 2. all production is planned centrally; 3. the market as exists in the West is totally abolished. Though these assumptions do not describe the real situation in the 'socialist' countries (only Department I approximates these assumptions), our purpose is to examine the present problem in its purest state. On the other hand, we are not as yet concerned with the question of the separation of the producers from the means of production: all our previous examples, except the last one, assume, in fact, that they are not so separated. The steps of our analysis are: firstly, to prove that the economies of the 'socialist' countries are commodity economies, and secondly, to prove that they are capitalist. Marx's analysis in *Capital* follows the same sequence: from the analysis of commodities to the analysis of capitalism.

Needless to say, the method of production of the so-called

---

**TABLE**

<table>
<thead>
<tr>
<th></th>
<th>C1</th>
<th>C2</th>
<th>Newly-added labour</th>
<th>Newly-added value</th>
</tr>
</thead>
<tbody>
<tr>
<td>J</td>
<td>$400</td>
<td>$800</td>
<td>10 hours</td>
<td>$1000</td>
</tr>
<tr>
<td>K</td>
<td>$450</td>
<td>$900</td>
<td>11 hours</td>
<td>$1100</td>
</tr>
<tr>
<td>L</td>
<td>$500</td>
<td>$1000</td>
<td>12 hours</td>
<td>$1200</td>
</tr>
<tr>
<td>Total</td>
<td>$1350</td>
<td>$2700</td>
<td>33 hours</td>
<td>$3300</td>
</tr>
</tbody>
</table>

profit of $220 (unlike in the cases of the previous examples, wage-labour is employed which produces surplus value, thus, though 'K' only attains average social efficiency, it still makes a profit). 'L' is the least efficient, rendering society 27 hours of private labour, but only receives 24½ hours of social labour in return, losing $10.
The basis of and measure for production calculation and distribution is not direct labour time, but price. Although we have already proven the inevitable correlation, in a non-natural economy (all the ‘socialist’ societies are based upon a non-natural economy), running from private property, through value and commodity, to price, the money form of value, it is not enough to conclude our analysis at this point. It is necessary to examine the nature of the prices existing in the ‘socialist’ countries.

Stalin addresses this question in *Economic Problems Of Socialism In The USSR* (hereinafter referred to as *Economic Problems*):

"Why, in that case, do we speak of the value of means of production, their cost of production, their price, etc.?

"For two reasons.

"Firstly, this is needed for purposes of calculation and settlement, for determining whether enterprises are paying or running at a loss, for checking and controlling the enterprises. But that is only the formal aspect of the matter.

"Secondly . . . [the second reason given by Stalin concerns the requirements of foreign trade, since it is not his main point, we can ignore it here, which, of course, is not to say that, in itself, the point is not important]

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

"How is this peculiarity to be explained?

"The fact of the matter is that in our socialist conditions economic development proceeds not by way of upheavals, but by way of gradual changes, the old not simply being abolished out of hand, but changing its nature in adaptation to the new, and retaining only its form; while the new does not simply destroy the old, but infiltrates into it, changes its nature and its functions, without smashing its form, but utilizing it for the development of the new. This, in our economic circulation, is true not only of commodities, but also of money, as well as of banks, which, while they lose their old functions and acquire new ones, preserve their old form, which is utilized by the socialist system."

(Foreign Language Press, Peking, 1972, pp 53–54)

In other words, according to Stalin and his supporters, in the 'socialist' countries, value, commodity, price, money and the banking system are all only 'formal' categories, serving 'new functions' in reality. (Stalin, in fact, only makes this claim for Department I, but under our assumptions, we generalize it to the entire economy.) Before analysing the falsity of this claim, it must be noted that many leftists (including many so-called 'revisionists') do not agree with it. For instance, the Chinese economists 'Nam Bing' and 'Soc Chun' (1957 – works written by Chinese economists cited in the present text are listed at the end) say: "If . . . the purpose of . . . these arguments . . . is to say that in the socialist system, the value of means of production [recall that Stalin only makes the above claim for Department I: this reminder will not be repeated below] is only a form, that in reality it has lost its value content, then, what is embodied in this form? Is it only a symbol, a form without content . . .? . . . As though what we plan and account with, by means of price, is not the value of the means of production, but only something that in reality does not exist, that our accounting is void of substance.” (p 45) (Translation mine)

Charles Bettelheim asks a similar question in a related context: "This sort of ideological opposition assumes that the 'forms' would be, as it were, 'recipients', within which one could 'place' various 'contents'. However, the Marxist concept of 'form' cannot be treated in this way. In Marx's analysis, form is a relation . . ."
This relation... is termed form because, at one and the same time, it conceals and reveals another relation.” (Economic Calculation And Forms Of Property, Monthly Review Press, 1975, p 51 though Bettelheim is an ex(?)-Maoist, this remark of his is very correct.)

One of the ablest defenders of Stalin’s view is the Chinese economist Gown-mok Lok (1957): “Means of production in socialist countries only retain the old form of commodity value, they have shed their old content; please note, this is not to say that they have shed their content of ‘socially necessary labour’... The old forms of value, price, cost, profit, etc... these are all concrete, not fictitious... means of production have lost the old content which realizes itself in value, price, and other forms—i.e., the relationship of commodity exchange.” (Translation mine) In other words, starting from the premise that the nationalized Department I is the ‘common property’ of the proletariat, Lok concludes that since one of the two bases of commodity exchange, namely, private property, has been ‘abolished’, it, therefore, follows that the buying and selling within Department I cannot possibly be commodity exchange. For the same reason, value, price, etc., within Department I can only be ‘formal’ categories: “Nam Bing, Soc Chun... have not considered or distinguished: the correlation between the value category and relationships of commodity exchange.” (Translation mine) Put simply, he departs from a pure juridical category of property ownership (Stalin does the same in Economic Problems). As to why it is necessary for ‘socialist’ countries to retain these ‘formal’ categories, he agrees with Stalin: “for purposes of calculation and settlement, for determining whether enterprises are paying or running at a loss, for checking and controlling the enterprises.” (The above quotations from Lok are taken from Lok, 1957, pp 47, 48, 62 and 65.)

Those who disagree with Stalin do not, of course, deny that Department I is ‘owned’ by the proletariat as a whole, but point out that since in socialism, the roots of private ownership are not as yet totally extinguished, it is, therefore, necessary to retain value, price, etc. For example, the internationally-known Chinese economist Guang-yuen Yu (current—this is written in March 1985—head of the Academy of Social Sciences, who recently shook the world by saying that Capital is ‘out-dated’) said way
back in 1959: "There still exists a certain degree of 'the boundary between you and I' between different enterprises, in the exchange between different enterprises, the terms of exchange still have material meanings of benefit and disadvantage . . ." (Translation mine)

I have briefly analysed the above arguments in order to show that it is not enough for us to simply point to the existence of price, etc. in the 'socialist' countries, we must prove that they are the money form of value, etc. Nor is it enough to say something like "even some Stalinists have to admit that the law of value is operative in the 'socialist' countries, that the products in these countries are commodities", we must prove the inevitable correlation between private property, as a social relation and not a pure juridical category, and value, commodity and value's money form, price. Which is why I began with such a detailed analysis of this inevitable correlation.

We can now proceed. For the moment, it does not matter whether the prices in the 'socialist' countries are or are not only 'formal'. So long as price exists, the quantum of social labour that an enterprise receives from society in return for the quantum of its labour that it renders society will vary according to its efficiency. Assume two enterprises incurring the same total costs, the more efficient one will be able to obtain a larger share of the total social product because its output is larger. (If the ICC wants to bring in the laughable 'solvent extra-capitalist market' issue, that, at least, affects all enterprises, and thus, even if it were a real issue and not the fictitious one that it is, it can be ignored for the present purpose — for a comprehensive demolition of Luxemburg's pseudo-crisis theory 'defended' at all costs, even at the cost of sacrificing revolutionary, Marxist integrity, by the ICC, see the text "On Luxemburg's Pseudo-Crisis Theory" in International Correspondence no. 2 (English Supplement)). Or, assume two enterprises with the same output, the more efficient will, after replacing cost, be able to obtain a larger share of the total social surplus product (cf. enterprise 'J' in the 'J', 'K' and 'L' example, supra.)

In other words, the existence of price, whatever its content, with which we are not as yet concerned, proves that in the 'socialist' countries, labour is not direct social labour. but is private labour (please note: this is not using a fact, i.e., an observable
phenomenon, which can be interpreted in any number of ways, as a proof (the positivist method), price is a theoretical
theoretical object or category itself). There is now only one minor detail left in our proof that state property in the 'socialist' countries is 100% private property (for the moment, it does not concern us who actually owns it.) Assume, for the sake of argument, that the party and state functionaries are the private owners, their objective is to increase total surplus labour, why then do they have to maintain 'the boundary between you and I'? I.e., why do enterprises have to check and control one another by means of price? Why do they not simply work in a co-operative manner for the common objective of increasing total surplus labour? The answer, in fact, is very simple. Relationships of private property do not only exist between those who own the means of production and those who do not. They also exist between members of the former class of people (as well as, of course, between members of the latter class of people, except in the case of the proletariat whose consciousness has reached revolutionary levels). To think that enterprises do not have to maintain 'the boundary between you and I' is to make the absurd assumption that relationships of private property do not exist between members of the former class of people — it is, in fact, only by having enterprises maintaining 'the boundary between you and I' that this class of people are able to ensure that everyone of its members will work towards their common aim. Do not mistake that we are relying on their psychology as an explanation. Unlike what we are doing here in a scientific analysis, they would not first ask themselves whether they can do this, whether they can do that, etc. As private owners of means of production, their behaviour is already confined within a certain boundary. As Marx says in Capital:

"The way in which the immanent laws of capitalist production are manifested in the movements of individual masses of capital; the way in which they assert themselves as the coercive laws of competition, and thus enter the consciousness of the individual capitalist in the form of motives — these matters lie outside the present scope of our enquiry. But it is clear from the outset that, just as the apparent motions of the heavenly bodies only become comprehensible to one who knows their real movements, which are not directly appreciable by our senses; so a scientific analysis of competition is
only possible to one who has grasped the inner nature of capital.” (Everyman, ibid., pp 439–330, emphasis added)

Our purpose is not to analyse Marx’s above comments on the scientific method, but to borrow this method. How the inner nature of private property relationships enter into the consciousness of the party and state functionaries in the form of motives is not our concern. For our purpose, we need only note that the maintenance of ‘the boundary between you and I’ is part and parcel of the inner nature of private property relationships. Unless we make the above absurd assumption, that the party and state functionaries are ‘collectivised’ does not make one bit of difference to our analysis. Another point: the above analysis has nothing to do with the degree of autonomy/independence granted by the central economic plan to the enterprises, in fact, we are assuming an extremely limited degree. Our conclusions are not affected by the extent of this degree.

Having proven the existence of private property in the ‘socialist’ countries, the next step is to determine the content of ‘socialist’ prices. Unless we wish to follow the Austrian school (Böhm-Bawerk et al) which ‘analyses’ (in quotes because all positivist economic theories are nothing more than descriptions of the correlations between surface phenomena) price in terms of the category marginal utility, we can only return to Marx. Prices in the ‘socialist’ societies are set by the state (as said, we are assuming a perfectly planned economy), but obviously, the state planners cannot set them arbitrarily, at will, without any basis whatsoever at all. Otherwise, the economy will be in complete chaos. What is this basis which governs the state planners’ decisions within specific boundaries, i.e., which determines the prices? In Marxist analysis, only one thing and one thing alone can constitute this basis: the socially necessary labour congealed in products. This basis, further, is beyond the state planners’ control. Its absolute magnitude is, in fact, unknown and unknowable to them (the reader can simply ask them how many hours of social labour are embodied in a pair of shoes, for example – cf. my earlier comment that central planning alone is not a conscious method of production). Which is why setting prices in the ‘socialist’ countries is such a thorny problem.

Thus, congealed socially necessary labour is the content of ‘socialist’ prices. Since we have already proven the existence of
private property in the non-natural economies of the ‘socialist’ countries, it follows that the relationship between enterprises is one of exchange (without quotes). With exchange and private property present at the same time, it goes without saying that the socially necessary labour congealed in products gets transformed into value, and value, in turn, gets expressed in its phenomenal form, exchange value. Where exchange is generalized, exchange value naturally develops into its ultimate state/form, namely, the money form, i.e., price. (We are assuming normal circumstances, the situation obtaining in post-World War One Germany and Russia were abnormal circumstances.)

Obviously, then, what are produced in the ‘socialist’ countries are nothing but commodities; value, price, money, etc. there are real value, real price, real money, etc., and not mere ‘formal’ categories. (Bettelheim’s incisive remark on the Marxist concept of form quoted earlier finds its scientific proof here.) In a word, these societies are, purely and simply, commodity economies. Although the above analysis both starts and ends with price, it has no self-fulfilling nature. The content of the first price (point of departure) is of no significance at all, our focus there is solely its existence alone, in the second case (conclusion), our concern is to determine its content.

We now take a look at how ‘socialist’ prices are formed in reality to provide an illustration. Since 1949, there have mainly been three schools of thought in China on how ‘socialist’ prices should be formed. 1. Price of production, as analysed in Capital vol. 3, or planned price of production should form the basis of ‘socialist’ prices. 2. Value should form the basis of ‘socialist’ prices, i.e., price should equal the average cost of a branch of production plus the profit calculated on the basis of the ‘wage profit rate’. This view emphasizes that only living labour creates value. The ‘wage profit rate’ corresponds to the rate of exploitation, $S/V$ (I say ‘corresponds to’ because the same as all value categories, $S/V$ cannot be observed, and, thus, cannot be actually calculated). 3. ‘Socialist’ prices should be based upon ‘social average value’, i.e., price should equal the average cost of a branch of production plus the profit calculated on the basis of the ‘average cost profit rate’. The ‘average cost profit rate’ corresponds to (ditto) the value ratio $S/(K+V)$, where $K$ represents the value of constant capital transferred to the product. This view, therefore,
takes a middle course between the first two views. (These three schools of thought include both economists who admit that price, profit, etc. in the 'socialist' countries are real categories and those who argue that they are only 'formal' categories. But since whether real or 'formal', the same categories are employed, this difference is of no significance in the present context.) In symbols, expressed in corresponding (ditto) value categories, the three views argue that price (P) should equal:

see table 3

TABLE 3

1. Price of Production:

\[ P = K_0 + V_0 + \frac{S_1}{(C_1 + V_1)} \times (C_0 + V_0) \]

2. Value:

\[ P = K_0 + V_0 + \frac{S_1}{V_1} \times V_0 \]

3. 'Social Average Value':

\[ P = K_0 + V_0 + \frac{S_1}{(K_1 + V_1)} \times (K_0 + V_0) \]

(K_0 + V_0) represents the average cost in a branch of production, K_0 represents the average value of constant capital transferred to the product in the branch of production, V_0 represents average variable capital in the branch of production; S_1 represents total social surplus value; C_0 represents average constant capital in the branch of production; C_1 represents total social constant capital; K_1 represents the value of C_1 that is transferred to the total social product; V_1 represents total social variable capital. Obviously, the difference between the three views lies solely in how S_1 should
be distributed between the various branches of production. View one favours branches of production with high organic compositions of capital, view two favours branches with low organic compositions, and view three takes a middle course. The three views have one common point: as a component part of price, cost is the average cost of a branch of production \((K_0 + V_0)\). This is nothing special either: it simply is the very nature of price itself. In reality, ‘socialist’ prices in China are set by adding to \((K_0 + V_0)\) an ‘appropriate’ profit based upon an ‘appropriate’ profit rate (this ‘appropriate’ will be explained later), taking into consideration the above three views. Using the figures of the above ‘J’, ‘K’ and ‘L’ example, \(K_0\) expressed in price (ditto in the following) = $135 \((1350 + 2700)/30\). \(V_0\) = $88 \((2640/30)\), \((K_0 + V_0)\) = $223 (the individual costs of ‘J’, ‘K’ and ‘L’ are, respectively, $200, $223 and $246). \(S = 660\), price = $245. The state may set the price of product ‘C’ below, equal to or above $245, thus the quantum of surplus value the branch of production concerned obtains from \(S_1\) may be less than, equal to or more than $660. If the state follows view two and let \(S_1/V_1 = 0.25\) as well, the price of ‘C’ would in that case be $245 \((223 + 0.25 \times 88)\).

Just as we have proven, ‘socialist’ price is formed on the basis of the law of value. For the sake of convenience, we have, in the above illustration, used categories such as constant capital, variable capital, the organic composition of capital, etc. (so far, we have only proven the ‘socialist’ countries to be commodity economies, we have yet to prove that they are capitalist), but, since all these are value categories, our conclusions hold absolutely.

That the owners of means of production are private owners has now been proved. Who are they? The adjacent text argues at length that when means of production are nationalized, unless the Paris Commune principle is instituted, state functionaries become, in terms of social relations and not as a juridical category, de facto owners of the means of production. Instead of repeating the analysis here, the reader is referred to that text. Obviously, only when the proletariat have attained a high level of revolutionary consciousness can the Paris Commune principle be instituted. But this is only the condition of the proletarian revolution itself.

It is not necessary for us to prove that workers’ democracy in the ‘socialist’ countries is a sad joke — it is a commonly acknowled-
ledged fact. Since the producers in these countries are, thus, separated from the means of production, they can only sell their labour-power. In other words, labour-power becomes a commodity. (The Stalinists hotly deny this, but their arguments merely boil down to the simple claim that state property is the 'common property' of the proletariat.) It is true that in these countries, the freedom of the sale of labour-power is considerably less than in the West, but that does not alter its nature as a commodity, just as the 'collective' form of private ownership of the means of production does not alter the commodity nature of the products. The situation is: the producers produce commodities, they are separated from the means of production but are not themselves means of production which can be bought and sold like animals and are not kept alive and reproducing by any owner who feeds them like feeding animals, in such a case, in terms of the categories of Marxist political economy, they can only be wage-labourers. (These fundamental categories are the important things, not their actual forms of existence which can vary within certain limits: the function of science is precisely to 'go beneath' the surface of phenomena, to make intelligible, i.e., to analyse, by means of scientific categories, these phenomena, and not be misled by changes in the phenomenal world).

Now, all the ingredients of the capitalist relations of production exist:
1. Private ownership of the means of production;
2. Value and commodities;
3. Society being divided into two main classes, one owning the means of production, the other, the actual producers, not;
4. Labour-power being a commodity.

Marx says in *Capital*:
"As long as the laws of exchange are upheld in every act of exchange individually considered, the method of appropriation may be completely revolutionised without in the least affecting the property right bestowed by the production of commodities. This same right remains in force, no matter whether things be as they were in the early days, when the product belonged to the producer, and when the latter, exchanging equivalent for equivalent, could enrich himself in no other way than by his own labour; or whether things be as they are
in the capitalist period, when, to an ever increasing extent, social wealth becomes the property of those who are in a position that enables them, again and again, to appropriate the unpaid labour of others.

“This result becomes inevitable as soon as labour power is sold by the worker himself, freely, as a commodity. It is from this point that commodity production becomes generalised, becomes the typical form of production; it is at this point, and thenceforward, that every product is from the first produced for sale, and that all the wealth that is produced enters the process of circulation. Not until wage labour has become its basis, is commodity production able to enforce itself upon the whole of society; and not until then can it develop all its latent potentialities. To say that the intervention of wage labour vitiates commodity production, is as much as to say that commodity production must not develop at all if it wishes to remain unvitiated. To the same extent that commodity production, in accordance with its own immanent laws, develops into capitalist production, do the property laws of commodity production become transformed into the laws of capitalist appropriation.” (Ibid., p 645, all emphasis added)

Commodities existed before capitalism, but “commodity production becomes generalised, becomes the typical form of production” only in capitalism. It is the transformation of labour-power into a commodity that enables commodity production “to enforce itself upon the whole of society”, to “develop all its latent potentialities”, to become “the typical form of production”, thereby turning the law of value into society’s fundamental law. A commodity economy-in-abstract, i.e., an economy in which simple commodity production and exchange enforces itself upon the whole of society, but in which wage-labour does not exist, has never existed. A commodity economy, i.e., an economy in which commodity production is “the typical form of production” is a capitalist economy, because only on the condition that labour-power is a commodity itself can and does commodity production become the typical form of production.

Stalin and his supporters disagree. Stalin says:

“Is the law of value the basic economic law of capitalism? No. The law of value is primarily a law of commodity produc-
tion. It existed before capitalism, and, like commodity production, will continue to exist after the overthrow of capitalism, as it does, for instance, in our country, although, it is true, with a restricted sphere of operation [this last point will be dealt with later]. Having a wide sphere of operation in capitalist conditions, the law of value, of course, plays a big part in the development of capitalist production. But not only does it not determine the essence of capitalist production and the principles of capitalist profit; it does not even pose these problems. Therefore, it cannot be the basic economic law of modern capitalism.” (Economic Problems, pp 37-38)

If Stalin goes no further than assert what he has to prove, Gownmok Lok does offer a semblance of an argument: “All of us know, commodity production is not an independent social method of production. It is one of the common relations of production of several social methods of production, and is always dependent on these independent social methods of production and relations of production. This is why the law of value cannot be the fundamental law of any of these social methods of production. It is always dependent on and operates through a certain fundamental economic law and other important economic laws.” (op. cit., pp 33-34, translation mine)

It looks as though Marx would have to rewrite Capital: in Capital, except the law of value, he never mentions any other more ‘fundamental’ law of capitalist production. In fact, as is seen in the above quotation from him, he explicitly and categorically states that the law of capitalist production is only the law of commodity production developed to the full of “all its latent potentialities”. Even what he calls “in every aspect the most important law of modern political economy, and the most essential for understanding the most difficult relations . . . the most important law from the historical standpoint” (Grundrisse, Penquin, 1973, p 748), namely, the law of the falling rate of profit, is entirely premised upon the law of value: in order to produce relative surplus value, capital steadily increases its organic composition (both capital and its organic composition are value categories), but since dead labour (constant capital) cannot create value, only living labour (variable capital) can, thus the surplus value produced, as a percentage of total capital invested, in other words, the profit
rate, has a tendency to fall (notwithstanding the increase in the rate of exploitation — a proof of this point is contained in the text “The Marxist Theory of Capitalism's Economic Crisis” (in Chinese) in *International Correspondence* no. 1). Stalin says that the law of value does not address the question of capitalist profit: as to be seen in a moment, he sees the maximum profit as capitalism’s ‘fundamental law’. The reader cannot fail to recognize the positivist nature of this remark: in Marxist political economy, profit is but one *phenomenal form* of existence of surplus value. Thus, only either 1. profit is not a phenomenal form of existence of surplus value, or 2. value is an empty, fictitious, totally meaningless category, will it be correct to say that the question of profit is ‘more basic’ than the law of value. Lok’s argument is comparatively more serious, but is not less trashy. He says: “commodity production . . . is always dependent on [certain] independent social methods of production and relations of production.” As though other than commodity production, capitalism has another “independent social method of production”, which is a more ‘fundamental’, more “typical form of [social] production” than commodity production. What is it then? What is its basic law? According to Stalin, and all Stalinists agree with him here, capitalism’s ‘basic law’ is “the maximum profit”: “Most appropriate to the concept of a basic economic law of capitalism is the law of surplus value [!?!? If the law of value is not the fundamental law of capitalism, how could the law of surplus value be this law?], the law of the origin and growth of capitalist profit. It really does determine the basic features of capitalist production. But the law of surplus value is too general a law; it does not cover the problem of the highest rate of profit [as though the question of degree has the nature of essence] . . . monopoly capitalism demands not any sort of profit, but precisely the maximum profit. That will be the basic economic law of modern capitalism.” (op. cit., pp 38–39)

In addition to that, another important economic law of capitalism, according to the Stalinists and other leftists, is the anarchy of production. (One reason why the falling rate of profit, regarded by Marx himself as “in every aspect the most important law of modern political economy”, is ignored by the Stalinists is that its phenomenal expression is also observed in the “socialist” coun-
Every law has its basis, for example, the law of value is based upon private property and exchange. What are the bases of these two so-called ‘basic’ and ‘important’ laws of capitalism? Stalin had never thought about the question and, therefore, had not provided an answer. Lok says it is capitalism’s “independent social method of production”, but has not told us what it is — a social method of production-in-itself, perhaps? (A thing-in-itself is something unknowable.) From the Marxist view, a society’s fundamental law is based upon its “typical form of production”. Commodity production existed before capitalism, but was far from being the “typical form of production”, that is why the law of value did not constitute the fundamental law of these societies. The “typical form of production” in capitalism is commodity production, therefore, its basic law is the law of value.

Let us consider the so-called ‘law’ of ‘the maximum profit’. In the first place, all exploiting classes in history have the aim of maximising the surplus product (which takes the form of surplus value in capitalism). Thus, ‘the maximum profit’ is an end, not any so-called ‘basic law’. Secondly, in feudalism, the feudal lords consume the bulk of the surplus product appropriated. In capitalism, the bourgeoisie invests it in contrast. Why? Is it because the feudal lords did not have the virtue of ‘abstinence’ mysteriously possessed by the bourgeoisie? No. Is there any law driving the capitalists to do so? Yes. Marx has already analysed this law: “Competition forces him [the capitalist] continually to extend his capital for the sake of maintaining it, and he can only extend it by means of progressive accumulation.” (Capital vol. 1, ibid., p 651: this quotation is taken from the section entitled “Division of Surplus Value into Capital and Revenue. Theory of Abstinence” (emphasis added).) In other words, to conclude the present point: 1. ‘the maximum profit’ is firstly not any ‘basic law’, it is an end; 2. the law that drives the bourgeoisie to accumulate instead of consume the bulk of the surplus value extracted is competition. Competition refers to the fact that capitalists must increase their productivity. Why? This is purely a result of the law of value. Commodities are sold at value, as a result, the inefficient are eliminated. In order to increase productivity, to remain competitive, capitalists must accumulate.

As to the anarchy of production, it is simply a result of
commodity production becoming "the typical form of production". In a natural economy, disproportion simply has no basis of existence. When commodity production becomes "the typical form of production", society has to depend on the 'invisible hand' to distribute labour (both living and dead) to the various branches of production. Where market information is imperfect, disproportion is a natural result, the only question is a matter of degree. (In socialism, disproportion can also result due to deficiencies in the economic plan.)

If the above arguments of the Stalinists are amusing, then, when we further examine what they claim to be the 'fundamental laws' of socialism, the matter becomes outright farcical. In the words of Stalin, the 'basic law' of socialism is:

"Is there a basic economic law of socialism? Yes, there is. What are the essential features and requirements of this law? 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." (op. cit., pp 40–41)

Mao Zedong precised it as follows: "Developing production, satisfying needs". (My translation — there is, in fact, controversy among different Stalinists over whose formulation is correct, but we are no more concerned with such controversies as we are with the competition between Pepsi Cola and Coca Cola.) Well, if that could be a 'basic law', then, 'Exercising skills, fighting for victory' for a ball team can also be regarded as a 'basic law'! The point is that the capitalist method of production is subject to a basic objective law (which, however, is social, not natural, in nature) because it is a spontaneously developed method of production. In contrast, socialism is a conscious method of production. If socialism had a law comparable to the law of value in capitalism, then, after seizing state power, what the proletariat would have to do is to fold arms and simply let that law drive it to the socialist paradise! What Stalin and Mao say is the 'basic law' of socialism is merely a purpose. In fact, Stalin tells us this in so many words himself: "It is said that the law of the balanced, proportionate development of the national economy is the basic economic
law of socialism. That is not true. Balanced development . . . can yield nothing . . . if it is not known for what purpose economic development is planned”. (op. cit., p 41) Though no sooner has he said that does he venture into teleology: “This purpose is inherent in the basic economic law of socialism”.

Though Stalin says that economic planning and the balanced, proportionate development of the national economy is not the basic economic law of socialism, all Stalinists agree that it is an important ‘law’ of socialism. Well, if planning could be a ‘law’, then, devising a tactic for a ball team is also a ‘law’. As to the law of the balanced, proportionate development of the economy, it is a technical law of production in socialism, not an economic law. (As said, plans are not immune to errors, thus, disproportion can also happen in socialism.)

In the above, we assume the Stalinists to be talking about real socialism. If, on the contrary, we take them to be talking about the ‘socialism’ of the ‘socialist’ societies, then, less needs to be said. The facts of impoverished, if not starving, workers and of severe disproportions speak eloquently for themselves.

The ideology that the law of value is not the fundamental law of capitalism has now been totally demolished. Yet, that is not the end of the matter. According to the Stalinists and some other leftists, the law of value plays no ‘regulating function’ in the ‘socialist’ societies, it only ‘influences’ production. Stalin says:

“Totally incorrect, too, is the assertion that under our present economic system . . . the law of value regulates the ‘proportions’ of labour distributed among the various branches of production.

“If this were true, it would be incomprehensible why our light industries, which are the most profitable, are not being developed to the utmost, and why preference is given to our heavy industries, which are often less profitable, and sometimes altogether unprofitable.” (op. cit., p 22)

And:

“The effect of all this . . . is that the sphere of operation of the law of value in our country is strictly limited, and that the law of value cannot under our system function as the regulator of production.” (op. cit., p 21)

Gown-mok Lok says:

“Only in capitalism is the regulating effect of the law of value
on production extended and strengthened. This is because the capitalist economy is for profit-making ... in this way, value blindly becomes the meter of the regulation of production: as price rises, raising profit, the capitalists will produce more; conversely, as price falls, lowering profit or even bringing loss, the capitalists will produce less or even cease production altogether. In the socialist system, value cannot exert any regulating effect on production; this is because the fundamental law of socialism is not profit-making, but how to secure “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”. The law of planning and balanced proportionality of the national economy also would not allow the maximization of production whenever it is profitable to do so, or the cessation of production whenever it is less profitable to do so. In this way, the law of value’s effect on production is restricted, it cannot exert a regulating effect.” (op. cit., pp 34–35, translation mine – Lok, I believe, must be talking about ‘formal’ value: see earlier discussion concerned.)

Lok goes on to explain:
““The meaning of [production not] being regulated by the law of value, when expressed in the question of price [‘formal’ price, I believe: ditto] is this: the government can follow the fundamental economic law of socialism and the requirements of the law of planning and balanced proportionality, and set price appropriately above or below value [ditto], and not that it must revolve around value [ditto] and gravitate towards it.” (op. cit., p 90, translation mine)

Not all Stalinists agree, but the disagreement is merely a matter of semantics. For example, ‘Nam Bing’ and ‘Soc Chun’ say:
“The regulating effect of the law of value on production is only restricted [emphasis added], it has not disappeared. It is restricted because in the socialist system, the distribution of means of production and labour-power ... is regulated by the national economic plan ...” (op. cit., translation mine)

However it is put, whether it is said that the regulating effect of the law of value on production is only restricted, or that the law of value only influences production but does not regulate it, the
idea behind is the same: because the 'fundamental law' of 'socialism' is not profit-making, therefore, the government does not have to rely on the law of value in the regulation of production, which can be planned in accordance with the 'people's needs' ('socialism's' 'basic economic law'), and the 'law' of balanced proportionality. One practical means of doing so is to "set price appropriately above or below value, and not that it must revolve around value and gravitate towards it", though "when setting . . . price, the state . . . cannot pay no regard at all to value [ditto], setting it arbitrarily." (Lok, op. cit., pp 54–55, translation mine)

We shall analyse the above claim in three steps. (In the following analysis, I am indebted to the analysis of the category state-capitalism – the necessity of the state, in the 20th century, to intervene in the economy – developed by the German-Dutch Left in the 30s, re-introduced by the Communist Workers Organization. Of the many theories of state-capitalism, some of which restricting it to the 'socialist' countries only, this is the only correct one.) As we have already proven the capitalist nature of the 'socialist' countries, we shall take that for granted in the following analysis.

Our task is to show that the above claim is wrong because what it describes is ENTIRELY consistent with and COMPLETELY governed by the law of value.

1. When the law of value regulates production to the fullest extent, does that mean price must "revolve around value and gravitate towards it"? Absolutely not. The category price of production analysed by Marx in Capital vol. 3 is precisely formulated by him to analyse this point.

2. Does controlling/manipulating prices in order to regulate production (for example, to allow unprofitable industries/enterprises to carry on) contravene the law of value? Does it only exist in the 'socialist' countries? Firstly, everybody knows that only total price = total value, individual price in most cases ≠ individual value. When the price of one commodity is above value, the price of another (or some other) commodity(ies) will be below value. Marx has analysed this very clearly in Capital vol. 3. Thus, price control/manipulation does not alter the equation total price = total value.

Secondly, in his analysis, Marx assumes that each branch of production is able to contract or expand freely, until the average profit rate is earned. The higher the organic composition of capital
of a branch of production, the greater the degree of contraction required. But when the organic composition reaches a very high level, Marx’s assumption can no longer hold, generally for two reasons: a. For political, military or economic reasons, the state cannot allow certain branches of production with high organic compositions to contract to the size which allows them to earn the average profit rate, for that would endanger the security of the nation in the imperialist era; b. there are limits to the extent of contraction where the organic composition is high — for example, even were the frequency of train service reduced, the same quantity of tracks has to be laid. Where these situations obtain, there are only two possibilities: either the state accepts the consequences of the elimination of these industries, or they are kept going but have to suffer chronic losses. If the state chooses the latter option, it will have to keep the industries concerned from bankruptcy. There are only two ways to do this: to transfer surplus value from profitable industries to these industries and to make workers pay for part of the losses. There are generally three means to achieve this, which can be used singly or in combination: a. subsidize the industries concerned, the revenue coming from the profitable industries and the working class, however it is raised (by taxation, monetizing the public debt or what not); b. nationalize the industries concerned with their losses covered directly as part of the government’s budgetary expenditure; c. manipulate prices, such as raising the price of the commodities produced by the industries concerned, and through other economic or non-economic means, restrict competition faced by these industries in order to channel purchasing power to them, so that the higher prices can be realized without contracting the industries.

Needless to say, all these methods are used by all countries in the world today. In other words, all governments have to intervene in the economy, interfere with the operation of the law of value. But this interference does not in any way affect the final authority of the law of value one bit. Total price still = total value. Ceteris paribus, total surplus value will neither increase nor decrease. Etc., etc. (No one has said that the category price of production involves the restriction of the regulating effect of the law of value or abolishes it altogether.) The same applies to the ‘socialist’ countries. For example, industries which are vital to the country in military, political and/or economic terms but
which are less or un-profitable, have the prices of their products set appropriately above value (as a result, prices of certain more profitable industries would simultaneously be set below value). In Western countries, the state has to use other economic or non-economic means to channel purchasing power to these industries, in the ‘socialist’ countries, the national economic plan performs the same function. Both bring about the same result: as a result of the state’s intervention, society distributes more labour (both dead and living) to the branches of production concerned than it would otherwise have. In fact, Stalin himself unconsciously reveals this:

“It is said that the law of value... under our present economic system... regulates the ‘proportions’ of labour distributed among the various branches of production. 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...” (op. cit., pp 21–23, emphasis added)

According to this view, all countries in the world would have to be considered ‘socialist’! (In discussing how ‘socialist’ prices are set in the above, the concept of an ‘appropriate profit’ was mentioned, this appropriate profit is decided upon after taking the above consideration into account.)

3. Why invest in un- or less profitable heavy industry? Firstly, one simple but important point has to be clarified. When we say that heavy industry is less profitable, we mean its profit rate is lower. Assume a certain rate of exploitation and a certain quantum of variable capital, then when the organic composition is low, the profit rate is high, and vici versa. But in both cases, the absolute mass of surplus value is the same. It is sheer nonsense for some leftists to say or imply that in investing in heavy industry, the ‘collectivised’ bourgeoisie of the ‘socialist’ countries are making sacrifices, i.e., sacrificing a certain quantum of profit.

Secondly, if these countries do not raise the organic composition of their national capital, i.e., invest in heavy industry, how are they going to compete in the age of imperialism, economically, politically and militarily? How are they going to “overtake Britain, catch up with the US” (Mao Zedong)? (Though even by investing in heavy industry, this is an impossible dream, for in the age of imperialism, backward countries will always remain backward.)
Is the atomic bomb really a "paper tiger"? In the age of imperialism, other than by becoming a complete economic colony of the advanced countries, which is the lot of many a 'third world' country, there is only one way for a backward country to first develop light industry in order to try to attempt (though this attempt has no chance of success) to retrace the past of the advanced countries: remove to Mars. (At the current rate of the militarization of outer space, it will be necessary, in a few years' time, to move out of the solar system.)

Finally, in the above claim, the Stalinists talk as though the law of value is equal to Smith's 'invisible hand', which it is not. Our analysis of value in the first half of this text shows this conclusively: value is a scientific category that does not exist in the phenomenal world, while Smith's 'invisible hand', though termed 'invisible', nevertheless, deals only with a surface phenomenon the basis of which is not examined by the category itself.

Many people agree that the 'socialist' societies are class societies, but deny that they are capitalist. This is mainly a result of: a. a half-baked understanding of capitalism; b. a half-baked understanding of value and the law of value; c. being led astray by the 'collectivised' form of capital; d. being led astray by the juridical category of state property; e. not knowing what socialism is. We have already analysed the first four points. The following section deals with the fifth.
WHAT IS SOCIALISM?

The aim of this section is not to analyse how to devise a socialist economic plan: itself a very complicated issue requiring high level mathematics which is beyond the author. It is to concretely show, by means of a simple example, how labour time can be used as the basis of the socialist method of production. Please note: there are certainly more than one ways in which this can be done, the one suggested here need not be the most efficient. But they will all have one common fundamental feature: the use of direct labour time as the basis of and measure for production calculation, with which we are concerned in this section, and, subsidiarily, distribution. Since Marx proposed the labour time certificate system in CGP, and Engels' similar comments in Anti-Dühring, no Marxist, as far as I am aware of, has developed the analysis further. In the 30s, the German-Dutch Left did investigate into the matter in a macro-analysis, for example, by expressing the total social product in terms of the following formula:

\[ mp + r + l = \text{total social product} \]

where \( mp \) = means of production, \( r \) = raw materials and \( l \) = labour-power, all calculated in labour time. (See "What Is Communism?", in International Council Correspondence no. 1, 1934. This text, written, as far as I know, by Paul Mattick, uses a number of formulae in its analysis, the above being the simplest one. - Here I wish to state clearly that my acquaintance with the works of the German-Dutch Left is very limited, due to various reasons, from

2. As is shown in footnote 37 to the adjacent text, there are people who argue 1. that "Using labour time as a basis for calculating . . . would be to retain, in practice, value and all its categories, with the labour vouchers becoming 'labour' money (in the full sense of the term money)" and, thus, 2. that the socialist method of production should be based upon 'calculation' in kind and not labour time. It can easily be seen from the analysis of the foregoing section that the first assertion is, purely and simply, based upon an incomprehension of the value category. Whereas, as is shown in the footnote itself, the second assertion is based upon a confusion between economic calculation as an economic category and economic computation as a technical operation. As we have just said in the text and repeated in the above-mentioned footnote, while the system as described in the present section may not be the best, let alone the only, system to abolish value and establish socialist production relations, calculation based upon labour time, however, is the necessary basis of any such system.
non-availability of material to linguistic problems, thus, I can only rely on its works that are known to me and which I have read.) The weakness of macro-analysis is that it is unable to show simultaneously how the labour time certificate system can concretely be implemented and how it is antithetical to the law of value.

For the purpose of the following analysis, assume: 1. all branches of production have been socialized (this assumption will be relaxed later); 2. in a certain annual plan, the commune-state lays down that 250 shirts, identical in all aspects such as size, quality, etc., are to be produced. 3. Under normal circumstances, 250 shirts require 500 yards of cotton cloth, while 500 yards of cotton cloth require 500 pounds of raw cotton as raw material (as planning technique improves, this ‘normal circumstances’ can be accurately estimated). Further assume that raw cotton and cotton cloth are the only raw materials, in order to simplify the exposition. 4. There are four enterprises (farms are also regarded as enterprises) engaged in the production of raw cotton, namely, ‘A’, ‘B’ (having identical scale and technical composition), ‘C’ and ‘D’ (ditto); four enterprises engaged in the production of cotton cloth, namely, ‘E’, ‘F’ (ditto), ‘G’ and ‘H’ (ditto); two enterprises engaged in the production of shirts, namely, ‘I’ and ‘J’ (ditto). 5. Basing upon scale and technical composition, ‘A’s’ and ‘B’s’ output quotas are 90 pounds of raw cotton each, ‘C’s’ and ‘D’s’ are 160 pounds each, ‘E’s’ and ‘F’s’ are 170 yards of cotton cloth each, ‘G’s’ and ‘H’s’ are 80 yards each, ‘I’s’ and ‘J’s’ are 125 shirts each. Since the efficiency of different enterprises differ, the more efficient will be able to overfulfill their quotas, while the less efficient will be unable to fulfill theirs. But if the ‘normal circumstances’ mentioned earlier is estimated accurately and the quotas are set in accordance with this estimate, then, in accordance with the law of large numbers, total output will be equal to total quota. Of course, for various reasons, in reality, deviation between the plan (output quota) and actual output is unavoidable, but this is only a technical question, we are here dealing with an economic principle. Thus, for the sake of simplicity, we assume that total actual output = total planned output. 6. A state of balanced proportionality and general equilibrium exists between all branches of production and between the various stages within the branches.

Table 4 describes the production situation.
Budget

Shirt: 250

1. 790 hrs.
   a. 790 hrs.
   b. 1000 hrs. (= 250 yds. of cotton yarn)
   c. 700 hrs.
   d. 130 shirts

180 yds. 70 yds. 90 yds.

Cotton yarn: 500 yds.

E
   a. 195 hrs.
   b. 300 hrs. (= 150 lbs. of raw cotton)
   c. 100 hrs.
   d. 180 yds.

95 lbs.

F
   a. 205 hrs.
   b. 300 hrs. (= 150 lbs. of raw cotton)
   c. 100 hrs.
   d. 160 yds.

55 lbs. 30 lbs.

Raw cotton: 500 lbs.

A
   a. 110 hrs.
   b. /(assume no fertilizers used)
   c. 115 hrs.
   d. 95 lbs.

B
   a. 120 hrs.
   b. /(ditto)
   c. 115 hrs.
   d. 85 lbs.

55 lbs. 30 lbs.

Note:

a. Consumption of instruments of labour
b. Consumption of raw materials
c. Newly-added labour
d. Output
J
a. 810 hrs.
b. 1000 hrs. (= 250 yds. of cotton yarn)
c. 700 hrs.
d. 120 shirts

83 yds. 77 yds.

G
a. 110 hrs.
b. 200 hrs. (= 100 lbs. of raw cotton)
c. 85 hrs.
d. 83 yds.

120 lbs. 45 lbs.

H
a. 120 hrs.
b. 200 hrs. (= 100 lbs. of raw cotton)
c. 85 hrs.
d. 77 yds.

55 lbs. 100 lbs.

C
a. 155 hrs.
b. /(ditto)
c. 110 hrs.
d. 165 hrs.

D
a. 165 hrs.
b. /(ditto)
c. 110 hrs.
d. 155 lbs.

Final Account

= 1600 hrs.
= 2000 hrs.
= 1400 hrs.
= 250 shirts
1 shirt = 20 hrs.

= 630 hrs.
= 1000 hrs.
= 370 hrs.
= 500 yds.
1 yd = 4 hrs.

= 550 hrs.
= 0
= 450 hrs.
= 500 lbs.
1 lb. = 2 hrs.
It can be seen that 'A's' efficiency is higher than 'B's', because with the same quantum of labour power (where the length of the working day is identical, enterprises with the same scale and technical composition naturally 'employ' the same quantum of labour power), 'A's' consumption of instruments of labour (I prefer to follow Marx's terminology by referring to machinery, etc. as instruments of labour instead of means of production which, strictly speaking, include raw materials) is less than 'B's', while its output is greater than 'B's'. Similarly, 'C's' efficiency is higher than 'D's'. Not only is 'E's' consumption of instruments of labour lower than 'F's', in consuming the same quantity of raw materials (150 pounds of raw cotton – since both enterprises are of the same scale and technical composition, given the same output quota, the quantity of raw materials they obtain are naturally identical), its output is greater as well. Similarly, 'G' and 'I' are respectively more efficient than 'H' and 'J'. 'A', 'C', 'E', 'G' and 'I' over-fulfill their quotas while 'B', 'D', 'F', 'H' and 'J' are unable to fulfill theirs. However, since we have assumed the accuracy of the planned output, therefore, the total outputs of 'A' and 'B', 'C' and 'D', 'E' and 'F', 'G' and 'H' and 'I' and 'J' are identical to their respective combined quotas.

In reality, the consumption of instruments of labour cannot be calculated beforehand. Only after a certain piece of instrument of labour has been totally consumed can its average consumption since it first went into production be calculated after the event. Assume an unchanging productivity level and the quantum of social labour necessary to produce a unit of instrument of labour 'X' is 10,000 hours. To be able to calculate the social labour congealed in a certain product (for example, 1 pound of raw cotton = 2 hours), what is required is to be able to accurately estimate the average consumption of all the instruments of labour involved. For instance, let there be three enterprises of identical scale and technical composition, 'W', 'Y' and 'Z' producing the same product 'M' using instrument of labour 'X'. Assume identical output quotas and identical quanta of labour power 'employed' for all three firms. In the same period of time, say, ten years, 'W', due to higher efficiency, consumes only 0.9X (= 9,000 hours of social labour), 'Y' consumes 1X (= 10,000 hours of social labour), and 'Z', due to lower efficiency, consumes 1.1X (= 11,000 hours of social labour). In ten years, society totally consumes
3X (= 30,000 hours of social labour), i.e., 0.3X or 3,000 hours of social labour on average per year. On average, therefore, each enterprise consumes 0.1X or 1,000 hours of social labour. Individually, 'W' consumes 0.09X or 900 hours of social labour per year, 'Y' consumes 0.1X or 1,000 hours of social labour per year, and 'Z' consumes 0.11X or 1,100 hours of social labour per year. In order to be able to calculate the quantum of social labour congealed in product 'M', what is required is the accurate estimate of the average consumption, i.e., the value (in the ordinary sense of the word) of 0.1X (= 1,000 hours of social labour) per year, and not the individual consumption rates of the various enterprises.

Using the figures of table (4) as an example, what is required for the determination of the quantum of social labour congealed in raw cotton are the accurate estimates of: 1. the average consumption of all items of instruments of labour used by enterprises 'A' and 'B'. Assuming only one item is used for the sake of simplicity, the required estimate is the magnitude of 115 hours (= (110 + 120)/2 hours). 2. The same for enterprises 'C' and 'D', i.e., the magnitude of 160 hours (= (165 + 155)/2 hours). If these estimates are correct, then, in accordance with the law of large numbers, the deviations between the average consumption and the consumption of individual enterprises will cancel each other out. At the same time, the quantum of social labour transferred from the instruments of labour to the product can be accurately determined. In the example, it is 550 hours (= 115 hours x 2 + 160 hours x 2).

As said, we assume accurate estimates.

Thus, the average consumption of instruments of labour can be estimated beforehand, but individual consumption of individual enterprises cannot be. Yet, table (4) seems to assume that it can be, for example, 'A's' consumption is equal to 110 hours of social labour. The reason is: if the estimate of the average consumption is accurate, then, the total output of new instruments of labour for the purpose of replacing consumed instruments of labour will be equal to total consumption. In the labour time certificate system, whatever the efficiency of an individual enterprise, it receives a quantity of new instruments of labour for replacement identical to the quantity of old instruments of labour consumed. For example, in the above example, 'Z' consumes 1X in 9.09 years (10/1.1) and receives one new 'S' at the end of that period for replacement. So long as the estimates concerned are accurate, the
consumption of instruments of labour and the production of new instruments of labour for replacement purposes would match one another, both for the economy as whole and for every individual enterprise. Thus, although the magnitudes of 110 hours (for ‘A’), 120 hours (for ‘B’), etc. in table (4) can only be determined after the event, in order to emphasize the nature of the labour time certificate system, as well as for the convenience of presentation, we regard (not assume) them as estimable beforehand.

The quantities of newly-added labour and output can, of course, be determined directly. The total output of raw cotton is 500 pounds, the quantum of social labour transferred to it from instruments of labour is 550 hours, the quantum of newly-added labour is 450 hours, i.e., 500 pounds of raw cotton embody 1,000 hours of social labour, one pound congeals two hours. In capitalism, this magnitude is transformed into the value of a pound of raw cotton. Let the value of one hour of social labour, expressed in price, be $100, the price of one pound of raw cotton would be $200. ‘A’s’ revenue would be $19,000 ($200 x 95), ‘B’s’ would be $17,000, ‘C’s’ would be $33,000 and ‘D’s’ would be $31,000. After replacing costs (expenditures on constant and variable capital), the profit (positive or negative) made by the various enterprises would be different. In the labour time certificate system, the categories ‘revenue’ and ‘expenditure’ no longer exist. Whatever its output level, each enterprise supplies it to other enterprises; whatever its consumption of instruments of labour and raw materials, it receives an identical quantum for replacement. The rate of accumulation of each enterprise (socialism also accumulates) is determined by the overall economic plan, and not by its efficiency. ‘A’s’ consumption of instruments of labour is equal to 110 hours of social labour, i.e., it renders society 110 hours of direct (dead) labour, in return, it receives a labour time certificate of 110 hours from society and ‘exchanges’ it for new instruments of labour which embody 110 hours of social labour from society. ‘A’s’ ‘employees’ render society 115 hours of direct labour and receive labour time certificates ‘worth’ 115 hours of social labour. Etc., etc. This is not to say that for society as a whole, there is no cost (the social labour expended on production is the cost), but the category ‘cost’ which is associated with the categories ‘revenue’, ‘expenditure’, etc. does not exist any longer. The only common point with capitalism here is that one pound of
raw cotton congeals two hours of social labour, but "the labour employed on the products" does not "appear here as the value of these products".

Similarly, the quantities of raw materials received by 'E', 'F', 'G' and 'H' are not determined by their 'purchasing power' (this category disappears along with the above-mentioned categories), but solely by their scale and technical composition. 'E' and 'F' obtain 150 pounds of raw cotton each, which embody 300 hours of social labour; 'G' and 'H' obtain 100 pounds each embodying 200 hours of social labour. The calculation of the consumption of instruments of labour is as above. The quantities of newly-added labour and output are determined directly. Society expends a total of 2,000 hours of direct social labour (= 1,000 hours of raw materials embodied in 500 pounds of raw cotton, 630 hours of instruments of labour consumed and 370 hours of newly-added labour), and produces 500 yards of cotton cloth, i.e., one yard embodies four hours of social labour. Similarly, it can be calculated that one shirt congeals 20 hours of social labour.

Conceptually, everything is so transparent, clear as crystal: "The quantity of social labour contained in a product need not then be first established in a roundabout way ... Society will be able to calculate in a simple way how many hours of labour are contained in a steam-engine ... It could therefore never occur to it to go on expressing the quantities of labour put into the products, quantities which it will then know directly and absolutely, in yet a third product in a measure which, moreover, is only relative ... though it was formerly unavoidable as an expedient, rather than express them in their natural, adequate and absolute measure, time ... People will be able to manage everything very simply, without the intervention of the much-vaunted 'value'.” The method of production described in table (4) is the method of production Marx and Engels prescribed for the "lower phase of communism", i.e., the transitional period.

It might be worried that socialism places no importance whatsoever at all on efficiency. Firstly, it must be noted that the capitalist criterion of efficiency cannot be transferred to socialism (I do not think this point requires elaboration here). Secondly, the construction of socialism is premised upon a proletariat a significant portion of which has reached high levels of revolution-
ary consciousness, with a determination to uproot private property. The labour time certificate system, the same as the proletarian revolution itself, cannot be imposed upon a non-revolutionary proletariat. Were the labour time certificate system to be imposed by law in, for example, America tomorrow, there can be no doubt that efficiency would plummet dramatically. In the labour time certificate system, every enterprise knows full well whether its efficiency is higher than, equal to or lower than the social average efficiency. The only means by which producers and enterprises can be prevented from ‘unconscientiousness’, the only way to increase socialist efficiency, is none other than the proletariat’s own revolutionary consciousness.

So far, we have assumed that all labour is simple labour. How does the labour time certificate system calculate complex or qualified labour? (To anticipate a little, the resolution of this problem seems particularly complicated and clumsy before we arrive at the final answer which, however, is exceedingly simple.) In order to answer this question, it is necessary first to examine complex labour in capitalism. In capitalism, in the same period of time, complex labour creates more value than simple labour: “labour of a higher quality . . . in a given space of time, becomes embodied in proportionally higher values.” (Capital vol. 1, ibid., p 192) And in the process of the formation of value, complex labour is transformed into its equivalent in simple labour: “Skilled labour counts only as intensified, or rather multiplied, simple labour, so that a smaller quantity of skilled labour is equal to a larger quantity of simple labour . . . skilled labour can always be reduced in this way to the terms of simple labour. No matter that a commodity be the product of the most highly skilled labour, its value can be equated with that of the product of simple labour, so that it represents merely a definite amount of simple labour. The varying ratios in accordance with which different kinds of labour are reduced to simple labour as their standard, are determined by a social process which goes on behind the backs of the producers . . .” (op. cit., pp 13-14)

Why is complex labour able to create more value than simple labour? Please note: we are here discussing the value created by complex labour, not the value of complex labour-power, although the two have connections with one another; in terms of magnitude, the former, of course, is larger than the latter. The reason is that
the product of complex labour is not only its product, it is also the product of the labour expended on training it (abbreviated as training labour as from now). If society does not expend training labour on training complex labour, the training labour so expended can be used to produce other commodities. In other words, on the one hand, in training complex labour, society loses a certain quantum of value, but is compensated, on the other hand, by the greater value produced by the complex labour so trained. (Note: the labour expended in the so-called ‘human sciences’ (read ideologies) is not training labour, it is an unproductive expense.)

Training labour does not only include the labour of the training staff, but also the labour of other staff associated with the training process, the labour of those who fail to complete the training successfully and the labour expended by those who succeed during the course of training.

We can now analyse complex labour under the labour time certificate system. The crux of the matter, obviously, is how to transform complex labour into simple labour. To simplify our exposition, assume that the only component of training labour is the labour of training staff. Further assume that after training, for every hour rendered society by a complex labourer, there is one hour of training labour expended in his training. For example, from graduation till retirement, he works a total of 30,000 hours for society, and the quantity of training labour expended on his training is also 30,000 hours. In such a case, since training is an on-going process, although the training labour expended on a complex labourer who has completed his training is past labour, society is currently expending an equal quantum of training labour in the training of future complex labourers. Thus, in calculating the quantum of labour congealed in a product whose production involves the application of complex labour, we can simply add training labour directly as a component part. For example, a certain product requires ten hours of simple labour and two hours of complex labour in its production, in that case, its embodied labour would be fourteen hours (equal to ten hours of simple labour plus two hours of complex labour which has now been transformed into simple labour plus two hours of training labour). In other words, by directly adding training labour as a component part of the total labour congealed in the product, complex labour is transformed into simple labour.
If 'behind' each hour of complex labour, there is more than or less than one hour of training labour, the situation will be more complicated, but it does not present insurmountable problems. There is still one problem, though. We have in the above assumed training labour itself to be simple labour. The only way to solve this problem is to regard all training labour as simple labour after the seizure of power, but let the second generation of training labour trained by the first generation revert to the status of complex labour.

As can be seen, the above method is immensely cumbersome and, therefore, more likely than not, intolerably inefficient. I have put it forth for the sole purpose of showing that even were the labour time certificate system to follow in every individual case the way in which labour is accumulated in capitalism, it can handle the calculation of all kinds of labour. However, it has no need to do so. As said, the crux of the matter is to transform complex labour into simple labour. In order to do so, society must 'acknowledge' training labour as a component part of total social labour. In capitalism, training labour is so 'acknowledged' in a roundabout way. In socialism, society makes this 'acknowledgement' directly as it 'acknowledges' all kinds of labour in the same way. The above is one way society can do so. However, there is another way in which it can do this just as well, but much more efficiently. Marx has already mentioned it in CGP, though he has not referred to complex labour directly.

In criticising the Lassallean 'undiminished proceeds of labour' in CGP, Marx points out that the following deductions have to be made from the total social product before we arrive at the pool of means of consumption which is divided among the individual producers of the socialist society:

1. “cover for replacement of the means of production used up”;
2. “additional portion for expansion of production”;
3. “reserve or insurance funds against accidents, dislocations caused by natural calamities, etc.”;
4. “the general costs of administration not directly belonging to production”;
5. “that which is intended for the common satisfaction of needs, such as schools, health services, etc.”;
6. “funds for those unable to work, etc.” (op. cit., pp 13–14)
If we regard complex labour as simple labour, the total product of productive labour can be expressed as follows (note: productive labour may well produce intangible products, i.e., so-called ‘services’, for example, movies, it is not the form of product that defines whether its congealed labour is productive or unproductive, which is a very common mistake, deriving from Adam Smith and already criticized by Marx):

\[ IL + RM + L \]

where IL represents the quantum of social labour congealed in instruments of labour transferred to the product, RM represents the quantum of social labour congealed in raw materials transferred to the product and L the quantum of newly-added labour, all calculated, of course, in direct labour time. As is shown earlier, \((IL + RM + L)\) can be calculated directly or indirectly (by means of estimation). In the above six items of deductions, other than item one, which equals \((IL + RM)\), all the others have to be deducted from L. Training labour can be classified under item five. Assume items two to six require/have consumed a total quantum of means of production (= instruments of labour plus raw materials) equivalent to \((il + rm)\) hours of social labour; require, for items three to six, a total quantum of means of consumption equivalent to \(p\) hours of social labour; and have used a quantum of labour power equivalent to \(l\) hours. In that case, then, \((L - il - rm)\) will equal the quantum of means of consumption left. By further deducting \(p\) we arrive at a quantum of means of consumption equivalent to \((L - il - rm - p)\) hours of (productive) social labour which can now be distributed to \((L + 1)\) hours of total social labour (including productive social labour, unproductive social labour and labour expended “for the common satisfaction of needs”) rendered society, for consumption purposes. In this way, training labour exists, just as every form of labour does, “directly as a component part of the total labour”. As a result, complex labour is transformed into simple labour. And our problem is solved, as simply as that. To repeat, conceptually, everything is so transparent, clear as crystal. (International Council Correspondence no. 1, op.cit., makes no mention of complex labour, but its analysis of the various kinds of deductions is an important reference.)
So far, we have assumed every branch of production to have been socialized. However, even in the advanced countries today, there still exists a peasant class engaged in small scale farming. The peasantry is a counter-revolutionary class, one only has to refer to the experience of the Russian Revolution to realize this. The claim that the peasantry is the 'natural ally' of the proletariat or that it can even replace the proletariat and play the latter's historic role (third-worldism) is an ideology through and through, completely contradicting the materialist Marxist analysis. The peasantry will not voluntarily agree to socialize production. In the advanced countries, where the peasantry is small, the proletariat should not hesitate to coerce them to do so, by the most authoritarian methods if necessary. – Do we not fool ourselves; even within the proletariat, there will be sectors that will be against the revolution (just take a look at the sabotaging strikes of the Provisional Government employees right after the seizure of power in 1917!), and if all else fails, the commune-state should not hesitate to use force to make them comply.

But on the global level, for the world commune-state to use force to coerce the peasantry in the countries under-developed by imperialism to socialize production is, on the one hand, impractical, and on the other, unnecessary, given the balance of economic power between the agricultural proletariat in the advanced countries and the peasantry in the above-mentioned countries: while the former are able to produce enough food for the whole world, and by that I mean everybody, the latter constantly live on the brink of starvation; the history of the Russian Revolution, during which the peasantry attempted to starve the proletariat, will not be repeated.

Thus, after the proletariat has seized power in the capitalist metropoles and in the capitalist concentrations in the other parts of the world (such as Shanghai in China, Rio in Brazil), two systems will co-exist: a socialized sector and an unsocialized peasant sector. In order to gradually make the peasantry socialize production, the best method is to induce them to do so by giving them economic favours. But our question is, in this period during which two systems co-exist, will the labour time certificate system of the socialized sector be affected?

In the first place, the exchange (without quotes because as far as the peasants are concerned, it is no more or less than commodity
exchange) between the two systems must be conducted under the centralized control of the commune-state. This point is programmatic. If the commune-state gives no economic favours to the peasantry, then, this exchange will be the exchange of equivalents in the sense of commodity exchange. But the commune-state will give the peasantry economic favours in order to induce them to socialize production. For example, the commune-state supplies free products to the peasants. In such a case, these gifts can simply be regarded as another deduction and the implementation and operation of the labour time certificate system will not be affected at all. Another example: assume that within the socialized sector, the socially necessary labour congealed in one ton of wheat is five hours (this magnitude can be calculated), while the socially necessary labour congealed in one ton of wheat within the unsocialized sector is fifteen hours (this magnitude cannot be calculated since the sector is unsocialized, it can only be estimated by the commune-state), then the socially necessary labour congealed in one ton of wheat for the entire world is ten hours. Let the socially necessary labour of one harvester (which, by the way, is only produced in the socialized sector) be twenty hours. In that case, two tons of wheat would exchange for one harvester. In other words, the peasants would have to supply thirty hours of their labour to exchange twenty hours of social labour (calculated for the world as a whole). In order to induce the peasants to socialize production, the commune-state allows the peasants to exchange one ton of wheat for one harvester. What the commune-state has to do to ensure that the labour time certificate system remains unaffected is simply to let the quantum of social labour congealed in the wheat obtained from the peasants be twenty hours per ton. As far as the peasants are concerned, how much each of them receives still partly depends on the quantity of wheat he supplies, because relationships of private property still exist between them (and, of course, between them and the commune-state). I say ‘partly’ because in return for the economic favours given them by the commune-state, the peasants will have to agree to gradually abolish relationships of private property between themselves (for example, how much each peasant receives is not strictly proportional to the quantity of wheat he supplies) and, when they finally agree to socialize production, between them and the socialized sector.
Thus, the co-existence of two systems of production does not in any way affect the implementation and operation of the labour time certificate system. (However, this conclusion does not, it must be mentioned, apply to the case of an isolated workers' state's relationship with the capitalist world.) This point must be emphasized. However, there are still other problems to be resolved. For instance, should the spontaneous economic relationships within the unsocialized sector (for example, the existence of money) be restricted? If so, to what extent? How to do so? Etc., etc. These problems are beyond the scope of the present text, but require future consideration.

It should also be mentioned that even within the sector controlled by the proletariat, the process of socializing production will have to be phased in in several stages, first covering the major branches of production. It would imaginably be impossible to introduce the labour time certificate system in all branches all at once. “What should the relationship between the socialized branches and the as yet unsocialized branches be?” “How should the unsocialized branches be operated in the interim?” and other similar questions obviously require detailed examination. I should also imagine that for minor items such as sugar for household use, the provision of public transport, etc., it would be more efficient to count them amongst products which are “intended for the common satisfaction of needs” straight away, i.e., to calculate them as a deduction. The purpose of these few comments is this: the analysis in the present section only serves to illustrate the basic principle of the socialist method of production. Establishing that, however, is only the first step. Though it would be impossible to draw a blueprint, and there is no need to do so either, we must examine the basic problems of how the above principle can be implemented now, just as it is necessary for us to examine how the Paris Commune principle can concretely be implemented now, a point which is emphasized in the adjacent text.

Finally, I wish to make a few brief comments on the analysis of the relationship between the socialized sector of the commune-state and the unsocialized sector of the peasantry made by the Communist Workers Organization (CWO) in its theoretical journal Revolutionary Perspectives no. 13 (April 1979) in an article entitled “The Period of Transition”. The CWO says:

“The councils must insist that the exchange, economic
relations between the communised [i.e., socialized, in the terminology of the present text] sector and the small commodity producers be taken out of the monetary framework and based on equivalent hours of labour; on this there can be no compromise. For example, if a tractor takes 100 hours of labour to produce, and a ton of jute 10 hours, then 10 tons of the latter are exchanged, or more strictly, bartered for a tractor. This form of exchange will need peasants' co-operatives on the level of distribution, but these are not political organs. Given differences in the productivity of labour such an exchange is actually very favourable to the peasants, and the form of exchange is flexible in that it allows the proletariat to further favour those peasants who wish to collectivise, for example by exchanging the hypothetical tractor for only 7 tons of jute . . . On these bases the integration of the small producers, politically and economically, into the proletariat and humanity, can take place.” (p 30)

1. The CWO says that if 10 tons of jute and one tractor both congeal 100 hours of social (ly necessary) labour, then, by bartering 10 tons of jute for one tractor with the commune-state, the peasants are being favoured because their labour productivity is lower. Firstly, in saying that 10 tons of jute congeal 100 hours of social (ly necessary) labour, the CWO does not tell us whether that is calculated for the world as a whole (i.e., including both the socialized and unsocialized sectors). If it is, then, the above exchange is an exchange of equivalents in the sense of commodity exchange, and there can be no question of the peasants exchanging at an advantage. The peasants will be exchanging more than 100 hours of their labour in return for 100 hours of social labour. Secondly, only if jute is produced both in the more productive socialized and the less productive unsocialized sectors, and 100 hours is the quantum of social (ly necessary) labour contained in 10 tons of jute for the unsocialized sector alone, can the above exchange be in the peasants' favour. But, this quantum is unknown, it can not be calculated and can only be estimated, a crucial point deriving from the correct understanding of value that the CWO does not tell us.

2. The CWO also does not tell us that as far as each individual peasant is concerned, how much he receives will still partly depend on the quantity of jute he supplies, and not on the number of
hours he has worked, a quantum which is unknown.

3. The CWO places especial emphasis on taking the exchange between the two sectors out of the monetary framework: “on this there can be no compromise”. The CWO seems to endow the abolition of the phenomenal form of money with a significance it does not have (cf. its muddleheaded thesis that money was ‘abolished’ in the state sector during War Communism). Certainly, the commune-state will take the above exchange out of the monetary framework, but, assuming that the commune-state gives no economic favours to the peasant sector (as does the CWO at this point), does that alter the nature of this exchange being an exchange of equivalents in the sense of commodity exchange? One ton of jute embodies 10 hours of social (ly necessary) labour, one tractor embodies 100 hours, thus, 10 tons of jute exchange for one tractor. What is this if not the “elementary, isolated or accidental form of value”? The CWO seems confused over what does and what does not abolish value. To say that a certain product congeals, say, 10 hours of social labour instead of saying that it is worth (I use this word in the sense Engels uses it in Anti-Dühring, see earlier quotation from him) 10 hours of social labour (though this has to be expressed in exchange value) does not, by itself, abolish value; the ability to do or say so is itself an effect. What abolishes value is the use of direct labour time as the basis of and measure for production calculation (and distribution). It is as a result of this that 1. society is able to know, and, therefore, to say how many hours of social labour a certain product congeals; 2. the quantum of social labour congealed in a product is not transformed into value.

The CWO supports the labour time certificate system, but certain formulations of its text in question (such as the above quoted) betray a less than thorough understanding of this system, deriving from, since these two issues are inextricably tied together, a less than complete understanding of value. I will just quote two further examples for the purpose of illustration (a complete critique will have to wait for another occasion). The CWO says: “these labour cards... cannot be used to acquire means of production or be accumulated; nor can they be used by other than the owner, e.g. to employ labour. Thus they lack all the characteristics of the ‘universal commodity’ money.” (p. 26) Certainly, producers will not be able to acquire means of production with labour time
certificates for the purpose of using them to produce for sale. But there is no reason why producers cannot use them to acquire, for instance, a lawn-mower (an instrument of labour) for use in their gardens. It is not the form of the products that can or cannot be acquired by labour time certificates that define their essence. Further, that these certificates cannot be used to acquire means of production for the purpose of producing for sale is because the abolition of private property at the same time forbids this. It is not directly related to the certificates’ essence itself. These comments also apply concerning labour time certificates being non-accumulatable insofar as accumulation means the acquisition of means of production for the above-mentioned purpose. In so far as the labour time certificate system does not forbid a producer giving someone else gifts, I cannot see any significance for the comment that labour time certificates cannot be used “by other than the owner”.

The question of employing labour (by labour time certificates) is similar to the question of acquiring means of production for the above-mentioned purpose. In a word, while labour time certificates certainly do not allow their owners to do the above, they are not the essence of these certificates itself, which is that the direct labour of every producer is treated equally. In the above quotation, the CWO seems to imply that the above are the ‘defining’ “characteristics of the ‘universal commodity’ money.” Money certainly allows its owner to do the above, but: 1. given exchange, does private property give rise to money or does money give rise to private property (acquiring means of production)? 2. If by employing labour is meant the ability to dispose of the labour-power of other people, then it can occur outside of the monetary framework as, for instance, in slavery. 3. If by employing labour is meant the hiring of wage-labour, then does money give rise to wage-labour or does the rise of the bourgeois mode of production generalize private exchange which gives money a widened scope? The point is, given the required power, one can always forbid people to do with money what money can do for them, but that does not abolish money (or exchange value in general), which can only be abolished by abolishing value which, in turn, can only be abolished by abolishing the social relationships giving rise to it. Apparently no less trapped by the phenomenal aspects of money than the ICC or Proudhon are, the CWO fails to realize that what makes labour
time certificates the antithesis of money is, it is worth repeating, that with direct labour time being used as the basis of and measure for production calculation and distribution, value is abolished.

The CWO also says: "Rival plans can be put forward to the Congresses of councils which show just how much average social labour each producer must give in order that consumption can be at such a level . . . etc. . . . and so on." (p. 28) Apparently, the CWO inherits its terminology from the work in this area pioneered by the German-Dutch Left in the 30s (in its current total denigration of the German-Dutch Left as the villains of the past of the Left-Communist tradition, would the CWO reject its pioneering work in this area as well?) Although this is, in all probability, only a question of terminology, it must, however, be purged of all traces of ambiguity. While in socialism the quantum of social labour congealed in a product is an average magnitude (as is value in capitalism), it is direct labour time that serves as the basis of the socialist method of production. Producers do not give society "average social labour". This concept is meaningless unless understood in the sense that the labour of the producers is transformed into its equivalent in social (ly necessary) labour, which, as said, is an average magnitude. That, however, takes us, of course, back to private property relationships, value, etc.

Chinese references cited in the text:
ADDENDUM

In the above text, it is argued that the abolition of private property after the seizure of power necessarily involves the employment of labour time as the basis of and measure for production calculation and distribution. It may be questioned whether in the society just emerging from capitalism upon a successful revolution with 'inadequate' productive forces, it is possible to institute such a system. Does not Marx say in CGP: "Right can never be higher than the economic structure of society and its cultural development conditioned thereby"? Further, it may also be questioned whether in such a society, nationalization and central planning (i.e., the abolition of the market as exists in the West) alone can be a correct first step towards the abolition of value. Let us deal with these two questions in turn, beginning with the second one.

If we agree with this argument: it is impossible to institute such a system as the labour time certificate system until at least the final phases of the transitional period, and, therefore, central planning and nationalization are the only possible steps towards the abolition of value that can be taken after the revolution and throughout most of the transitional period, until the productive forces have developed to an 'adequate' level, then, we can easily come to the conclusion that at least the 'Soviet' Union (as to the other 'socialist' countries, there is the further question of whether the present system of these countries were originally built upon the basis of real proletarian revolutions to be resolved) is a 'socialist' society 'in transition' (whether 'degenerated' or not). In actual fact, the above ideological argument is precisely to serve the purpose of defending the 'socialist' nature of the 'socialist' countries. This ideology can be demolished by asking the following questions:

1. According to Marxist analysis, is it true that what determines the nature of a society is its relations of production?
2. According to Marxist political economy, is it true that when a society is based upon the capitalist relations of production, the law of value constitutes its fundamental law?
3. According to Marxist political economy, is it true that the
law of value is not equal to Smith’s ‘invisible hand’?

4. Is it true that Marx in *CGP* proposes the labour time certificate system as the basis of the socialist method of production? It may be argued that Marx had no experience of a post-revolutionary society for reference, and thus his proposal cannot serve as the basis of the present debate. However, Marx did not conjure the labour time certificate system out of thin air. Based upon his centrally important critique of Gray’s theory of ‘labour money’, he came to the conclusion that using direct labour time as the basis of and measure for planned production is the only method to abolish value. Thus, the question becomes: Is Marx’s critique of Gray’s theory correct or not? Is Marx’s proposal in *CGP* based upon this critique or not?

5. If the answers to (3) and (4) are positive, does this not mean that though the market as exists in the West is to a certain extent abolished (mainly in Department I) in the ‘socialist’ countries, their economies are still 100% based upon the law of value?

6. If the answers to (2) and (5) are positive, does this not mean that the relations of production of the ‘socialist’ countries are 100% capitalist?

7. According to Marxist analysis, is it true that we cannot “judge an individual by what he thinks about himself” (*Preface to CPE*)?

8. If the answers to (1), (6) and (7) are positive, does this not mean that though the so-called ‘socialist’ societies claim to be ‘socialist’, they are capitalist through and through?

There is only one way to give negative answers to the above questions: to abandon Marxism altogether. Though the labour time certificate system has to be phased in in several stages as analysed in the above text, value can not be abolished half-heartedly, or it will not be abolished at all.

Given the answer to the second question, question one is in a sense rendered meaningless. Because if instituting such a system as the labour time certificate system is an impossible dream, then, socialism itself is. But it is still necessary to address it on its own. But, before doing that, it must be added that as analysed in the adjacent text, the inevitable consequence of failing to institute the correct programme, of which using labour time as the basis
of and measure for production calculation and distribution is an
indispensable component. after the revolution, is the complete
defeat of the revolution.

Concerning ‘adequate’ productive forces, it must, first of all,
be affirmed that the definition of ‘adequate’ must be MATERIAL-
LIST for otherwise it would have no scientific value (in the
ordinary sense of the word) at all. To use, for example, the level
of material well-being that can be produced as the criterion lacks
any materialist basis whatsoever at all. What level is ‘adequate’?
A car for everybody? A garden house for everybody? Or ..? To use,
as another example, a technological definition likewise
lacks any materialist basis whatsoever at all. What techniques are
‘adequate’? Is only computer technology ‘adequate’? Or do we
need ‘star wars’ technology? (In bourgeois sociology, the technologi­
cal ‘theory’ of social evolution distinguishes between foraging,
horticultural, agrarian, industrial and, for some, post-industrial
societies – this alone is enough to warn us against any technologi­
cal view.) There is only one materialist definition of ‘adequate’:
the relationship between the relations of production and the
development of the productive forces as analysed in historical
materialism. Marx says in the Preface to CPE:

“...At a certain stage of development, the material productive
forces of society come into conflict with the existing relations
of production... From forms of development of the produc­
tive forces these relations turn into their fetters. Then begins
an era of social revolution... No social order is ever destroy­
ed before all the productive forces of production for which
it is sufficient have been developed, and new superior relations
of production never replace older ones before the material
conditions for their existence have matured within the frame­
work of the old society. Mankind thus inevitably sets itself
only such tasks as it is able to solve, since closer examination
will always show that the problem itself arises only when the
material conditions for its solution are already present or at
least in the course of formation.” (Ibid., p. 21)

In other words, if the material basis of building socialism is not
already existent, or at least in the process of formation, how is
the proletarian revolution supposed to be able to occur? Some­
thing that has no material basis does not occur in history. If the
proletarian revolution has broken out, it means that the material
basis for building socialism must already exist, i.e., the productive forces must already be 'adequate'.

Given that capitalism as it develops into imperialism is a world system, and given that socialism ultimately cannot be built in any form ('degenerated' or otherwise) in one or several countries on its/their own but can only be built as a world system (these givens obviously cannot be analysed here), the above has to be understood on a global scale. I.e., the material basis of the proletarian revolution and for building socialism cannot be understood within the framework of a single nation or several nations. In other words, when we say this material basis exists, we do not mean it exists in one country, not in another, so on and so forth, but that it exists a. so that the world revolution is on the agenda, and b. so that socialism can be built as a world system.

Given, further, that imperialism, so long as it exists, necessarily ensures the division of the world into a vast underdeveloped 'third world' and a number of advanced metropoles, and that the world revolution (if it breaks out, which is by no means certain) is unlikely to be perfectly synchronized across countries (these givens also cannot be analysed here), a problem arises: if a certain country's proletariat succeeds in seizing power before the revolution breaks out in other countries, does the material basis exist for it to socialize production within its own borders first, while waiting for the world revolution to come to its rescue, since Marx's analysis quoted earlier has, as said, to be understood on a global scale? Secondly, does it make any difference if the isolated successful revolution occurs in an advanced country or, conversely, in a backward country?

First of all, it has to be emphasized that the condition for the proletarian revolution to break out in any one or several countries is that the world revolution is itself on the agenda. This is crucial because otherwise, since socialism ultimately cannot be built in isolation, there is no sense at all in examining the above two problems.

Similarly, only on the assumption that the world revolution is itself on the agenda does it make any sense to examine the correct programme for an isolated revolution awaiting the world revolution to come to its rescue. As analysed at length in the adjacent text, a proletarian revolution (from the successful seizure of power onwards) cannot be frozen at a certain stage for any extend-
ed period of time. An isolated revolution must begin instituting the correct programme, which includes the introduction of a system such as the labour time certificate system, within its own borders, while waiting for the world revolution to break out, or it will be digging its own grave. In other words, what applies to the world revolution applies (with the suitable adaptations as analysed in the adjacent text) to the isolated revolution as well: the introduction of a system such as the labour time certificate system is an indispensable requirement.

Having said that, let us return to the 'adequate' productive forces question as applied to an isolated revolution. If we agree that our answer to this question when examining it on a global scale is correct, then there should be no question that the labour time certificate or a similar system can be introduced after the revolution in an isolated revolution in an advanced country today, because if it cannot be introduced even in these countries, then it goes without saying that it cannot also be introduced for the world as a whole. On the assumption that the world today as a whole is ripe for socialism, then, unless we abandon historical materialism for a technological and/or material well-being definition of 'adequate' and say that current productive forces are still 'inadequate', the conclusion we just drew holds. This conclusion, further, holds not only for today, but holds also since circa 1914 or, in the words of the Communist International, since the beginning of the "age of war and revolution" (again, this point has to be taken as given here). I am drawing a distinction between the cases of an isolated revolution in an advanced country and in a backward country as a minor concession to the technological and material well-being definitions of 'adequate' because I want to simplify the discussion. It will be noted that, notwithstanding that, historical materialism still provides the backbone of my analysis because to give a date such as 1914, as I do here, or any other date would be totally arbitrary within the framework of the technological and material well-being definitions, a point we started with at the very beginning. The bankruptcy of such definitions can further be seen from the fact that the typology of advanced and backward countries can never be watertight: any hard and fast boundary drawn is again bound to be totally arbitrary.

In any case, my small concession to these definitions leaves us with just one question to tackle, which is why, as said, I made
the concession: does an isolated revolution in a backward country since circa 1914 have the material basis to introduce the labour time certificate or a similar system whilst awaiting the world revolution to break out (reminder: for the world as a whole, this question has already been answered, which is why 'whilst' is underlined), ignoring that it is in fact an indispensable requirement? Let us take Russia in 1917 as an example, as 1. it is a real life case, and 2. it fits the question well.

Just as Marxism tells us, the Russian Revolution shows that a proletarian revolution does not break out in a country where there are only barely subsistent peasants (third-worldism notwithstanding). It can, we can safely say, only occur in countries where there exists a reasonably developed capitalist economy, if only in several concentrated areas, and a strong proletariat (strong in its own terms, not, for example, in terms of the percentage of workers in the population — please do not confuse this with the ICC's so-called 'critique of the theory of the weak link', according to the astrological prediction of which, the world revolution can only begin in Western Europe). Though Russia was predominantly rural, her proletariat was a major battalion of the world proletariat. And Russia was, in fact, the world's sixth industrial power then with the famous Putilov being the largest plant in the world employing 40,000 workers. Proletarian power, naturally, never reached the countryside in 1917. Neither would it in Germany had the German revolution succeeded. In other words, just as even today, on a world scale, once the proletariat has seized power in the capitalist metropoles and other capitalist concentrations, the world commune-state would have to deal with an unsocialized peasantry as analysed in the above text, the proletariat of even the most advanced country in 1917 would only be able to 1. socialize production which had been prepared by capitalism in the cities, and 2. to establish a system of exchange with the peasants, whilst waiting for the world revolution to break out. Of course, this task would have been comparatively easier for the German proletariat than for the Russian proletariat, and, given the same correct programme, an isolated German revolution could have held out longer than an isolated Russian revolution. These are truisms. But these differences are only matters of degree. As said, the fatal flaw of any material well-being or technological definitions of 'adequate' productive forces is that to say, for
instance, that an isolated German revolution in 1917 had the material basis to introduce the labour time certificate or a similar system as part of the transitional programme whilst waiting for the rescue of the world revolution to come, while an isolated Russian revolution in 1917 did not, can only be an arbitrary judgement. Certainly, if we compared Germany to, say, Thailand, the picture would have been quite different. But then, lacking a capitalist economy anywhere and lacking a proletariat, an isolated Thai revolution would never have occurred in the first place.

Let us even envision that an isolated revolution in, say, Nepal, which has virtually no capitalist industry and a virtually non-existent proletariat, has mysteriously occurred today and that the correct transitional programme including the introduction of the labour time certificate or a similar system cannot be introduced. What that only means is that, given the indispensibility of such a programme, revolutionaries and the (virtually non-existent) Nepalese proletariat could only accept that unless the world revolution succeeds and succeeds in time, their revolution could only degenerate, for internal reasons (i.e., the inevitable consequence of failing to institute the correct programme) as well as for reasons of isolation (the effects of which, as analysed in the adjacent text, have to work through an internal degeneration — i.e., an isolated revolution does not degenerate directly from isolation — unless the revolution is conquered outright by imperialist forces).

As said earlier, the question of ‘adequate’ productive forces is raised purely as an ideology to apologize for the capitalist programme of the ‘socialist’ countries which are said to be ‘in transition’. In Trotskyist theory, the retention of wages in ‘socialism’ is even said to be beneficial to the workers! The list of similar crimes committed by leftism is endless.
RUSSIA:
REVOLUTION AND COUNTER-REVOLUTION
(1917–1921)
FORWARD

In all programmatic discussions concerning revolutionary communist work, one of the most fundamental questions that must be resolved is the question of the Russian Revolution. What is its class nature? Was it totally defeated in the end? If so, how and why?

As can be seen in footnote 23 to the text, the author situates himself within the revolutionary Marxist tradition known as Left-Communism. Within this current it is generally agreed that the Russian Revolution, being a genuine socialist revolution, was eventually totally defeated. However, the actual analysis of that defeat diverges. For a long time, there had broadly been two major analyses, namely, the International Communist Current (ICC)'s and the Communist Workers Organization (CWO)'s. As can be seen in the text, both analyses, being based upon the idealist method, are totally ideological. In the past several years, the CWO, in moving towards closer and closer collaboration with the heirs of Bordiga's abstentionist fraction of the 20's, namely, the Partito Communista Internazionalista (PCIInt), has abandoned one after another many of the positions it formerly held, including its previous analysis of the Russian Revolution's degeneration. Previously, the CWO took the introduction of the NEP to be what it used to call the 20th-century's Thermidor. Now with of the adoption of its "new method" (which is only the idealist method in another guise - see my text "The CWO: Turning Marxism On Its Head" in the Communist Bulletin no. 8, April 1985)*, the CWO, having on the one hand rejected its previous position, has, however, on the other, been unable, despite having been 'steeled' by its 'invincible' 'new method', to come up with any alternative positions at all - and it has already been several years since its adoption of its "new method"! Our 'organizers of the working class', however, have been courageous enough to publically admit their impotence:

"The question of when was the definitive end of the Russian Revolution ... has occupied communists for many years.

* Although I would have liked to make certain corrections to that text now, its thesis concerning method holds absolutely.

79
It is a difficult issue, its elements reminding one more often than not of Milton's angels, "wand' ring in mazes lost". The history of our own current ... is testimony to this ... in Revolutionary Perspectives no. 20 ... we definitively rejected the old C.W.O. position ... Some comrades in the recent debate adopted the position that the policy of the United Front, adopted in 1922 could give us our exit cues; [the CWO is actually referring to the 3rd International’s demise as a proletarian body here, but its admittance of its impotence applies to its understanding of the Russian Revolution’s degeneration as well] the majority rejected this idea, but took no fixed position themselves.” (Workers Voice no. 21, March – April 1985, p. 5)

If the CWO finds itself to be impotent at the moment, the PCInt is unable to help it either for, as far as I am aware of, it has never had a systematic analysis of the Russian Revolution’s degeneration in the first place.

Recently, an ex-member of the CWO, E. Mav, has written a text entitled The Russian Revolution and the Permanent Need for the Soviets. It is basically a modified version of the CWO’s former analysis and as such shares many of the latter’s mistakes. Unfortunately, it has not been able to discuss it in the present text.

It is long overdue that such a glaring programmatic deficiency of the Left-Communist current be redressed. The following text is a contribution towards that end. It is based upon (not a translation of) a Chinese text of the same title first published in International Correspondence no. 3, January 1985. In the original Chinese text, the defense of the proletarian, socialist character of the Russian Revolution was scattered passim throughout the text. Such a treatment, needless to say, is extremely unsatisfactory. For this reason, and for the additional reason that the present book is meant for a readership wider than that which accepts the proletarian nature of the Russian Revolution, it was decided that there should be a separate section devoted to the above-mentioned defense. As it turned out, what was involved was much more than putting the scattered arguments of the original Chinese text under one roof. Instead, an almost totally new section was written. In terms of the text’s structure, this is the only difference between the present text and the original Chinese text. However, although the methodology and analytical framework of the two texts are
the same, and the main lines of argument of the original Chinese text are followed in the following text, certain parts have been substantially re-written and improved upon. There is, however, no need to specify what these parts are as this text is written for revolutionary purposes without any scholastic intentions or, for that matter, pretensions.

Finally, while Marxists who accept the socialist character of the Russian Revolution may find it unnecessary to go through the entire Prologue, the part of it dealing with the question of the meaning of the concept of the material basis for the socialist revolution is important to the discussion of Lenin's mistakes in the economic programme after October in a later section.
The aim of this prologue is to defend the proletarian, socialist nature of the Russian Revolution. There are generally two broad categories of people who deny the Russian Revolution to be proletarian and socialist: anarchists/libertarians on the one hand and various varieties of 'Marxists' on the other. These people never tire of propagating the ideologies that Russia in 1917 was, vis-a-vis England, Germany, etc., comparatively too backward, in terms of capitalist development, to be ripe for the socialist revolution; that the October 25th seizure of power was nothing but a Bolshevik (who, according to them, were only a group of "bourgeois power-mongers") coup d'etat; etc., etc.

The outline of this prologue is as follows: first we examine the question "Was Russia ripe for the socialist revolution in 1917?" Having proven that it was, we next analyse whether the Russian revolution was indeed socialist. This analysis will be conducted in two stages. First, many people claim that the struggle of the Russian workers was not a socialist struggle at all, that it was only a struggle for 'mundane' demands, namely, bread and peace. Our task is to show that their struggle was indeed a socialist struggle. Second, having established that, the next ideology we face is the claim that the workers' struggle was successfully usurped by the so-called 'bourgeois' Bolshevik 'power-mongers' who established a 'bourgeois' state with which they 'suppressed' the workers' struggle. Our task here is to show that the Bolsheviks were (up until 1917 – the period with which we are concerned here) a proletarian party, that the October 25th seizure of power was a workers' revolution and not a bourgeois coup d'etat, and that

---

1. A note on terminology: for the purpose of the present text, the terms 'socialist revolution' and 'proletarian revolution' are used interchangeably to refer to the entire process from the establishment of dual power through the seizure of power to the transitional period up until the final phases of transition from socialism (the phase of the transitional period) to communism. The term 'insurrection' refers to the uprising which establishes dual power (example: the Russian February revolution), and the term 'seizure of power' to the resolution of dual power by the proletariat's seizure of state power (example: the October uprising).
the soviet state built up on the October uprising was a workers' state if only a seriously deformed one right from the very beginning.

Was Russia in 1917 ripe for the socialist revolution? There are two aspects to this question: 1. The question of the backwardness in economic terms of Russia in general; and 2. the question of the meaning of the concept of the material basis for the socialist revolution in particular.

We begin our analysis of the above first aspect by examining the relations of production of Russian society in 1917. As there can be little doubt that the relations of production in the industrial urban areas were capitalist, our task here is to examine the relations of production in the agricultural sector of the Russian economy in the countryside.

It is well-known that serfdom was abolished in 1861. Former serfs were liberated from the personal power of former feudal landlords (for example, under Russian feudalism, serfs were saleable independently of land) and were distributed land in return for making redemption dues over a period of 49 years, 20% of which was payable to the former landlord, 80% to the government which paid the landlords in the form of bonds. The redemption dues were calculated on the basis of the capitalised value of both the value of the land and the barschina (corvee) lost, which was why they were greater than the land value. This led to a regime of extremely small peasant holdings, either in repartitional or hereditary communes. For instance, by 1905, the year in which all outstanding redemption debts were cancelled, the percentage of land held by nobles had been reduced to about one-eighth of the total, though imperial and church land together still accounted for as much as 39% (much of this land, however, was non-cultivated land such as virgin forests). By 1914, peasants held more than four times as much land as nobles.

Under the Stolypin Reforms, private, i.e., hereditary land tenureship was encouraged. It is estimated that by 1915, ½ of all peasant households held private tenures to their land. The increase in private tenureship facilitated the buying and selling of land. Poor peasants unable to make a living on their own tiny plots
easily found ready buyers amongst the peasant 'separators' (*khutora*). These peasant 'separators' or proprietors were enterprising farmers who had obtained (or originally had) private title to their land, consolidated their holdings as well as separated themselves from the commune. Due to the practice of periodic communal repartitioning, peasants held scattered strips of land. As a result, agricultural productivity was extremely low. In an effort to raise productivity, the Stolypin Reforms introduced various measures in order to facilitate the consolidation of holdings. Enterprising peasants took advantage of these measures and as a result of the higher levels of productivity on consolidated holdings were able to increase their holdings by purchasing or leasing land from poor peasants as well as from nobles. By 1915, it is estimated that there were between 0.25 to 0.3 million *khutora* households. These peasant proprietors who formed a kulak class employing agricultural labourers on commercially run farms were as much hated by the peasants as were the nobles. In spite of the Stolypin Reforms, however, the majority of the peasant households chose to remain within the communes, holding either hereditary or communal, i.e., repartitional tenureship. It must, however, be noted that the only difference between the two types of tenureship was that the former type was not subject to periodic repartitioning while the latter type was. Except for that, in respect of all other aspects, communal obligations applied to both types equally. In addition to the above classes of peasants, there was also a class of *otruby* peasant households. Though having consolidated holdings and no longer members of the communes, these households still resided in the village (in contrast, *khutora* households proudly lived on their own estates) and were, thus, still very much regarded by the communes as part of their own. By 1915, it is estimated that there were between 0.95 to 1 million *otruby* households.

Thus, all in all, by the eve of the Russian Revolution, disregarding imperial and church land, cultivable land was owned by the following classes:

1. nobles;
2. peasant 'separators';
3. *otruby* households;
4. peasants belonging to communes holding either hereditary or repartitional tenureship.

While nobles and peasant proprietors, who ran their farms on
commercial lines employing hired labour, supplied the majority of the marketed and exported agricultural produce, households belonging to the last two categories were by no means merely self-sufficient peasants. As pointed out by A.M. Anfimov (Moscow, 1962 cited in J.L.H. Keep, The Russian Revolution: A Study in Mass Mobilization, Weidenfeld and Nicolson, 1976, p. 30), even the poorest households contributed a considerable portion of the marketed produce in return for agricultural implements, textiles, footwear and other everyday items such as kerosene, etc., though in lean years they might have to purchase food themselves from the market. In other words, the Russian countryside in 1917 was composed of a class of commercialized aristocratic landowners, a kulak class, a class of petty-bourgeois peasants and a small class of landless poor-peasants-turned-agricultural labourers. I.e., the relations of production were bourgeois or, more correctly, petty-bourgeois. Absolutely no trace of feudalism could be found anywhere. Though ruled by an anachronistic monarchy, Russia, even in the countryside, was capitalist through and through.

It was earlier mentioned that peasant landholdings increased at the expense of the nobility’s throughout the period from the emancipation up to 1917. However, the rate of increase fell below the rate of increase in the peasant population thus leading to an increasing land hunger. The war which led to a reduction in agricultural manpower, agricultural livestock (being requisitioned by the state) and, therefore, in cultivated area, exacerbated the situation. Though the peasants reduced the percentage of marketed produce (from an average of 20% between 1909 to 1913 to roughly 16.2% in 1916–17), living standards deteriorated nonetheless. Decades of accumulated discontent thus gradually built up to explosion point. Anfimov, for instance, unearthed evidence of 557 outbreaks of agrarian violence between July 1914 and December 1916. (Cited in Keep, op.cit., p. 40) It was, however, returning soldiers who provided the leadership in unleashing the peasants’ smouldering discontent after the fall of the Tzar. For instance, the first recorded violence against a landed estate (in March 1917 in Aleksandrovka, Fatezh county, Kursk province) was led by returning soldiers. Between the fall of the Tzar and October, peasant violence gathered momentum, though with ups and downs connected, for example, with the harvesting/
sowing cycle. The violence took various forms from unilateral reduction in rent payment to landowners (besides the kulaks, many poor peasants also had to lease land to survive) to seizures of property including land, livestock, equipment, crops, personal possessions, forests and pastures. Seized property were simply divided up among households of the village communes or sometimes, in the case of movable property, auctioned at prices far below their value (resale being prohibited). The Provisional Government, while unable to resolve the land question on the one hand, was totally powerless to arrest the wave of peasant violence on the other.

The *Land Decree* merely legitimized what had already been going on, though it certainly helped widen its scope to cover the entire countryside. As a matter of fact, the 'black repartition' was carried out by the peasants themselves in spite of the soviet government and not under its direction or control, simply because it totally lacked a power base in the countryside. As was the case prior to the October seizure of power, movable property seized was simply divided up among households of the village communes (resale prohibited) or auctioned at nominal prices (resale again prohibited). Seized land was redistributed on the basis of either the 'consumption norm' or the 'labour norm'. The vast majority of redistribution occurred at the village commune level, less frequently at the *volost* (district) level, more rarely at the *uyezd* (county) level, and never at a higher level than the last. Disputes often arose between village communes/districts over adjacent land. The 'black repartition' thus served to level out size of land holdings as the figures of footnote 65 show. Only 3.2% of confiscated land was taken over by the soviet government which ran co-operative farms on them.

As can be seen, the 'black repartition' changed absolutely nothing in substance, in terms of the relations of production, in the Russian countryside. Private proprietors (both noble landowners and peasant 'separators') were eliminated as a class (though seeds of a new kulak class were already sown, as is shown in the relevant section below). But this merely meant that the countryside was now totally dominated by a class of petty-bourgeois peasants. In other words, the countryside merely became somewhat more petty-bourgeois than before and nothing more.

It will be well at this point to compare the relations of pro-
duction in the French countryside prior to the French Revolution of 1789. By 1789 the great majority of the French peasants had been free for many generations, i.e., they could move about and work as they wished, possess property and bring suit in the law courts. Not only were they not serfs, many were, in fact, landowners. Landownership in France in 1789 probably broke down as follows (excluding crown land, the percentages are expressed in terms of total land):

- The clergy: 10%
- The nobles: more than 20%
- The peasant proprietors (i.e., peasants who owned land): 30%
- The bourgeoisie*: 20%

*The French bourgeoisie invested a lot in the land as well as in manorial rights (see later).

The nobles as well as the land-owning clergy who were noblemen (lower clergymen were commoners) and the bourgeoisie who had invested in land operated their land on a commercial basis. Seldom did they exploit their own land except in the wine country in which case they hired landless (either by ownership or by leasehold) agricultural labourers. Mostly, they leased out the land to sharecroppers and/or to tenant farmers (most peasant proprietors — meaning, as said, peasants who owned land, not, as in Russia in 1917, landowners who hired labour, ditto below — did not own enough land to survive and, thus, had to lease land from the nobles et al). The bulk of the marketable and marketed produce was supplied by them. The peasant proprietors were a petty-bourgeois class, producing partly for self-consumption and partly for the market.

Clearly, the feudal relations of production had already largely crumbled by 1789. On the basis of this and other factors, some bourgeois historians have argued that the French Revolution was, therefore, not a bourgeois revolution. This, of course, is based upon an ignorance of the materialist conception of history. According to this conception, the bourgeois political revolution (which the French Revolution was) is only the 'finishing touch' of the bourgeois social revolution or the coup de grace of the feudal system, the crowning of a long process during which the capitalist relations of production gradually overthrow the feudalist relations of production and become the dominant (not the sole) relations of production of society. In this process, the rising
bourgeoisie increasingly challenges the political power of the class of feudal landlords who, certainly, hold on tenaciously to that power in defense of their interests. The bourgeois political revolution is simply the culmination of this struggle on the superstructural (political) level. This does not, however, mean that the bourgeois political revolution is devoid of all social reforms. In the French Revolution, for instance, internal tariffs were abolished, the labour market was freed by the dissolution of the guilds, etc.

Despite the fact that the feudal relations of production had already largely crumbled by 1789, the French peasantry was still heavily burdened by the remnants, but very real ones, of feudalism. Disregarding fiscal inequality and the tithe (a tax in kind) payable to the clergy, the French peasants were subject to a host of crushing remnant feudal rights possessed by the aristocracy or whoever had bought these rights from the noblemen (these rights were tradeable). In France in 1789 all fief owners were divided into two types: seigneurs or manorial lords and non-seigneurs. Seigneurs enjoyed a host of manorial privileges not available to the non-seigneur fief owners while both enjoyed ‘real’ rights (i.e., rights falling on land and not on persons). Manorial rights were numerous and included justice (the right to adjudicate disputes over manorial payments was valuable), the levying of market tolls, road and river tolls, the extraction of personal services and various payments in money or in kind from the peasants, etc. The most valuable of these rights was the right of ban which gave the lord the exclusive right to maintain a mill, oven or wine press, lucrative monopolies which the lords farmed out to professional collectors of manorial payments. ‘Real’ rights were enjoyed by all fief owners. A fief was divided into two parts. Firstly, the ‘domain’ which comprised mainly of areas leased out to tenant farmers or sharecroppers. The rest of the fief was in the hands of peasant proprietors who enjoyed rights of inheritance in their holdings and could dispose of them freely. However, these holdings were supposed to have been granted to the peasants in the past under perpetual title in return for payments. Thus, the fief owner retained the right of ‘direct’ or ‘eminent’ property over these holdings which entitled him to two types of payment from the peasant proprietors: 1. annual dues in money or in kind; 2. a payment in the event of a transfer of the holding either by inheritance or by sale (known as lods et ventes) which was worth up to ½
the value of the holding.

It is instructive to compare what the French peasantry in and prior to 1789 and the Russian peasantry in and prior to 1917 were struggling against, despite considerable similarities in the relations of production in France's agricultural sector in 1789 and in Russia's agricultural sector in 1917. The majority of both the French peasantry in 1789 and the Russian peasantry in 1917 owned too little land to be able to make a living on their own plots. But whereas the French peasantry in 1789 raised little, if any at all, protest against farm rentals; and whereas they never called into question the sanctity of private landed property (during the revolution, only the estates of the clergy, the émigrés and enemies of the republic were confiscated, nobles who stayed in France never at any time saw their property threatened); the Russian peasantry in 1917, as mentioned, went all the way from unilateral reduction in rent payment to outright seizure of land.

Like all peasant insurgent movements, the struggles of the French peasantry in 1789 and that of the Russian peasantry in 1917 were struggles of an exploited class against the misery (brought to a head by various factors) imposed on them by their exploiters. They were similar struggles to that extent. At the same time, however, they were different struggles as a result of the differences (despite the considerable similarities) in the relations of production which provided the background of their struggle. Whereas the French peasantry in 1789, as a result of being still burdened by remnant feudal rights (both the manorial rights and the 'real' rights on land), therefore saw these rights to be the root cause of their misery, the Russian peasantry in 1917, as a result of having been totally freed from all vestiges of feudal burdens for decades already (the last such trace was eliminated in 1905 when, as said, all outstanding redemption dues were abolished), therefore saw the root cause of their misery to be the ownership of land in excess of what could be cultivated by one's own labour. Both struggles were petty-bourgeois movements in a considerably commercialized countryside: the commercialization being, in fact, the very factor that determined their petty-bourgeois nature. They differed in their targets for the reason just analysed.

Both movements eventually obtained what they had struggled for. In 1793, all payments of feudal origin were abolished without compensation. The situation in Russia was as already described.
In the French Revolution, while the peasants were indeed struggling against the remnant feudal rights, this was, the same as all peasant struggles, simply a struggle against misery imposed upon the peasants by their exploiters. In other words, subjectively speaking, the peasants did not aim at replacing the dying feudal regime by a bourgeois regime. Neither did they objectively as illustrated by their lack of any political programme. The Declaration of Rights, etc. were the work of the bourgeoisie. Many peasants, in fact, revolted against the aristocracy in the name of the king rather than of the Assembly. If objectively speaking, the peasants' struggle did initially assist the bourgeoisie's strike at the aristocracy, it also did not, as can be predicted by Marxist analysis, open up any objective alternative historical course. Which is to say that the character of the French Revolution was not determined by the struggle of the peasants against the aristocracy's exploitation, but by the struggle between the bourgeoisie and the aristocracy though the former struggle did initially aid the latter struggle.2

In the Russian Revolution, the non-revolutionary nature of the peasants' struggle is clearly illustrated both by the organization of the struggle and, as in the case of the French peasantry's struggle in 1789, by the lack of any political programme despite the peasants' nominal support for the Socialist-Revolutionaries.

The autonomous organizations of the peasants were the village committees (based upon the hitherto existing village assemblies). District committees were also formed, mostly as a result of the extraneous influence of urban soviets which had 'peasant sections', 'provincial departments', etc. responsible for agitational

2. Empiricist bourgeois historians such as Alfred Cobban (see The Social Interpretation of the French Revolution, Cambridge University Press, 1964) argue that since the remnant feudal rights were held by members of the bourgeoisie (who had purchased them on the market) as well, the French peasantry's movement could, therefore, be regarded as a movement against the bourgeoisie which constitutes another reason why the French Revolution cannot be regarded as a bourgeois revolution. From the Marxist viewpoint, this empirical fact does not in any way affect the character of the revolution: as is shown in the text itself, the peasants' movement did not objectively open up any alternative historical course and the character of the revolution is not determined by it. While the immediate interests of certain members of the bourgeoisie were hurt by the peasants' struggle, the revolution promoted the historical advance of the bourgeois class. In this it was objectively assisted by the peasants' struggle in the initial stages of the revolution.
and organizational work in the countryside. Seizure and redistribution of land both prior to and during the 'black repartition' mostly occurred at the village level, less frequently at the district level and rarely above the latter. Numerous disputes occurred between villages or districts over adjacent land (so much for the 'socialist' character attributed by third-worldists to the peasant movement). On April 1, 1917, the Socialist-Revolutionaries published a statute drawn up by the party urging peasants to form soviets, by October the number of soviets at various levels formed was: 67 out of 87 provinces (77%) had provincial soviets, 437 out of 650 counties (67.2%) (another compilation puts the figure at 422 out of 813, i.e., 51.9%) had county soviets, and 787 out of 6770 districts (11.6%) had district soviets. These figures show clearly that peasant soviets (dominated, as they were, by intellectuals and other elements extraneous to rural society) were not autonomous peasant organizations, which is why they were, in percentage terms, much more common at provincial and county levels. (As mentioned earlier, these soviets played no part at all in the land seizure and redistribution both prior to and during the 'black repartition'). When peasants did vote in soviet elections, they voted for 'nominal Socialist-Revolutionaries', i.e., peasant activists who identified themselves loosely with the Socialist-Revolutionary party but moved with the peasants. At the village (and district) level where the peasant movement was autonomous, the peasants had no political programme at all. All they were concerned with was the land question. While they nominally supported the Socialist-Revolutionary party, they simply acted in accordance with their own intentions which often contradicted with the policies of the party. For instance, the first All-Russian Congress of Soviets of Peasants' Deputies resolved against the arbitrary seizure of land, just as the third Socialist-Revolutionary party Congress did. But peasants paid no heed to these resolutions. Had the October revolution failed, the peasants would have resisted any grain levy that the Provisional Government would find itself compelled to exact from them just as fiercely as they resisted the post-October soviet government's grain requisition. As a matter of fact, like the Tsarist government before it, the Provisional Government, composed, let it be repeated here, mainly of Socialist-Revolutionaries such as Kerensky and Chernov and Mensheviks, had already imposed compulsory grain levy upon the peasants who
did not hesitate to resist (the food supply to the cities in the year 1916–17 was only about half of the Provisional Government's target). All this illustrates clearly the non-political (in the sense of having no political programme or, at least, no independent political programme) nature of the peasants' struggle. In other words, the same as the peasants' movement in the French Revolution, the Russian peasant movement was simply and purely a struggle against misery, and was non-political in the above-mentioned historical sense. Thus, just as the character of the French Revolution was not determined by the peasants' struggle, the character of the Russian Revolution was not determined by the peasants' struggle. As we will see later, it was determined by the struggle between the proletariat and the bourgeoisie, whose interests were protected and furthered first by the Tzarist autocracy and then by the Provisional Government, though the peasants' struggle did facilitate the proletariat's struggle initially.

Just as it is often erroneously, as has been shown just now, asserted that the peasants' struggle was part of a hypothesized bourgeois revolution, it is, on the other hand, sometimes asserted that it was 'socialistic'. A simple analysis will reveal the fallacy of this second assertion easily. Third-worldist ideologies notwith-

3. While parliamentary democracy grew out of the overthrow of feudalism by the bourgeoisie, the Russian bourgeoisie did not need to overthrow Tzarism in order to develop capitalism. In return for being allowed to hold on to power, Tzarism gave the Russian bourgeoisie what it wanted. Indeed, the Russian state itself actively promoted the development of Russian capital. Thus, though Tzarism was an anachronism, it ruled in the interests of the bourgeoisie. A related point here is the continued existence of noble titles. Again, this was basically an anachronism and corresponded to no substantial social reality. True, the nobility dominated the civil service. This was, firstly, because promotion to a certain rank in both the armed forces and the civil service automatically conferred noble title on the incumbent. Lenin's grandfather was a serf, his father acquired hereditary nobility on his appointment as Chief School Inspector, and Lenin himself, the serf's grandson, was born a noble! Secondly, consequent to the emancipation and the subsequent development discussed in the text itself, members of the nobility from the feudal era either successfully transformed themselves into embourgeoisified landowners (not to mention actually investing in industry itself) or, for those unable to pursue the former course, turned their attention towards pursuing careers in the civil service. But whether the nobility which dominated the civil service originated from the feudal era or not, as part of the Tzarist autocracy, they ruled in the interests of the bourgeoisie. This was the most decisive point.
standing, the Marxist materialist method allows no doubt here: in a commercialized countryside, peasants, as a class, is and can only be a petty-bourgeois class, and can never attain socialist consciousness (exploitation and oppression do not necessarily engender socialist consciousness, otherwise, slaves, serfs, etc. could all have been revolutionary classes). The Russian peasants wanted a leveling of land holdings; they were indeed struggling against exploitation of others’ labour and did not want to see it reappear in the future, but, as just said, such struggles are not necessarily socialist. They were not against private property, but against private proprietorship (i.e., commercially holding land in excess of what can be cultivated by one’s own labour and exploiting hired labour). Their sense of equalitarianism, in terms of land tenureship, did not have a single trace of socialist element in it. They never had as the aim of their struggle the overthrow of capitalism, the abolition of the market, common ownership of means of production, associated production for the common satisfaction of needs, etc. in mind.\\n
As said in the relevant section later, the agricultural labourers existent in 1917 were not true agricultural proletarians, their aims were identical to those of the other peasants.

The role of the peasants in the Russian Revolution is often a source of confusion. Our above analysis shows clearly that if the peasants’ struggle did facilitate – assume the following point for the moment – the proletariat’s successful seizure of power (there is no need to deny this point – it is a fact and admitting it does not alter the character of the revolution one single bit), it did not determine the revolution’s character. But that is not the end of the story yet: what is the role played by the revolutionary soldiers, many of whom were of peasant origin?

For empiricists, the fact that the revolutionary soldiers took an active, and many would argue, decisive, part in the seizure of power, would by itself have disqualified the Russian Revolution as a proletarian revolution. For them, if a government has ministers who are not themselves members of or connected to the business community, that would have disqualified it as a bourgeois government.\\n
For Marxists, on the other hand, soldiers do not

---

4. I am not implying that the Russian workers had the precise communist programme as the goal of their struggle; on this point, see later.

5. Alfred Cobban (see footnote 2, supra), for example, argued that one of the major reasons why the French Revolution cannot be regarded as
form a social class and possess no independent political programme. In the Russian Revolution, although most soldiers were of peasant origin, they had been converted to the proletariat's political programme (whatever that is for the moment) by the experience of the imperialist war. That was why the soldiers' soviets combined with the workers' soviets as soon as they had been formed and not with the peasants' soviets, which, in any case, were, as pointed out earlier, not genuine, autonomous peasant organizations. The combined workers' and soldiers' soviets remained separate from the peasants' soviets until after October. Before October, there were altogether only 99 tripartite soviets (1 regional, 11 provincial, 51 county and 36 others). However, many of these were probably paper organizations and not real mergers. In other words, they were mere extensions of urban soviets.

We can now answer the first aspect of the question "Was Russia ripe for the socialist revolution?" Firstly, in terms of the relations of production, Russia in 1917 had become completely capitalist and had, in fact, been for a long time; it is therefore absolutely ridiculous to regard Russia as ripe only for the bourgeois revolution. Secondly, the character of the Russian Revolution was not determined by the peasants' struggle. Thirdly, the revolutionary soldiers, though many of them were of peasant origin, were fighting for the proletariat's programme (whatever that is for the moment).

We can now go on to the second aspect of the above question, which is the question of the meaning of the material basis for

bourgeois is because the leaders of the revolution were not members of the industrialist or merchant classes but professionals! (See op. cit.)

6. The German/Dutch councilists of the 30s precisely made this ridiculous assertion:

"7. The economic task of the Russian Revolution was, first, the setting aside of the concealed (?) feudal (sic) system and its continued exploitation of the peasants as serfs (sic) . . . to make possible the unrestricted creation of a class of really (?) 'free labourers', liberating industrial development from all its feudal (sic) fetters." ("Theses on Bolshevism" in Raeterkorrespondenz no. 3, quoted in the ICC, IR (on the ICC and IR, see footnote 23) no. 12, January 1978, p. 3)
the socialist revolution.

Marx says in the Preface: "new superior relations of production never replace older ones before the material conditions for their existence have matured within the framework of the old society. Mankind thus inevitably sets itself only such tasks as it is able to solve, since closer examination will always show that the problem itself arises only when the material conditions for its solution are already present or at least in the course of formation." And in the Critique of the Gotha Programme: "Right can never be higher than the economic structure of society and its cultural development conditioned thereby."

There are generally two responses to Marx's above formulation re the Russian Revolution: 1. the leftist (on the term 'leftist', see footnote 26, infra) idealist garbage view (as exemplified by Trotsky's mature permanent revolution theory): the Russian Revolution was socialist because it was led by the Bolsheviks, a party which called itself communist (in this case, the claim corresponded to the fact as we will see later). Thus China 1949, Vietnam, Cambodia and Laos 1975, etc. were all 'socialist revolutions', though these countries, like Russia in 1917, did not yet, according to this view, possess the material basis for building socialist relations of production. 2. The ideology that because Russia was, vis-a-vis Western Europe, comparatively backward in terms of capitalist economic development, the material basis did not exist for the proletarian revolution to break out there in the first place. This is the ideology that we want to deal with here.

Firstly, what constitutes the scientific definition of the material basis for the proletarian revolution and for building socialist relations of production? Such a definition, it must be emphasized at the outset, must be materialist, or it would have no scientific value at all. Two popularly held definitions are: 1. the level of material well-being that can be produced; and 2. the technological level. But these two criteria obviously lack any materialist basis whatsoever at all. For what level of material well-being that can be produced can be considered as 'adequate' in order that the material basis for the socialist revolution and for building socialist relations of production can be said to exist? A car for everybody? (What kind of car, by the way? A Mercedes? Or a volkswagen? Or ...?) A garden house for every family?
Or . . . ? Similarly, what level of technology can be regarded as 'adequate'? Is first-generation computer technology 'adequate'? Or do we need 'Star Wars' technology? Or . . . ? In other words, in saying that a certain level of material well-being that can be produced and not another or that a certain level of technology and not another is 'adequate' is purely an arbitrary judgement which does not have a scientific basis at all. Science cannot be based upon arbitrary judgements.

There is one and only one materialist criterion for defining 'adequate', i.e., for determining whether or not the material basis for the proletarian revolution and for building socialist relations of production does exist. This is the relationship between the relations of production and the development of the productive forces as analysed in historical materialism:

"At a certain stage of development, the material productive forces of society come into conflict with the existing relations of production . . . From forms of development of the productive forces these relations turn into their fetters. Then begins an era of social revolution . . . No social order is ever destroyed before all the productive forces of production for which it is sufficient have been developed, and new superior relations of production never replace older ones before the material conditions for their existence have matured within the framework of the old society. Mankind thus inevitably sets itself only such tasks as it is able to solve, since closer examination will always show that the problem itself arises only when the material conditions for its solution are already present or at least in the course of formation." (Emphasis added)

Thus, it is neither the specific level of technology nor material well-being that can be produced that determines whether or not the material basis for socialism does exist.

Having established that, the next question is: while Marx’s formulation in the Preface is clearly a general framework for the analysis of the transition from one mode of production to another, in the present case, we are dealing with the specific case of an individual country which vis-a-vis Western Europe was relatively backward. The ideology that we are dealing with here either explicitly or implicitly insists that Marx’s framework be applied to each and every country individually for its argument is that since Russia was less advanced than Western Europe, she could
not have been ripe for the socialist revolution and for building socialist relations of production without first passing through the stage that Western Europe had already reached. This is, of course, none other than what the ‘legal Marxists’, the Mensheviks, some Menshevik-Internationalists as well as many Bolsheviks were arguing for prior to (and after as well) 1917 concerning the nature of the Russian Revolution. Lenin, departing from the analysis of the Russian Revolution as part and parcel of the (believed to be impending) world revolution, was able to rise above this view (though, as is shown in a later section, when it came to the consideration of the economic programme for the transitional period after October, he fell precisely into the same trap). Lenin’s point of departure provides us with a clue as to how we should apply Marx’s general historical-materialist framework to the specific case of Russia in 1917.

Capitalism as it developed into imperialism became a world system (this has to be taken as given here, but I trust nobody would dispute it). This means that since then nations have no longer been able to develop more or less independently of one another, on the contrary, the development of individual nations has since been determined by the world imperialist system. On the other hand, imperialism ensures that socialism ultimately cannot be built in any form (‘degenerated’ or otherwise) in one or several countries on its/their own. Socialism can only be built as a world system on the premise that world imperialism has been defeated by the world revolution (this again has to be taken as given here, for a brief comment, see footnote 39). Under the above circumstances, Marx’s above comment concerning the transition from one mode of production to another when applied to the transition from capitalism to socialism, must, therefore, be understood to apply on a global scale. In other words, the material basis for the socialist revolution and for building socialist production relations can not be understood within the framework of a single nation or several nations together. I.e., when we say that this material basis exists, we do not mean it exists in one

7. One cannot help asking: Was Germany, then, according to this ideology, ripe for revolution in 1917? As has already been pointed out and as will be further analysed, any definitive answer to this question on the criteria either of the technological level or level of material well-being can be nothing but an arbitrary judgement.
country, not in another, so on and so forth, but that it exists for the world as a whole, so that 1. the world as a whole, ruled by world imperialism is ripe for revolution and 2. socialism can be built as world system. Given this, it follows that the condition for the proletarian revolution to break out in ANY one or several countries is that the world revolution itself is on the agenda.

Our present problem arises because 1. world capitalism develops in an uneven manner and 2. the world revolution is unlikely to be perfectly synchronized across countries. However, this does not affect our above conclusion. The question, therefore, is not whether Russia was ripe for revolution in 1917, but becomes whether the world itself was ripe for revolution in 1917. Here again the ideologies will be put forward that it was not either because the level of technology is said to be ‘inadequate’ or the level of material well-being is said to be ‘insufficient’ or both. It is not necessary to repeat that these arguments completely lack any scientific basis. Again the question now facing us can only be answered scientifically by means of the historical-materialist method. “No social order is ever destroyed before all the productive forces for which it is sufficient have been developed.” I.e., focusing our attention on the capitalist mode of production, the conditions for the socialist revolution to break out did not exist or were not ripe when capitalism was still a historically progressive system. It was only when capitalism became a historically non-progressive system that these conditions came into existence or became ripe. This transformation of capitalism from its progressive into its non-progressive era corresponded to the advent of imperialism. Rather than analysing this here, I refer the reader to the excellent analysis given by the CWO (on the CWO, see footnote 23).

Thus, by the 1910’s capitalism, as a global mode of production, had become historically non-progressive. In other words, the material conditions were ripe for the world socialist revolution. They were, therefore, ripe for the revolution to break out in Russia. In saying that, we, of course, do not mean that Russia would be able to build socialism on her own. Neither would Germany nor England if an isolated revolution had broken out.

there. What we do say is that either Russia was ripe for the socialist revolution or no country was because, in that case, the world itself was not ripe for it.  

Having established that Russia was ripe for the socialist revolution in 1917, the next question is: was the Russian Revolution indeed socialist? As pointed out earlier, we need to address this question in two stages. Firstly, many people claim that the Russian workers were not struggling for socialism at all, but only for the ‘mundane’ demands for bread and peace. For instance, in a letter to me, Adam Buick of Socialisme Mondial\(^9\) says:

"Most [workers] wanted an end to the war (...) ... and an

9. The incorrigible ‘level of technology/material well-being’ hard-liner may further ask: Does our conclusion imply that by the 1910s, a country such as Thailand was also ripe for the socialist revolution? The answer to this question is simple enough. Marxism tells us, and the Russian Revolution has shown us (though its socialist character has yet to be proven), that a proletarian revolution does not break out in a country where there are only barely subsistent peasants (third-worldism notwithstanding). It can, we can safely say, only occur in countries where there exists a developed capitalist economy, if only in several concentrated areas, and a strong proletariat (strong in its own terms, not, for example, in terms of the percentage of workers in the population – please do not confuse this with the ICC’s so-called ‘critique’ of the theory of the weak link (see IR 37, 1984), according to the astrological prediction of which, the world revolution can only begin in Western Europe). Though Russia in 1917 was predominantly rural, her proletariat was a major battalion of the world proletariat. And Russia was, in fact, the world’s fifth or sixth industrial power with the famous Putilov, employing 40,000 workers, being the world’s largest plant then.

10. *Socialisme Mondial* is the French-language quarterly of the World Socialist Movement (address: BP, 26, 6700 Arlon, Belgium). I am not familiar with the WSM’s politics except for what Buick says in his letters and for the fact that one of its constituent members is the Socialist Party of Great Britain. The SPGB is a ‘Marxist’ group which believes that the socialist revolution will occur when one fine day the majority of the workers (who it defines to be anyone, be him an accountant or a bank manager or a government minister or a secretary or a factory worker, who receives a wage – further, there are, according to the SPGB, only two classes in capitalist society: those who earn a wage and those who do not), having first understood intellectually, and thus demand, socialism will simply take over the existing state machinery and re-organize society on socialist lines. There is no space here, nor is there any need, to criticize these feeble-minded idealists (see, for example, the ICC’s critique of it in *World Revolution* (the ICC’s territorial press in England) nos. 7, 14, 18 and 20, and the CWO’s
end to the food shortages. These demands were understandable in the circumstances, but they do not amount to a communist consciousness.” (The demand for land was also mentioned but since this was a demand of the peasants which has already been examined, we can ignore it here.)

These people do not, of course, deny that there was an extremely high level of working class activity in 1917, but deny that it constituted a socialist struggle. Reason? Simply because the majority of the workers did not demand the communist programme! For them, for the class consciousness of the vast majority of the working class to qualify as communist consciousness, it must reach the level of knowledge in Marxist theory.

What these people fail to realize is that, at least for the period prior to the revolution and that of the initial phases of the transitional period (unless otherwise stated, all the following comments are made with reference to this period), for the vast majority of the working class, their conception of socialism will never be couched in the terms of the communist programme. Their problem is they consider workers’ demands in abstract, each independently by itself. A demand for an end to food shortages, in itself, certainly does not necessarily possess any socialist character. The sans-culotte in the French Revolution demanded the same thing. Similarly, a demand for peace, in itself, certainly needs not necessarily be socialist in nature, it can just as well be bourgeois pacifism. But we need to realize that, contrary to the idealist conception of class consciousness, the vast majority of workers do not start struggling with ‘lofty’ ideals drawn directly from the communist programme, having first been educated in and understood it intellectually, and, as a result, want to establish socialism. According to the materialist conception of class consciousness, the mass of workers, like slaves or serfs, start struggling for very ‘mundane’ reasons, which are to defend their material interests. What makes the struggle of the workers possess the potential of becoming a struggle for socialism and the struggle of the slaves or serfs possessing no such potential is the different

11. In my discussions with the Groupe Communiste Internationaliste (address: B.P. 54/ Bruxelles 31/ 1060 Bruxelles/ Belgique) in 1983, they expressed a similar opinion. The GCI originated from a split from the ICC.
methods of production that are the 'background' of their struggles. Workers struggling against exploitation may not be any more 'intelligent' than slaves or serfs struggling against exploitation, but because they occupy the position as the producers in the 'socialized' (in quotes in order to distinguish it from the socialization under the socialist method of production) capitalist method of production, the struggle of the working class against the exploitation imposed on them by the capitalist relations of production, thus, possesses the potential of being a revolutionary (in historical terms) struggle for socialism, whereas the struggles of the slaves and serfs against the exploitation imposed on them by the slavery and feudal production relations respectively do not possess any revolutionary (in historical terms) potential. (As a matter of fact, socialist thought, ranging from the vaguest ideas of what socialism is to the scientific communist programme, as part and parcel of the working class struggle, is itself a product of the contradictions of the capitalist method of production and did not arise out of the blue from the heads of some thinkers meditating in a vacuum.) A socialist struggle, thus, does not start as a socialist struggle. Instead, workers start struggling for 'mundane' reasons and it is when, in the course of its development, their struggle realizes its socialist potential, i.e., when the workers realize that they cannot defend their material interests without overthrowing the existing (capitalist) system and replace it with what they understand as socialism, that it becomes a socialist struggle. For the vast majority of the workers, their conception of socialism will always be 'primitive', containing no more than vague notions of working class fraternity and equity, of workers' sovereignty, of the common ownership of the means of production, of a system without capitalists and exploitation, etc.. This is because, as said, workers start struggling for 'mundane' reasons and not because they have in the first place been educated in the communist programme, have intellectually understood it and, as a result, want to establish socialism. (It will be noted that in the above although we are using the word 'struggle' in the singular we do not mean a single struggle such as the recent British miners strike, but rather to a wave of struggles that ultimately leads to the revolution. In other words, here we are not concerned with the question of how the consciousness of the mass of workers (i.e., excluding the revolutionary minorities) develops during downturns within that wave of
struggle, which is a different question altogether.)

When the Russian workers overthrew Tzarism in February, they did not yet aim at the overthrow of capitalism, they no more than 'questioned' the legitimacy of capitalism (we have already shown that Russia was thoroughly capitalist) in their struggle arising out, and in defence, of their material interests, and staked their claim in the political arena, not by applying political pressure through the existing political system, but by imposing their will on the latter. The demands they made (bread and peace) were indeed simple demands. But starting by first 'questioning' whether they could defend their material interests within the existing (capitalist) system, they came to realize in the course of their struggle that they could not do so without overthrowing it and replacing it with what they vaguely understood as socialism. In other words, in the course of its development, the workers' struggle in Russia in 1917 realized its potential socialist character. This was why their simple demands possessed socialist meanings.

The sans-culotte also demanded bread, but being part and parcel of the French Revolution, it was a bourgeois demand (for example, on the eve of the fall of the Bastille, the Parisian masses bore busts of, amongst others, Necker; in the Parisian riot in April 1789, the insurgents shouted slogans in support of the Tiers-Etat). For dreamers, if the majority of the workers do not demand, having first intellectually understood it, the communist programme; if they do not put forward slogans such as “We demand the labour time voucher system!”, “We demand the abolition of value!”, etc.; then, *ipsa facta*, their struggle is non-socialist:

"‘communist consciousness’ [is] Basically, a conscious desire to see established a society without classes or the state and without money, prices, wages, banks and all the paraphernalia of buying and selling. Clearly only a very small minority of people in Russia had such a consciousness in 1917.” (Socialisme Mondial’s letter previously referred to)

For dreamers of this ilk, the socialist revolution is an ‘ideal’ revolution which occurs when every (or almost every) worker has become *educated* in Marxist theory and, as a result, wants to establish socialism. For Marxists, the character of the workers’ movement in 1917 is not determined by the demands for bread and peace considered *in themselves* but by the general thrust of the movement itself. In this respect, there can be no argument at all
that the majority of the workers were ultimately struggling to overthrow the existing (capitalist) system and seeking to replace it with what they vaguely understood as socialism. (There are literally thousands of volumes of evidence to support this statement.) Which simply means that it was a socialist struggle.

We now come to the privileged area of the anarchists/libertarians: the ideology that the socialist struggle of the working class was successfully 'usurped' by the 'bourgeois' Bolshevik 'power-mongers' who established a 'bourgeois' state with which to 'suppress' the working class struggle. As said at the beginning, we proceed in three stages here: 1. to show that the Bolsheviks were, before 1917, a proletarian party; 2. to show that the October revolution was a workers' revolution and not a bourgeois coup d'etat; and 3. to show that the soviet state was, at its formation in 1917, a workers' state, if only a seriously deformed one right from the very beginning.

Were the Bolsheviks (before 1917, ditto below) a bunch of bourgeois power-mongers? Some answer 'yes'; some others answer 'yes and no': the top echelon Bolsheviks were, the rank and file were not. In either case, Lenin is singled out as the masterful 'bourgeois power-thirsty villain'. Thus, Lenin is, firstly, denigrated in terms of his 'wicked' character: "recall that all these [Lenin, amongst others] shared a common, middle-class background with much of the authoritarian substrate that this implies" (TWAG in the Communist Bulletin (see footnote 23) no. 7, p. 30); or "Lenin, with highly-charged authoritarian personality" (TWAG, Reply To The ICC On Social Democracy And The Russian Revolution). Secondly, Lenin is portrayed as the 'bourgeois' who

12. The text "October 1917, Beginning of the Proletarian Revolution (Part 2)" in the ICC's IR no. 13, 1978 contains an excellent analysis, by means of a detailed examination of the history of the Bolsheviks, of how the story of the Bolsheviks as 'machiavellian bourgeois power-mongers' stretches credulity to the realm of Alice in the Wonderland. Our analysis here follows a different line of argument, namely, by criticizing the methodological basis (or, rather, the lack of it) of such tale-telling.

13. Tampa Workers Affinity Group (address: PO Box 16000 SG/ Tampa, Fla. 33687/USA) which calls itself an anarcho-communist group. If pressed to state them in statistical terms, it would rate the relative contributions to revolutionary theory of Marxism and anarchism at about 60—55% and 45—40% respectively.

103
masterfully ‘usurped’ the working class struggle in order to seize state (which, according to these people, is, by definition (sic), bourgeois (let us ignore, for simplicity’s sake, pre-capitalist states – ditto below) – we will deal with this point later) power: “without such a tactical turn and such rhetoric, why or how would the insurgent workers even listen to him [Lenin] or join his party? From our point of view, this new policy is nothing but an ingenious ploy, a clever gambit, a patented manoeuvre at which Lenin is the master, and which he will make again and again on his road to State Power!” (TWAG in Communist Bulletin no. 7, p. 30, original emphasis); or Lenin “adapted himself to the radical mood of the masses . . . Was Lenin’s ‘State And Revolution a cynical, phony piece of propaganda’? Based upon the prior and subsequent political career of Lenin . . . we must answer: Yes! Certainly! Without a doubt!”; or “Here we are in agreement with Focus opinion that the false mantle of Lenin’s internationalism coming from his slogan “Turn the imperialist war into a civil war” is nothing but a snare and a shibboleth”. (Both from TWAG, Reply)

There is no need to try to defend Lenin’s character for we are not drama critics; in any case, the ‘character’ so-called ‘argument’ is subsidiary to the ‘motive’ so-called ‘argument’. Neither shall we try to defend Lenin’s motives for that will be to fall precisely into the ideological trap of the above ‘arguments’. For all such ‘arguments’, astrologically reading into Lenin’s alleged motives, are not arguments at all since they are based on something (a person’s alleged motives) that cannot be argued scientifically at all. The essence of this kind of ‘argument’ can be reduced to: X does Y for motive Z. How do you know? Because X does Y, which proves (sic) that he is doing it for motive Z. I.e., the proof (sic) is the assertion itself. Of course, someone else can, with just as much (i.e., just as little) justification, assert that X is doing Y for motive W. Since the proof (sic) is again that X is doing Y, the only common ground for ‘argument’ between the two assertions is and can only be astrology. As a matter of fact, a psychoanalyst might come along and say that X is, in reality, doing Y for a motive.

14. FOCUS (address: PO Box 20402/ Seattle, WA 98102/ USA) was previously F.O.R. (Fomento Obrero Revolucionario) Organizing Committee in the US. It split from F.O.R. a number of years ago but remained as a libertarian group. In early 1984, many of its members joined the I.W.W. F.O.R. was originally formed by Grundrizo Munis et al, Trotsky’s colleagues in Mexico.
of which he himself is unaware!

Marxists do not base their arguments on astrology or psycho-analysis. Lenin and the Bolsheviks have to be (must be and can only scientifically be) judged on the basis of the **OBJECTIVE class nature of the positions** they defended both in theory and in practice.\(^{15}\) It is only on the basis that their class nature has objectively been determined that we can go on to *interpret* their actions. Otherwise, our ‘analysis’ would be nothing more than speculation. If the ‘Lenin is a bourgeois’ ‘theorists’ wish to rise above their circular self-fulfilling interpretations of Lenin’s actions disguised as ‘arguments’, it is necessary for them to prove in the first place that the *positions* defended by Lenin and the Bolsheviks were *objectively* bourgeois positions and *not* to speculate on Lenin’s motives or put forward similar idiocies. As we will see later, if they do proceed to do that, there is no way in which they can possibly show that Lenin and the Bolsheviks prior to October 1917 were ‘bourgeois’ and the only internally consistent (which is not to say that it is correct — theology is internally consistent too) conclusion which allows them to condemn Lenin and the Bolsheviks immediately after October 1917 as ‘bourgeois’ is to condemn Marxism *itself* as ‘bourgeois’, an extreme, however, most of them are unprepared to go to.

Before proceeding, it is interesting to note that there are certain ‘Marxists’ who also abandon objectivist for subjectivist arguments. For example:

> “for us, a socialist or communist group is defined by the wish to see established a classless, stateless, moneyless society immediately. This rules out all those groups which stand for the maintenance of the state and/or money in the society they wish to see established in the immediate future or who wish to insert between capitalism and communism some sort of ‘transitional society’.” (From *Socialisme Mondial’s* above referred to letter, emphasis added)

Such an ‘argument’ is even worse than the above-mentioned ‘Lenin is a bourgeois’ ‘theories’, for these ‘theories’ at least go one step further: a *stated* wish is not enough, it is necessary to see

---

\(^{15}\) As Lenin said, it is not enough to defend a position in theory alone, it must also be defended in practice. Thus his criticism of the centrists as internationalist in words but chauvinist in deeds. Whenever the defence of position is mentioned in the text, this point must be kept in mind.
(i.e., speculate) whether it is only an "ingenious ploy", etc. to hoodwink the workers for ulterior bourgeois power-mongering purposes. Although in the same letter, *Socialisme Mondial* say that they "don't really know what" is meant "by 'class lines' and 'non-class lines'"; in the above quotation they are *at the same time* clearly saying that, inter alia, the question of whether one is for or against a post-seizure of power state is a dividing line separating a bourgeois from a communist group (the reader will forgive me for understandably using a longer and more cumbersome expression to express, as any literate person can tell . . . exactly the same thing). The question of the state will be discussed later.

Political fractions of the proletariat are defined by what are known as class lines, i.e., whether the positions held by them both in theory and in practice on major issues concerning the class struggle *objectively* defend the interests of the revolutionary struggle of the working class.16 It is on the basis of this criterion that despite all their errors (for example, Lenin's view of class consciousness — by no means only his — which was and is17 *not*

16. Class lines do change over time. For instance, trade unionism since the 1910s has been objectively counter-revolutionary while previously it was not. Secondly, it is necessary to strictly distinguish and differentiate between the platform/programme up to the seizure of power and the programme after that, i.e., the programme for the transitional period. For example, a revolutionary cannot be regarded as objectively counter-revolutionary because he defends an anti-state political programme for the transitional period *before* the seizure of power so long as he defends the correct platform/programme for the period up to the seizure of power. Thus, anti-syndicalist anarchism is proletarian before the seizure of power (the thesis that anarchism has been counter-revolutionary since World War One because it participated in the war is pure nonsense: many anarchists were internationalists then), but all strands of anarchism is counter-revolutionary after the seizure of power because in the most important point of the dictatorship of the proletariat, they defend a counter-revolutionary position. Similarly, the ICC cannot be called counter-revolutionary today though it defends a bourgeois anti-state position re the transitional state (see footnote 19, infra).

17. The ICC's current (this is written in January 1986) scandal notwithstanding: as part of its on-going process of degeneration (see my "Critique of the ICC" (section on organizational degeneration) in *International Correspondence* no. 2 (English Supplement) (see footnote 23), October 1984 and the texts in *Communist Bulletin* nos. 1 & 2), the ICC has branded what it calls its 'councilist-leaning' tendency as 'centrist' and 'opportunists' By twisting all these terms such as to rob them of their original meanings.
a class line), the Bolsheviks were basically a proletarian group. Those who, for example, portray the Lenin of 1915 as a ‘machiavellian bourgeois power-monger’ have always shied away from explaining (because they are unable to do so, except, of course, to resort to the “clever gambit” kind of garbage) the objective bourgeois content, were there any, that is, of his revolutionary stand both in theory and practice against the war hysteria which at that time still gripped millions of workers:

“Universal propaganda, extending to the Army and the field of military operations, for the socialist revolution, and for the necessity of turning one’s weapons not against one’s brothers, the hired slaves of other countries, but against the reactionary and bourgeois governments of all countries.”

Proceeding from an objectivist (and, therefore, scientific) analysis, there is no way in which Lenin and the Bolsheviks (prior to 1917, the period with which we are concerned here) can be regarded as so-called ‘bourgeois gangsters’. It is, however, still possible to say that they were ‘bourgeois’ after the October revolution which, nevertheless, requires one also to reject Marxism itself as ‘bourgeois’ on the ground that they supported the Marxist defence of the necessity for the commune-state during the transitional period (see also footnote 33, infra and footnote 16, supra). This brings us to the question of the state.

It is alleged that the October uprising was a (‘bourgeois’) Bolshevik ‘coup d’etat’. From this follows the other ideology that the post-October 25th state was a ‘bourgeois’ state. The line of argument can, in fact, be reversed: because a state was built on the wake of the October 25th uprising, therefore (sic), given that a state is by definition (sic) a ‘bourgeois’ institution, the

---

the ICC accuses its tendency for ‘crossing a class line’. See World Revolution no. 90(A), IR no. 43, etc. and the CBG’s “Open Letter to Those Comrades Who Have Left the ICC” of January 12, 1986.

18. Lenin and many Bolsheviks defended national liberation, an objectively bourgeois position. But this did not make the Bolsheviks bourgeois because national liberation was not the most important class line and on the majority of other class lines, they defended objectively proletarian positions. Also, we are not going through an examination of the positions defended by the Bolsheviks which made them a proletarian organization in the text because these have been examined on numerous occasions before by other revolutionaries (see, for example, the ICC’s text mentioned in footnote 12, supra). Also see footnote 33, infra and footnote 16, supra.
October 25th events must, again by definition (sic), constitute a 'bourgeois' 'coup d'état'. Further, since propagators of these ideologies assume implicitly (i.e., unawares) (and erroneously, it can be added in passing) that the working class could not have stabbed itself by erecting a (by definition (sic) 'bourgeois') state, therefore, the October 25th events (already shown (sic) to be a 'coup' by the above argument) must, again by definition (sic), be a 'coup d'état' of the Bolsheviks, whose 'bourgeois' nature has, naturally, been taken for granted. For instance, the Introduction to the anarchist Freedom Press' 1971 reprint of Alexander Berkman's *ABC of Anarchism* says:

"the Bolsheviks, or communists as they call themselves after 1918, had got control of a number of key Soviets, and in particular the Petrograd Soviet. On October 25 (...), the Bolshevik-controlled Revolutionary Committee [NB: correct name is Military Revolutionary Committee] of the Petrograd Soviet staged a coup d'état in the capital. This was followed by coups in Moscow and elsewhere. The Bolsheviks established a Council of People's Commissars. The had become the government!" (p. ix)

Based upon the materialist, which is the only scientific, method in analysing history and society in general, and capitalism in particular, Marxists have always held that the socialist revolution must, because it can only, begin as a political revolution in which the political rule of the bourgeoisie is overthrown. Based upon the same method, Marxists have also always held that the state (which came into being only with the rise of class society — the association between class and state is an anthropologically established fact) is a class instrument the ruling class uses to consolidate, maintain and further its rule over society as a whole for the purposes of defending its interests against the interests of the other social classes. Since classes inevitably will continue to exist after the proletariat has overthrown the political rule of the bourgeoisie (this conclusion is again drawn on the basis of the Marxist scientific analysis of the transition from capitalism to socialism), the proletariat, therefore, requires a *proletarian* state after seizing power from the bourgeoisie to defend its interests against the interests of the other social classes, i.e., defend the revolution against the sabotage of these counter-revolutionary or reactionary, as the case may be, classes. As is well-known, the above strictly scientific
conclusions\textsuperscript{19} have always been rejected by anarchists/libertarians and their anti-state so-called ‘Marxist’ fellow-travellers, for whom communism (which has no state) can come literally overnight. Rather than repeat the arguments here, I shall reproduce in part a series of correspondence between the TWAG and I on this question below. I do so because the willingness to discuss has allowed a clarification of the issues involved — and their resolution too, I believe — in a way unachievable by a unilateral exposition of the Marxist analysis. (The correspondence is reproduced exactly as it was originally written except for minor grammatical corrections.)

In a letter to the TWAG dated January 22, 1984, I first raised the issue as follows:

On the question of the state you take Bakunin's position who you quote extensively and approvingly: .... Immediately after the last Bakunin quote, however, you at the same time, also approvingly quote Engels' remark on the Paris Commune being the dictatorship of the proletariat. Comrades, Engels' position is antithetical to Bakunin's! For Marx & Engels the state is not a 'secretion' of society-in-abstract rising mysteriously above it and ... oppressing it (Bakunin's "if there is a state, there must be domination of one class by another", though not saying it explicitly, implies that the state preceded classes; ...). The state arose with the rise of class society. In primitive communism, there was no state, though the "things" of society were definitely "administered". Anyone at all familiar with anthropology will not fail to confirm this (even bourgeois anthropologists have to accept this fact, though using sundry ideological explanations, something that Marx & Engels, basing upon the scantiest anthropological studies available in the 19th-century, were already able to theoretically postulate using the method of historical materialism). The state arose with the rise of class society for the oppression of one class by another. Bakunin

\textsuperscript{19} As the reader may know, the ICC regards the post-seizure of power state as, like all states, above (sic) class and, thus, rejects it as an instrument of proletarian dictatorship. (See its \textit{The Withering Away of the State in Marxist Theory} pamphlet) For a critique of this bourgeois, anti-Marxian theory, see the section "The ICC's Bourgeois Theory of the State" in my text mentioned in footnote 17. supra.
rejected this analysis, if not always explicitly. . . . Whenever we are talking about the state in the Marxian sense, therefore, we must bear in mind that its existence is bound with class society and is an instrument for the oppression of one class against another.

A second question to be considered is: can the proletariat build socialism within capitalism? When the bourgeoisie overthrew feudalism, they did so by slowly achieving hegemony economically, and then crowned their de facto overthrow of feudalism by the bourgeois political revolution. In other words, the bourgeoisie first conquered the economy and then the polity . . . . Now, can the proletariat first conquer the economy (via, for example, according to sundry leftists, nationalization) and then the polity? Or is the reverse the case? Or both at the same time? The last question is the same as asking can communism be built overnight? Let alone . . . that the ideology of past generations weighs upon us like a nightmare, will the law of value . . . disappear as if by magic immediately? Unless someone can prove how either 1. the proletariat can first conquer the economy within capitalism, or 2. the law of value will disappear on the morrow of the revolution simply by the will of a minority of the population (the proletariat being itself a minority of the population and, of the proletariat, only a part will be for the revolution), then I will continue to hold the Marxist position, demonstrated innumerable times before, that capitalism can only be destroyed by the proletariat first seizing political power, and then slowly overcoming the law of value, not to mention the counter-revolutionary attempts by sundry forces. This is the important difference between Marxism and Anarchism. For example, a quote of yours from Golos Truda says: “inasmuch as we do not believe in the broad perspectives of a revolution which begins with a political act, that is, by the taking of power.” The tragedy of anarchism is that it has never faced up to the questions raised earlier in this paragraph and continue to talk shit. Power seems to be evil all in itself — fortunately, I think you do not take this position for you say, afterall, “the councils must become everything and the state nothing.”

Now, we can combine these two points together, namely.
1. that the state is a class instrument used by one class against another (plus other social categories) to protect its own interests, and 2. that the proletarian revolution must begin as a political act, i.e., with the proletariat seizing political power for itself. We’ve just seen that sundry forces will attempt to overthrow the proletariat, both before and after it has seized power (I assume you agree that this is an indisputable historical fact). Which means that the proletariat, once it has seized political power must organize to defend its interests against these counter-revolutionary forces (which is none other than the interests of the revolution and humanity’s interests as a whole). This organization formed by the proletariat to defend its revolution is none other than the state in the Marxian sense, i.e., an instrument one class uses (in this case the proletariat) to defend its interests against another class (plus other social categories). If one denies the necessity for the state, i.e., the dictatorship of the proletariat, during the transitional period, then one denies either:

1. Communism cannot be built overnight, classes will not disappear overnight (in which case he will have to prove his case); or
2. that the proletariat having seized political power (in fact, even before it, for example, the red guards and revolutionary soldiers before October) needs to defend its interests, i.e., the revolution; or
3. that sundry counter-revolutionary forces will attempt to overthrow proletarian power (both during the period of dual power and after the proletariat’s seizure of power); or
4. he does not understand what Marxists mean by the “state”; or
5. he does not really know what the issues in question are; or
6. all the above.

In fact, your comment “the councils must become everything and the state nothing” really gets me lost. By that, are you agreeing that the proletariat needs an instrument to defend and further the revolution against various counter-revolutionary social classes/forces? If so, that is the state in the Marxian sense already . . .

The state will disappear only after other social classes/categories have been slowly integrated into associated labour during
the transitional period, i.e., when classes disappear and only freely associating labour exists.

In a letter dated August 11, 1984, the TWAG replied briefly as follows:

Concerning your long letter sent to us several months ago . . . we drafted an outline for an extensive reply to the issues raised about Bakunin, Lenin and the Russian Revolution . . . But we determined that such a reply would serve no benefit as both the pro- and anti-Lenin sides of all of this are quite recalcitrant, and our arguments on this have now been aired in the C.B.G. [Communist Bulletin] issue no. 7.

I replied to the above in a letter of April 13, 1985:

Let me now refer to your letter of 11.8.84. Apparently, you seem to think that your text in Communist Bulletin no. 7 has answered my letter of 22.1.84: “Concerning you long letter . . . we drafted an outline for an extensive reply to the issues raised . . . But we determined that such a reply would serve no benefit . . . and our arguments on this have now been aired in the C.B.G. issue no. 7.” I have read your text . . . which, in fact, I had read somewhere else before. However, I do not think you have even touched upon the questions raised in my letter, let alone answering them.

For the sake of argument, I can accept everything you have said about Lenin, the Bolsheviks, Bakunin, etc., etc., but still the fundamental questions that I insist must first be resolved before any further meaningful discussion can take place between Marxists & libertarians raised in my letter remain. As I said, let us not sidetrack ourselves by haggling over Lenin’s psychology or character, or whether Bakunin or Marx was the good guy in the First International, etc., etc. Let’s stick to basics:

1. Can the proletariat gradually build socialism within capitalism (either by means of leftist nationalization or anarchist enclaves of self-management)?

2. If not, does that not mean the bourgeoisie must first be overthrown & the bourgeois state smashed in a violent proletarian revolution? And that only then can the proletariat begin to build socialism?

3. In such a revolution, does not political power (political power = the ability to make others submit to one’s will
even against theirs through the threat of force or force itself ultimately) pass into the hands of the proletariat? If that is the case, does that not mean the socialist revolution begins in an act of conquering political power? (You sometimes seem to agree with this as, for example, in Russia 1917–1921: “On Oct 25th, 1917, world-historic power passed from the class of bourgeois domination to the forces of social revolution”; but sometimes seem to disagree as, for example, when you quote Golos Truda approvingly: “in as much as we do not believe in the broad perspective of a revolution which begins with a political act, that is, by the taking of power”.) Please do not mistake that I am saying the socialist revolution is only a political revolution, it is not, it is a social revolution, but it can only and has to begin as a political revolution.

4. Is it true that the society after the [seizure of power] cannot be a classless society? Is it also true that the former bourgeoisie & its hangers on would try their utmost to reconquer political power? Is it true that as a class only the proletariat has the potential (because of the position it occupies in the social relations of production) to possess the consciousness & will to abolish private property as such, i.e., that after the [seizure of power] various social forces besides the bourgeoisie such as the middle class will actively or passively resist/sabotage the proletariat’s attempt to abolish private property? (. . .)

5. Does that not mean that after having conquered (. . .) political power, the proletariat will have to organize to defend its attempt to abolish private property, i.e., protect its interests against the reactionary & counter-revolutionary resistance/sabotage/attacks of other social classes/groups?

6. Is it true that in Marxist analysis, the state is precisely a political instrument used by one social class to defend its interests against the interests of other social classes? (As said in my earlier letter, anthropological studies done since Marx’s time have provided ample illustrations of the soundness of Marx’s theory that the state is a class instrument & not vici versa, i.e., classes did not arise from the state but vici versa.)

7. Am I not, thus, correct to say that this “organization
formed by the proletariat to defend its revolution is none other than the state in the Marxian sense”? (This organization is namely the commune- or council-state.) I.e., is it not true, then, to say that the socialist revolution begins with the seizure of state power by the proletariat?

8. Are you, therefore, not contradicting yourselves when you say “the councils must become everything & the state nothing”?

To the above the TWAG replied in a letter of May 23, 1985:

1. Can the proletariat gradually build socialism within capitalism? The historically proven answer is NO. We are not anarcho-syndicalists nor self-managementites & we never have been. We oppose the I.W.W., the C.N.T. & all such reformist organizations like the newly-formed anarcho-frontist “Workers Solidarity Alliance” here in the U.S.

2. Must the bourgeoisie be overthrown, its State crushed through violent workers’ revolution? Of course! What else?!? Smash the State: that’s an anarcho-communist slogan. We are partisans of Makhno on this, & not milquetoast libertarians. We seek to be amidst the red & black guards who burn down police headquarters, sledgehammer all government files & computers, torch all Churches & union & rock concert halls, eliminate all judges, newspaper editors, city bureaucrats, insurance agents & other class enemies. O.K.?

3. Political power? We are for the construction of a New Proletarian Power, an Anti-Power if you will, emanating from specific mandates by Workers’ Soviets, organs of continuous proletarian & communistic democracy. Yes, we assert still what we said about the passage of world-historic power from one class to another in Russia during October, 1917, but this did not last very long (we calculate about 4–5 months). You miss the point of Voline’s remark about political power – Golos Truda opposed the seizure of State Power by a party on behalf of the revolutionary workers. The anarchists rebuked the substitutionist conception of social revolution as taught by Kautsky & Second International, Lenin & the Third & most “marxists” today, even though Marx himself
wrote differently after the Paris Commune

4. & 5. We accept the notion of a “transitional phase”, of the workers’ dictatorship, of civil war, & armed force & class conflict for an extended period. Unlike modernists, we do not believe that one day the workers will wake up in a satori-like revolutionary trance, expunge all bourgeois power, & end all value & hierarchy in 48 or 72 hours, & then every one will revel in full communist bliss. Such are the illusions of academics & cowards within the “councilist” milieu. Unfortunately for those of us who also want to be lazy, much historically practical work/roles will have to be accomplished, revolutionary duties will have to be carried out, etc.

6. & 7. For us, “the State” is not the same thing as Marx’s notion of civil society, although the State expresses the essence, the latent content of over-all social organization. This is exactly why the workers’ power/dictatorship cannot be confused terminologically with “the State”. New & revolutionary social, political, economic & cultural relations cannot be “the State” because bourgeois civil society & the ascendancy of the Workers’ Councils/Soviets are two qualitatively separate phenomena. Sure, there is power, power issued by an open process of democratic decisions by the Councils, power which is not & cannot be permanent: all positions of responsibility must be of short duration & rotated through ad hoc committees, tribunals, etc. To wit, & after Lenin, every cook must also be allowed to broadcast on the radio, T.V., etc. This is a state of affairs, to be sure. Call it a Fighting Commune, the Armed Workers’ Power, etc. but why mention the Old World conception of “the State” which implies the historical idea of arbitrary control by an elite & subordination by the many? Ambiguities like this must be removed from the outset so that all of the class elements & relations can be seen & understood clearly.

8. Therefore, there is no contradiction to our statement that: “The Councils must become everything & the State nothing”.

On June 15, 1986, I replied as follows:

I am in receipt of your letter of 23.5.85. Firstly, I am delighted to find that, as far as I understand it, we now seem to agree in substance on a number of fundamental issues... However, I feel I must, perhaps for one last time, dwell
further on the questions we have been discussing so far. I feel I must do this for reasons of revolutionary clarity and I do hope I am not trying your patience.

Concerning your comments on points 1 to [8] of my earlier letter:

1. For the purpose of our present discussion, I think we are in agreement here.

2. For me, it is not ‘smash the state’ but the bourgeois state: see points 6 & 7 below.

3. Here I do not wish to argue whether anarchism simply rejects the substitutionist conception [on this concept, see “Conclusions”] or the conquer of power as such. I think the more important issue here, since you agree with the question of power (“We are for the construction of a New Proletarian Power”), is your understanding of the concept power. Since you accept in points 4 & 5 the notion of a transitional period of the workers’ dictatorship, I do not understand what you exactly mean by the term ‘Anti-Power’. If there is a proletarian dictatorship, then dictatorship over what/whom? If this ‘what/whom’ is something/some social classes & not a nothingness, then what is a dictatorship if not the exercise of political power (=, as I defined it last time, the ability to make others submit to one’s will even against theirs through the threat of force or force itself ultimately)? One might not like the term ‘power’ for its historical connotations, but a term is not simply a term which can be abandoned simply because one does not like it, it is a concept in itself. In points 6 & 7, you say: “Sure, there is power, power issued by an open process of democratic decisions by the Councils, power which is not & cannot be permanent”. When the Paris Commune principle is vigilantly enforced by the workers in the councils, where does workers’ power rest? With the delegates? Certainly they carry out the daily tasks of the councils, but if they are revocable at all times then power ultimately rests with the workers. I trust you will not disagree with this. But what then is meant by saying that workers’ power “is not and cannot be permanent”? The mandates of the delegates may not be permanent (which they will not be), but if workers’ power is not permanent, then it only means that the workers’ dictatorship is crumbling & the revolution itself is collapsing.
for workers' power is power over other social classes. (Here we concentrate on the initial phases of the transitional period & ignore the period of the transition from socialism to communism during which the dictatorship of the proletariat over the rest of society fades as classes increasingly disappear.) By confusing between the mandates of council delegates & workers' power, you apparently commit the same mistake in another form as the CWO in their formula "the party takes power through the councils". [On this formula, see "Conclusions".]

4 & 5. I think we agree here.

6 & 7. The point concerning power has already been dealt with. As to the question of the state, again, you object to the term: "Call it a Fighting Commune, the Armed Workers' Power, etc., but why mention the Old World conception of "the state" which implies the historical idea of arbitrary control by an elite & subordination by [I think you mean 'of'] the many?" Since you agree with the necessity of workers' power, I cannot see how you can object to the concept of the state (the state = organized political power, an instrument the ruling class uses to guarantee & exercise its dominance over the other classes). If the term 'the state' should be abandoned because of its historical connotations, then why do we not also abandon terms such as 'dictatorship' (even a workers' dictatorship), 'armed force', etc., etc.? In popular usage, the words 'Marxist', 'Marxism', 'socialism', 'communism', etc., etc. have been equated to Stalinism (in all its varieties), why do we not also abandon them? Again, a term is not simply a term, but a concept in itself. Not only does not the rejection of a term serve to remove ambiguities, it actually confuses the concept, as illustrated strikingly by your confusion over the mandates of council delegates & workers' power. (P.S.: rereading your points 6 & 7 now, it seems to me that just as, with reference to the question of power, you confuse between the relationship between the proletariat & their delegates on the one hand and, on the other hand, the relationship between the proletariat (including their delegates) & the other social classes, with reference to the question of the state, you are also plagued by exactly the same confusion: while within the proletariat (including,
assuming a correct programme for the transitional period is instituted, those who were originally not members of the proletariat but who have been integrated into productive labour) "New & revolutionary social, political, economic and cultural relations" are being established, this alters not one iota the fact that the proletariat would be surrounded by a reactionary/counter-revolutionary environment one component of which is the existence of other (counter-revolutionary/reactionary) classes, which is the very reason why the proletariat requires a state — a proletarian state organized in strict accordance with the Paris Commune principle — to defend & further its revolution. What you seem to be saying is that because the Paris Commune principle prevails within what you prefer to call the "fighting commune" or "the armed workers' power" (& which I & every Marxist, following strict scientific Marxist analysis, call the proletarian state), the proletariat does not require an organized political power (i.e., the proletarian state) as an instrument to defend its revolution against the counter-revolutionary/reactionary forces. The entire formulation of your points 6 & 7 suggests that you actually disagree in substance with the Marxist position that the state is a class instrument the ruling class uses to defend & further its interests against other social classes.

8. Therefore, if there were indeed no contradiction in your statement "The Councils must be everything & the state nothing", it is only at the cost of confusing the issues.

The TWAG has not yet replied to my last letter (this is written in January 1986). As far as I can see, except by making unsupported fantastic assumptions such as the bourgeoisie and its hangers-on will repent on the morrow of the seizure of power, the Marxian position on the state is impregnable.

The fact that a state was built upon the October 25th uprising is entirely consistent with Marxist theory. To say that for this reason the October 25th uprising was, by definition (sic), a ‘bourgeois coup’ is nothing but a piece of anarchist/libertarian/anti-state so-called 'Marxist' nonsense. Having established that, we can now proceed to examine if the October 25th uprising was indeed a 'coup'. First of all, a note on terminology. As we will argue, the uprising was a seizure of power by the proletariat, now, while
a coup also involves seizing state power, the October 25th power seizure cannot be called a coup in the ordinary sense of the term because, as we will show, it cannot be regarded as a comparable event to, for instance, Pinochet’s coup against Allende.

Anarchist/libertarian/anti-state so-called ‘Marxist’ dreamers aside, the history of the working class struggle has shown us that even in intensely revolutionary periods, class consciousness amongst workers is extremely heterogeneous, varying from very high to very low levels. Contrary to their non-existent ‘ideal’ revolution, revolutions do not occur when one fine day all workers suddenly arrive at the same high level of class consciousness and overthrow capitalism. There are always some workers who are more advanced, in term of class consciousness, than the others and the whole revolutionary struggle advances as these workers take the lead and initiative and carry the latter workers with them. This is not to say that the latter workers are being manipulated, rather, they are being convinced by the more advanced workers. It is necessary to state this here because one of the reasons why the Bolsheviks were accused of ‘usurping’ the working class is because they took such an active and leading part towards the later stages of the period of dual power. The pathetic consequences of such naive reasoning were well illustrated when at one time libertarians argued that revolutionaries should not accept delegation by workers (in order to remain as ‘pure’, ‘uncontaminated’ by-standers perhaps)! Thus, while on the one hand, Lenin is (correctly) criticized for his view on class consciousness which sets the mass of workers and revolutionaries apart, on the other, revolutionaries are indeed viewed by these dreamers as distinct and separate from the working class. Perhaps, once a revolutionary worker joins a political organization, he should immediately cease participating in the struggles of the mass of workers except for cheer-leading on the sideline? Following the logic of this reasoning, there is no reason why we should stop at the relationship between revolutionaries and the mass of workers, we should, if we are to be consistent, conclude that in all struggles the more

20. The Bolsheviks are often also criticized for lagging behind the masses in the early stages after the February Revolution, which they indeed were. But there is no question that they were leading the mass of workers in the later stages, otherwise the question of their ‘usurpation’ of the working class would not have arisen in the first place.
conscious workers are, in fact, ‘usurping’ the less conscious workers, the latter ‘usurping’ even less conscious workers, and in the Russian Revolution, the Petrograd and Moscow workers ‘usurped’ workers in other places, so on and so forth. The question, therefore, is not that the Bolsheviks took an active and leading role in the development leading up to the October 25th seizure of power, but whether that role rendered the power seizure a Bolshevik coup in the ordinary sense of the word and not a workers’ revolution.

In Marxian analysis, soviets are the historically discovered means of the insurrection (the establishment of dual power), of the seizure of power and of the dictatorship of the proletariat. This conclusion was not arrived at by conjecture, as anyone familiar with the development of Marxist theory in this respect well knows. There is little dispute that the soviets formed in the February revolution were autonomous workers’ organs. What is in dispute is the accusation that they were ‘usurped’ by the Bolsheviks towards the October uprising. On the basis of the above conclusions (the heterogenous level of workers’ consciousness; that there is no reason why revolutionaries should not accept delegation in autonomous workers’ organs), a brief recount of the events leading up to the seizure of power on October 25 will clearly show whether or not it was a Bolshevik ‘coup’.

Since the workers’ and soldiers’ soviets were established up until the Kornilov affair, the Mensheviks had held a majority in their executive organs. For instance, the chairman of the VTsIK of the first Soviet Congress was the Menshevik Chkheidze, the two vice-chairmen were the Menshevik Skobeliev and the Socialist-Revolutionary Kerensky. Of the 11 members of VTsIK, only three were Bolsheviks. Yet, the so-called ‘machiavellian bourgeois power-monger’, i.e., Lenin, put forward the slogan “All Power to the Soviets!” right from the very beginning.21 “A clever gambit”,

21. After the July Days, Lenin for a time proposed to withdraw the slogan. But this was not because he was planning a Bolshevik coup. He explained in On Slogans:

“Now, after the experience of July 1917, it is the revolutionary proletariat that must independently take over state power ... Soviets may appear in this new revolution, and indeed are bound to, but not the present Soviets, not organs collaborating with the bourgeoisie, but organs of revolutionary struggle against the bourgeoisie even then we shall be in favour of building the whole state on
perhaps. It was only after the Kornilov affair that the Bolsheviks gained majorities in key soviets such as Petrograd’s and Moscow’s.

On the eve of the July Days, rumours propagated by counter-revolutionary forces were rampant that the Bolsheviks had made all the necessary preparations for a coup (in the ordinary sense of the term). The truth of the matter, however, is that while the Bolsheviks entertained, like most revolutionaries did at that time, substitutionist conceptions (see the analysis of this concept later in the text), they had never thought of the revolution in terms of a Bolshevik coup d’etat planned and undertaken all by themselves. Since the February revolution, Lenin had always regarded the basic task of the Bolsheviks to be to win over, in terms of consciousness, the soviets to the revolution (this, of course, at the same time meant winning more delegates for the Bolsheviks, about which there is nothing wrong unless we hold that revolutionaries, because they are revolutionaries, must remain as ‘pure’ bystanders), i.e., to convince the mass of workers that their only alternative was to resolve the stalemate of dual power by having power wrested from the Provisional Government and transferred to the soviets. At the beginning he believed that this only meant the completion of the so-called ‘pure’ stage of the so-called dictatorship of the proletariat and the peasantry, since the July Days, he knew this would mean the proletarian seizure of power and the erection of a workers’ dictatorship – see the analysis later in the text. Before the Kornilov affair, workers who identified with the Bolshevik programme were in the minority. During this period, Lenin regarded the time was not yet ripe to pose the question of the proletarian seizure of power. A ‘coup’ the preparation of which needed to take into account the revolutionary consciousness of the workers: indeed some ‘coup’! Those who are not convinced of the above account of Lenin’s tactics during the period concerned need only refer to Lenin’s writings during this time. On the basis of having proven the objective proletarian class nature of Lenin and the Bolsheviks, we have every ground

the model of the Soviets.” (Selected Works vol. 2, Progress, 1970, p. 205)

On Slogans is precisely the text in which he proposed to withdraw the slogan. Lenin made this proposal because the Menshevik-controlled Petrograd Soviet betrayed the workers to the bourgeois counter-revolution in the July Days.
to interpret these writings in the above manner. On the other hand, anarchists/libertarians/anti-state so-called ‘Marxists’ would, of course, prefer, though without any basis at all other than astrology, to interpret these writings, the content of which is for everybody to see, as the “clever gambit”, “ingenious ploy” or what not of the ‘machiavellian bourgeois’ Lenin who was allegedly somehow able to ‘manipulate’ the mass of workers as though by mass hypnotism.

On October 19 (Julian calendar), the central committee of the Bolshevik party held a historical session (Lenin, who had an arrest warrant out for him, had returned to Petrograd under disguise the previous day), and passed by 10 votes to 2 (those of Zinoviev and Kamenev) to prepare for the seizure of power. Before this meeting was held, on the proposal of the Mensheviks, the Petrograd Soviet had established a Military Revolutionary Committee (MRC). The Bolshevik ‘seizure of power’ resolution was presented to the Petrograd Soviet and its MRC, neither of which was a Bolshevik organ, and was passed by both. The preparations for the seizure of power were undertaken by the MRC. These preparations were by no means undertaken in secret. On the eve of the uprising, both the Provisional Government and the workers were fully aware that the decisive moment was approaching. On October 16 (Julian calendar), the Provisional Government ordered the Petrograd garrison to leave the capital. The next day, the garrison passed a resolution which withdrew its recognition of the Provisional Government:

“The Petrograd garrison no longer recognizes the Provisional Government. The Petrograd Soviet is our Government. We will obey only the orders of the Petrograd Soviet, through the Military Revolutionary Committee.” (Quoted in John Reed, Ten Days That Shook The World, Penquin, 1982, p. 71)

In response the Provisional Government immediately deployed its most loyal troops back to the capital, and the Cossacks patrolled Petrograd for the first time since the July Days. Several days later, Lenin’s Can the Bolsheviks Retain State Power? was published. On the 18th Kamenev and Zinoviev published an open letter in Gorky’s Novaya Zhizn explaining why they had voted against the ‘seizure of power’ resolution. On the 19th, Kerensky told the Pre-parliament that he was perfectly aware that the MRC was preparing for uprising. On the 24th, the Provisional Govern-
ment decreed the closure of *Rabochi Put* and other publications, and issued arrest warrants for the leaders of the Petrograd Soviet and members of the MRC. On the same day, Trotsky debated with the Mensheviks Gortz and Dan over the impending uprising (indeed some 'coup' which needed to be publically debated!). Although the Provisional Government knew full well that the workers were preparing to seize power, under the circumstances (the balance of class forces heavily in favour of the proletariat), it could do nothing either (Lenin's accurate assessment of the balance of class forces was one of his greatest contributions to the revolution). The seizure of power on the 25th itself was undertaken by red guards, the Petrograd garrison and revolutionary sailors from the Baltic Fleet, and *not* by the bolsheviks, though many revolutionary workers and sailors/soldiers were Bolsheviks. Has the reader ever heard of a 'coup' undertaken by revolutionary workers?

The Russian state built upon the seizure of power was, as it could only be (because, firstly, the seizure of power itself was a workers' revolution and, secondly, it derived its legitimacy from the soviet system) built upon the soviet system, though, as analysed in detail later, it was right from the beginning a deformed commune-state. Perhaps this was just another "clever gambit" on Lenin, the 'bourgeois' 'mass hypnotist's' part? But this very accusation, actually, is a tacit admission that the state did initially possess the mandate of the workers organized in the soviet system. That it, in fact, did is, of course, pretty well undeniable. The 'arguments' of the anarchists/libertarians/anti-state so-called 'Marxists' are simply that as a result of Lenin's "ingenious ploy", the workers were 'duped' into mandating the formation of a state which, by definition (sic), is 'bourgeois', with which Lenin and the Bolsheviks 'suppressed' them (that the Bolsheviks did suppress the workers later is analysed later in the text). Given that these and other similar 'arguments' mentioned above have already been demolished, our case that the Russian Revolution was a proletarian revolution and that the Russian state built upon it was initially a proletarian state (if only a deformed one) is, therefore, proven.

We can now summarize our analysis. Firstly, by all pertinent
criteria (relations of production, historical materialism), Russia in 1917 was ripe for the socialist revolution. Secondly, though putting forward only simple demands, the Russian working class struggle was socialist in nature. Thirdly, unless we reject the necessity for a transitional period and a proletarian state during this period, the erection of a state upon the October 25th uprising is entirely in congruence with the general character of a proletarian revolution, and, thus, does not (contrary to the pious feelings of the anarchists et al), by itself, condemn beforehand the October 25th uprising as a 'bourgeois coup d'etat'. Fourthly, only by resorting to astrology can one possibly regard the Bolsheviks prior to October 1917 as a 'bourgeois' party. Fifthly, only if one is able to prove that revolutions occur the way the 'ideal' revolution, dreamed up by pious anti-state so-called 'Marxists' et al, does in which one fine day all workers suddenly attain the same high level of class consciousness and overthrow capitalism, can one possibly regard the vanguardist role played by the Petrograd Soviet as 'usurpatory' in nature; further, only on the same condition and on the additional condition that revolutionaries, because they are revolutionaries, must in practice stay on the sidelines of the struggle of the class and not to be part and parcel of it as its most conscious and advanced part, can one possibly regard the vanguardist role played by the Bolsheviks (pointing out that either the workers seize power or their revolution would be drowned in blood by a triumphant counter-revolution; correctly assessing the right moment to seize power; practically leading the seizure of power by virtu of having gained majorities in the key soviets, which only shows that the proletariat was adopting the Bolshevik programme; etc., etc.) as 'usurpatory' in nature. Sixthly, having established the above, it becomes obvious that all the facts about the October Revolution irrefutably show that it was not a 'coup' in the ordinary sense of the word, much less a 'bourgeois coup', but a real workers' revolution. Finally, given all the above, the soviet state built upon the October uprising, mandated as it was by the soviet system, was thus a proletarian state, if only a deformed one right from the very start.

* * * * *
The Russian Revolution is the only time in history that the proletariat succeeded in seizing state power.\textsuperscript{22} Thus, its success and even more importantly, its eventual \textit{total} defeat is a subject that must be analysed with the greatest rigour and care by revolutionaries. As is shown in the present text, on numerous questions such as that of the political and economic programme for the transitional period; that of the role of the communist party (party for short as from now); that of the relationship between the party and the dictatorship of the proletariat; that of the relationship between the party and the mass of workers; the experience of the Russian Revolution provides us with invaluable lessons which are indispensible for defining the programme for the next proletarian revolution.

\textsuperscript{22} According to sundry leftists, China 1949, Vietnam, Cambodia and Laos 1975, etc. were all ‘socialist revolutions’. This is not the place to criticize this ideology. But the present text and the adjacent one do take two steps towards providing a proof of its bourgeois ideological nature. Firstly, by proving that by 1921 the Russian state had become a 100\% newly-born bourgeois state and the state functionaries a 100\% newly-born state-bourgeoisie, the myth is demolished that, in aiding the ‘socialist’ movements which created ‘socialist’ China etc., Russia was a ‘socialist’ (if only ‘degenerated’ or ‘deformed’) country driven by its ‘socialist’ infrastructure to struggle against (Western) imperialism. Secondly, if our thesis developed at great length in the adjacent text concerning nationalized capital is correct, as we think it is, then it follows naturally that, contrary to what the leftists claim, the programme of the self-styled ‘communist’ parties (the word ‘communist’ may not be in the actual party names) which led the above-mentioned movements to victory is, and thus these parties themselves are, thoroughly capitalist. Furthermore, the contrast between these so-called ‘socialist revolutions’ and the Russian Revolution (not only do we not find in them \textit{spontaneously formed} soviets, often the proletariat (which, in contrast to other exploited classes such as peasants, is a, and in fact is the only, class that is both exploited \textit{and} revolutionary) itself is absent) is so striking that once the above two points are clarified, it will only be a matter of formality to provide a complete critique of the above leftist ideology. On the other hand, not only do anarchists, libertarians et al deny the proletarian nature of the Russian Revolution, they further claim that the self-management movement during the Spanish Civil War is the ‘real’ pinnacle of the working class struggle in its entire history. Once the question of the state is clarified as it is in the Prologue, it will not be difficult to show that that movement, participating as it did in the imperialist struggle between the axis countries and Russia, remained entirely on a bourgeois terrain (see, for instance, the texts “Spain 1936: The Myth of the Anarchist Collectives” in the ICC, \textit{IR} no. 15, 1978, “Russia 1917 And Spain 1936 – Critique of Munis And F.O.R.” in \textit{IR} no. 25, 1981, and “The Revolutionary Myth” in the CWO, \textit{RP} no. 5).
As said in the 'Prologue', the struggle of the Russian working class leading up to the Russian Revolution was not an isolated movement. The outbreak of World War One signified the passage of capitalism from its progressive phase to its non-progressive (usually referred to as decadent in the left-communist milieu\textsuperscript{23}) phase. In terms of Marx's formulation of the historical-materialist framework in the Preface to the Critique of Political Economy, this means that since the 1910's capitalist relations of production have been transformed from being forms of development of the productive forces to their fetters.\textsuperscript{24} The fundamental cause of

\textsuperscript{23} The left-communist milieu is the revolutionary Marxist tradition which traces its origins to the K.A.P.D., the Dutch K.A.P. and the Bordigist faction of the Italian Communist Party of the Communist International. Today this milieu includes the following groups: 1. The Communist Workers Organization (CWO) (address: P.O. Box 145, Head Post Office, Glasgow, U.K.) which publishes a bi-monthly paper \textit{Workers Voice (WV)} and a theoretical journal \textit{Revolutionary Perspectives (RP)} (to be discontinued after the forthcoming — this is written in January 1986 — no. 23 (see \textit{WV} no. 25, p.7)). 2. The Partito Communista Internazionalista (PCInt) (address: Casella Postale 1753, 20100 Milano, Italy) which publishes a bi-weekly paper \textit{Battaglia Communista (BC)} and a theoretical journal \textit{Prometeo}. The CWO, the PCInt and some French comrades have formed an International Bureau For The Revolutionary Party (IBRP) which publishes an English-language theoretical journal \textit{Communist Review (CR)} and a French-language review \textit{Revue Communiste}. 3. The International Communist Current (ICC) (address: BM Box 869, London WC1N 3XX, England) which publishes a quarterly theoretical review \textit{International Review (IR)} in English, French and, less regularly, Spanish, and ten territorial publications. 4. The Communist Bulletin Group (CBG) (address: Box 85, 43 Candlemakers Row, Edinburgh, U.K.) which publishes a theoretical-cum-agitational publication \textit{Communist Bulletin (CB)}. There are a number of other groups/publications which are close to this milieu, some have already been mentioned in the Prologue; others include: 1. Wildcat (address: c/o Raven, 75 Piccadilly, Manchester M1 2BU, England); 2. The Alptraum Communist Collective in Mexico (address available from the ICC); 3. \textit{Communist Internationalist} in India (address: Post Box no. 25, NIT Faridabad 121001, Haryana State, India). 4. \textit{Lal Pataka} in India (address: Dalmadal Road, Bishnupur-722122, Bankura (W.B.), India). 5. \textit{International Correspondence (IC)} (address: P.O. Box 44007, Shaukeiwan Post Office, Hong Kong). Needless to say, despite sharing important common positions, substantial differences exist between the various groups. Addendum March 1986: a recent split in the ICC has resulted in the formation of an External Fraction of the ICC. (address: BM Box 8154, London WC1N 3XX, England) which publishes a quarterly \textit{Internationalist Perspective}. Also, the CBG has recently changed its address to: Box CBG/Boomtown books/167 King Street/Aberdeen/UK.

\textsuperscript{24} As mentioned in footnote 8, for an excellent analysis of this thesis, see "Economic Foundations of Capitalist Decadence" in \textit{RP} no. 2 now
this transformation is the onset of the permanent crisis of capitalist accumulation as analysed by Paul Mattick. Its concrete form of expression is the economic crisis — world war — reconstruction — economic crisis — ... cycle. The only force which is capable of stopping this hellish cycle is the world proletarian revolution. In the Preface Marx says that when a mode of production reaches its non-progressive phase, "then occurs a period of social revolution". Thus, simultaneously as capitalism entered its non-progressive phase, the world proletarian revolution came on the historical agenda. This is not to say that the proletarian struggle did not exist before World War One, but that the revolutionary overthrow of capitalism was not yet on the historical cards.

The Communist International (CI for short hereinafter) fully realized the change in the historical period, if only without adequate theoretical backing. Hence its proclamation that the world had entered "the age of war and revolution", periodic world war being the condition for the continued existence of capitalism to which a stop can be put only by the world proletarian revolution. Thus spoke Trotsky in the Manifesto of the CI's founding congress:

"The opportunists, who before the world war appealed to the workers to practise moderation for the sake of the gradual transition to socialian, and who during the war demanded class docility in the name of civil peace and national defence, are now again demanding self-denial of the proletariat in order to overcome the frightful consequences of the war. If this sermon were to be obeyed by the working masses, capitalist development would celebrate its restoration in new, more
concentrated and more monstrous forms on the bones of many generations, with the prospect of a new and inevitable world war.” (Quoted in J. Degras, *Documents of the Third International*, vol. 1, Oxford University Press, 1956, p. 41)

Almost three years earlier, in April 1916, a similar thesis was already put forward in the resolution passed at the Kienthal Conference:

"1. The present war is the result of Imperialist antagonisms resulting from the development of the Capitalist Regime . . . .

"2. The War, unable to eliminate the Capitalist Regime nor its Imperialist inclinations, cannot eliminate the causes of future wars either . . . .

"... the struggle for a lasting peace is, in short, but the struggle for the realization of Socialism.” (Quoted in Marc Ferro, *The Russian Revolution of February 1917*, Routledge & Kegan Paul, 1972, pp 336 & 338)

The wave of revolutionary struggle which spread like an infection during 1917–1921 was the proletariat’s response to the historic alternative of war or revolution opened up by capitalism’s entry into its non-progressive era. The Russian Revolution was part & parcel of this wave. As is shown in the present text, the ebb of this wave drove the *last* nail into the coffin of the Russian Revolution’s final total demise.

The thesis of the present text is this: Right from the very beginning the Russian Revolution already started to degenerate. By early 1921, the still intact subjective revolutionary will of many Bolsheviks and workers alike notwithstanding, capitalism had already completely reconquered Russian society: the state had totally been transformed into a capitalist state and the party/state functionaries into a state-bourgeoisie. This all happened before the introduction of the NEP at the 10th party congress. The crushing of the Kronstadt uprising marked the end of the degeneration process. If a renewed revolutionary wave had occurred in Europe, the situation in Russia might have been reversed. As it happened, the subsidence of the revolutionary wave in 1921 dictated that the situation in Russia became irreversible.
Marxists utilize the materialist (which is the only scientific) method in all analyses. In this section we examine how it can be applied to the analysis of the Russian Revolution.

Marx says in the Preface: "With the change of the economic foundation the entire immense superstructure is more or less rapidly transformed." The process in which capitalism overthrew feudalism provides a classic illustration of Marx's analysis. In the 15th-century the development of the productive forces reached a new stage: simple co-operation and, beginning with the 16th-century, manufacture which was based upon the division of labour. This development meant the rise of a new social method of production which was based upon 1. an increasingly sophisticated social division of labour and, thus, 2. the gradual replacement of self-sufficient production (the natural economy) by production for exchange (the commodity economy). The social class which represented this development was the emergent bourgeoisie in Western Europe. The Communist Manifesto analyses the origins of the bourgeoisie:

"From the serfs of the Middle Ages sprang the charteredburghers of the earliest towns. From these burgesses the first elements of the bourgeoisie were developed." (Marx-Engels, Collected Works, vol. 6, Progress, 1976, p485)

The conflict between the productive forces and the relations of production does not occur in abstract. The feudal relations of production were a fetter on the rise of capitalism. This brought the rising bourgeoisie into a deadly class struggle with the feudal landlord class. But history was on the side of the bourgeoisie; thus, the feudal relations of production gradually but inexorably crumbled to make way for the capitalist relations of production. Corresponding to the triumphant advance of the bourgeoisie in the economic infrastructure was the political advance of that class. In the words of the Communist Manifesto:

"Each step in the development of the bourgeoisie was accompanied by a corresponding political advance of that class. An oppressed class under the sway of the feudal nobility, an armed and self-governing association in the medieval commune; here independent urban republic (as in Italy and
Germany), there taxable ‘third estate’ of the monarchy (as in France), afterwards, in the period of manufacture proper, serving either the semi-feudal or the absolute monarchy as a counterpoise against the nobility, and, in fact, cornerstone of the great monarchies in general, the bourgeoisie has at last, since the establishment of Modern Industry and of the world market, conquered for itself, in the modern representative State, exclusive political sway. The executive of the modern State is but a committee for managing the common affairs of the whole bourgeoisie.” (Marx-Engels, op.cit., p. 486)

Corresponding on the ideological level to both the economic and political struggles was the rise of individualism, protestantism, the ‘social contract’ political philosophies of John Locke et al, the political ideology of the separation of powers, etc. The triumph of the bourgeoisie over the feudal landlord class was finally crowned by the bourgeois political revolution, of which the French Revolution is the model, which mainly served to give de jure political recognition to the ruling position the bourgeoisie had already conquered in the infrastructure.

Thus, the bourgeoisie conquered the superstructure (political power, ideology, etc.) on the basis, and by virtue, of its conquest of the infrastructure. Would the proletariat's overthrow of capitalism follow a similar course? Put another way, must the proletariat first gradually overthrow the capitalist relations of production within capitalism and then crown its victory over the bourgeoisie by a violent political revolution?

The bourgeoisie was able to overthrow feudalism in the way described above because it was replacing one form of private property (feudalist private property) with a ‘higher’ form (capitalist private property). I.e., that the bourgeoisie was able to gradually build the capitalist relations of production in the womb of the feudalist relations of production was because both sets of relations were based upon private property. The situation with the overthrow of the capitalist relations of production is totally different. What the proletariat has to overthrow is the ‘highest’ form of relations of production based upon private property, and what it has to build is the socialist relations of production that abolish private property itself. It is, however, impossible to build relations of production which abolish private property itself within the capitalist relations of production. Any
such attempt will either be violently defeated outright or forced (with or without the participants being conscious of it) to obey the law of value. Within capitalism, no property can escape its laws, in a word, all property can only be capitalist property. 26

From the above analysis we can draw the following conclusion: the process in which the proletariat overthrows capitalism must and can only begin as a violent political revolution in which the proletariat seizes state power. Initially, Marx and Engels thought that the proletariat only needs to take over the bourgeois state. They later learned from the Paris Commune that “the working class cannot simply lay hold of the ready-made state machinery, and wield it for its own purposes.” The proletariat needs to smash the bourgeois state and the commune (interchangeably referred to as the soviet or the workers’ council in this text) is the political form “at last discovered”, by which the smashed state machine can and must be replaced and under which the economic emancipation of labour can take place.

The seizure of political power is only the first step of the socialist revolution. If the revolution is to proceed, a correct programme for the transitional period is indispensible. The difference between scientific socialism (i.e., Marxism) and idealistic socialism is that the former realizes that revolutionary will alone is not enough to guarantee the success of the revolution. It must be understood that in contrast to previous revolutions, the socialist revolution is a revolution in which the revolutionizing of the infrastructure (the abolition of the capitalist relations of

26. Unfortunately, the analysis in this paragraph of the text has to be taken as given here. Though the adjacent text does not analyse the issues concerned, its analysis is indispensible for proving this paragraph’s analysis. – In fact, it does go someway towards doing so: for instance, the usual ‘socialist’ measure advocated by the leftists*, namely, nationalization (by itself) is exposed for what it is even in an economy in which all production is nationalized (but only nationalized), let alone in a ‘mixed’ economy. * ‘Leftist’, both as noun and adjective, refers to the left of capital from social-democrats through the new left to ultra-left Trotskyists. They are part of capital because their positions/platform/programme (the ‘Soviet’ Union etc. are ‘socialist’ (‘degenerated’ or otherwise); support for ‘national liberation struggles’; etc.) are objectively capitalist.
production and the establishment of the socialist relations of production\textsuperscript{27} can only begin on the basis of the prior revolutionizing of the superstructure (the seizure of political power by the proletariat). \textit{Only} on the condition of the transformation of the infrastructure after the seizure of power can men gradually supersede the previous superstructure (ideologies, etc.) built upon relations of production that are premised upon private property. Furthermore, and this is of utmost and primary importance presently, the society that the proletariat rules over immediately after the seizure of power is still based upon the capitalist relations of production. Since even in the proletarian revolution, \textit{ultimately} "it is not the consciousness of men that determines their existence, but their social existence that determines their consciousness", if the proletariat does not immediately \textit{begin} to revolutionize society's infrastructure after having seized power, then within a relatively short period of time (it is not necessary to answer the question "How short?" as is shown in our analysis later), the laws of the capitalist infrastructure will \textit{force} the post-seizure of power state into submission. Members of the state do \textit{not} have to be \textit{aware} that they are being \textit{forced}, \textit{not} of (and even against) their will, to obey the laws of the untouched capitalist infrastructure, that the state is thereby being turned into a capitalist state. This submission and change in the state's class nature is an \textit{objective} question, not the least affected by the \textit{subjective} will/wishes/intentions of those involved. Our analysis is premised upon and in perfect accord with the Marxian \textit{materialist} method. For idealists such as anarchists, libertarians and Marxists who remain slaves of idealism, revolutionary will alone is sufficient. For \textit{materialist} Marxists, while indispensable, revolutionary will alone is not sufficient after the seizure of power. Restricting ourselves to the first phases of the transitional period, this is because 1. in order to uproot capitalist relations of production which give rise to \textit{objective} laws (the law of value), it is necessary to possess a \textit{scientific} understanding of these laws; and 2. as said, even in the proletarian revolution, ultimately "it is not the consciousness of men that determines their existence" but the reverse; as a result, a correct programme for the transitional period is indispensable.

\textsuperscript{27} As is shown in the adjacent text, the capitalist relations of production are abolished \textit{simultaneously} as the socialist relations of production are established.
which requires a scientific understanding of the law of value. This point cannot be overemphasized. Capitalism is a social method of production which has developed spontaneously, which is why it is subject to objective laws. In contrast, the socialist method of production, which, as said (see footnote 27), is being instituted at the same time and in the very same process as the capitalist method is being uprooted, can only be purposely and consciously built. This is why spontaneous revolutionary will can only take the revolution up to the stage of the seizure of power. If the revolution is to proceed, besides revolutionary will, scientific revolutionary consciousness (i.e., Marxist political economy in this context) is indispensable. For without it, social production after the seizure of power will have to develop spontaneously, which means that it will have to obey the laws of

28. “In every society in which production has developed spontaneously — and our present society is of this type”, Engels, Anti-Dühring, Foreign Language Press, Peking, 1976, p. 378.
29. For an analysis of this, see the adjacent text. It will be noted from that text that central planning alone is not a conscious method of production.
30. Marxist political economy is the science the object of which is the relations of production. There are revolutionaries such as the ICC who, following Luxemburg and Bukharin, regard that Marxist political economy does not exist (see IC no. 2 (English Supplement), October 1984, p. 79) and that after the seizure of power, there will not be political economy anymore (see IR no. 16, 1979, p. 19’s quotation from Luxemburg). This mistake is based upon a confusion between political economy and (bourgeois) ‘pure’ or positivist economics. The object of the latter consists of the surface phenomena (price, profit, interest, etc.) of the capitalist relations of production. It regards these categories as ‘natural’ and not based upon the capitalist production relations. Marx says: “Economists are strange creatures. For them there are but two kinds of institution: works of art, and works of nature. Feudal institutions are artificial, bourgeois institutions are natural.” (Poverty of Philosophy, quoted in Capital vol. 1, Everyman paperback, 1972, p. 56) Marx himself describes the difference between political economy and positivist economics’ predecessor, “vulgar economy” in the following way: “Let me explain here once for all that when I speak of the ‘classical political economy’, I mean all the political economy since W. Petty which has been devoted to the study of the real interrelations of bourgeois production, in contradistinction to “vulgar economy”. The “vulgar economists” are content to elucidate the semblance of the interrelations of bourgeois production; like ruminants, they spend their time in chewing the cud of materials provided in days long past by scientific political economy, seeking thence to extract for bourgeois daily food plausible explanations of the most obvious phenomena” (Capital vol. 1, pp. 55–56)
capitalist production (i.e., the law of value) since the capitalist method of production is the previously existing method. And the inevitable consequence of failing to start transforming the infrastructure of the post-seizure of power society has just been and will later be further analysed.31

The indispensibility of a correct programme for the transitional period is acknowledged by every Marxist. Yet, in the analysis of the degeneration of the Russian Revolution, most comrades precisely abandon the Marxist materialist method and, thus, fail to conduct their analysis with reference to the post-October programme and, most importantly, to the results brought about by that programme32 (see “Conclusion” for examples). On the surface, the programme is only a matter of consciousness, but the indispensibility of a correct programme has just been shown on the basis of the Marxist materialist method. This is why the present text analyses the theory and practice of the Russian Revolution and their consequences in various aspects, not because we are abandoning materialism for idealism, but precisely because, to the contrary, we are applying the materialist method.33

31. Whatever view we hold on the question of class consciousness, whether the pure Kautskyan-Leninist What Is To Be Done? view or the councilist anti-vanguardist view, this analysis holds.

32. The Dutch/German councilists of the 30s argued, inter alia, that the post-October regime was right from the beginning bourgeois because of, amongst other things, its agrarian programme (see ICC, “October 1917, the Beginning of the Proletarian Revolution” in IR nos. 12 & 13, 1978). The CWO, prior to its-conversion to the PCInt’s view on various issues including the Russian Revolution’s degeneration (sometimes referred to as the old CWO in the text), used to argue that what it called the 20th-century Thermidor occurred with the introduction of the NEP (the War Communist programme being, according to it, “proto-communist”) (See “Russia: Revolution and Counter-Revolution 1917–1923” in RP no. 4). Both views, referring solely to the programme and not to its consequence, cannot be confused with our analysis here. (The actual relevance of the Bolsheviks’ agricultural policies and the NEP to the revolution’s degeneration will be analysed in the relevant sections below.)

33. In the Prologue we have shown that the Bolsheviks were a proletarian party on the basis of the objective nature of the positions they defended prior to October 1917. As is analysed in later sections, the objective nature of both their political and economic programme inside Russia since October was mainly capitalist. To this extent, we can thus call the Bolshevik party a bourgeois party since October. However, there were also at the same time a number of policies which the Bolsheviks adopted both inside and outside Russia which were objectively proletarian: the defence of the post-seizure
The programme for the transitional period can generally be separated into two fundamental parts (the rest follows from and is premised upon them): the political and the economic. (It must, however, immediately be mentioned that, as is pointed out later, the political programme possesses at the same time politico-economic significance.)

Let us deal with the political programme first. Not only are soviets which simultaneously possess both form and content (a criticism of the old CWO's confusion over form and content (see CWO, op. cit. in RP 4) is contained in "Conclusions") — and this requires a working class reaching high levels of consciousness — the historically discovered means with which to establish dual power, on the wake of the seizure of power, which is itself carried out and mandated by the soviet network, they provide the basis upon which the proletariat establishes its dictatorship. Thus, the dictatorship of the proletariat takes the form of a commune-state. In contrast to the capitalist state, the workers' state is "to be a working, not a parliamentary, body, executive and legislative at the same time" (cf. the origins of the ideology of the separation of powers). To ensure that it is a genuine machinery for the self-government of the producers,

"the Commune used two infallible means. In the first place, it filled all posts — administrative, judicial and educational — by election on the basis of universal suffrage34 of all concern-

of power state as the instrument of the dictatorship of the proletariat; the smashing of the Constituent Assembly (a bourgeois state machine); the promotion of world revolution; etc. Thus, on aggregate, we can at most only say that the Bolsheviks were objectively becoming (for holding objectively bourgeois positions), and being transformed (by the objective consequences of their erroneous and, therefore, largely capitalist programme) into, a bourgeois party. (This transformation was completed, as is shown in later sections, by 1921.) Notwithstanding the above, our focus in the present text, however, is to analyse how a proletarian revolution produced a society in which eventually the proletariat was crushed by an unambiguously bourgeois state acting in the interests, and on behalf, of a clearly definable bourgeoisie. Thus, we will not be interested in asking, for instance, whether at any particular point in time between October 1917 and March 1921 the Bolsheviks were objectively more bourgeois than proletarian or vice versa. Rather, the question for us is how an unambiguously proletarian party in 1917 became an unambiguously bourgeois party in 1921, the answer to which is the same as the answer to the above question.

34. It was a mistake for the Commune to allow universal suffrage. The franchise must only be given to workers. If for tactical reasons, it has to
ed, subject to recall at any time by the electors. And, in the second place, it paid all officials, high or low, only the wages received by other workers." (Engels’ introduction to The Civil War In France in Marx-Engels, Selected Works vol. 1, Progress, 1962, p. 484)

The remuneration of state members is mainly a politico-economic question which is examined later. Here we deal with the first point mentioned by Engels first.

It has to be pointed out immediately that by having all state functionaries wielding actual power delegated by the workers themselves and by “declaring them all, without exception, subject to recall at any moment” is not only a purely political question, it is at the same time also a politico-economic question. This is because if the commune-state nationalizes the means of production, it will become their owner. If the Paris Commune principle is vigilantly enforced (which requires a high level of revolutionary consciousness on the part of the mass of workers), as the real holders of state power, workers become the communal owners of the means of production. But, if the Paris Commune principle is not upheld, then, from the point of view of actual social relations and not from the point of view of juridical categories, state power will fall into the hands of the state functionaries who will have become divorced from the workers and immune from their control. In which case, in terms of the social relations of production, the producers will become separated from the means of production which now become owned de facto by the state functionaries and not by the working class communally. We will return to this point later, here, we restrict our attention to the purely political aspects of the political programme.

The Paris Commune principle does not only mean that the All-Russian Congress of Soviets (to use the Russian Revolution as example) has to be elected by the workers from bottom up, it means that all state functionaries at all levels of the soviet structure who wield actual power have to be delegated from bottom up by the workers themselves or by them through their delegates who are

be extended to other classes, their representation must be severely restricted and limited so as not to endanger the workers’ hegemony.

35. The second point is not quite true, the commune members were paid 6,000 francs whereas skilled workers and foremen earned an average of about 1,560 francs and 2,620 francs respectively.
themselves elected by means of the same process. (Another
category of state members would be advisors, for example,
bourgeois experts — whenever we mention state functionaries
unqualified, we mean those wielding actual power.) “From
bottom up” means: at every level of the soviet-state’s structure,
all state members who undertake state functions (‘undertake’ will
be precisely defined in the relevant section below) are to be elected
either by the workers themselves directly at that level, or by
workers’ delegates at the level immediately below it, these latter
deleagtes being themselves elected through the same process. In
other words, state members at every level are not to be appointed
from top down by other state members occupying positions at
higher levels of the soviet structure. The same applies to the power
of recall. This is not to say that state members at higher levels
cannot appoint advisors to lower level soviets, but these advisors
must remain as advisors only, and must not be allowed to wield
actual power. Otherwise, the Paris Commune principle will only
become a complete dead letter, even if state members occupying
positions at the apex of the soviet structure are themselves origi­
nally elected from bottom up. (In the relevant section below the
question of how the Paris Commune principle can concretely
be implemented is discussed.)

The basis of the Paris Commune principle is neither idealistic
nor moralistic, it is the defining criterion of the dictatorship of
the proletariat. It is the only way in which workers can actually
hold state power themselves. The starting point of Marxian analy­
sis is actual social relations, not juridical categories or other
similar criteria: If state members at the top levels of the soviet
structure, even when they are themselves genuinely elected from
bottom up by the workers, 1. on their own authority relieve
lower level state members of their duties or appoint people of
their own choice to lower levels of the soviet structure, thereby
in effect usurping, through their appointees, the power of the
state members at these levels who are genuinely elected from
bottom up by the workers; and/or 2. directly abolish the elective
principle in the state structure; then, in terms of actual social
relations, the state will cease to be a workers’ state, a dictatór­
ship of the proletariat. This is an objective question and is not
determined by the subjective intentions or revolutionary will of
the top level state members. Finally, even were the post-seizure of
power state to come under counter-revolutionary attacks and/or face other difficulties, it cannot allow any prolonged compromise on the Paris Commune principle for any so-called tactical reasons. Otherwise, while the state may be able to overcome the problems facing it or beat back the counter-revolutionary attacks, it will inevitably lose its character as the workers’ dictatorship.

The form of the defeat of a revolution needs not be the overthrow of the workers’ state by the previously existing bourgeoisie. As said, failure to implement a correct economic programme would inevitably lead to the degeneration and eventually complete defeat of the revolution. The fundamental law of capitalism is the law of value. To destroy it root and branch and at the same time build the socialist method of production, the following economic policies for the transitional period are indispensible (all are required):

1. Expropriation of industry and, where possible, agriculture, and their nationalization. This is only a necessary, but not sufficient condition. A lot of people mistakenly take nationalization to be synonymous with socialization. The truth is that without (2) below, nationalization alone only turns the state into the owner of nationalized means of production which remain as capital.

2. Socialization of nationalized industry and agriculture. The means to do this is to introduce the labour time certificate system, using direct labour time as the basis of and measure for production calculation and, subsidiarily, distribution. The proof that the only way to abolish value in a non-natural economy (the post-seizure of power economy will be such an economy) is to introduce the labour time voucher system or a similar system based upon direct labour time as the common economic denominator is beyond the scope of the present text. The reader is

36. Some leftists reject this: see the adjacent text.
37. ‘Calculation’ in kind on the production side and rationing on the distribution side is often put forward as a correct programme. Firstly, it will be seen in the adjacent text that the labour time voucher system in fact involves a lot of computation in kind. (I am distinguishing between economic calculation and computation, the former being a politico-economic category, the latter a technical operation, which is why I put ‘calculation’ in "calculation" in kind" understood, or, rather, misunderstood as a programme in quotes). But if society is to be able to decide, for example,
referred to the adjacent text.

3. The abolition of money: money cannot be abolished by means of revolutionary will alone, but requires a scientific understanding of the conditions of its existence and, therefore, of how to abolish it. As the final state of existence of the form of value, money is abolished as soon as value itself is abolished. Accordingly, the institution of whether to produce a table made of pine or one made of steel and glass, then it is not enough to compare different physical quantities. For example, von Mises presented only half the picture in saying: "it is not difficult to decide whether [society] desires 1,000 helolitres of wine rather than 500 litres of oil. There is no need for any calculation to establish this fact: the deciding element is the will of the economic subjects involved." (Quoted in WSM's (see footnote 10) World Socialist no. 2, Winter 1984, p. 33)

Without knowing whether to produce 1,000 helolitres of wine would require everybody to work say 10 hours a day whereas to produce 500 litres of oil would only require him to work say 10 minutes a day, how can society decide whether to produce one or the other at all? In other words, it is not enough to compare different physical quantities because any comparison requires a common denominator. In socialist economic calculation this is provided by the labour time congealed. For instance, knowing that the pine table congeals two hours of social labour and the steel-and-glass table 1½ hours, we will be in a position to say, taking also all other relevant considerations (durability, attractiveness, etc.) into account, whether we prefer the one or the other. Or consider this: in order that production matches consumption wants, before production plans are being laid down, what products are to be produced and in what quantities will first have to be ascertained from the consumers. In a pure 'calculation' in kind economy, what is going to prevent the consumers from asking for more than what can be produced by the economy with its given level of resources (i.e., labour time, both dead and living)? Not only do consumers need to know whether, to use the above example again, a pine table requires more and how much more labour time to produce than a steel-and-glass table or vice versa in order to decide whether they want to have the one or the other, they require the same data if society is to avoid arriving at production requirements that are beyond its productive capacity. Only when consumers are given such data will they be able to decide, knowing roughly the labour time that they will contribute to society in the next period which will comprise part of society's productive capacity in that time period, what they want and which they can afford. Only in this way will production requirements ascertained from the consumers match society's given level of productive capacity. This is not the place to consider the present question in detail – that would require volumes. But from the above, it can already be seen that except in an economy in which everything falls from the sky in any quantity and at any time required, it is simply impossible to conduct economic calculation in kind simply because all calculation (as an economic category) requires a common denominator, whereas what is erroneously
the labour time voucher system abolishes money at the same time as it abolishes value.

4. The abolition of wage-labour: wage-labour comes into being by virtue of the commoditization of labour-power which in turn is premised upon 1. the separation of the producers referred to as ‘calculation’ in kind is in reality merely a technical operation in computation. Von Mises was right to point out that without a common denominator, what he calls “rational economic direction” is impossible. Where he errs is to assume that this can only be done by money, taking it (money) as a ‘natural’ category, a ‘neutral’ measure like Celsius is a neutral measure of temperature, and not an economic category arising from specific social relations of production. Of course, we cannot expect him to understand Marx’s theory of value and the labour time voucher system. But we do expect people steeped in Marx’s theory to know better. According to some ‘calculation’-in-kind advocates, calculation by labour time is ‘no good’ because socialism ‘does not’ need any common economic denominator: “Such a universal unit in which all goods can be expressed is only necessary in an exchange economy where all goods have to be reduced to some common denominator as a means of determining the proportions in which they exchange for one another.” (ibid., p. 37) i.e., the author of the text concerned, Adam Buick, is saying that calculation by labour time is “only necessary” where value exists. He puts it more explicitly later in the same text: calculation in labour time “is simply unnecessary in socialism since socialism will have no place for the concept of ‘exchange value’.” (ibid., p. 38) (Since exchange value is only value’s phenomenal form, by mentioning the former Buick necessarily also implies the latter.) This is how he puts it in a letter to me: “Using labour time as a basis for calculating . . . would be to retain, in practice, value and all its categories, with the labour vouchers becoming ‘labour’ money (in the full sense of the term money).” After I pointed out to him that he was implying in his comments that labour time must constitute value (a mistake Kautsky committed as analysed in the adjacent text), he explained: “I did not in fact assert that “labour time must constitute value” ( . . . ) but that “in practice” a system of labour time vouchers would tend to degenerate into an exchange system based upon value.” The reader can judge from the adjacent text’s analysis whether it is possible for something (calculation in labour time) that abolishes value to “in practice tend to degenerate into an exchange system based upon value.” To sum up this long note: while the labour time voucher system as described in the section “What Is Socialism?” in the adjacent text may not, as the text mentions itself, be the best, let alone the only, system for abolishing value and establishing socialist production relations, calculation based upon labour time, however, is the necessary basis of any such system. Concerning rationing on the distribution side, since production is the base, once questions concerning it are settled, then whether one or another possible distribution systems deriving from the socialist method of production is better is clearly only a subsidiary question. But, to throw light on the simple-mindedness of the “rationing is a sufficient programme for the period of transition” view put forward by so many revolutionaries, let us
from the means of production and 2. value production. Thus, by a. abolishing value by means of the labour time certificate system and b. socializing the means of production, i.e., turning them into the common property of the proletariat by means of the institution and enforcement of the Paris Commune principle and nationalization, the conditions giving rise to the transformation of labour-power into a commodity and, therefore, to the existence of wage-labour are abolished. The category of 'variable capital' will cease to exist.

5. The abolition of a hierarchical system of distribution: the labour time voucher system is a genuine "from each according to his ability, to each according to his work" system. 'Labour' or 'work' here refers to labour measured in direct labour time. In Marxian analysis, distribution is a function of production. Thus, the use of direct labour time as the basis of and measure for production calculation necessarily involves the abolition of a hierarchical system of distribution premised upon the operation of the law of value.

6. On the pre-condition that all the above are being implemented, production is to be centralized under the direction of a central economic plan. As a matter of fact, it is impossible to put the labour time voucher system into effect without centralized planning of production.

Add an additional remark in passing. If rationing (a method of distribution) is to be possible, it is, of course, necessary first to have products with which to ration. I.e., it is necessary first to produce before one can begin to talk about rationing. Which brings us back to the point of how production in a non-natural economy can be taken out of the framework of value production. As is shown in the part in the text concerning the rations during War Communism, rationing is perfectly compatible with value production. Thus, to put forth the above view simply betrays an inversion of the Marxist method by starting and ending entirely with an effect (rationing). In Critique of the Gotha Programme Marx called this "vulgar socialism". In the text I shall keep refer to the labour time voucher system as an indispensible component of a correct programme, the reader, however, must bear in mind what has been said just now. It will also be noted that whether or not one accepts that economic calculation based upon labour time is the necessary basis of the socialist method of production, our analysis in the adjacent text of the capitalist nature of the relations of production of the so-called 'socialist' societies and that of the present text of the maintenance of value production in Russia after the October uprising are not affected.
The above measures, of course, have to be phased in in several stages, involving in the first phase all vital sectors of production. (On the economic relationship between the socialized sector of production and the unsocialized sector, see the adjacent text.) It is obviously beyond our present scope to analyse these measures in detail. Clearly, the labour time voucher system or a similar system is the key element. Once its nature and significance, analysed in great detail in the adjacent text, are understood, the essence and significance of the other measures will immediately become apparent. It must be repeatedly emphasized that as is proven in the adjacent text, without the labour time voucher system or some similar system, nationalization only replaces individualized capital (I use the word ‘individualized’ instead of ‘private’ because state capital remains the private capital of state functionaries collectively) with state capital, and central planning, which can be entirely rooted in the law of value (the law of value ≠ Smith’s ‘invisible hand’), will still be a spontaneous form of production, because private ownership and the law of value remain completely intact. It is also necessary to emphasize that the above measures do not constitute any programme for building communist relations of production (the banner of which being “From each according to his ability, to each according to his needs”). The slogan of the above measures is merely: “From each according to his ability, to each according to his work”, though radical they may appear to be and, in fact, are. Leftists who find it impossible to ignore Marx’s analysis in the Critique of the Gotha Programme often resort to the ‘argument’ that experience (the experience of the so-called ‘socialist’ societies, of course) has shown that the above measures can only be applied towards the transition into communism. The truth, however, is that these measures are indispensable for overthrowing the capitalist relations of production (not in one go but in a number of phases as mentioned earlier).

Separating the discussion of the programme for the transitional period into the political and the economic parts, as is done above, is only for the convenience of presentation. It is now necessary to analyse the consequences of having an overall incorrect programme on the basis of the Marxist materialist method. Firstly, in a non-natural economy (the post-seizure of power society will be based upon such an economy just as capita-
lism is), failing to implement the entire economic programme as outlined in the above means that production will and can only develop spontaneously, and the infrastructure will still be wholly based upon the law of value. Secondly, if the post-seizure of power state nationalizes production but the Paris Commune principle is not instituted and enforced, the producers will be separated from the means of production despite possessing nominal, juridical ownership. In such a case, the producers’ 'representatives' or 'delegates' will become, in terms of actual social relations, de facto owners of the means of production, while the producers themselves, being separated from the means of production but are not means of production owned by another class which can be bought and sold like animals, become, again in terms of actual social relations, de facto proletarians in the full capitalist sense. Thirdly, failure to institute and enforce the Paris Commune principle means that the state is not a real commune-state. Since the law of value remains intact, the state functionaries, in owning the means of production, own, in other words, capital, i.e., become, in terms of actual social relations, de facto capitalists. As such, they will perforce have to answer the requirements of capital. In such a case, the aborted commune-state will perforce become a capitalist state, catering to the needs of the de facto capitalist class which controls it. This is an objective question, not the least determined by the subjective intentions/wishes of the proletariat and its 'delegates' in the state. Just as individualized (see previously – ditto below) capitalists defend the interests of capital, not because they are born wicked or are by character villainous, but because of the position they occupy in the social relations of production, even were the above state-functionaries subjectively overflowing with revolutionary will, objectively, they will still have to defend the interests of capital, and in doing so, they may well subjectively believe that they are defending the interests of the revolution (the cases of Lenin, Trotsky & the Bolshevik majority in the early years after the seizure of power would appear to be of this type as can be seen in our analysis later). Or, alternatively, a conflict between the subjective intentions of the state functionaries and the objective role which they are required to play may arise (the case of the left-communists and the decists would appear to be of this type). To summarize, the inevitable consequence of an incorrect program-
me is that the revolution will eventually be completely defeated as the capitalist infrastructure which has remained wholly intact reconquers the post-seizure of power state and eventually re-establishes its complete domination over the entire society. As is analysed in detail later, this is exactly what happened in Russia between 1917 and 1921.38

It is very likely that the revolution breaks out in one country before it does so (if it does indeed do so) elsewhere, just as it did in 1917. However, socialism cannot be built in whatever form (such as the form of the so-called 'degenerated workers' state') in a single country.39 How should an isolated revolution handle

38. In the text we analyse the consequences of a completely erroneous and therefore capitalist programme. What if part of the programme is correct, and part erroneous? This is a difficult question to answer. Not only do we not have any historical experience to refer to (the Russian Revolution was not such a case), even on the Marxist theoretical level, we also lack sufficient basis on which to draw any conclusions. We can perhaps distinguish between two broad situations of a partly correct, partly erroneous programme: 1. the Paris Commune principle is being strictly enforced, but the labour time voucher system is not introduced. Theoretically, the economy under this situation would be similar to an economy in which the dominant method of social production is simple commodity production. But we know that such a commodity economy-in-abstract, i.e., a commodity economy in which there are no capitalists and no proletarians, has never existed (see Marx's analysis in Part 7, chapter 22, section 1 of Capital vol. 1). 2. The post-seizure of power state institutes a correct transitional economic programme but the Paris Commune principle is not enforced. What would happen in such a situation is even harder to hypothesize, because as far as demolishing capitalist relations of production is concerned, the effects of the correct economic programme and the erroneous political programme work in opposite directions. In other words, I do not have an answer to the question raised at the beginning of this footnote. Nonetheless, as said, the Russian Revolution was not such a case (otherwise, its experience would have helped us to find an answer), thus, our analysis in the text is not affected.

39. Roughly speaking, only on the conditions 1. of severing all normal economic relations (trade, investment, etc.) with world capitalism, and 2. of the existence of other necessary conditions (for example, that the country concerned can basically attain self-sufficiency resource-wise — we assume this in the present text because a. it applied to Russia in 1917, and b. our goal is to build a general theoretical framework), will the working class of
this contradictory situation? How does our above general framework apply to such a situation? While socialism cannot be built by an isolated revolution on its own (however correct its programme for the transitional period, it still cannot escape from this fate) that does not mean that its only objective is to 'export' the revolution while the above-mentioned programme can be shelved until the revolution has broken out in other countries. The socialist revolution cannot be suspended at a particular stage for any prolonged period of time. As analysed just now, the inevitable consequences of postponing for a prolonged period of time the attack upon the capitalist infrastructure and the establishment of a real workers' dictatorship occur as an objective process, unaffected by subjective revolutionary will. Thus, even were the revolution to finally break out in other countries, the degeneration occurring objectively might already have been completed and become irreversible. Thus, before imperialism is able to conquer the isolated revolution, the latter must immediately begin to destroy the capitalist relations of production within its own borders by severing all economic links with the capitalist world (as mentioned in footnote 39, barter can be engaged in for tactical reasons) and start to build a real workers' dictatorship by intro-

a country be able to build socialism independently. (NB: in the first condition, we are talking about normal economic relations; for tactical reasons, occasional barter with world capitalism can be tolerated — see the adjacent text on how this can be done without the socialization of production within the country concerned being affected — but, it would be foolish to assume that imperialism would be willing to engage in such barter which it knows full well would only help the isolated revolution.) The establishment of normal economic relations will inevitably force production in the country concerned to obey the law of value. Which means that the superstructure will be forced to become capitalist as well. The reason why socialism in one country or a group of several countries is impossible is because the above first condition is impossible: how would imperialism allow the resources (both natural and human) and potential market of any country not to serve its accumulation needs? The attempt by the entente countries to militarily crush the soviet regime in the first years of the latter's formation is enough testimony. It will be noted that the theory of 'degenerated workers' state' precisely argues that it is 'possible' to build and maintain a socialist infrastructure in one country independently. We know, of course, that this is, as the adjacent text shows, only because the so-called 'socialist' infrastructure that the theory talks about is, in reality, thoroughly capitalist, and it is, of course, not surprising at all to find that any one country or any group of countries is able to independently build and maintain a capitalist infrastructure misnamed 'socialist' within the world capitalist system.

145
ducing the above-mentioned economic and political measures.

Before going on, it is necessary to discuss the ICC's analysis of our present problem. According to the ICC, the maintenance of the political power of the working class and the extension of the revolution to other countries are the primary tasks for an isolated revolution, while "The economic measures the proletariat will take in one country, in one area, are a secondary question". ("The degeneration of the Russian Revolution" in International Review no. 3, October 1975, p. 9) The ICC is correct to say that the transformation of the infrastructure is premised upon the political dictatorship of the proletariat, and in this sense, but only in this sense, we can say that the latter is primary. But it is wrong to go on from that and say, as the ICC does, "any [economic] errors can be corrected if the revolution advances." (ibid., p.9, emphasis added) Firstly, as we have analysed just now, this is a self-contradictory statement: serious economic errors (i.e., ones that go no way towards the abolition of value) will force the revolution to degenerate. Secondly, this view betrays a totally idealist analysis: the advance of the revolution depends solely on revolutionary will and the consequences of serious economic errors are totally left out of the picture altogether. Though the ICC does say:

"The real point about the economic programme of the revolution is that the broad outlines of where we are going must be clear, that the proletariat must know what measures tending towards the destruction of capitalist production relations (and thus the establishment of socialism) should be implemented as soon as possible." (ibid., p. 11) and in fact goes on to delineate some economic measures to be implemented as soon as possible after the seizure of power in an isolated revolution (see ibid., p. 14), which, if analysed, amount to nothing short of the policies outlined by us earlier on, the thrust of its analysis is as above.

The basis of the ICC's view is its inability to understand what value is. (This is most clearly demonstrated by its 'earth-shattering' assertion that labour time vouchers are "just another kind of money" — for a critique of this astounding 'discovery', see my text "Critique of the ICC" in International Correspondence no. 2 (English Supplement), October 1984, p. 31.) On the basis of this inability the ICC accepts Luxemburg's bourgeois empiricist pseudo-
crisis theory (for a critique of Luxemburg's pseudo-theory, see my text just referred to in ibid., pp. 42-46). And in turn on the basis of Luxemburg's pseudo-theory, the ICC asserts:

"The fundamental economic law of capitalist society, the law of value, is a product of the entire capitalist world market and cannot, in any way, shape or form, be eliminated in one country (even one of the highly developed countries) or in any group of countries — only on a world-wide basis. There is absolutely no getting away from this fact — not even by paying lip-service to it and then ignoring it to talk about the possibility of abolishing money or wage labour (the direct outgrowth of the law of value and the capitalist system as a whole), straight away in one country." (ibid., p.8)

Firstly, the law of value is not a product of the world market; rather the world market was established by the development of capitalism, i.e., the existence of the law of value preceded the establishment of the world market. (It can immediately be seen why I say the ICC's assertion is premised upon Luxemburg's pseudo-theory — 'extra-capitalist market' is the central category of Luxemburg's pseudo-theory.) Secondly, if the ICC knows what it is talking about when proposing the above-mentioned economic measures for the transitional period (the first of which is the "Immediate socialization of large capital concentrations and the main centres of proletarian activity" — emphasis added), then it will also know that they involve precisely the abolition of value and, therefore, the abolition of money and wage-labour as well, within the socialized sectors.

There is no reason why the law of value cannot be abolished within one country IF it is 1. basically self-sufficient resource-wise, and 2. able to maintain total economic isolation from the capitalist world economy (the permissibility of tactical barter has been mentioned already — see footnote 39). The reason why socialism cannot be built in a single country or a group of countries independently is because imperialism renders the above second 'if' impossible as analysed in footnote 39. But before imperialism is able to conquer the isolated revolution, there is no reason why the latter cannot begin to abolish the law of value within its own borders.

For the ICC, there seems to be a direct link between arguing that it is possible for an isolated revolution to begin abolishing
value within its own borders before imperialism is able to conquer it and arguing for the ‘socialism in one country’ view:

"the inability to abolish the law of value or exchange in one country is by no means "a crossing of class lines". Either these are clearly separated, or else one ends up defending the position that the proletariat could have gone on to integral socialism in Russia." (ibid., p. 13)
The error underlying this mindless linking of these two totally separate views is, of course, none other than the ICC’s erroneous Luxemburgian view that the world market preceded (sic) the law of value, etc., which, in turn, is premised upon its total incomprehension of value. Were this view correct, then, of course, it follows that without first abolishing the world market it would be impossible to abolish (or even begin to abolish) the law of value in a single country under whatever circumstances:

"The market economy? It was never destroyed internationally which is the only means of eliminating it ... in Russia". (ibid., p. 13)
The ICC also asks rhetorically:

"The revolution in a country like Britain for example (by no means a backward, under-developed economy as Russia’s in 1917) could last only a few weeks before being brought to death by slow starvation through blockade. What sense is there in talking about an ever-victorious economic war on capitalism in the midst of short-term starvation?" (ibid., p. 14)
Firstly, as far as our present text is concerned, this does not apply because Russia in 1917 was able to attain basic self-sufficiency without being starved to death, and our present task is to show how the Russian Revolution degenerated. Secondly, the situation of an isolated British revolution would certainly require modifications to our general framework. But the framework itself remains valid.40

40. As a further index of how utterly the ICC fails to grasp the Marxist method in this context, we quote the following interesting argument: "In a country which has just had a victorious revolution, the workers’ councils may consider it necessary to work ten to twelve hours a day to produce arms and materials to send to their besieged brothers in another region. Is this socialism? Not to the extent that the basic tenets of socialism are production for human needs (not destruction) ..." (IR no. 3, p. 10)
Whereas Marx said that the purpose of production is a consequence of the method of production, the ICC says the reverse. Production of arms to
Having dispelled possible accusations that we are talking about building socialism in one country and dealt with likely allegations that we are mistaken to argue that it is possible for an isolated revolution to begin to eliminate value before imperialism succeeds to conquer it, we can now move on.

Thus, an isolated revolution must begin to abolish value within its own borders while holding imperialism at bay. Notwithstanding that, however, ‘exporting’ the revolution remains a top priority objective. If its programme for the transitional period is correct, imperialism will lose the economic potential (markets, natural resources, labour-power, investment opportunities) of the country. But imperialism surely will not allow any area’s economic potential not to serve its accumulation needs. The resulting military encirclement will, thus, make ‘exporting’ the revolution an objective need as well.

As is analysed later, the Bolsheviks did not understand the need to sever economic relations with imperialism. But because prior to 1921, the entente countries decided to militarily overthrow the new regime in order to bring Russia (with its economic potentials) back into their orbit, Russia’s external economic relations were almost totally severed. During this period, the entente’s military encirclement made ‘exporting’ the revolution an objective need in addition to being a subjective intention. By the end of 1920, however, capitalism had close to entirely reconquered the Russian state and Russian society as a whole. In order to rebuild Russian capital, the re-establishment of normal economic relationships with imperialism became an objective need and was, thus, placed top on the agenda. At the same time, the entente countries’ attempt to overthrow the Bolshevik regime had completely collapsed and they were, thus, reconciled to the fact that the only realistic way to exploit Russia’s economic potentials was to ‘co-exist peacefully’ (for the time being at least) with the Bolshevik regime. This was why they agreed in practice (as well defend the dictatorship of the proletariat is not socialism because (sic) the purpose of ‘real’ socialist production is for human needs, not destruction. Thus, whether or not a method of production is socialist is determined, according to the ICC, by the types of goods produced and not, as according to Marx’s analysis, vici versa. (The ICC’s text was written in criticism of a faulty analysis of the Russian Revolution’s degeneration by the long-defunct group Revolutionary Workers’ Group. In criticizing the ICC’s analysis, we do not, of course, mean to support the RWG’s faulty analysis.)
as legally for some of them) to re-establish economic and political relationships with the Russian government. It was not necessary for the entente countries to be aware of the change in the class nature of the Russian state. Their policies were entirely dictated by economic and political (which, of course, is itself ultimately premised upon the former) considerations.

Thus, as we will set out to show later, for both internal (the change in the class nature of the Russian state) and external (recognition by the entente countries) reasons, 'exporting' the revolution was no longer an objective need to the Bolsheviks. This was why on the ideological level, all sorts of arguments concerning tactics, etc., were manufactured by the Bolsheviks to apologize for the re-establishment of ties with imperialism (as said, concerning economic ties, the Bolsheviks already in the first place did not understand the need to sever relations with world capitalism, now this deficiency on the subjective level was given further momentum by the objective requirement imposed by the necessity to rebuild Russian capital), and for the 'postponement' of the revolution in Europe (in contrast to the case of re-establishing economic ties with imperialism, this was wholly an apology imposed by the objective change in the class nature of the Russian state, for on the subjective level, the Bolsheviks had formerly held the view that the Russian Revolution could not survive without the world revolution coming and coming in time to its rescue.) We must not fall into the trap of analysing the development of the Bolsheviks from the introduction of the united front policy in Western Europe to the proposition and endorsement of the 'socialism in one country' policy (as analysed in the relevant section below, our analysis of the degeneration of the Russian Revolution and thus, as part of that degeneration, the degeneration of the Bolsheviks as a proletarian party, does not require a prior determination of the class nature of these policies) purely on the ideological level, as does, for instance, the ICC. To analyse this development from the materialist viewpoint, it is necessary first to analyse the objective basis from which it sprang. Not so for the ICC. For the ICC, the major cause of the Russian Revolution's defeat was its isolation.41 While isolation, of course, meant that

41. The ICC also talks about the suppression of the Paris Commune principle inside Russia, etc. (See "The Degeneration of the Russian Revolution" and "The Lessons of Kronstadt" both in IR no. 3) As it holds that
whatever happened inside Russia (for example, however correct the revolution’s programme was), eventual total defeat was inevitable, it is not an argument to say abstractly that, therefore (sic), isolation was the major cause of defeat. A revolution does not degenerate or get defeated directly from isolation in some mysterious way unless it is conquered outright by imperialism or its running-dogs inside the country concerned. The connection between isolation and defeat must be analysed concretely which means that we need to analyse how the effects of isolation actually work through the development of the revolution itself. This, in turn, means, as we have shown in the above, that we need to and can only identify the actual role played by isolation by analysing how it affects the process of the attempt (or lack of it) to transform the capitalist infrastructure and to build a commune-state. In Russia’s case, it is, therefore, necessary to ask, for instance: Did isolation through, for example, increasing Russia’s economic difficulties cause the Russian state to abandon a previously correct programme and adopt a capitalist programme which then led to defeat? (According to the old CWO, it did as signified by the introduction of the NEP, but in that case, the degeneration process would not have ended in 1921 as the old CWO argued at the same time – see footnote 32). Or to ask, for another example: Did isolation, with its resultant military encirclement, force the Russian state to abandon the Paris Commune principle which it had previously upheld? In its analysis, as far as I can make out, the ICC does not ask these or similar questions. Instead, it precisely asserts that the Russian Revolution was mainly defeated directly from isolation. Nothing can be simpler: since isolation meant the revolution would eventually be defeated, thus (sic) its defeat was mainly ‘caused’ by isolation:

“Because there is no possibility of socialism in one country, the question of the degeneration of the Russian Revolution is above all a question of the international defeat of the working class. The counter-revolution triumphed in Europe before it fully penetrated the Russian context ‘from within’.”

(IR no. 3, p. 3)

This is how the ICC explains this mysterious logic:

isolation is the major ‘cause’ of the Russian Revolution’s defeat, we will not discuss these other points here (some of them will be discussed in “Conclusions”).
“by 1920 at the Second Congress of [the 3rd] International, the Bolshevik leaders had made an about-face back to the ‘tactics’ of the past. The hope of revolution was rapidly weakening and the Bolshevik party now defended the 21 Conditions for membership in the International”. (ibid., p. 5)

In other words, the argument is: seeing that the world revolutionary wave was ebbing, the Bolsheviks turned back to the tactics of the past (participation in parliaments, etc.). Since these policies have since World War One become bourgeois policies (the ICC’s analysis of the degeneration of the Russian Revolution and the Bolsheviks requires the prior acceptance of this point), the Bolsheviks, in adopting them, were therefore abandoning the revolution and becoming bourgeois. This process culminated in the introduction and endorsement of the ‘socialism in one country’ policy which marked, according to the ICC, the end of the Russian Revolution’s and the Bolsheviks’ degeneration. (Since the United Opposition refused to endorse the “socialism in one country” policy, the date could, with just as much (i.e., as little) justification, be put at 1927 when the oppositionists were expelled from the party.) Such an interpretation of the above development, however, leaves a lot of questions unanswered. For it is not enough to simply assert that the ebbing of the revolutionary wave ‘forced’ the Bolsheviks to abandon the revolution. For why did it not ‘force’ them to go the way the KAPD, for instance, went? In other words, it is necessary to ask: why did the Bolsheviks turn back to the tactics of the past on seeing the ebbing of the revolutionary wave? Because they thought that they were the right tactics in such a situation? That was what the Bolsheviks themselves said, but as Marx said, we do not “judge an individual by what he thinks about himself” or “a period of transformation by its consciousness”. In other words, it has to be explained why they thought so if they did indeed think so (was it simply a lapse in revolutionary theory or was it for some deeper reasons?), which the ICC does not do for it has not even suspected the need to do so. Because they were unwilling to relinquish state power and, therefore, sought for an accommodation with world capitalism, i.e., were consciously abandoning the revolution assuming that the above policies have become bourgeois since World War One and the Bolsheviks knew that? But that would be to speculate on the Bolsheviks’ motives. Because of some combination of the above
reasons? In which case our above comments still apply. Further, why did the Bolsheviks abandon their original view of the fate of an isolated revolution and adopt the theory of 'socialism in one country'? Because they really thought it to be possible? Because they were consciously abandoning the revolution? Because of some combination of these reasons? In all cases, our above comments apply. For the ICC, the phenomenon is the 'explanation'.

Thus, the Bolsheviks turned back to the tactics of the past as the revolutionary wave ebbed because (sic) the revolutionary wave ebbed. That is why the ICC has not even raised the above questions. Or has it already to itself and answered as above? If, as we have just shown, there can be no satisfactory answer to the above questions, since neither idealism (depending on what the Bolsheviks said about themselves) nor astrology (speculating on the Bolsheviks' alleged motives) nor any combination of them can pass for science, it is because the Bolsheviks did not turn back to the tactics of the past because of the ebbing of the revolutionary wave, but for the reason mentioned earlier. The ICC was led into its 'the phenomenon is the ‘explanation” tautology because the ebbing of the revolutionary wave provided the background against which the Bolsheviks' need to rebuild Russian capital by re-establishing ties with world capitalism got concretized into specific policies. Only by first understanding the objective basis of the Bolsheviks' change of line does the latter become explicable. It is such an understanding that allows us to explain why (without resorting to either idealism or astrology and without ending in tautology), for example, at the same time as a strike wave raged in the summer of 1923 across Germany, the Bolsheviks pushed the policy of national bolshevism but when the workers' struggle had already died down, they suddenly went for a putsch misnamed a 'revolution' in October 1923 (see the section "‘Exporting’ the Revolution: the Theory and Practice of the Russian Revolution").

42. a. Cf., the ICC's adoption of Luxemburg's pseudo-crisis theory in which the phenomenon (overproduction) is the 'cause' of . . . overproduction! See my text on Luxemburg's pseudo-theory in IC no. 2 (English Supplement), October 1984.

b. Cf., to quote only two other examples, the ICC's machiavellian view of the bourgeoisie and conspiratorial view of history both of which are also based upon the idealist method (see my "Critique of the Left in Opposition and Related Perspectives" in ibid.).
We shall return to the ICC's thesis again in "Conclusions".

We have spent so much time on method and building an analytical framework because it is indispensible for a scientific analysis of the Russian Revolution's demise. In the following sections, we first discuss the economic theory and practice of the revolution and their consequences, we then analyse the attempt (or lack of it) to build a commune-state and how the Paris Commune principle was completely extinguished and its consequences, and, before drawing our conclusions, we discuss the development of the international extension of the revolution. Since a revolution does not mysteriously degenerate directly from isolation, we will examine how the effects of October's isolation actually worked through the development of the revolution itself in the various sections as and when it is necessary to do so.
To understand the Bolsheviks' economic thought prior to War Communism, it is necessary first to understand their own understanding of the character of the Russian Revolution. This will take us on a short detour.

For a time, Russian Marxists were faced with this thorny problem: they all agreed (erroneously) that the coming Russian revolution would be a bourgeois revolution, but in this revolution, what should be the role of the proletariat? What would be its tasks? Further, what would be the relationship between the Russian bourgeois revolution and the proletarian revolution? The conclusion of the 'legal Marxists' was: the task of the proletariat in the Russian bourgeois revolution was to assist the Russian bourgeoisie in the latter's revolution, as far as its own revolution was concerned, it would have to wait until Russia's capitalist development had prepared the material basis (understood in either or both of the erroneous senses mentioned in the Prologue) for it. The Menshevik mainstream also held a similar view.

In 1905 Lenin published a number of articles in *Vperiod*, the Bolshevik organ from January to May 1905, analysing the above question. Several months later, he synthesized his conclusions in *Two tactics of Social Democracy in the Democratic Revolution* which was published in July 1905. Briefly, Lenin's conclusion was: the experience of the bourgeois revolutions of the 19th-century tells us that, based upon its fear for the proletariat, "the bourgeoisie betrays its own self, . . .betrays the cause of liberty . . . is incapable of being consistently democratic." (*Two Tactics* in Lenin, *Selected Works*, vol. 1, Progress, 1975, p. 453) In other words, the "very position the bourgeoisie holds as a class in capitalist society inevitably leads to its inconsistency in a democratic revolution." (ibid., p. 453) Analysing from this angle, the Russian bourgeoisie would "strike a huckster's bargain with tsarism" (ibid., p. 448), and act against the 'consistent' bourgeois revolution. 43

---

43. To say that the bourgeoisie betrays its own 'democratic' principles and revolution is incorrect. Bourgeois 'democracy' does not have any
For this reason, the proletariat should not "keep aloof from the bourgeois revolution, [should] not . . . be indifferent to it, [should] not . . . allow the leadership of the revolution to be assumed by the bourgeoisie but, on the contrary, . . . [should] take a most energetic part in it, . . . [should] fight most resolutely for consistent proletarian democratism, for the revolution to be carried to its conclusion". (ibid., p. 454) Amongst the other classes, only the peasantry would, according to Lenin, fight for 'consistent' democracy, for carrying the bourgeois revolution to its conclusion. Thus, "the only force capable of gaining "a decisive victory over tzarism" is the people, i.e., the proletariat and the peasantry . . . "The revolution’s decisive victory over tzarism" means the establishment of the revolutionary-democratic dictatorship of the proletariat and the peasantry . . . But of course it will be a democratic, not a socialist dictatorship." (ibid., p. 457) After leading, with the support of the peasantry, the bourgeois revolution "to its conclusion", the proletariat then "must accomplish the socialist revolution, allying to itself the mass of the semi-proletarian elements of the population", i.e., the poor peasants. (ibid., p. 494) Lenin did not explain the basis upon which he drew the conclusion that the bourgeois revolution, "carried to its conclusion", could immediately pass into the socialist revolution. He only delineated the two indispensable conditions of this transition: 1. after allying to itself the peasantry and leading the bourgeois revolution "to its conclusion", the proletariat must then split the peasantry, ally to itself the poor peasants in order to accomplish the socialist revolution; 2. the victory of the revolutionary-democratic dictatorship of the proletariat and the peasantry "will enable us to rouse Europe; after throwing off the yoke of the bourgeoisie, the socialist proletariat of Europe will in its turn help us to accomplish the socialist revolution." (ibid., p. 479)

'intrinsic' "consistently democratic" nature. The bourgeoisie did not fight for any abstract 'democratic' principles, but only for 'democracy' for itself in its struggle to unseat the political hegemony of the feudal aristocracy. A cursory review of 19th-century political history in Western Europe will reveal this clearly. The extension of bourgeois 'democracy' to the working class in the West was the result of the latter's struggle for reforms within capitalism, an entirely different struggle from the one between the bourgeoisie and the feudal aristocracy which gave rise to 'democratic' theory itself in the first place.
When Lenin returned to Russia in April 1917, he was of the opinion that the bourgeois revolution had achieved initial success in the February Revolution. Lenin said in the April Theses:

"The revolutionary-democratic dictatorship or the proletariat and the peasantry" has already become a reality (in a certain form and to a certain extent — note added by Lenin) ... "The Soviet of Workers' and Soldiers' Deputies" — there you have the "revolutionary-democratic dictatorship of the proletariat and the peasantry" already accomplished in reality."  

(April Theses, Progress, 1970, p. 13)

But the existence of dual power forced Lenin to say later in the very same text:

"the interlocking of two dictatorships: the dictatorship of the bourgeoisie (for the government of Lvov and company is a dictatorship ...) and the dictatorship of the proletariat and the peasantry (the Soviet of Workers' and Soldiers' Deputies) ... The dual power merely expressed a transitional phase in the revolution's development, when it has gone farther than the ordinary bourgeois-democratic revolution, but has not yet reached a 'pure' dictatorship of the proletariat and the peasantry."  

(op.cit., p. 28)

As a matter of fact, before he returned to Russia, he had already formed the opinion that the February Revolution was bourgeois. In Letters From Afar, published in Pravda on March 21 and 22, he said:

"Ours is a bourgeois revolution ... the proletariat, utilizing the peculiarities of the present transition situation, can and will proceed, first, to the achievement of a democratic republic and complete victory of the peasantry over the landlords, instead of the Guchkov-Milyukov semi-monarchy, and then to socialism, which alone can give the war-weary people peace, bread and freedom."  

(Selected Works vol. 2, pp. 38 & 40)

Lenin further exhorted the working class: "prepare the way for your victory in the second stage of the revolution" to attain which end "we shall strive not only for the agricultural workers to establish their own separate Soviets, but also for the propertyless and poorest peasants to organize separately from the well-to-do peasants."  

( ibid., p. 39) In other words, Lenin, as is obvious, analysed the February Revolution entirely on the basis of his thesis set out in Two Tactics in 1905. Given that the February
Revolution was in reality the beginning of the proletarian revolution, it is therefore not surprising to find Lenin often trapped in self-contradiction over his analysis of the period of dual power as we will now show.

In his Report On The Current Situation delivered to the seventh party conference, Lenin said at one point: “We are all agreed that power must be wielded by the Soviets of Workers’ and Soldiers’ Deputies. But what can and should they do if power passes to them, i.e., if power is in the hands of the proletarians and the semi-proletarians?” (ibid., p. 99) I.e., here soldiers = poor peasants, and Lenin was already, within the framework of his 1905 thesis, talking about the transition into the socialist phase of the revolution: “The Soviets of Workers’ and Soldiers’ Deputies ... now stand at the centre of the revolution ... should they take over the power ... This would be a state of the Paris Commune type.” (ibid., p. 99) Yet, in the draft resolution on the attitude towards the Provisional Government, the adoption of which he urged the conference in the Report, it was clearly said that: “the Petrograd Soviet of Workers’ and Soldiers’ Deputies, which now unites an obvious majority of workers and soldiers, i.e., peasants”. (ibid., p. 92) In the April Theses Lenin also said that soldiers = peasants: “the dictatorship of the proletariat and the peasantry (the Soviets of Workers’ and Soldiers’ Deputies).” (April Theses, p. 28)

It is commonly said that the slogan “All Power to the Soviets” put forth by the seventh party conference was a call for the dictatorship of the proletariat. It is true that when the proletariat smashes the bourgeois state, state power passes into the hands of the Soviets. However, when the Bolsheviks put forward this slogan, they were only calling for the so-called dictatorship of the proletariat and the peasantry. In On Slogans, published in mid-July, Lenin said: “In their class composition, the Soviets [referring to the Soviets of Workers’ and Soldiers’ Deputies] were organs of the movement of the workers and peasants, a ready-made form of their dictatorship ... the transfer of power to the Soviets ... would in no way have changed the petty-bourgeois nature of the peasants.” (Selected Works vol. 2, p. 201) In other words, in contrast to the view (within the framework of his 1905 thesis) that he sometimes held, namely, that the socialist phase of the revolution was already next on the agenda, Lenin here held that
the so-called dictatorship of the proletariat and the peasantry had not yet reached its 'pure' stage.

Imprisoned by his erroneous 1905 thesis, the above self-contradictory assessments of the nature of the revolution are not surprising. But Lenin did not allow them to remain unresolved. From his point of view, the crux of the problem lay in the unsteady peasantry: if it was able to break loose from the stranglehold of the bourgeoisie and ally itself to the proletariat, then the 'pure' stage of the so-called dictatorship of the proletariat and the peasantry would be attainable, paving the way to the socialist phase of the revolution. If, however, it failed to shake off the bourgeoisie's stranglehold, then the proletariat would have to escalate the revolution directly to its socialist phase, by allying to itself the poor peasants. Lenin said in the April Theses:

"To be guided in one's activities merely by the simple formula, "the bourgeois democratic revolution is not completed", is like taking it upon oneself to guarantee that the petty-bourgeoisie is definitely capable of being independent of the bourgeoisie." (p. 20)

In his April 24 (Julian calendar)'s Report on the Current Situation delivered to the seventh party conference, Lenin again said: "we cannot be sure that the peasants will necessarily go farther than the bourgeoisie." (Selected Works vol. 2, p. 91) As to why the material basis of the socialist phase of the revolution (let us, for the sake of argument, remain here within his 1905 thesis' framework) would not be affected by whether the peasantry would be able to "go farther than the bourgeoisie", Lenin did not explain, for he had not even suspected the question.

On the other hand, Lenin had in reality already dropped the view that the outbreak of the proletarian revolution in Europe was one of the two conditions for the putting on the agenda of what according to his 1905 thesis was the socialist phase of the revolution in Russia itself. He said in the April Theses:

"The Russian revolution of February-March 1917 was the beginning of the transformation of the imperialist war into a civil war. This revolution took the first step towards ending the war; but it requires a second step, namely, the transfer of state power to the proletariat, to make the end of the war a certainty. This will be the beginning of a 'breakthrough' on a world-scale, a breakthrough in the front of capitalist
This formulation is in reality tantamount to saying that the February Revolution was the beginning of the proletarian revolution in Russia which, being part and parcel of the revolutionary struggle of the world proletariat, was only to be the first leg of the believed to be impending world revolution. This was as close to the reality of the Russian Revolution as it was developing then as Lenin, or, for that matter, any other revolutionary both inside and outside Russia, had come. This occurred because in his analysis here Lenin departed from the category of the world revolution. Though Lenin did not say so in so many words, he was in fact saying that the Russian Revolution was a socialist revolution because Russia was ripe for it which, in turn, was because the world as a whole was ripe for it and because Russia’s revolution was only to be part and parcel of the (believed to be) impending world revolution. Starting from the category of the world revolution was what enabled Lenin to rise above the theoretical straight-jacket in which Kamenev and the majority of the Bolsheviks were caught. And whenever he conducted his analysis from this point of departure, he was immediately able to shake off the suffocating framework of “‘pure’ dictatorship of the proletariat and the peasantry or the socialist phase of the revolution?”, and go on to point out that the next step of the revolution was to resolve the state of dual power by having the proletariat seize state power and build the dictatorship of the proletariat. Whenever Lenin focused solely on the revolution as an individual Russian event, he immediately fell prey to the above framework.

In reality the thorny problem of “‘pure’ dictatorship of the proletariat and the peasantry or the socialist phase of the revolution?” was not resolved in theory. The July days revealed in all its starkness the only alternative open to the proletariat: if the proletariat did not resolve the stalemate of the state of dual power by seizing state power (independently in reality though the Bolsheviks still theoretically talked of the necessity to ally to the proletariat the poor peasants), the counter-revolution of the bourgeoisie would celebrate its victory over the blood of the workers. (Lenin was extremely correct to point out, for example, in the April Theses that “There is not the slightest doubt that such an ‘interlocking’ cannot last long. Two powers cannot exist in a state. One of them is bound to pass away” (p. 28).) The sixth
congress of the Bolshevik party (July 26 to August 3, Julian calendar) called upon the proletariat to prepare with, of course, the poor peasants allied to itself, to seize state power, i.e., the congress regarded the next step would be the socialist phase of the revolution as depicted in Lenin's 1905 thesis. All of Lenin's texts since the July days called for the preparation to seize power (*On Slogan*, published in early September, was an exception which we have dealt with in footnote 21.) For instance, in July 20's *The Political Situation* he said: "This is the objective situation: either complete victory for the military dictatorship, or victory for the workers' [no peasants mentioned here] armed uprising". (*Selected Works* vol. 2, p. 194) When the proletariat defeated the Kornilov rebellion, Lenin correctly assessed that the time was ripe for the "workers' armed uprising" to seize power.

Nevertheless, notwithstanding the above, even after the seizure of power, many Bolsheviks including Lenin himself still had doubts concerning the nature of the revolution. This was partly a result of a genuine theoretical error, and partly because the Bolsheviks mistakenly believed 1. that the support of the peasantry was a necessary condition for the survival of the new regime (as is seen later, the new regime survived *despite* the peasants' sabotage), and 2. that the peasantry could be won over to the proletariat and become its ally. On the day of the seizure of power, *Roboichi Put* (the party's organ since the July days, replaced by *Pravda* on its republication after the seizure of power) headlined: "ALL POWER TO THE SOVIETS OF WORKERS, SOLDIERS AND PEASANTS!" (*See J. Reed, op.cit., p. 89*) On the same day, the Military Revolutionary Committee of the Petrograd Soviet published *To The Citizens Of Russia* which ended triumphantly with: "Long Live the Revolution of the Workmen, Soldiers and Peasants!" (*Read, op.cit., p. 105*) The government that the second All-Russian Congress of Soviets resolved to form was a Provisional Workers' and Peasants' Government. Yet, in his address to the same congress, Lenin said: "We shall begin to construct a socialist order!" Less than two months later, however, in his *Theses On The Constituent Assembly* Lenin on the one hand talked of "the October, soviet, proletarian-peasant revolution" while on the other said: "on October 25 began the socialist revolution against the bourgeoisie ... the October uprising and the tasks of the dictatorship of the proletariat" (*Selected Works* vol 2, pp
In 1919 Lenin said that the October revolution was a workers’ and peasants’ revolution and thus, in this sense, a bourgeois revolution (presumably corresponding to the so-called ‘pure’ stage of the so-called dictatorship of the proletariat and the peasantry); but he implied that the revolution was then (when, why and how, he did not say) transformed into the socialist phase in the cities and hastened to add that since the summer of 1918, with the formation of the committees of poor peasants, the socialist phase of the revolution had spread to the countryside: “in October 1917 we marched with the peasants... In that sense, our revolution at that time was a bourgeois revolution... As far as the countryside was concerned, our revolution continued to be a bourgeois revolution, and only later, after a lapse of six months, were we compelled... to start the class struggle in the countryside, to establish Committee of Poor Peasants, of semi-proletarians...” (Theses And Report On Bourgeois Democracy And The Dictatorship Of The Proletariat delivered to the CI’s founding congress, in Selected Works vol. 3, p. 111 – see also Report on Work in the Countryside delivered to the 8th party congress, March 1919) Yet, the Draft Party Programme of the Russian Communist Party (Bolshevik) submitted to the same 8th party congress began as follows: “The revolution of October 25, 1917 (November 7) realized in Russia the dictatorship of the proletariat. With the sponsorship (sic!) of the poor peasants or semi-proletarians, the proletariat began to build the basis of a communist society.” Selected Works vol. 3, People’s Press, Pekin, p. 753, translation from the Chinese translation mine)

Let us now go back in time to the period of dual power. Since for most of the time Lenin regarded it as the period of the so-called dictatorship of the proletariat and the peasantry (whether ‘pure’ or not does not concern us here), the economic programme that he put forward for this period was, thus, only one that corresponded to its nature (there was actually another reason why Lenin proposed such a programme – see later). In Two Tactics Lenin already delineated a number of economic measures for this programme: “This government will have to enact an 8-hour working day, establish workers’ inspection of factories...” (Selected Works vol. 1, p. 479) The April Theses outlined a more detailed programme:
"Such measures as the nationalization of the land, of all the banks and capitalist syndicates, or, at least, the immediate establishment of the control of the Soviets of Workers' Deputies, etc., over them — measures which do not in any way constitute the 'introduction' of socialism — must be absolutely insisted on . . . Without such measures, which are only steps towards socialism, and which are perfectly feasible economically, it will be impossible to heal the wounds caused by the war and to avert the impending collapse . . ." (April Theses, p. 40)

"I am deeply convinced", Lenin said elsewhere in the same text, "that the Soviets will . . . more effectively, more practically and more correctly decide what steps can be taken towards socialism and how these steps should be taken. Control over a bank, the merging of all banks into one, is not yet socialism, but it is a step towards socialism." (op.cit., p. 22)

On March 10 (Julian calendar), under revolutionary pressure, the Petrograd Manufacturers' Association made a formal capitulation for the first time by signing an agreement with the Executive Committee of the Petrograd Soviet, granting the 8-hour day in some enterprises (but most other employers refused to follow suit). Since February, factory committees had been formed by workers in many enterprises. Their objective, however, was not to expropriate the capitalists (as analysed in the Prologue, the workers at this stage did not yet aim at overthrowing capitalism as the only way to defend their material interest), but only to 'control' them. This is clearly shown in the proclamation of the Exploratory Conference of Factory Committees of Petrograd War Industries. Paragraphs 5 to 7 of the proclamation read:

"From the Factory Committee should emanate all instructions concerning internal factory organization (i.e., instructions concerning such matters as hours of work, wages, hiring and firing, holidays, etc.). The factory manager to be kept notified . . .

"The whole administrative personnel (management at all levels and technicians) is taken on with the consent of the Factory Committee which has to notify the workers of its decisions at mass meetings of the whole factory or through shop committees . . .

"The Factory Committee controls managerial activity in the
administrative, economic and technical fields... representatives of the Factory Committee must be provided, for information, with all official documents of the management, production budgets and details of all items entering or leaving the factory...” (Quoted in Solidarity, The Bolsheviks And Workers’ Control, p. 2)

Thus, in their struggle, the workers were already putting into practice the programme Lenin advocated in Two Tactics and the April Theses.

The seventh RSDLP conference, held in April (Julian calendar), endorsed the April Theses and resolutions were passed making its proposals the party’s programme for the period of the so-called revolutionary-democratic dictatorship of the proletariat and the peasantry. The sixth party congress, held in July/August, endorsed the same programme: 1. the centralization and ‘nationalization’ of the banks (NB: this so-called ‘nationalization’ ≠ expropriation of the capitalists, it meant merely forced syndication with the administrative power of the trusts thus formed passed into the hands of the state): 2. the ‘nationalization’ (meaning as above) of large enterprises; 3. the institution of workers’ control over production and distribution; 4. the establishment of a system of exchange between the cities and the countryside. Since returning to Russia, Lenin had always held the view that ‘nationalization’ in the above sense plus workers’ control were the only means “to avert the impending collapse”. The same as everybody, he called this kind of ‘nationalization’ state monopoly capitalism (practised by Germany during the war which Lenin often cited as example).

Lenin’s programme for the so-called dictatorship of the proletariat and the peasantry was never put into effect during the period of dual power. Now, after the seizure of power, if Lenin understood it to be a bourgeois revolution, as he did on some odd occasions (see above), then he had ample justification (according to his own erroneous framework, that is, and letting alone embarrassing questions raised by such an interpretation of the October uprising as “A bourgeois revolution putting a communist party in power?”) to propose the above programme for adoption after October 25. But since on these occasions he also implied that the revolution was then transformed into its socialist phase in the cities (see above), this brings us to the following situation. If Lenin understood the October revolution to
be at least in the cities a socialist revolution, as he did on other occasions, what then should happen to the above programme which belonged properly to the so-called dictatorship of the proletariat and the peasantry but which had not been instituted prior to October 25? Before the seizure of power, Lenin had already considered this problem and found an answer, namely, that the programme would now become the programme for the dictatorship of the proletariat! In The Political Situation he said concerning the land question:

"The transfer of land to the peasants is impossible without armed uprising". (Selected Works vol. 2, p. 195) (By "armed uprising" he meant the socialist phase of the revolution: "The aim of the insurrection can only be to transfer power to the proletariat, supported by the poor peasants" (ibid., p. 195).)

He made the same point in Can The Bolsheviks Retain State Power? published on the eve of the October uprising:

"as for the perfectly soluble problem of taking immediate steps towards socialism, which is the only way out of the exceedingly difficult situation, that will be solved only by the dictatorship of the proletariat and poor peasants.” (ibid., p. 399)

How and why was it that a non-socialist economic programme ("steps towards socialism", in Lenin's words) could become a programme for the dictatorship of the proletariat? Lenin had two answers to this question, both of them being anti-Marxian (the second has since been taken up by sundry leftists and, in fact, provides the basis of Trotsky's mature version of his theory of permanent revolution.)

Lenin's first answer: Lenin said in Can the Bolsheviks Retain State Power?:

"The chief difficulty facing the proletarian revolution is the establishment on a country-wide scale of the most precise and most conscientious accounting and control, of workers' control of the production and distribution of goods.

"... .

"This is the chief difficulty, the chief task that faces the proletarian, i.e., socialist revolution . . .

"...

"The important thing will not be even the confiscation of the
capitalists' property, but countrywide, all-embracing workers' control over the capitalists and their possible supporters . . .

"Compulsory syndication, i.e., compulsory amalgamation in associations under state control [i.e., 'nationalization' in the sense referred to earlier] — this is what capitalism has prepared the way for, this is what has been carried out in Germany by the Junkers' state, this is what can be easily carried out in Russia by the Soviets, by the proletarian dictatorship."

(Selected Works vol. 2, pp. 408 & 410)

In other words, Lenin said clearly here that the programme he had previously said to be the programme for the so-called dictatorship of the proletariat and the peasantry was now to be the programme for the dictatorship of the proletariat, i.e., a 'socialist' programme. He explained why in Impending Catastrophe and How to Combat It, also published on the eve of the seizure of power:

"And what is the state? It is an organization of the ruling class — in Germany, for instance, of the Junkers and capitalists. And therefore what the German Plekhanovs (... ) call "war-time socialism" is in fact war-time state-monopoly capitalism, or, to put it more simply and clearly, war-time penal servitude for the workers and war-time protection for capitalist profits.

"Now try to substitute for the Junker-capitalist state, for the landowner-capitalist state, a revolutionary-democratic state, i.e., a state which in a revolutionary way abolishes all privileges and does not fear to introduce the fullest democracy in a revolutionary way. You will find that, given a really revolutionary-democratic state, state-monopoly capitalism inevitably and unavoidably implies a step, and more than one step, towards socialism!

"For if a huge capitalist undertaking becomes a monopoly, it means that it serves the whole nation. If it has become a state monopoly, it means that the state (i.e., the armed organization of the population, the workers and peasants above all, provided there is revolutionary democracy) directs the whole undertaking. In whose interests?

"Either in the interest of the landowners and capitalists, in which case we have not a revolutionary-democratic, but a reactionary-bureaucratic state, an imperialist republic.

"Or in the interest of revolutionary democracy — and then
it is a step towards socialism.

"For socialism is merely the next step forward from state-capitalist monopoly. Or, in other words, socialism is merely state-capitalist monopoly which is made to serve the interests of the whole people and has to that extent ceased to be capitalist monopoly." (ibid., p. 269)

In other words, according to Lenin, the purpose of production (an effect) defines (sic) the nature of a social formation and not its relations of production (the cause). For Lenin, it is the political superstructure that determines (sic) the class nature of economic policies: thus, the same economic measure (namely, state-capitalist monopoly) was a capitalist measure when it was put into effect by Germany's Junker-capitalist state but could be "steps towards socialism" (i.e., measures appropriate to the so-called workers' and peasants' dictatorship) if it was put into effect by a "revolutionary-democratic state", i.e., the so-called workers' and peasants' dictatorship, or could actually be (sic) socialism itself if it was put into effect by the workers' dictatorship. This was why for him the economic programme which he had previously regarded as only "steps towards socialism" had now become 'socialist' because the October revolution had set up the workers' dictatorship. Needless to say, determining the class nature of an economic programme on the basis of who (defined in subjective terms) puts it into effect is through and through anti-Marxian.

Lenin's second answer: In the Prologue we have come across the problem posed by the concept of 'material basis'. On the basis of the erroneous technological level or level of material well-being criteria of definition, many people regard Russia as unripe for the socialist revolution in 1917. We have already conclusively demolished these ideologies in the Prologue, showing that one root cause of their mistake is the failure to put the Russian Revolution in the context of the world revolution though the latter did not materialize. This was naturally also the failure that underlay the mistake committed by revolutionaries who in and prior to 1917 regarded Russia as ripe only for the bourgeois revolution ('legal Marxists', Mensheviks as well as many Menshevik-Internationalists and Bolsheviks). Lenin, it has been seen, was able to rise above this mistake because he precisely departed from the category of the world revolution. seeing the revolution in
Russia as only part of that revolution. However, when it came to the consideration of the post-seizure of power economic programme, he immediately fell into exactly the same pitfall: he argued that Russia did not possess the material basis for instituting socialist economic measures (when he argued in this way, his above-analysed first answer was conveniently, consciously or unawares it does not matter, pushed into the background). For Lenin, whatever happened in Russia politically, i.e., whether what the October uprising established was the so-called ‘pure’ dictatorship of the proletariat and the peasantry or the dictatorship of the proletariat, economically she had no alternative but to pass through the state-monopoly capitalist phase. Thus, Lenin’s argument can be summarized as follows: Russia was ripe for the socialist political revolution but not for instituting socialist economic measures, as a result, the socialist soviet state would firstly have to develop Russia’s capitalist economy until the time was ripe to introduce socialist economic policies.

Applying the conclusions drawn in the Prologue to the case of Russia in 1917, it means that the question faced by the soviet state was not to consider Russia’s own particular level of technology or material well-being that could be produced and gear its economic programme accordingly. The question was rather how to hold on to the revolution whilst awaiting the rescue of the world revolution, which required, as a matter of life and death, as analysed in the previous section, the immediate institution of the socialist programme, both economic and political. A detailed

44. Ignore, for the present purpose, the fact, to be shown later, that the Bolsheviks did not have any idea of what a correct socialist economic programme is like. The Bolsheviks did not bear sole responsibility for this glaring deficiency in Marxist theory. Since Marx’s *Critique of the Gotha Programme* and Engels’ *Anti-Dühring*, no Marxist had ever paid any attention to the question.

45. Trotsky’s mature version of his theory of permanent revolution precisely argues that in economically backward countries the socialist political revolution (for Trotskyists, this = (sic) the seizure of state power, whether by means of a coup in the ordinary sense of the term, or guerilla warfare or whatever, by a party which calls itself ‘socialist’ and holds a programme which, inter alia, calls nationalized capital ‘socialized’ means of production, even when in this ‘revolution’ not a single worker is involved) can occur first while the state thus established would, firstly, develop the capitalist economy until the time is ripe to introduce ‘socialist’ economic measures as defined in the Trotskyist ‘socialist’ economic programme.
analysis of this question is in the “Addendum” to the adjacent text and the reader is referred to it.

Before going on to analyse the actual debates concerning the economic programme after the establishment of the soviet state, basing upon the above we can already summarize Lenin’s errors regarding this programme: 1. In analysing the question of whether Russia possessed the material basis for instituting socialist economic measures, Lenin completely abandoned the historical-materialist framework; 2. in saying that the same economic programme could (sic) be either non-socialist or socialist depending on who (defined in subjective terms) puts it into effect, Lenin adopted an anti-Marxian method; 3. in assuming that by relying purely on its subjective revolutionary will, the proletariat could manage capital without having to answer objectively the needs of capital, Lenin adopted the idealist method.

Let us now proceed to examine how Lenin’s erroneous analysis was translated into an erroneous and therefore capitalist programme.

The Bolsheviks were the undisputed political vanguard of the October Revolution, gaining an absolute majority in the Central Executive Committee of the All-Russian Congress of Soviets (VTsIK), and, as the Left Socialist Revolutionaries, who nominally represented the interests of the peasants, initially refused to join the soviet government, all the portfolios in the Council of People’s Commissars (Sovnarkom). (We will analyse the political aspects of these state institutions in later sections.) The soviet government did not immediately expropriate the means of production in the major branches of production. The Bolsheviks thought it was enough to institute so-called workers’ control over the capitalists. Lenin said in *How To Organize Competition*?:

“Accounting and control, if carried on by the Soviets of Workers’, Soldiers’ and Peasants’ Deputies as the supreme state power, or on the instructions; on the authority of this power . . . – is the *essence* of socialist transformation, once the political rule of the proletariat has been established and secured.” (In op.cit., p. 520) (It can again be seen that here Lenin defined the class nature of economic measures by who
puts them into effect.)
As said earlier, since the February revolution factory committees, formed spontaneously by workers to institute and enforce workers' control, proliferated. What the soviet government did now was only to centralize them. The Regulations on Workers' Control publicized on November 16, 1917 (Julian calendar) (an amended version of Lenin's Draft Statutes on Workers' Control which was itself a modified version of his Draft Regulations on Workers' Control) stipulated that factory committees were to be the instrument of workers' control at the factory level, that Regional Councils of Workers' Control and an All-Russian Council of Workers' Control were to be set up to centralize the tasks of workers' control, and that decisions reached by factory committees were to be binding upon owners of enterprises. (See Solidarity, op.cit., pp. 17 – 18)46

On December 5, 1917 (Julian calendar), the soviet government set up the Supreme Council of National Economy (Vesenkha). Although Lenin called it "an instrument of combat for the struggle against the capitalists and landlords" (quoted in History of the October Revolution by Sun Xhingmu et al, Joint Publishers, Peking, 1980, p. 221, translation mine), its original purpose was only to centralize industrial administration, i.e., the transfer of the administration of enterprises which remained under individual ownership (the term 'individual' is used instead of 'private' for reasons already explained in the previous section) from the hands of the individual capitalists (see immediately above) under the control of the factory committees to the state. In early 1918 Vesenkha set up various glavki to take charge of the centralized administration of the various branches of production. The glavki in turn appointed local branches throughout Russia.

Circumstances, however, forced the soviet government to embark upon limited nationalization (meaning expropriation of the capitalists) of individual enterprises. Prior to mid-1918, nationalization were mainly of two types: 1. 'punitive' nationalization: some capitalists and their running-dogs refused to

46. The libertarian accusation that the Bolsheviks were 'strangling' the masses' 'self-activity' by centralizing workers' control is simply a counter-revolutionary argument against economic centralization. In any case, workers' control is capitalist in content.
co-operate with the soviet government, refused to abide by the
decisions of the factory committees, engaged in sabotage of
production, or simply closed down operation altogether, thus
forcing the government to expropriate the enterprises concerned.
According to Milyutin, of the limited number of nationalized
enterprises during the period prior to War Communism, 70% were
of this type. The most famous example is, of course, the nationali-
zation of the banks. Since the seizure of power, employees of the
state bank had steadfastly refused to co-operate with the soviet
government, boycotting all its requests. On December 24, 1917
(Julian calendar), red guards finally occupied the state bank. On
the next day, VTsIK passed a decree on the banks' nationaliza-
tion, which stipulated the expropriation of the private banks
which were now merged with the state bank to form a state
monopoly in banking. 2. 'Spontaneous' nationalization: since
the seizure of power, some highly conscious workers, on their
own initiative, expropriated the capitalists and turned over the
enterprises to the soviet government. (See E.H. Carr, op.cit.
vol. 2, pp. 81–82)

The soviet government engaged in very limited nationalization
on its own initiative. Such nationalizations, moreover, were
limited to individual enterprises and not whole industries. (The
same applied to the above two types of nationalization.) The only
exceptions were: 1. the nationalization of the merchant fleet in
January 1918, and 2. the nationalization of the sugar and petro-
leum industries in May and June 1918 respectively. According
to the report of the first conference of the All-Russian Congress
of Regional Economic Councils, held on May 26, 1918, between

47. The preachers of the ICC sermonize that there should be no violence
within the working class. (See "The Lessons of Kronstadt" in IR no. 3) Not
realizing that the state which crushed the Kronstadt uprising was a newly-
born bourgeois state (to be proved later in the text), they believe that
Kronstadt was an intra-class confrontation within the proletariat, thus
leading them to lay down the above commandment. While we do not
glorify violence within the working class, we accept the fact that even in
intensely revolutionary periods, the consciousness of workers is extremely
heterogeneous and that certain pockets of the working class may be against
the revolution, in which case, if it is a matter of life and death for the
revolution that their resistance be crushed, then the revolutionary workers
should not hesitate to do so. The strike against the soviet government by
government employees in the early days after October should have woken
the preachers of the ICC from their pious wish.
the seizure of power and the day of the conference, only 304 enterprises had been nationalized. (We shall return to the question of nationalization when we reach the discussion of the grossly misunderstood period of War Communism.)

Not all Bolsheviks agreed with Lenin's economic programme. Since March 1918, a group of Bolsheviks who came to be known as 'left-communists' began to criticize the government's economic policies. The left communists included Bukharin, Radek, Ossinsky (a.k.a. Obolensky), Lomov, etc. (Needless to say, whenever we mention oppositional views in the RCP, this does not imply any identification.) The left-communists wielded a majority firstly in the Petrograd party organization and then in the Moscow party organization, during which times they published in March in Petrograd a daily called Kommunist and in April and May in Moscow a journal of the same name, as the official organs of the respective party organizations. (The fourth number of Kommunist (Moscow) was published privately for by that time, the Bolshevik majority had re-established control of the Moscow party organization and, against all principles of party democracy, suppressed public expression of minority views through party channels.)

In March Ossinsky published his famous Theses On The Current Situation:

"Instead of advancing from partial nationalization to a general socialization of large-scale industry, agreements with 'captains of industry' must lead to the formation of big trusts directed by them . . . Such a system of organized production creates a social base for the evolution of state capitalism and constitutes a transitional stage towards it." (Quoted in E.H. Carr. op.cit., vol. 2, p.p. 95–96)

It must be mentioned, in passing, that though the left-communists correctly pointed out that the Bolshevik economic programme prior to War Communism which they and everybody at that time called state-capitalism (i.e., as already mentioned, the transfer of the administrative power of enterprises from the hands of individual capitalists who retained ownership of the enterprises to the hands of the state)⁴⁸, "Instead of raising the banner forward

---

⁴⁸. The category of state capitalism as it is used today has different meanings when used by different people. In the author's view, the concept developed by Mattick and taken over by the CWO (see the section "Statifi-
to communism, raise the banner back to [it should rather be 'of' and not 'back to'] capitalism” (Bukharin), they, just as much or as little as the Bolshevik majority, had not the slightest idea of what a correct socialist economic programme is like. Thus their later illusions about the superficial resemblances between War Communism (to be analysed shortly for the capitalist programme it was) and socialism:

“proletarian nationalization, by which we mean the transfer of all the means of production, distribution and exchange into the hands of the proletarian state, ... we must carefully avoid confusing the nationalization of production under the bourgeois regime, with the nationalization of production under the proletarian regime ... The result of bourgeois nationalization [i.e., in the sense in which I put the word in quotes] is to produce state-capitalism [in the above-mentioned sense].” (Bukharin and Preobrazhensky, *The ABC of Communism*, p. 312)

As much as anybody else Lenin perfectly understood that the economic programme prior to War Communism was a capitalist programme (though at times he also said that it was 'socialist' because it was put into effect by a workers' state), he simply mistakenly thought that it was the correct programme to adopt since, according to him, Russia did not have the material basis for instituting socialist economic measures:

“... the following discovery made by the 'left communists' will provoke nothing short of Homeric laughter. According to them, under the "Bolshevik deviation to the right" the Soviet Republic is threatened with "evolution towards state capitalism"...

“It has not occurred to them that state capitalism would be a step forward as compared with the present state of affairs in our Soviet Republic. If in approximately six months' time state capitalism became established in our Republic, this would be a great success and a sure guarantee that within a year socialism will have gained a permanently firm hold and

cation Immediately Before and After the First World War” in “Economic Foundations of Capitalist Decadence” in *RP* no. 2) is by far the most useful in understanding capitalism in its non-progressive era. In this concept, not only are the 'socialist' countries state-capitalist, the 'mixed' economies of the West are also state-capitalist.
will become invincible in our country.

"... in a small-peasant country, the petty-bourgeois element predominates and it must predominate, for the great majority of those working the land are small commodity producers. The shell of our state-capitalism (grain monopoly, state-controlled entrepreneurs and traders, bourgeois co-operators) is pierced now in one place, now in another by profiteers, the chief object of profiteering being grain.

"... It is not state capitalism that is at war with socialism, but the petty-bourgeoisie plus private capitalism fighting together against both state capitalism and socialism.”

(Selected Works vol. 2, pp. 690–691)

As is shown in the “Addendum” to the adjacent text, the socialization of agriculture was not on the agenda in Russia (or, for that matter, in Germany or in any other country) in 1917. (Only after the proletariat had seized power in several major Western European countries and had established a strong, unified socialized economy in the industrial sector in the countries concerned (including Russia) would the question of how to gradually socialize agriculture in these countries arise at the same time as efforts were being made to continuously spread the revolution across the globe.) A system of centralized exchange between the proletariat and the peasantry would have to be established which the Bolsheviks attempted to do by setting up the grain monopoly. The peasants’ resistance to the grain monopoly was one question. The question of the socialization of production in the cities was another. The two must not be confused which was exactly what Lenin did. The Russian Revolution was defeated, as is shown in the present text, as the Bolsheviks became a state-bourgeoisie to the proletariat, and not to the peasants who remained a petty-bourgeois class before 1917, between 1917 and 1921 and after 1921. Given that imperialism necessarily divides the world into the advanced metropoles and the so-called ‘third world’, Lenin’s argument would mean that the world as a whole would still be unripe even today for the socialist economic programme — in fact, it never will be given the just-mentioned necessary feature of imperialism. Individual capitalists (“private capitalism”, in Lenin’s words), of course, would resist compulsory syndication and the loss of administrative control over their enterprises, but to assume, as Lenin did, that
this ‘proved’ the correctness of his programme is none other than to fall into the trap of applying the historical-materialist framework to each and every country individually which is, in reality, thereby to abandon that framework, a mistake committed by Lenin that we have already analysed.

Thus, we see that in the period concerned (from the seizure of power to the introduction of War Communism), the method of production in Russia was not changed by one iota. It remained capitalist through and through. The only differences with the pre-October 25 method were: 1. the transfer of the administrative power of enterprises from the hands of individual capitalists to the state, which process, however, it must be noted, proceeded very slowly; and 2. the nationalization (meaning expropriation) of a limited number of enterprises which, however, as analysed in the section on method, did nothing to change the nature of the nationalized means of production and the products produced by them as capital (productive and commodity capital respectively). With the method of production (the base) unchanged, the method of distribution (the superstructure), naturally, remained, as it could only remain, unchanged, i.e., the extraction of surplus value by owners of capital went on as before the October Revolution. We analyse the details below.

On April 4, 1918 Pravda carried Lenin’s The Immediate Tasks of the Soviet Government. One of the problems he addressed was the question of labour productivity:

“We must raise the question of piece-work and apply and test it in practice; we must raise the question of applying much of what is scientific and progressive in the Taylor system; we must make wages correspond to the total amount of goods turned out, or to the amount of work done by the railways, the water transport system, etc., etc.” (Selected Works vol. 2, p. 663)

Trotsky held the same view. For instance, he later told the third All-Russian Congress of Trade Unions in April 1920:

“Wages . . . must not be viewed from the angle of securing the personal existence of the individual worker [but should] measure the conscientiousness and efficiency of the work of every labourer”. (Quoted in Solidarity, op.cit., p. 64)

In Terrorism and Communism, published in July 1920, he reiterated the same point:

175
“Wages, in the form of both money and goods, must be brought into the closest possible touch with the productivity of individual labour. Under capitalism the system of piece work and of grading, the application of the Taylor system, etc., have as their object to increase the exploitation of the workers by the squeezing out of surplus value. Under socialist production, piece work, bonuses, etc. have as their problem to increase the volume of social product ... those workers who do more for the general interest than others receive the right to a greater quantity of the social product than the lazy, the careless and the disorganizers.” (Ann Arbor, 1961. p. 149)

As is shown in the adjacent text, under the labour time certificate system producers are rewarded according to their labour calculated in direct labour time, not according to their productivity which is the system under capitalism. Trotsky could twist, turn and juggle with ways of expression in whatever way he liked, but that does not change the substance of the matter one tiny bit. His and Lenin’s propositions, which were the ones actually adopted, amounted to no more or less than the normal system in which wage is determined in capitalist society: just as commodity producers are rewarded differently according to their productivity, labour-power is rewarded differently according to its productivity.

In addition Lenin also proposed to buy off the bourgeois specialists:

“Now we have ... to agree to pay a very high price for the ‘services’ of the top bourgeois experts ... Clearly, this measure is a compromise, a departure from the principles of the Paris Commune and of every proletarian power ...” (Selected Works vol. 2, p. 655)

Interesting, is it not? When Lenin defended the indexation of wage to productivity, he mentioned not once that that was an abandonment of proletarian principles. We are not idealist dreamers. It was necessary to recruit the bourgeois experts into the production process. The reason, however, is not because with Russia’s comparatively backward economic development, her working class was ‘uncultured’: “What we have to deal with here is a communist society ..., just as it emerges from capitalist society ...” (Marx.

49. On the question of productivity under socialism, see the same text.
Critique of the Gotha Programme, Foreign Language Press, Peking, 1972, p. 15) In capitalist society, technological knowledge always lies in the hands of the bourgeoisie and its appendages. The necessity to recruit bourgeois experts into the production process not only existed in Russia in 1917. It existed just as well in any other country in 1917. It also exists just as well in any country today. Certainly, vis-a-vis the Russian workers in 1917, today's American workers are much more 'cultured', but in terms of today's technological level, they are still 'uncultured'. The recruitment of bourgeois experts into the production process, thus, is a perennial necessity for the first phases of socialist construction after the seizure of power. The question, therefore, is how such recruitment can be undertaken to conform to the indispensable requirements of the socialist economic programme. There is no way in which socialism can be built by buying off capitalism, as is analysed in the adjacent text. Thus, the complex labour of bourgeois experts must only be rewarded the same way as all other kinds of labour are rewarded, i.e., in terms of direct labour time contributed. Certainly, fierce resistance is to be expected. But there is no short-cut to solving the problem, any attempt to do so by means of, as it was practised in 1917, buying the bourgeois experts off will and can only short-circuit the socialist revolution. There is only one way, as far as can be seen, to overcome their resistance, namely, the exercise of the dictatorship of the proletariat over them. (In the initial phase after the seizure of power, socialist propaganda directed towards the other social classes/strata including the bourgeois experts will only fall upon deaf ears.) This is not the impractical way many leftists make it out to be, besides it being the only correct way programmatically. Just as the Russian proletariat was able in 1917–1921 to exercise its dictatorship over the sabotaging peasants (compulsory grain requisitioning), partially successfully (a significant portion of the supply of grain in the cities did come from this source), it could just as well have exercised its dictatorship over the bourgeois experts. The reason why the soviet government did not do so was, purely and simply, because as part and parcel of its entire (wholly mistaken) economic programme, it attempted to buy off capitalist relations.

On April 29, 1918, Bukharin and Lenin debated the government's economic programme in VTsIK. On May 3, VTsIK adopted
Representing the view of the left wing of the RCP, Bukharin once claimed War Communism to be a milestone on the road of the transition to communism (of course, he was later to be the staunchest supporter of the NEP!). He is not without supporters, even until today. According to the old CWO, during War Communism “proto-communist” measures were instituted which, to a considerable extent, transformed (sic) the infrastructure of the Russian economy. It is high time to demolish these myths by means of careful analysis.

We shall first discuss the most difficult issue which is also the key to understanding the politico-economic nature of War Communism, namely, the so-called ‘naturalization’ of the state sector, i.e., the alleged ‘abolition’ of money in the state sector. (The closure of the state bank from January 1920 to November 1921 is a related issue.) We shall then discuss the question of nationalization. The discussion of these two related questions constitutes an analysis of the nature of War Communism on the level of production (the base) (although money itself is a phenomenal form of value, our discussion of its alleged ‘abolition’ in the state sector will take us to the base). We shall then proceed to an analysis of the nature of War Communism on the level of the superstructure (distribution, unemployment (a phenomenon), etc.).

On June 28, 1918 Sovnarkom enacted a nationalization decree which covered the major industries and all large-scale enterprises. Industries nationalized (meaning expropriated) included: mining, metallurgy, textiles, electrical appliances, resin, tobacco, glass, pottery, cement, leather, railways, public utilities, etc. The decree stipulated that before Vesenkha instructed otherwise, all nationalized enterprises were to be leased free of charge to their former owners, the latter, as before, being responsible for their finances and continued to draw revenue from them. In

50. See “Russia: Revolution and Counter-Revolution 1917-1923” in RP no. 4.
other words, their operation was to continue exactly as before with the only difference that now their legal ownership belonged to the state. On November 29, 1920 Vesenkha extended the nationalization decree to cover all enterprises employing five or more workers where mechanized power was used and enterprises employing ten or more workers where no mechanized power was used. As stipulated in the June 28 decree, with the exception of the transfer of legal ownership to the state, the operation of the enterprises was to continue as before until Vesenkha actually took them over. During the period of War Communism, the number of middle- and large-scale enterprises taken over by Vesenkha gradually constituted the majority. For the leftists, nationalization all by itself is a ‘socialist’ measure. Revolutionaries have long refuted (not always adequately, it must be admitted) this ideology.

The Russian economy literally collapsed during War Communism. Firstly, the Brest-Litovsk treaty took away 40% of Russia’s industry as a whole, 70% of her steel industry and 90% of her sugar industry. Secondly, the civil war drastically reduced the territory under soviet jurisdiction, so that the sources of supply of a number of raw materials were cut. According to some estimates, the fuel supply obtained by Russian industry in May 1919 only reached 10% of the normal pre-war supply. Thirdly, machine tools and spare parts previously imported could now no longer be obtained due to the economic blockade imposed by the entente. 51 Fourthly, the sabotage of production carried on by the bourgeoisie and its henchmen never ceased for one single second. Under these circumstances, the dramatic collapse of industrial production was to be expected. In 1920 it fell to below 15% of the 1913 level! On the other hand, the money supply increased by two times in 1918, by three times in 1919 and by five times in 1920.

The meteoric rise in the money supply on the one hand, and the drastic fall in industrial production on the other, coupled with the unproductive expenses of the civil war 52, caused a dizzying

51. This, however, is not to say that if the entente countries did not impose the economic blockade, the soviet government should establish normal economic relations with them (see footnote 39, supra). We are merely stating a fact here.
52. On the economic significance of unproductive expenditures, see the
rise in the inflation rate. By mid-1919, the fall in the value of the ruble had already to a considerable extent stripped it of its ability to function as money. But, it must be noted, that an existing currency is stripped of its ability to function as money does not mean that exchange value (the ultimate state of existence of which is money) itself is abolished. The attempts in February and May 1919 by the soviet government to introduce a new ruble to replace the old one are evidence.

Since the ruble was never abolished, how come the claim that it was in the state sector during War Communism?

Since May 1918 nationalized enterprises were required to deposit all cash with the state bank which also kept their accounts for them. Nationalized enterprises ceased using cash in transacting with one another, these transactions being conducted either by means of checks or by the state bank making book entries on their behalf. Claims were made that this represented a great step forward towards the ‘abolition’ of money; on the other hand, some Bolsheviks immediately pointed out correctly that this was no different from bank clearing in western capitalist financial systems.

At the second All-Russian Congress of Regional Economic Councils, held in December 1918, it was re-affirmed that in complying with Vesenkha’s instructions, no cash was to be used in the transactions between nationalized enterprises and that these transactions were to be effected by the state bank making the necessary book entries in the accounts of the enterprises concerned. As a result, the demand for cash of the nationalized enterprises was solely for the purpose of paying wages. The congress continued to express the illusion that this was a step towards the ‘abolition’ of money:

“In making this proposal [the abolition of cash payments], the congress expressed the desire to see the final elimination of any influence of money upon the relations of economic units.” (Quoted in A. Nove, An Economic History of the USSR, Pelican, 1972, p. 64)

In 1919, the above measure, incorporated into the new party programme adopted by the ninth RCP congress held in March 1919, spread rapidly until it covered all nationalized enterprises.
This constituted the so-called 'naturalization' of the state sector, i.e., the alleged 'abolition' of money in the state sector. In January 1920, the state bank was closed. To understand its real meaning, we must first examine Russia's budgetary and financial systems since October 1917. Like most other belligerant countries, during World War One Tzarist Russia mainly relied upon the printing press to finance its war expenditures. Since its establishment, the soviet government originally planned to achieve a balanced budget, paying for its expenditures by means of tax revenues.\textsuperscript{53} But with the Russian economy collapsing and expenditures incurred as a result of the civil war to be financed, enormous budgetary deficits had to be covered from other sources. As issuing public debt was then impractical, the printing press became the only source open to the government. Attempts were indeed made to avoid as much as possible to resort to the printing press, by trying to raise tax returns. For instance, on October 30, 1918, VTsIK issued a decree which imposed two new taxes, one known as "Special Revolutionary Tax" and the other as "Tax in Kind". However, all these attempts failed miserably.

During War Communism, nationalized enterprises did not have to pay any tax. Thus, as the process of nationalization spread more and more widely until all except the smallest enterprises were nationalized, less and less tax was collected. However, we must not be misled by this into thinking that the process of nationalization deepened the government's budgetary troubles. True, the government's tax revenues were indeed reduced in this way, but, as is pointed out by the new party programme adopted by the ninth party congress, the state was compensated by another form of revenue which also came from the nationalized enterprises. This was because part of the revenue of the nationalized enterprises was now counted directly as the state's revenue. In other words, direct tax was the form in which part of an enterprise's profit was being requisitioned by the state before the enterprise was nationalized, after it was nationalized, part of its profit was counted directly as the state's revenue and requisitioned directly thereby. The form was different but the essence remained the same. By

\textsuperscript{53} As to the tax to be imposed, according to Lenin, all communists are against indirect taxation which is regressive, and are for a progressive direct tax. It should be pointed out, in passing, that under the labour time voucher system, tax does not exist anymore.
mid-1920, taxation had almost entirely disappeared, to be resurrected only when the NEP was introduced.

By early 1919, the situation had developed to the point where the entire revenue of nationalized enterprises was counted directly as the state's revenue, and all their expenditures as the state's expenditures. In this way, profits and losses made by nationalized enterprises became the state's profits and losses directly. (NB: though individual enterprises could make a profit or a loss, nationalized industry as a whole necessarily made profits - the unproductive military expenditures incurred by the civil war was the way in which a considerable part of these profits was consumed.)

As has been pointed out already, since May 1918, transactions between nationalized enterprises were conducted by means of book entries undertaken by the state bank. Now, with the merging of the accounts of nationalized enterprises with the state budget, the function of keeping the books for the former, previously undertaken by the state bank, should more appropriately become the responsibility of the People's Commissariat of Finance (Narkomfin) instead of continuing to be undertaken by the state bank. This transfer of responsibility was indeed duly accomplished. Thus, in this important respect, the state bank was usurped by Narkomfin.

Before the nationalization movement of May 1918, the source of industrial credit, of course, came from the state bank. In May 1918, the government passed a decree stipulating that application for credit was to be made with Vesenkha instead of with the state bank. Furthermore, approved credit was to be provided by Narkomfin and not by the state bank. By the Spring of 1919, credit application also was to be made with Narkomfin instead of Vesenkha. In this way, the state bank was stripped of its most important function. That is why as early as in December 1918, proposals were already made at the second All-Russian Congress of Regional Economic Councils to put the state bank under the jurisdiction of Vesenkha, its role to be limited to making book entries for nationalized enterprises.

Obviously, by the latter half of 1919, being stripped of all of its most important functions, the state bank had lost all reasons for continuing to exist. Which is why it was finally closed down in January 1920. Its closure must not be mistaken as implying that
the functions of a banking system had been ‘abolished’, just as
the absence of a central bank in Hong Kong (a major international
financial centre) in no way implies that the functions of a central
bank are not undertaken by other financial units. (Although in
the above analysis, the question of how other functions of a
normal banking system were being taken over by Narkomfin and
other economic units is not discussed for the sake of brevity,
our conclusions are not affected by one iota.)

The claim that money was ‘abolished’ in the state sector
during War Communism is based upon the so-called ‘naturalization’
of the state sector which illusion is fostered by the closure of the
state bank. Although the above analysis is already enough to
demolish this myth, it is necessary to examine the question further.
As a matter of fact, this myth can be demolished, and easily at
that, by conducting the analysis utilizing categories of bourgeois
economics alone. But Marxists cannot be satisfied with remaining
on the phenomenal level.

The essence of the Marxist method is the analysis of the
underlying, non-observable cause/essence/content of phenomenal
forms. The claim that money was ‘abolished’ in the state sector
during War Communism is precisely based upon a method which
only knows how to go round in circles around phenomena (the
so-called ‘naturalization’ of the state sector, the closure of the
state bank), although even on the phenomenal level, it is entirely
mistaken. The Marxist politico-economist does not examine the
question of whether money was abolished in the state sector by
pointing out that the state sector was so-called ‘naturalized’ and
that the state bank was closed. In Capital vol. 1, chapter 1, Marx
analyses in great detail that money is only the ultimate form of
value, i.e., exchange value (the phenomenal form of value which
itself is non-observable, i.e., does not exist in the sensuous reality[^54])
in its most developed state. When production is value production,
exchange value necessarily exists and where value production is
generalized, money constitutes the normal state of exchange
value’s existence. When value is abolished, exchange value in
general and money in particular are necessarily abolished at the
same time. In an economy with a sophisticated social division of
labour, without abolishing value itself in the first place, however

[^54]: The adjacent text contains a detailed analysis of this.
much we want to ‘abolish’ money (or exchange value in general), there is simply no way in which our pious wish can be fulfilled. Thus, in examining the above problem, the correct starting point is not to deal with the phenomenal form of money, but to examine whether War Communism made any attack on value. The grave of the Marxist is to be quicksanded by phenomena.

In the section on method we pointed out that the labour time voucher or some similar system, under which direct labour time constitutes the basis of and measure for production calculation and distribution, is the only way to abolish value in a non-natural economy. The proof of this claim is in the adjacent text. I do not need to point out that neither the labour time voucher system nor a similar system which utilizes direct labour time as its basis was ever instituted during War Communism (or at any time since October 1917). Which can only mean that War Communism never made any attack on value whatsoever at all.

At a congress of heads of financial sections which met in May 1919, Milyutin said:

“A system without (sic) money is not a system without payments. On the contrary. The revenue of an enterprise, like its expenditure, must be entered and accounted for in monetary symbols (sic); money must not pass from hand to hand, but must be recorded to the requisite number of millions of rubles; the account must show that a given enterprise is spending so many millions and has delivered goods to the amount of so many millions.” (Quoted in Carr, op.cit., vo. 2, p. 266)

What provided the basis of and measure for the accounting of state enterprises? Of course, none other than the prices set by the government. With value remaining in existence, these prices could only be the money form of value: “The price, or the money form, of commodities is, like their form of value generally . . .” (Marx, Capital vol. 1, Everyman paperback, 1972, p. 71) In other words, contrary to Milyutin’s claim, the ruble used in the state sector was not some fictitious “money symbol” but real money. However ‘naturalized’ the state sector was, however centralized its accounting was, it never for one single moment superseded value production. We can illustrate this further by examining the question on the level of the phenomenal form of value.

“The first function of gold [commodity money] is to provide
the world of commodities with the material for the expression of their value. Thus it functions as the general measure of value; and only in virtue of this function does gold . . . become money.” (Marx, op. cit., vol. 1, p. 70) Further, as the general measure of value, money does not require any ‘material’ existence, its imaginary or ideal existence is all that is required (NB: bank deposits, which provide the bulk of modern capitalism’s money stock, has no tangible existence, but is real money nevertheless and has, using our terminology, ‘material’ existence, the measure used in national income accounting, etc., on the other hand, only possesses an imaginary or ideal existence):

"Every trader knows that when he gives the value of his goods the form of price, the form of imaginary gold, he is still a long way from having turned them into actual money; and he knows that he can estimate in that metal millions of pounds’ worth of commodities without using an atom of real gold. When, therefore, money serves as a measure of value, the money is only imaginary or ideal money.” (Marx, op. cit., vol. 1, p. 72)

Since value was never abolished in the state sector, it goes without saying that the latter’s products were 100% commodities. Thus, however ‘naturalized’ the state sector was, it required a “material for the expression of [the] value” of its products, a measure with which it could undertake the function of accounting. What, then, could the measure which performed this function of the accounting of commodities be if not the measure of value? And what else could this measure, existing as it did in the price form, be if not money?

"Whenever it is a question of fixing the value of an article in its money form, money serves as ‘money of account’.” (Marx, op. cit., vol. 1, p. 77) As money of account55, money, again, does not require any ‘material’ existence, its imaginary or ideal existence is enough. Milyutin said that a ‘moneyless’ system still

55. In positivist economics, money performs the function of a unit of account. ‘Unit of account’ and ‘money of account’ are two different categories. As an ideology the former assumes that money is a ‘neutral’ unit, like Celsius and Fahrenheit are neutral measures of temperature, and not a category arising from specific social relations of production, whereas the latter precisely reveals that. The comment here applies also to the other functions of money such as means of payment as analysed in positivist economics.
required a ‘money symbol’ to serve as a unit of account (refer to above quotation from him), as if by changing the name of a thing, the thing itself can be changed. The ‘money symbol’ that Milyutin referred to (the ruble) naturally discharged and could only discharge its accounting function by virtue of the fact that it precisely constituted the basis and measure which allowed the state to reckon the products of nationalized enterprises in the form of price. Now, every Marxist politico-economist knows and as we have pointed out earlier on, price is only the money form of value. Since we have shown that value was never touched in the state sector, the measure which allowed the state to reckon the products of state enterprises in the form of price could, therefore, only be money. And for money to serve as money of account, it requires only an ideal or imaginary existence. It was money’s ideal or imaginary existence which Milyutin mistook as a ‘money symbol’. In the same congress, Krestinsky said: “the ruble may remain as a unit of account even when money has ceased altogether to exist in a material form.” (Quoted in Carr, op. cit., vol. 2, p. 267) What Krestinsky referred to as money’s “material form” of existence is what we refer to as money’s tangible form of existence (i.e., currency), and as a unit of account the ruble still had imaginary or ideal existence, i.e., it still existed as money.

To say that money was ‘abolished’ in the state sector during War Communism is, as it can only be, in reality, to throw overboard Marx’s theory of money and accept positivist economics’ theory. “Proceeding from this quite superficial point of view, an ingenious British economist [Thomas Hodgskin] has rightly [i.e., ideologically] maintained that money is a material equipment, like a ship or a steam engine, and not an expression of a social relations of production.” (Marx, Critique of Political Economy, Progress, 1970, p. 51) In positivist economics and bourgeois scholarly ideology generally, money is a ‘neutral’ measure, a mere “material equipment”, like Celsius and Fahrenheit are neutral measures of temperature, and is required as a matter of ‘natural law’ in any but the simplest economies to enable production to be calculated and distribution effected. (See footnote 55 supra) In reply to those who say that money was ‘abolished’ in the state sector, the positivist economist will rightly point out that the ruble was still used as the unit of account and, thus, that money still existed. In other words, he will have every
reason to jubilantly exclaim: See! Money exists even in communism, and triumphantly concludes: 1. that Marx's theory that money is "an expression of a social relations of production" and, therefore, will cease to exist in socialism is but a dream based upon an elementary mistake, and 2. that the existence of money as a 'neutral' "material equipment" is a matter of 'natural law'.

It is true that transactions between state enterprises did not have to go through a market as exists in the West, but commodity exchange is not defined by the particular state or form in which it actually exists. Since the products of the state sector were, as has been proven already, 100% commodities, transactions between state enterprises were 100% commodity exchange. To serve as a medium of circulation, money does not require any tangible existence (cf. bank deposits). The centralized accounting system during War Communism served perfectly well the function of money as a medium of circulation.

As a matter of fact, the Bolsheviks never had any plan to abolish money as soon after the seizure of power as possible (that they did not know how to do it is another matter, and that some of them had illusions about money having been 'abolished' during War Communism is yet another matter). In the ABC of Communism published in 1919, Bukharin and Preobrazhensky say that money can only be abolished in the period of the transition from socialism to communism. The party programme adopted by the 9th party congress in 1919 said: "In the first period of the transition from capitalism to communism ... the abolition of money is impossible."

Nevertheless, War Communism did indeed bring up the question of the abolition of money. At the second All-Russian Congress of Councils of National Economy which met in December 1918, one delegate put forward the proposal to use labour time as the accounting unit. (See Carr, op.cit., vol. 2, p. 264) The third Congress which met in January 1920 went one step further by setting up a special committee which was charged with the responsibility of investigating into the use of labour time as the accounting unit. At that time the rapidly depreciating ruble was creating a lot of difficulties for the centralized accounting

56. For a precise definition of 'exchange', see the adjacent text.
system of the state sector. The purpose of setting up the above committee was to find a way to sidestep these difficulties, and in doing so the Bolsheviks naturally turned to considering labour time. Thus, it was not so much a deliberate move to consider the introduction of the labour time certificate system as a move forced upon the Bolsheviks by circumstances. At one time, when the work of the committee was proceeding at full steam, the term 'tred' (labour unit) gained a certain degree of popularity. However, with the introduction of the NEP, the project was killed in the foetus.

The closest ever that the Bolsheviks came to the spirit of Marx’s analysis in the Critique of the Gotha Programme and Engels’ in Anti-Dühring was in December 1918 when Larin said:

“Today when the whole national economy must be regarded as one whole, the conception of comparative profit or loss becomes senseless. Today the only question can be how many days must be spent to produce how many articles in a given branch of production.” (Quoted in Carr, op.cit., vol. 2, p. 268)\(^{57}\)

The spirit of this remark underlay the work of the above-mentioned committee the work of which, however, remained an academic exercise from start to finish.

The question which creates the most confusion and the most fantastic illusions has now been solved. Money was never abolished in the state sector, however ‘naturalized’ it was and despite the closure of the state bank, because value was never abolished there (or anywhere else in the Russian economy). This was because the capitalist method of production was never altered by one single atom, despite the nationalization of state enterprises and the centralization of their production. We shall return to this

\(^{57}\text{Contrast this to what Milyutin said in May 1919: “the account must show that a given enterprise is spending so many millions and has delivered goods to the amount of so many millions . . . . Thanks to this method of settlement by bookkeeping we shall have the possibility of judging whether an enterprise is developing or falling behind . . . .” (Quoted in Carr, The Bolshevik Revolution vol. 2, pp. 266–267) Enterprises which Milyutin said were “developing” (i.e., with revenue exceeding expenditure) were profit-making ones, whilst those which he said were “falling behind” were loss-making ones. Changing the name of a thing does not change the thing itself. As analysed in the adjacent text (see the section “What is Socialism?”), categories such as ‘revenue’, ‘expenditure’, ‘profit’, ‘loss’, etc. all cease to exist under the labour time voucher system.}
Transactions between state enterprises and non-nationalized economic units were also based upon the prices set by the state. Though these prices were frequently revised upwards, they were still unable to catch up with the dizzying rate of inflation. Under these circumstances, this type of transactions soon became conducted in kind, i.e., barter in various forms replaced monetary transaction. Did this signify any departure from the capitalist mode of circulation? Only the muddlehead will answer in the positive. We have already proven that the products of nationalized enterprises were produced as commodities. Products of non-nationalized economic units, of course, were produced also as commodities. How was it possible, then, for the exchange of commodities to depart from the capitalist mode of circulation? When the development of money goes beyond the stage of commodity money and reaches the stage of mere symbols of value (token money), its "functional existence absorbs, so to say, its material existence." But, "this token which functions as money, must have an objective social validity of its own." (Marx, Capital vol. 1, p. 110) Though the ruble was rapidly depreciating, it was able to function in the state sector because with the state as the common owner of all state enterprises, it possessed objective validity. Payments in kind replaced monetary transactions between state enterprises and non-nationalized economic units because the rapidly depreciating ruble was not recognized by the latter. But this did not represent any departure from the capitalist mode of circulation at all. Quite the contrary. The fact that the latter refused to accept the depreciating ruble precisely proves that their relationship with the state sector was governed entirely by the law of value. It must not be forgotten, as so many people do, that money is only the ultimate form of value. Its replacement by other forms of value (all simply being different states of existence of exchange value) ≠ the abolition of value itself. (I have not been able to ascertain how state enterprises entered payments in kind in their accounts (converted back into monetary units, which could easily be done?). But whatever the case was, our conclusions are not affected.)

Money was also indeed abolished in the black market in which workers bartered their wage in kind (see later) in return for grain and other necessities with the bagmen et al. But once more, the
change in the form of value precisely proves the existence of value and the operation of its law, and not value's abolition. A similar mode of circulation was just as, if not even more, widespread in post-war Germany. Are we to conclude that Germany was spontaneously adopting "proto-communist" measures and moving towards socialism? (I use the word 'spontaneously' deliberately for two reasons: 1. the German state was, no-one would claim to the contrary, a bourgeois state; and 2. as analysed in the section on method, the socialist method of production is a conscious design whereas the capitalist method is a spontaneous method of social production.)

With the capitalist method of production remaining completely intact, it follows naturally that the content of the mode of distribution could not have been changed. And this was exactly the case as is analysed now.

At the second Congress of Trade Unions which met in February 1919, a series of resolutions concerning the wage structure was passed, including: 1. piece-rate and a bonus system should constitute the basis of the wage system; 2. wages to be classified into three major categories, each of which was further sub-divided into twelve classes; all categories and classes to be defined by the level of technical know-how and other qualifications required (a common method used by all capitalist societies to index wage to productivity). (See Carr, op. cit., vol. 2, pp. 202-203) These resolutions were endorsed by VTsIK which subsequently promulgated them by decree on February 21, 1919. The minimum monthly wage was set at 600 rubles, the maximum at 3,000 rubles (apparently not inclusive of bonus). In August 1919, the range between the maximum and minimum wage was slightly narrowed, but the third Congress of Trade Unions, held in April 1920, widened it again. In any case, these changes only concerned matters of degree, and not of kind.

Not only did the depreciating ruble affect the form of transactions between state enterprises and non-nationalized economic units, the form of wage payment was also affected. As the value (in both senses of the term, both the ordinary and the Marxist
politico-economic) of money wage plunged as a result of the astronomical inflation rate, from early 1920 onwards, wages paid in kind partially replaced monetary wage. State enterprises paid the workers in the form of their own products or products of other state enterprises, by means of which the latter bartered with the bagmen et al in the black market obtaining mainly grain in return. Needless to say, this did not in any way whatsoever alter the nature of wage as variable capital, a point to which we will return in a moment.

At the third All-Russian Congress of Regional Economic Councils which met in January 1920, a resolution was passed for the setting up of a bonus system in kind. The resolution was endorsed by the ninth RCP congress (March 1920) and the third Congress of Trade Unions (April 1920). In June, the soviet government enacted a decree which set up a bonus system both in kind and in monetary rewards, the purpose of which was to “raise labour productivity”. A bonus fund (in kind) was set up. However, due to the extreme scarcity obtaining then, the fund was virtually empty all the time, and the system soon collapsed.

Rationing was first introduced in Petrograd and Moscow, with the ration quantity determined in accordance with the following three-fold classification: 1. former bourgeoisie; 2. ordinary workers and relatives of workers (the ration quantity being three times that the former category received); 3. workers engaged in heavy work (the ration quantity being four times that received by the first category). By the Autumn of 1919, however, a finer classification with as many as twenty gradations in some places had come into force (for reason, see later). The seventh All-Russian Congress of Soviets (December 1919) passed a resolution demanding equal rations for all workers. The government finally re-instituted the original three-fold classification in April 1920.

Besides grain, other rations included: 1. from October 1920 onwards workers and other employees of soviet institutions were provided with free public utilities including postal service, telegram service, telephone service, water supply, electricity supply, public housing, etc. (These free rations were introduced at different times, for example, rents for public housing were only abolished

58. Though termed the black market, it actually had the tacit approval of the government. Various estimates have put the percentage of grain the cities obtained through the black market at anywhere from 45% to 80%.
on January 27, 1921.) 2. From January 1920 on, “free public canteens” were set up in Petrograd and Moscow for workers and employees of soviet institutions. 3. From December 1920 on, fuel supplied to state workers and other state employees became free.

On a purely subjective level, it can perhaps be argued that the three-class rationing system adopted initially and re-introduced in April 1920 was a positive measure (I only say ‘perhaps’ because the state had always wanted to institute a differential wage system complete with productivity bonus and incentives which, in fact, was codified.) The twenty-class rationing system in force in 1919 and early 1920 was obviously an attempt to execute the differential wage system by other means. As far as the other free rations introduced at various times since October 1920 are concerned, I have been unable to find enough information to conduct a more thorough analysis — this, however, does not affect our general analysis of the nature of War Communism, because distribution is a superstructural question (more on this point later). But, one thing is certain, the basis of the rations obviously could not have been “to each according to his needs”. Did everybody receive equal rations? Or was there a gradation system? For example, were workers belonging to high wage categories provided with better and larger public housing? If there were different classes in the system, how many were there? On what criteria were these classes defined? Etc., etc. (For the sake of convenience, we assume that the nature (i.e., degree of equality) of these rations to be identical to the three-class grain rationing system.)

We have just seen that due to the extreme scarcity obtaining during the civil war, workers belonging to different wage categories often only received the minimum wage all the same (footnote 59, supra). Add this fact to the three-class grain rationing system and the other free rations mentioned above, the distribution of means of consumption among workers was fairly equitable. On the basis of that, many comrades unthinkingly jump to the conclusion that War Communism possessed a “proto-communist” nature. The truth of the matter, however, is a little different.

Marx says in the Critique of the Gotha Programme:

59. The government was in fact unable to put its differential wage system into effect: due to the extreme scarcity, workers belonging to different wage categories often only received the minimum wage all the same.
"it was in general a mistake to make a fuss about so-called distribution and put the principal emphasis on it. The prevailing distribution of the means of consumption is only a consequence (emphasis added) of the distribution of the conditions of production themselves; the latter distribution, however, is a feature of the mode of production itself... Vulgar socialism (...) has taken over from the bourgeois economists the consideration and treatment of distribution as independent of the mode of production and hence the presentation of socialism as turning principally on distribution."

(Foreign Language Press, Peking, 1972, p. 18)

We have already proven that the law of value was never touched during War Communism. At the same time, as the soviet government immediately began to rapidly destroy the Paris Commune principle as soon as it was formed (see the relevent section later), the nationalization movement which began in mid-1918 did not alter, in terms of real social relations and not legal categories, the separation of the producers from the means of production. As is proven in the adjacent text, in a non-natural economy state property is 100% private property unless labour time is used as the basis of and measure for production calculation (and distribution). Under these circumstances, what the nationalization movement accomplished was to transfer capital from the individual capitalists to the state, i.e., to turn the state functionaries into de facto (i.e., in terms of actual social relations) owners of capital or, in short, capitalists. Which is to say that the relations of production of the Russian economy remained 100% capitalist during, as before, and as after also, War Communism. With the relations of production unchanged, it goes without saying that the mode of distribution could not have been altered. And it did not. The most fundamental capitalist system of distribution was never altered during War Communism: the appropriation of surplus value by the state as the largest owner of capital, because the "distribution of the conditions of production", itself "a feature of the mode of production itself", was never altered; only its actual form of existence changed: the separation of the producers from the means of production meant that the state appropriated their surplus labour, with value remaining in existence, surplus labour took the form of surplus value. It is true that a large part of the surplus value appropriated was expensed unproductively
in the civil war as a price for the defense of the soviet regime (even were the soviet regime not degenerating, it would still have to pay this price, but in that case, with a correct programme in existence, such unproductive expenses would not have been a consumption of surplus value, but a deduction like other deductions analysed by Marx in the Critique of the Gotha Programme.) However, 1. this did not alter one iota the essence of the appropriation of surplus value; and 2. the expenses were incurred to defend a germinating bourgeois regime and not a real dictatorship of the proletariat (the first point is the fundamental one, the second, dealing with the purpose of production as it does, is only an additional subsidiary.)

Obviously, being bewitched by the fairly equitable system of distribution amongst workers\textsuperscript{60} is, purely and simply, a result of an inability to hold fast the Marxist method. That system of distribution was an emergency measure (later rationalizations made in terms of communist ideals were precisely that, rationalizations). Even capitalist regimes, faced with similar emergency situations, sometimes adopt fairly equitable systems of distribution, for example, rationing of basic necessities in short supply. Are we to conclude that they too are adopting “proto-communist” measures? Are we to conclude that their most fundamental system of distribution (the appropriation of surplus value) and, more basically, their relations of production, have changed? Though on a purely subjective level we can perhaps regard the system of distribution during War Communism as a positive measure, to regard it as a ‘proof’ of the ‘socialist’ or “proto-communist” nature of War Communism, as the old CWO does\textsuperscript{61},

\textsuperscript{60} The system of distribution analysed above only applied to the workers. As to the means of consumption received by state functionaries, bourgeois experts, etc., my available data have no indication. This, however, is, of course, only an insignificant point. How capitalists decide to allocate the surplus value appropriated between their own consumption and accumulation/other expenses does not in any way change their social position as capitalists.

\textsuperscript{61} See CWO, “Russia”. Although the ICC does point out that War Communism was not communism, the same as the CWO, it turns Marxist political economy on its head in the present, as it does in almost every other, context by saying that arms production for the defence of a workers’ revolution cannot constitute socialist production because it is the purpose of production that defines (sic) the relations of production and not vici versa (see footnote 40, supra).
is an insult to the Marxist method which turns Marxist politico-economy on its head.

As pointed out earlier, the payment of wage in kind did not change the nature of wage as variable capital. Variable capital is a value category whereas wage paid in kind or in money form are merely forms of existence of the value congealed in variable capital. (Money, as said, is a form of value while products produced by state enterprises were congealed values). Concerning the free grain and other rations provided to workers and their families, the nature of which is, in reality, no different from the social security handed out by the capitalist "welfare state" (with the only difference that the one is handed out in kind, the other in money – different forms of existence of the value incorporated), if we incorporate them under the category of variable capital, then the analysis is as above. If we incorporate them under the category of expense of surplus value, the analysis will also be similar and we will save the trouble here. (Although whether we should incorporate them under either one or the other of the two categories is itself an important question\footnote{This question concerns a number of important questions including 1. the ideology of the 'welfare state' and the category of social wage; and 2. the constituent components of 'V' in the rate of exploitation in the era of state capitalism, the latter as defined by Mattick/the CWO (see note 48 supra).}, which, however, does not affect our present analysis.)

I am by no means trying to say that War Communism did not differ from the normal circumstances of capitalism. It did considerable. However, changes in the actual state of existence in which the capitalist relations of production are expressed is only a question of details: it is the relations of production that determine a society’s nature, not how they are practically expressed.

The civil war was a product of the entente’s attempt to militarily overthrow the soviet regime. It pushed the Russian economy to the brink of total collapse. However, just as even the best economic environment could not have prevented the revolution from degenerating in the absence of a correct programme, the economic difficulties engendered by the civil war did not by themselves contribute to the degeneration of the Russian Revolution. We have already shown the argument that the material basis for taking the initial steps towards uprooting capitalist relations of
production and building socialism did not exist to be the ideology that it is. Had the soviet state adopted a correct programme and was forced to abandon it due to the civil war, then, and only then, can we speak of the economic difficulties engendered by the civil war, itself a result of the revolution’s isolation, being the cause of the revolution’s degeneration. As it was, these difficulties did not have any programmatic effect on the economic programme during War Communism in politico-economic terms. (The civil war did speed up, if it did not actually cause, the nationalization programme, but, in politico-economic terms, i.e., in terms of the relations of production, nationalized means of production still remained as capital). Thus, it is absolutely useless, if not totally ideological, to abstractly say, as a lot of people do, that the Russian Revolution’s isolation was the major cause of its ultimate complete defeat. The relationship between these two events (isolation and defeat) must be analysed concretely on the solid basis of the Marxist materialist method. When we do so, we see that in politico-economic terms, the only effect that isolation had on the Russian Revolution’s development was that by accelerating (not engendering) the destruction of the Paris Commune principle during War Communism (see later), it accelerated the de facto separation of the producers from the means of production. (As to the other effects of isolation on the revolution’s development, see later.)

Many comrades, bewitched by the superficial resemblances between War Communism and communist ideals, saw the NEP as a “return (sic) to capitalism”. (CWO. “Russia”) From the point of view of ‘pure’ or positivist economics, the NEP, which marked a partial return to the pre-War Communism economic programme, was indeed different in nature from the War Communist programme, just as from the same point of view, the particular form of state capitalism (see footnote 48, supra) existent in the ‘socialist’ countries is indeed ‘socialism’. Marxist political economy has a different object from ‘pure’ or positivist economics (the ideological object of which is what is commonly called the allocation of resources), namely, the relations of production. From this angle, though the NEP differed a great deal in details from the War Communist programme, both programmes were capitalist from A to Z.

The NEP initially began as a purely agricultural programme.
Under War Communism, the exchange between town and country fell mainly into two types: 1. transactions in the black market; and 2. compulsory requisitioning (which, in effect, was made without compensation) centrally organized by the state. The NEP replaced these with the free market and the tax in kind. In the section on agriculture, infra, we shall discuss the nature of both War Communism's and the NEP's agricultural programme in politico-economic terms in detail.

As said, the NEP marked a partial return to the pre-War Communism economic programme. Lenin said this in so many words himself in *The Tax In Kind (The Significance of the New Policy and Its Conditions)*:

"It was the war and the ruin that forced us into War Communism. It was not, and could not be, a policy that corresponded to the economic tasks of the proletariat . . . . The alternative (. . .) is not to try to prohibit or put the lock on the development of capitalism, but to channel it into *state capitalism* [i.e., the pre-War Communism economic programme] . . . Can the Soviet state and the dictatorship of the proletariat be combined with state capitalism? Are they compatible? Of course they are. This is exactly what I argued in May 1918."

(*Selected Works* vol. 3, Progress, 1975, pp. 537 & 539)

After the NEP had been approved in principle by the 10th RCP congress (March 1921), the 11th party conference (May 1921) passed a number of policies which concretely put the NEP into effect: 1. to increase the production of consumer goods and other articles of daily use for the peasants (this was obviously a pre-condition for the normalization of exchange between the city and the countryside); 2. individuals, 'private' co-operatives and other 'private' bodies ('private' is in quotes for the same reason as I refer to non-state or 'private' capitalists as individual capitalists, ditto below) to be allowed to lease state enterprises from the state; 3. the autonomy, in terms of financial and other matters of operation, of large scale state enterprises to be widened; 4. medium and small scale enterprises operated by 'private' individuals/bodies to be encouraged and supported. On May 17, 1921, Sovnarkom annulled the November 29, 1920 nationalization decree (see above). In practical terms, this meant enterprises which had already been nationalized but had not yet been taken over by Vesenkha before May 17, 1921 were to be leased to their
former owners as previously. From December 1921 onwards, Vesenkha began leasing enterprises employing less than twenty workers under its administration to 'private' individuals/bodies. Earlier, in July, the government announced that all 'private' citizens enjoyed the right to set up enterprises employing twenty workers or less. On July 5, the government enacted a decree which stipulated the length of lease of state enterprises to range from two to five years, while the rent was fixed at between 10% to 15% of the enterprises's output.

The above policies did not lead to any massive 'privatization' of Russian industry. According to one estimate, in March 1923, although 88.5% of all enterprises were 'private' enterprises (including both 'privately' owned enterprises and state enterprises leased to 'private' parties) and only 8.5% were state enterprises in numerical terms, because most large-scale enterprises were state-owned, they employed 84.5% of all workers. As their productivity was also higher, they accounted for 92.4% of all industrial output. As Lenin said, the "commanding heights" of the economy remained in state hands.

As said, the NEP gave state enterprises a much greater degree of autonomy than they had had under War Communism. Enterprises were instructed by Sovnarkom that they should be operated in strict accordance with "principles of precise economic accounting (khrozraschet)". Meaning that: 1. profits made and losses incurred were to be the sole responsibility of the enterprises concerned; 2. products were to be sold on the market and supplies were also to be obtained from the market (this was in contrast to centrally planned allocation); 3. credit was to be applied for and obtained from the state bank (re-opened on November 16, 1921), credit applications were to be assessed strictly in accordance with commercial principles. The enlarged degree of autonomy given to state enterprises, however, did not stop the process of syndication. By August 1922, 422 trusts had already been formed. The difference being that they were now managed by the so-called 'red managers' instead of, as previously, by the glavki bureaucrats.

In politico-economic terms, the difference between the NEP and War Communism consisted merely of the following. Under War Communism, 'cost', 'profit', 'loss', 'revenue', 'expenditures' and other similar categories continued to exist but with their names veiled behind 'communist'-sounding descriptions and the
bulk of industrial production was centrally planned. Though the state-owned means of production were said to have been 'socialized', the state in reality became the largest de facto capitalist in Russia. Under the NEP, 'cost', 'profit', 'loss', etc. no longer had to hide behind pseudonyms. For the sake of its own long-run benefit, the newly-born state-bourgeoisie (this point will be proven later) allowed some other people to own a limited quantity of capital. For the same purpose, it did away with centralized production (NB: this is not to say that so-called market-'socialism' is necessarily more effective than Stalinist centralism, many factors are involved which, however, need not concern us here) and welcomed some ex-members of the former bourgeoisie to join its ranks (the so-called 'red managers' or 'red industrialists' — these people were invited to join the R'C'P to become "vanguards of the proletariat" solely because they possessed commercial expertise), in order to improve the management of state capital. (Concerning the difference in politico-economic terms between War Communism's and NEP's agricultural programmes, see the next section.)

On the superstructural level of distribution, the appropriation of surplus value remained. Now, 'private' capitalists were allowed to take a share in the total social surplus value produced. As far as the distribution of variable capital was concerned, the NEP demolished on after another all the emergency measures of War Communism. From August 1921 on, postal and telegram services ceased to be free; from September 1921 on, fees were again charged for all public utilities. Since November 1921, free grain rationing was, in effect, abolished: workers received rations on the one hand, but these had to be paid for by making deductions from their wages on the other.63 A seventeen-class wage structure was put into effect in 1922, with a bonus-and-fine system based upon productivity/performance attached to it.

As far as the consumption of the newly-born state-bourgeoisie was concerned, in January 1923, its members received salaries which were more than 68 times the minimum wage received by workers, exclusive of profit-sharing and so-called 'personal' (i.e.,

63. Grain rationing was not abolished until the end of 1922, reason being that as a result of severe drought, the 1921 harvest was even worse than 1920's. Besides the drought, the NEP was not introduced in time to have any effect on 1921's harvest.
extra-salary) income. The magnitude of the last two items of income were kept as state secrets. On top of that, there was also non-monetary income, not to mention other perks. At the 13th party conference which met in January 1924, Mikoyan revealed the following: one enterprise made the following offer (on top of monetary income) in an attempt to recruit a 'red manager': a house with four rooms, a horse-carriage with horse, two months' annual leave and a summer resort house at the coast of the Black Sea. But the 'red manager' turned the offer down because he had found an even better one elsewhere. According to Mikoyan, similar conditions of service were quite common. (See Carr, *The Interregnum*, 1954, pp. 41–42) Outrageous as the luxurious lives the so-called 'vanguards of the proletariat' enjoyed were, it must not be forgotten that their consumption was only an expense of the surplus value appropriated. The basic point is still that appropriation, which was itself, in turn, only a function of the capitalist relations of production in existence.

Comrades who abandon the Marxist method by inverting the relationship between essence/content/cause and phenomena/effect often quote the following example as a so-called 'proof' that the NEP represented a "return (sic) to capitalism" from the 'socialism' of War Communism: "The return (sic) to capitalism [with the introduction of the NEP, created] a vast 'reserve army of labour' " (CWO, "Russia", p. 25) Under the NEP, the normal labour-power market replaced War Communism's forced labour. In December 1923, VTsIK enacted a labour decree which stipulated that enterprises had the absolute right to hire and fire workers. As a matter of fact, the normal labour-power market had already been restored in 1921 while the first time the government ratified its existence by law was on February 9, 1922.

The restoration of the normal labour-power market did give rise to the problem of unemployment. The number of unemployed rose from 503,000 in September 1922 (there were no statistics taken before this date) to 1,341,000 in June 1924. (See Carr, op.cit., p. 48) There were several factors at work. Firstly, demobilization after the civil war released more workers than could be absorbed by the Russian economy. Secondly, workers who flowed into the countryside during War Communism (due to extreme hardships in the cities) started to return to the cities but could find no employment there. Thirdly, the policy of the NEP created
a lot of redundancies by increasing the rate of exploitation. Our focus is on the last point.

The question is: can we judge the nature of a society, i.e., determine its relations of production, on the basis of a phenomenon such as unemployment? The answer is, needless to say, ‘no’. Without first affirming this point, all discussion will have no scientific value at all. Let us examine the question of the absence of unemployment and its re-appearance under War Communism and the NEP respectively by way of examining the claim of today’s ‘socialist’ countries that they have ‘solved’ the problem of unemployment (though the claim is made only at certain times and by certain factions of the ruling class, such as in China under Mao and the ‘gang of four’, and not at others or by certain other factions of the ruling class, such as in China today). It is well-known that queuing up to buy basic necessities (for many people unsuccessfully) is a perennial fact of life in the ‘socialist’ societies. Bourgeois economists usually put the blame on the misallocation of resources due to inefficient communication between producers and consumers as a result of bureaucratic planning. While not denying that disproportion does occur in ‘socialist’ societies, revolutionaries know very well that shortage of means of consumption is a result more of the lack of correspondence between the consumption fund (i.e., variable capital in real terms plus the real consumption fund allocated to unproductive labour from the total social surplus value) and the nominal wages being paid out. There is nothing whatsoever at all to prevent the state from employing those it is unable to engage in productive labour (a variable that is determined by the rate of capital accumulation) in unproductive work and pay them nominal wages on the one hand, and, on the other, limit the real consumption fund allocated to unproductive labour from the total social surplus value to levels below the wages being paid out (determined primarily by the requirements of capital accumulation as well as by the state of the class struggle - workers’ struggle can sometimes win temporary respites). In which case, where prices are fixed at low levels to ‘protect’ the workers’ welfare, part of the wage received by workers (both those engaged in productive labour and those engaged in unproductive labour) is entirely fictitious. Shortages, thus, inevitably develop. This, then, is the real meaning of the absence of unemployment in the ‘socialist’ countries. A smokescreen that can barely cover up the
miserable living conditions of the working class. (In the ‘mixed economies’ of the West, the same inability to engage the entire work force in productive labour manifests itself, given the market, in unemployment and inflation (the state does engage people in unproductive labour while most prices remain uncontrolled).)

A similar case is provided by the measure of work-sharing proposed and, to a certain extent, practised in some Western countries over the past few years as a means to ‘solve’ the problem of unemployment. It is true that the measure has indeed been able to reduce the nominal unemployment figures, which is, in fact, its real purpose. But, has the total social variable capital been increased thereby? In other words, for the proletariat as a whole, the reduction in nominal unemployment has not in any way meant a raise in their living standards.

Thirdly, Mattick has analysed how a government can, if it chooses to, have full employment which, however, neither helps capital accumulation nor increases the living standards of the proletariat as a whole.\(^\text{64}\) This is, of course, nothing but the gist of Keynesianism. This is what occurs when the economy is being put on a war footing both during the run up to the war and the war itself. But, as said, the living standards of the proletariat do not increase one bit by the partial or total elimination of unemployment. Simply ask any worker who has gone through a war whether his real living standard improved during the war and one will see the real meaning of the absence of unemployment during a war. It is simply false for some revolutionaries such as the old CWO to claim that compared with the period of War Communism, the NEP led to “a grave deterioration of the living standards of the working class” as a whole. (See CWO, op.cit.) The facts show exactly the opposite case. (See Carr, op.cit. and The Bolshevik Revolution vol. 2)

In order to analyse the nature of a society, it is necessary, because it is the only scientific method to do so, to depart from its relations of production. Phenomena easily bewitch if we do not hold fast the Marxist materialist method. We do not need Marxist revolutionaries to peddle the ideology that War Communism was “proto-communist” while the NEP “restored capitalism”. Bourgeois ideologues such as Carr are competent enough to propagate

\(^{64}\) See Marx and Keynes, Merlin, 1980 and “Splendour and Misery of the Mixed Economy” in Economic Crisis and Crisis Theory, Merlin, 1981.
such ideologies.

The NEP was in effect until October 1928 when it was replaced by the first five-year plan. According to many leftists, the first five-year plan represented a rupture from the policy of the NEP of 'compromising with the bourgeoisie'. For instance, Preobrazhensky went back to Stalin's fold and criticized Trotsky for remaining in opposition because Stalin's economic programme was exactly the Left Opposition/United Opposition's economic programme. However, once the nature of War Communism is understood for what it really was, the nature of Stalin's economic programme of centrally planned production is clear as daylight. The analysis of the latter is outside the scope of the present text. As we shall see, by March 1921, the Russian state and the Bolsheviks had become completely bourgeois.
THE ECONOMIC THEORY AND PRACTICE
OF THE RUSSIAN REVOLUTION:
PART TWO: AGRICULTURE

We have seen in the Prologue that the class nature of the Russian Revolution was not determined by the peasants’ struggle. We have also seen in the “Addendum” to the adjacent text that the socialization of agriculture was not on the agenda in Russia or, for that matter, in Germany or any other country, in 1917. That proletarian power never reached the countryside is not only a conclusion that can be drawn theoretically on the basis of the Marxist materialist method, the history of the revolution also bears this out completely. Thus, as is analysed in the adjacent text, the question facing the soviet government or, for that matter, any other isolated revolution, in 1917, was how, on the one hand, to hold on to the revolution, attempt to ‘export’ the revolution and socialize production in the cities, and, on the other hand, to establish a centralized system of exchange between the socialized sector and the unsocialized sector of the peasantry. (The exchange between these two sectors would obey the law of value and would take the form of barter – for details of how such a system can be established without affecting the socialization of production in the former sector, see the adjacent text.) This system of exchange would have to be centralized because the socialization of production in the socialized sector would require it. It would constitute the only programmatic point. Just as the character of the Russian Revolution was not determined by the peasants’ struggle, the role played by the Bolsheviks’ agricultural programme in the development of the revolution has to be determined on the basis of the above methodological/theoretical conclusions.

In the April Theses Lenin said that in order to move forward to the ‘pure’ stage of the so-called revolutionary-democratic dictatorship of the proletariat and the peasantry, the following agricultural programme would have to be put into effect: 1. the ‘nationalization’ of all land (NB: this so-called ‘nationalization’ referred to the transfer of the legal title of land to the state while the land was to be ‘leased’ to the peasants for cultivation); 2. the prohibition of the transfer of leases by the peasants; 3. “the disposal of the land, the determination of the local regulations
governing ownership and tenure of land... be placed... wholly and exclusively in the hands of the regional and local Soviets of Peasants’ Deputies” (April Theses, p. 38); 4. “to secure the transformation of every confiscated landed estate into a large model farm controlled by the Soviet of Agricultural Labourers’ Deputies.” (op.cit., p. 38) In this text Lenin did not consider this question: should ‘nationalization’ in the above sense cover all land, including the land of the small peasants or should it be restricted to the land of the big land-owners?

The agricultural programme for the so-called proletariat’s and peasantry’s dictatorship passed by the seventh party conference (April 1917) by and large followed April Theses’ propositions. It further clarified that the land to be ‘nationalized’ in the above sense should be limited to the land of big landlords, the church and the royal family. Three months later in July, the 7th party congress reaffirmed this programme. After the July days, Lenin believed that, the same as in the case of the industrial programme which was commonly known as state-capitalism then, the above agrarian programme could only be realized under the so-called dictatorship of the proletariat and the poor peasants.

The Land Decree passed by the second All-Russian Congress of Soviets (October 26, 1917, Julian calendar) stipulated: 1. “Landed proprietorship is abolished forthwith without any compensation”; 2. “The landed estates, as also all crown, monastery, and church lands, with all their livestock, implements, buildings and everything pertaining thereto, shall be placed at the disposal of the volost land committees and the uyezd Soviets of Peasants’ Deputies”; 3. “The land of ordinary peasants and ordinary Cossacks shall not be confiscated.” (Lenin, Collected Works vol. 2, pp. 474–477) Appended to the decree was the Peasant Mandate on the Land, originally published on August 19, 1917 (Julian calendar) in the VTsIK Izvestia (the Right Socialist-Revolutionaries’ organ published from May to December 1917) to “serve everywhere to guide the implementation of the great land reform”. The Mandate stipulated, inter alia, that “The employment of hired labour is not permitted.”

Obviously, the Land Decree was essentially identical to the Bolsheviks’ programme for the so-called proletariat’s and peasantry’s dictatorship, and was a programme for the small peasantry. It was accepted by the Bolsheviks largely because of
practical reasons. When Lenin read the decree to the second Soviet Congress, he was interrupted by shouts from the floor pointing out that the decree originated from the Socialist-Revolutionaries. Lenin replied:

"Voices are being raised here that the decree itself and the Mandate were drawn up by the Socialist-Revolutionaries. What of it? Does it matter who drew them up? As a democratic government, we cannot ignore the decision of the masses of the people, even though we may disagree with it." (ibid., p. 477)

Lenin was extremely honest, but could he not be? As has been mentioned several times before, practically speaking, Russia did not have an agricultural proletariat in 1917. Agricultural proletarians are wage-workers employed in large-scale mechanized farms producing commercial crops. Agricultural labourers employed by kulaks were not proletarians. In wanting to break away from the exploitation of the landed proprietors, what the Russian peasants, including the agricultural labourers, wanted was simply that every peasant household had its own small plot of land, and definitely not the socialization of agriculture. Under these circumstances, when proletarian power was virtually non-existent in the countryside, what else could the Bolsheviks do but to accept the agricultural programme of the Socialist-Revolutionaries? But, as we will analyse later, this was only a tactical issue (though the above measures did constitute a programme by themselves) and did not condemn the Bolsheviks programmatically (our plan is to examine the measures taken by the Bolsheviks right up to the NEP first, and then analyse their programmatic significance.)

On February 19, 1918 the soviet government promulgated the Socialization of Land decree. Though it did mention collectivisation, its underlying spirit was petty-bourgeois: land tenureship belonging to those who worked the land with their own labour. Of all the land 'nationalized' (in the above sense), 86% was redistributed to the peasants and only 11% was taken over by the government (invariably this was land originally cultivated with crops unsuitable for small-scale farming). Production, of course, was not socialized on land taken over by the government. After the re-distribution of the 'nationalized' land, the amount of land that peasant households possessed differed, leading to the differentiation between well-to-do, middle and poor peasants.65
After the land reform the next problem faced by the soviet government was the establishment of a system of exchange between the cities and the countryside. At first, the government set up a grain monopoly to handle such exchanges in a centralized manner (this corresponded to the centralization of industrial administration). But, for reasons to be explained immediately below, the grain monopoly soon collapsed.

As pointed out earlier, the ruble depreciated rapidly since the seizure of power. Thus, in paying the peasants with rubles, the soviet government was, in effect, taxing them by means of an unequal exchange. Of course, the peasants were unwilling to trade at a loss. Moreover, they could always trade their produce at value or even above value on the black market. Besides, well-to-do and middle peasants were the people with the most surplus grain to sell. More than anybody else, not only did they not support the proletariat’s dictatorship, on the contrary, they made use of every opportunity coming their way to sabotage the revolution. On the one hand, they hid surplus grain from the government, on the other, they profiteered in the black market. For Marxists, however, such counter-revolutionary acts were natural to them and were to be expected.

When the Ukraine (Russia’s most fertile region) fell into the hands of the Germans, the shortage of grain in the cities became all the more emergent. With the outbreak of the civil war, the

65. As a matter of fact, the ‘black repartition’ did not go in accordance with the Land Decree’s stipulations because the soviet government did not possess actual power in the countryside, but was determined by local conditions. Though the Land Decree stipulated that confiscated land “be placed at the disposal of volost land committees and the uyezd Soviets of Peasants’ Deputies”, re-distribution mostly took place at village and volost levels and less frequently at uyezd level. As to whether allotment land (i.e., land of ordinary peasants) should be included, it depended upon the local balance of power between the well-to-do and the poor peasants. Where the former prevailed, allotment land was not included and vici versa. Furthermore, whether re-distribution took place on the basis of the ‘consumption’ or ‘labour’ norm also varied from place to place. All in all, the ‘black repartition’ did level out size of holdings though differences between well-to-do, middle and poor peasants remained:

<table>
<thead>
<tr>
<th>Size of holding</th>
<th>1916</th>
<th>1919</th>
</tr>
</thead>
<tbody>
<tr>
<td>more than 8 dessyatines</td>
<td>1.9%</td>
<td>3.1%</td>
</tr>
<tr>
<td>landless</td>
<td>11.4%</td>
<td>6.5%</td>
</tr>
<tr>
<td>4 dessyatines or less</td>
<td>59.1%</td>
<td>74%</td>
</tr>
<tr>
<td>4–8 dessyatines</td>
<td>21.6%</td>
<td>16.4%</td>
</tr>
</tbody>
</table>

207
soviet government, having no alternative at all to deal with the critical situation, finally passed a decree on June 11, 1918 stipulating the formation of "poor peasants committees". From the Bolsheviks' point of view, the formation of these committees was not only the only practical alternative open to it, theoretically, it also fell in line with Lenin's (erroneous) thesis concerning the nature of the Russian Revolution: the proletariat allied to itself the poor peasants in a struggle against the bourgeoisie in the countryside thereby completing the socialist phase of the revolution. (Which was why Lenin himself, later in 1919, put June 1918 as the time when the socialist phase of the revolution spread to the countryside.) At the same time the People's Commissariat of Supply (Narkomprod) established a large number of grain requisition teams composed of armed workers. Although the committees of poor peasants and the grain requisition teams still paid the peasants with rubles at prices set by the state, Lenin admitted that it was no different from requisitioning without compensation. The poor peasants' committees were disbanded by decree on December 12, 1918 (so much for Lenin's anti-materialist scenario of the poor peasants, the so-called semi-proletarians, marching arm in arm with the proletariat!). Since then, the armed grain requisition teams became the state's only source of grain during the civil war.

In the short-run, compulsory requisition of grain without compensation resulted in the peasants hiding surplus grain from the state, keeping it for profiteering in the black market. In the long-run, it made the peasants unwilling to cultivate more than was required for their own consumption. It was pointed out at the 8th Soviet Congress (December 1920) that uncultivated land amounted to as much as a quarter of all arable land, which was one major reason why the harvest of 1920 was only 54% of the average harvest between 1909 and 1913. Under these circumstances, Trotsky proposed to the politburo to replace compulsory requisition with a tax in kind as early as in February 1920. His proposal, however, was defeated by fifteen votes to four.

Since the Autumn of 1920, peasant uprisings occurred frequently, finally forcing the Bolsheviks to change their policy towards the peasants. In February 1921, Lenin proposed to the politburo to replace compulsory requisition by a tax in kind and argued his case in Pravda on February 17 and 26. On March 7,
the party Central Committee passed a draft decree on the tax in kind penned by Lenin. Several days later, the 10th party congress passed the draft decree which was subsequently promulgated on the 21st by VTsIK.

The main features of the tax in kind were: 1. the tax was progressive and its calculation was based upon harvest; 2. peasants who enlarged their cultivated area and increased productivity were to be rewarded with tax rebates; 3. after paying the tax, peasants were allowed to sell surplus grain on the free market; 4. peasants were to be allowed to freely lease land; 5. the prohibition of wage-labour employment stipulated by the Land Decree was to be abolished. The last two stipulations were obviously aimed at the enlargement of farming scale in order to increase productivity. Just as obviously, they were designed to favour the well-to-do peasants now being transformed into a kulak class; Lenin admitted this openly at the 10th party congress. At the 11th party conference which met in December 1921, Preobrazhensky warned that a kulak economy was being established in the countryside. In March 1922, he submitted an elaborate set of theses to the party central committee which was in preparation for the 11th congress, in which he warned of the “emergence of an agricultural bourgeoisie”. It was then near harvest time, thus, fearing that the peasants might destroy the crop if any possible change of policy was considered, the Bolshevik majority led by Lenin refused to allow a general debate of the question at the party congress. The tax in kind did raise agricultural output dramatically: because of a drought, the 1921 harvest only reached 45% of the pre-war level (in any case, the NEP was not introduced in time to affect the 1921 harvest); in 1922, the harvest escalated up to 75% of the pre-war level.

The tax in kind was in force until Stalin ‘collectivised’ (in quotes for the same reason as ‘soviet’ is in quotes whenever the term is used to refer to Russia after March 1921) agriculture. Before ‘collectivisation’, the state did set up some state farms, but they could only be set up on land which the peasants were unwilling to cultivate. In 1927, state farms only accounted for 1.7% of all arable land. On the other hand, the kulak economy expanded in the countryside: in 1925, 6.1% of all peasant households were leasing out land (poor peasants who were unable to make a living on their tiny plots were forced to do so and become
agricultural labourers) while 1.9% were employing wage-labour. (See A. Nove, op.cit., pp. 106 and 108)

It has already been shown that as long as the Russian Revolution remained isolated, the soviet state could only be contented with socializing production in the cities and establishing a centralized exchange system with the peasants which could fit in with the requirements of the former. Thus, the Bolsheviks can not be criticised programmatically for, and the development of the revolution cannot be determined on the basis of, their agricultural policies (themselves a programme) which applied within the peasant sector. For example, whether land was re-distributed according to the consumption or labour norm; whether peasants were allowed to lease land to one another; whether hired labour was allowed in the countryside (while the permission of leasing land and hiring labour would result in the emergence of a kulak class, their prohibition would merely result in a more petty-bourgeois countryside, in either case, the bourgeois nature of the countryside would not be changed one single bit); etc.; all this would not have affected the reality of the countryside being a bourgeois enclave about which the proletariat could do nothing. Thus, these policies, though themselves constituting a programme on their own, which applied within the peasant sector became, when regarded from the point of view of the programme for the transitional period, only tactical questions ("Which is the best way to reduce the peasants' resistance to the proletariat's dictatorship and to secure supplies for the workers?", etc.). The Bolsheviks can, certainly, be criticized for these policies on tactical grounds, but only on tactical grounds. What was programmatic, as far as the soviet government's policy towards the peasantry was concerned, was only the establishment of a centralized system of exchange between itself and the peasantry. This the soviet government did attempt to do by setting up the grain monopoly (though not as part of an overall correct economic programme) which, however, collapsed as the civil war forced it to resort to compulsory requisitioning, perhaps the only option open under the circumstances. Though under favourable circumstances the grain monopoly was to be preferred, compulsory requisitioning, the nature of
which will be analysed in a moment, and which would not have affected the socialization of production in the cities had this occurred (see later), would have served the purpose for the emergent period of the civil war had socialization of production occurred in the cities.

It has been claimed by some revolutionaries that compulsory requisitioning had a "proto-communist" nature. True, it acted against the interests of the peasants and, to a certain extent, helped keep the cities from starving. But, on what basis can we say that it possessed a "proto-communist" character? As far as its nature is concerned, compulsory requisitioning can either be regarded as pillage or credit given to the state by the peasants at gun point which would never be repaid. Pillage is not an economic category and thus cannot be endowed with any politico-economic nature at all. As to credit, what "proto-communist" nature does it have? Whether we regard compulsory requisition as pillage or credit, its effect on the peasants was the same: it alienated them. Comparing compulsory requisitioning to a normal, regular centralized system of exchange, the only difference is that the latter would constitute an attempt to establish a regular economic relationship between the proletariat and the peasantry. In either case, the process of the socialization of production in the cities (had such a process occurred) would not have been affected (for compulsory requisitioning not to affect the labour time voucher system, all the commune-state had to do was, for example (i.e., this is only one possible method to handle the situation), to distribute the products requisitioned which were to be used as means of consumption pro-rata to direct labour time contributed by producers within the socialized sector; as to products requisitioned...  

66. Both the Tzarist government during the war and the Provisional Government between February and October 1917 resorted to compulsory grain levy which acted against the interests of the peasants and helped the workers in the cities from starving. Were both of these governments adopting "proto-communist" policies? Furthermore, the Provisional Government started grain rationing in the cities on April 29 and workers engaged in heavy work received larger rations. It could be said that though they adopted similar or even identical measures, the Soviet government, being subjectively a proletarian government, adopted them 'really' in order to protect the workers' interests while both of the above two governments adopted them only in order the better to protect the bourgeoisie's interests. But in that case we will, of course, be giving up science in favour of subjectivist 'arguments'.

211
tioned which were to be used as raw materials, the state could simply set the labour time congealed in them at zero\(^{67}\)). It must be realized that the above-mentioned centralized system of exchange, *in itself*, possesses *no* socialist character simply because it involves the exchange of equal values. The whole point about such a system is to deal with an unsocialized peasant sector (before circumstances allow its gradual socialization) so that the socialization of production in the cities would not be affected.\(^{68}\) It has to be centralized because the process of socializing production in the cities *requires* it. It is the centralized part of such a system that is programmatic, not the exchange part. Alternative methods of dealing with the peasants can also serve the purpose so long as, but *only* insofar as, they do not affect the process of the socialization of production in the cities. Such methods similarly can have *no* socialist character *in themselves*. Compulsory requisitioning organized in a central manner could have been one such method *had* the Russian government socialized production in the cities. To argue that because compulsory requisitioning acted against the peasants' interests and kept the workers from starving, it therefore possessed a 'socialist' character is based upon a methodological error: to judge an economic policy by its appearance (on the surface, compulsory requisitioning did protect the workers' interests) and not by its *objective politico-economic nature*. On the basis of this error arises the failure to understand the character and features of the transitional period in general and the situation in Russia between 1917–1921 in particular, as a result of which, one falls victim to the apparent character of compulsory requisitioning. Furthermore, as is shown in footnote 66, even on the superficial level of appearance, the assertion that compulsory requisitioning was "proto-communist" does not stand under scrutiny.

\(^{67}\) In this case, gains would accrue to those who consumed final products (means of consumption) which had agricultural raw materials as input. Better methods which can do away with such unilateral gains can certainly be devised. But it is not our purpose here to investigate into such methods.

\(^{68}\) In 1917 this was a matter of life and death for the proletariat; today, when most of the world's agricultural supplies are produced by agricultural proletarians, it is a question of preventing a cycle of primitive accumulation from occurring in the unsocialized sector which would happen were the latter to be left alone by the world commune-state. I owe this observation to the CWO (see "The Period of Transition" in *RP* no. 13, 1979).
Thus, both the grain monopoly and compulsory requisitioning could have served the purpose for the soviet state *had production been socialized in the cities*. But this *also* means that neither of them could confer any "proto-communist" character on the soviet regime. The nature of the latter must, because it can only be determined by whether any socialist transformation took place in the cities. Had industrial production been socialized, a correct policy concerning how to exchange with the peasants would have followed automatically (this could either have been a grain monopoly or compulsory requisitioning or some other equivalent methods) because the logic of the socialization of industrial production would have *required* it. As to the tax in kind, it is clear that, even had industrial production been socialized, it would have seriously affected it. As it was, the conditional did not occur. Furthermore, in our analysis of the pre-NEP development of the revolution, we see that by the time the NEP was introduced, the soviet regime had already become completely bourgeois (to be proven later). Thus the tax in kind becomes irrelevant to our analysis of the revolution's degeneration. It was, just as the NEP was in general, a capitalist policy adopted by a newly-born state-bourgeoisie.

To summarize, the Russian Revolution's degeneration had nothing whatsoever to do with the Bolsheviks' agricultural policies which applied within the peasant sector. Neither did the tax in kind mark any "regression back to capitalism" from the 'socialist' measures of the grain monopoly or compulsory requisition. The last two, possessing in themselves no socialist element, did not serve any socialist purpose because industrial production was not socialized.

*It has now been established that since seizing power the economic programme of the soviet state had been a capitalist programme through and through. As a result, the law of value remained *completely* intact. As is shown in the following sections, the Paris Commune principle was rapidly destroyed since the seizure of power until it was *completely* extinguished by early 1921. On the one hand, this meant that what the nationalization movement since mid-1918 did was to turn the state functionaries into the real*
owners of the nationalized means of production whereas the workers remained separated from the latter. As the law of value remained wholly intact, in owning means of production, the state owned, in other words, capital, i.e., its members became a capitalist class. A capitalist is a capitalist not because he is wicked or something similar but because in occupying his specific position in the social relations of production he has to answer the needs of capital. This applies whatever the subjective intentions of the owner of capital. Thus, in owning capital, the Russian state had to answer the latter’s needs despite the subjective intentions of the Bolsheviks. On the other hand, the extinction of the Paris Commune principle in the Russian state meant that the proletariat’s power was usurped by the state functionaries, i.e., the Bolsheviks. Thus, from being a deformed dictatorship of the proletariat (‘deformed’ for reasons to be analysed in the following sections), the Russian state was transformed into a dictatorship over the proletariat. As the members of the state were becoming a state-bourgeoisie, they naturally used the state in the interests of state capital, thus turning the state into a bourgeois state. As is shown later, by March 1921, this process in which the state became a capitalist state acting in the interests, and on behalf, of its members who had become a capitalist class, had been completed. Thus, in a few years’ time, from being the revolutionary vanguard of the world proletariat the Bolsheviks had become a capitalist class and a bourgeois party through and through.

According to many leftists, the struggle between the Bolshevik left since 1922/23 (Trotsky, Preobrazhensky, Radek, Zinoviev, Kamenev et al) and the Bolshevik right (Stalin, Bukharin et al) was a struggle between the faction which ‘represented the interests of the proletariat’ (the left) and the faction which represented the interests of the bourgeoisie (the right). As a matter of fact, both the economic programmes of the right and the left were bourgeois programmes. The point at issue was simply: which was the best programme to rebuild Russian capital, central economic planning with heavy industry being given top priority and agriculture bottom priority (known in bourgeois economics as the trickle-down method), or market-‘socialism’ with the order of
priorities reversed (known in bourgeois economics as the percolate-up method)? Neither of these two programmes would touch the law of value; neither wanted to do anything about the separation of the producers from the means of production with the former being reduced to proletarians in the full capitalist sense. The debate between these two programmes has, in fact, become perennial in all so-called 'socialist' societies just as the debate concerning how large the public sector should be is perennial in the Western form of state-capitalism (on this category, see footnote 48, supra), i.e., the so-called 'mixed' economies. (These two debates are directly comparable.) For instance, today in China, the Deng Xiaoping economic programme is simply a modified (even more extreme) version of the NEP. When Stalin ended the NEP and turned left in 1928, Preobrazhensky immediately ceased his opposition in support of Stalin's adoption of a 'socialist' programme. Despite his continuation of opposition, Trotsky's theory of 'degenerated workers' state' is also based upon the identification of Stalin's economic programme as 'socialist'. For instance, today the Deng Xiaoping programme is being criticized by Trotskyists as a 'compromise' with capitalism. Whatever the subjective intentions of the members of the two factions, their economic programmes were capitalist because, as from March 1921, they had been belonging to a fully-fledged capitalist class. (The analysis of the present text shows irrefutably that as a current Trotskyism has been capitalist from birth.) In the following sections we will show that the dictatorship of the proletariat in Russia was not defeated peacefully. The hands of all those who later constituted Stalin's faction and Trotsky's faction all dripped with the blood of violently and bloodily crushing the dictatorship of the proletariat.

This second part of the present text contains the following sections: 1. The Organization of the Soviet Government: The Russian Revolution's Theory & Practice (Part 1); 2. The Organization of the Soviet Government: The Russian Revolution's Theory & Practice (Part 2); 3. The Relationship Between the Party, the State & the Class: Theory & Practice of the Russian Revolution; and 4. The Crushing of Kronstadt: The Final Defeat of the Russian Revolution. Before proceeding to these sections it is necessary to clear a number of ideological obstacles relating to the theme of this second part.

Contrary to anarchism, Marxism always holds that the post-seizure of power society cannot be a 'free' society. So long as classes exist, and they will until the later stages of the transitional period when remnants of all other classes than the working class have been integrated into associated labour, the freedom of the ruling class is the unfreedom of the ruled classes. Just as the bourgeoisie will not give up its political rule without a fight, even after the seizure of power it will make every attempt to overthrow the workers' dictatorship. The experience of the Russian Revolution (Kerensky's and the Committee for Salvation of Country and Revolution's counter-revolutionary offensive, the civil war) is enough testimony. Not only will this apply to the bourgeoisie, all the other social classes/strata than the proletariat (peasants, petty-bourgeoisie, intellectuals, the salariat, the churches, etc.) will also resist/sabotage the workers' dictatorship passively or actively. Again, the experience of the Russian Revolution (the resistance/sabotage of the bourgeois experts, the peasants' attempt to hold the revolution at ransom, etc.) bears ample testimony. This is because of all the social classes/strata in capitalism, only the proletariat, because of the position it holds in the capitalist relations of production, has the potential to attain the consciousness to abolish private property. Idealist dreamers notwithstanding, this is the sordid conclusion that we need to draw on the basis of the materialist conception of social consciousness. This is, in
fact, precisely why the proletariat needs to establish its state as the instrument of its dictatorship. Under the workers' dictatorship, the freedom of the workers is precisely the unfreedom of the former bourgeoisie and the other social classes/strata. It is extremely important for the proletariat to be crystal clear about this, for one of the ways the overthrown bourgeoisie and the other social classes/strata will employ against the workers' dictatorship will be to accuse it of suppressing 'freedom' and 'democracy'. Such accusations are often able to exert an effect on workers brimming with revolutionary ideals, misleading them to regard these in abstract, i.e., taking them out of the context of class society. This naturally happened after the October seizure of power as is analysed below. It is extremely important also for revolutionaries to state the above categorically without leaving room for ambiguity. For, on the one hand, many well-meaning people, wrongly identifying the totalitarian regimes of the so-called 'socialist' societies with socialism (if only in a 'deformed' state), tend precisely to take 'freedom' and 'democracy' out of the context of class society, turning them into absolute, abstract categories, while still declaring themselves to be for socialism. On the other hand, idealist anarchist dreamers and their fellow-travellers who piously believe that communism can come overnight, have always also, in their own peculiar way, turned these categories into abstract, absolute entities. In either case, the upshot is the same: a denial of the necessity for the workers to establish and enforce, by violence if necessary, its dictatorship in order to defend the revolution. For this reason, various ideological accusations have been levelled against the Bolsheviks concerning the suppression of the bourgeois press, the dissolution of the Constituent Assembly and the establishment of the Cheka.

THE SUPPRESSION OF THE Bourgeois PRESS

On October 29, 1917 (Julian calendar) Sovnarkom enacted a decree which ordered the suppression of the bourgeois press (for the text of the decree, see Reed, op. cit., pp. 311–312). Earlier on, the MRC of the Petrograd Soviet had already seized the office of Izvestia (organ of the VTsIK of the first Soviet Congress) and red guards had occupied the Duma's printing office and suppressed
its organ.

At VTsIK's session on November 17 (Western calendar) Larin declared:

"The measure taken against the freedom of the press should be modified. They had their reason during the struggle, but now they have no further excuse. The press should be free, except for appeals to riot and insurrection." (Quoted in Reed, op.cit., p. 237)

Larin then went on to propose the repeal of Sovnarkom's decree on the press. His proposal received the support of the Left Socialist-Revolutionaries as well as many Bolsheviks. On the other hand, the Bolshevik majority insisted on the continued suppression of the bourgeois press:

"The re-establishment of the so-called 'freedom of the press', the simple return of printing presses and paper to the capitalists — poisoners of the mind of the people — this would be an inadmissible surrender to the will of capital, a giving up of one of the most important conquests of the Revolution; in other words, it would be a measure of unquestionable counter-revolutionary character." (Quoted in Reed, op.cit., p. 238)

Let us first examine the background of the debate:

1. Except for the Left Socialist-Revolutionaries, all other so-called 'socialist' parties declared themselves to be against the just-formed soviet regime. At the second Soviet Congress (which established the soviet government), the Mensheviks demanded the congress to immediately open negotiations with the just-fallen Provisional Government for the purpose of forming a new government which was to be mandated by all social classes/strata. A resolution was read to the congress announcing that the Mensheviks refused to recognize the 'legitimacy' of the October 25th uprising. Thereupon the Menshevik delegates walked out in protest. On their heels followed the Right Socialist-Revolutionaries as well as some Menshevik-Internationalists. From then on, these parties/factions conspired with the Pre-parliament, the Duma and the first VTsIK, forming the Committee for Salvation of Country and Revolution for the purpose of overthrowing the soviet regime. On November 13, the Mensheviks gave the soviet government an ultimatum, demanding the disarming of the red guards and the transfer of the command of the Petrograd Garrison
to the Duma.

2. As analysed previously, prior to mid-1918 the soviet government did not have plans for a general expropriation of the bourgeoisie. Under such circumstances, if it did not confiscate the bourgeoisie’s printing presses, it would be impossible to close down its press. (As a matter of fact, the Mensheviks, etc. were all along able to publish illegally).

The mistake committed by Larin et al was to have turned ‘press freedom’ into an abstract, absolute category completely taking it out of the context of class society. Do not forget that when the bourgeoisie first fought for ‘democracy’ and ‘freedom’, it did not do so for any abstract, absolute principles, but for the purpose of overthrowing the political rule of the feudal aristocracy by divorcing political power from birth. The ‘democracy’ and ‘freedom’ that it fought for did not have any abstract, absolute ‘intrinsic’ attributes, but was merely ‘democracy’ and ‘freedom’ for the propertied classes, as anyone at all familiar with 18th- and 19th-century Western European political history can testify. That bourgeois ‘democracy’ and ‘freedom’ were extended to the working class was not because they had any ‘intrinsic’ attributes, i.e., it did not come about because the bourgeoisie, recognizing these non-existent ‘intrinsic’ attributes of their principles, gifted them to the working class with compliments, but was entirely a result of the working class’ struggle for reforms within capitalism. (Cf. footnote 43, supra) Even where bourgeois ‘freedom’ and ‘democracy’ are formally enjoyed by the working class under normal circumstances, the bourgeoisie does not hesitate, when the situation calls for it, to withdraw them from the working class. In the struggle between classes, there are no scruples about any non-existent abstract, absolute principles. The bourgeoisie does not have any; to ask that the proletariat should is pure fantasy. Particularly in the perilous period immediately after the seizure of power. As Avanessov said in the Bolshevik majority resolution, this would simply be to “surrender to the will of capital”, to give up the struggle against the bourgeoisie.

During the debate the Left Socialist-Revolutionary Karelin said: “Three weeks ago the Bolsheviks were the most ardent defenders of the freedom of the press...” (Quoted in Reed, op.cit., p. 238) Karelin’s words show clearly how these dreamers had turned the category of ‘press freedom’ into an abstract, abso-
lute entity. The need for the working class to struggle against the bourgeoisie's suppression under capitalism does not mean that once it has overthrown the latter it should refrain from suppressing the bourgeoisie in defence of the revolution.

What Lenin, Trotsky and the Bolshevik majority were demanding was not only to allow Pravda to be published. Lenin told the session:

"... printing-presses, ink, and paper ... These essentials must become the property of the Soviet Government, and be apportioned, first of all to the Socialist parties in strict proportion to their voting strength ..." (Quoted in Reed, op.cit., p. 240)

If there was anything about that that went against the principles of workers' democracy, then I cannot see it. The Bolshevik majority was extremely correct to fight "against pretensions and ultimatums dictated by petty-bourgeois prejudices, or by evident surrender to the interests of the counter-revolutionary bourgeoisie." (Quoted in Reed, op.cit., p. 238) The suppression of the bourgeois press immediately after the formation of the soviet regime must not be confused with the later suppression of the press of parties and factions which supported socialism and the workers' dictatorship but criticized the Bolshevik-controlled government. The resolution of the Bolshevik majority was passed by 34 to 24 votes whereas Larin et al's was rejected by 31 to 22 votes.

THE CHEKA:

The Cheka was set up by decree on December 7, 1917 (Julian calendar) by Sovnarkom with Dzerzhinsky as its head. It was not part of the machinery of the People's Commissariat of Interior but was an independent body directly responsible to Sovnarkom and VTsIK. Under the critical circumstances of the early months of the soviet regime, such an administrative arrangement was perhaps justifiable. But our attention here is not on details of administrative arrangement but the class nature of Cheka itself. To ascertain

69. The press was not (or was not meant) to be monopolized by parties represented in the soviets. At the 5th Soviet Congress which met in July 1918, the Russian Socialist Federal Soviet Republic (RSFSR) Constitution was adopted which stipulated that the government should provide workers with, inter alia, means of publication.
the latter we need to examine the background of its establishment, i.e., the class struggle situation during the early months of the soviet regime.

After the fall of the Provisional Government, the bourgeoisie did not simply give up. Kerensky’s and the Committee for Salvation of Country and Revolution’s counter-offensive; the Socialist-Revolutionary (both Right and Left)-led, French-backed insurrection of July 1918; the attempt on Lenin’s life with England implicated; the landing of allied troops on Russian soil; the civil war which was backed by the allied countries; ... At the same time, the sabotage of production and other forms of active and passive sabotage of the revolutionary order never stopped for one second. Under such circumstances, was the soviet government supposed not to fight back? Thus the establishment of the Cheka. As its full name (All-Russian Extraordinary Commission for Combatting Counter-Revolution and Sabotage) says, its mission when it was first set up was to fight against the counter-revolutionary strike action of anti-soviet workers (see footnote 47, supra), the sabotage of the bourgeoisie and its hangers-on, the grain profiteers and other counter-revolutionary elements. It was, when it was first set up, clearly an instrument for the enforcement of the workers’ dictatorship (as to whether its internal organization satisfied the requirements of the Paris Commune principle, that will be analysed in a later section as part of the overall analysis of its enforcement or lack of it in the structure of the soviet state).

Several days after the setting up of Cheka, revolutionary tribunals were also set up by decree for the purpose of trying counter-revolutionaries. (Like the Cheka, these tribunals were independent bodies directly responsible to Sovnarkom and VTsIK. Again, whether their independence from the People’s Commissariat of Justice was justified by the circumstances then is, for Marxists who know the principle of the so-called independence of the judiciary for what it really is, only a matter of administrative arrangement.)

It is true that both the Cheka and the revolutionary tribunals committed a lot of excesses (for example, since February 1918, Cheka started executing suspects without trial). But under the critical situation then this was, if not justifiable, at least understandable. Efforts were made to try to correct these excesses: for instance, the 6th Soviet Congress which met in November
1918 resolved that suspects not being prosecuted within two weeks of arrest were to be released.

The establishment of Cheka (and the revolutionary tribunals) itself had nothing wrong about it, nay, it was necessary and correct. Anarchists are particularly sensitive about it because the Bolsheviks also used it as a means to suppress the Russian anarchists. If the Russian anarchists did engage in objectively counter-revolutionary acts (and many of them did indeed), there was nothing wrong about that. If, however, they did not (and many of them did not), then what we need to criticize is not Cheka itself, but the overall counter-revolutionary policy of the soviet government that suppressed political activists who supported socialism and the workers' dictatorship but criticized the Bolsheviks. In other words, what needs to be criticized is not the Cheka, but the overall degeneration of the revolution which we will do shortly. The early Cheka and the GPU which replaced it as from February 8, 1922 cannot be compared with one another as is so often being erroneously done. The Cheka was set up as a real class instrument for enforcing the workers' dictatorship and its early practice, despite its excesses and oppression of political activists who were critical of the Bolsheviks but did not engage in objectively counter-revolutionary activities, was by and large in congruence with the interests of the workers' dictatorship, given the critical situation of the soviet regime. The GPU was right from the very beginning purely an instrument of the dictatorship of the Bolsheviks who had since the suppression of Kronstadt become a fully-fledged newly-born state-bourgeoisie. The transformation of the Cheka into a machinery for the Bolsheviks' dictatorship over the proletariat must be understood as part and parcel of the revolution's degeneration as a whole.

THE DISSOLUTION OF THE CONSTITUENT ASSEMBLY

"When the Bolsheviks 'failed to secure a majority in the national elections for a Constituent Assembly, this parliamentary body was dissolved in January 1918." (TWAG, Russia 1917–1921)

Does that 'prove' that the Bolsheviks were all along no more than a bunch of ('bourgeois') 'power-mongers'? What is the objective
class nature of the Constituent Assembly's dissolution?

Before its fall, the Provisional Government had postponed the election of the Assembly several times, the last time setting its date on November 12 (Julian calendar). After the establishment of the soviet state, Lenin originally proposed to cancel the election, but agreed not to do so because of the opposition of Sverdlov and other leading Bolsheviks. Thus the election took place as scheduled. The results were: of a total of 707 seats, the Right Socialist-Revolutionaries obtained 370, the Left Socialist-Revolutionaries 40, the Bolsheviks 175, the Mensheviks 16, the Cadets 17 and the various parties of the ethnic minorities 89.

What did these election results show? The Bolsheviks obtained majorities in all the big cities and in Petrograd and Moscow together, an absolute majority. This was why the number of seats the Mensheviks and the Cadets (the other two parties with power base in the urban areas) obtained together was not 20% that obtained by the Bolsheviks. (If the franchise had been restricted to the working class alone, the gap would certainly have been even wider.) That the Socialist-Revolutionaries (both factions together) obtained a total of 410 seats was, of course, not surprising given the proportion of peasants in the population. What was apparently surprising was that the Right Socialist-Revolutionaries obtained more than nine times as many seats as the Left Socialist-Revolutionaries. But as Lenin pointed out in his *Theses On The Constituent Assembly*, the party lists for the election were drawn up before the October uprising when the two factions of the Socialist-Revolutionary party put forward joint tickets. But they split upon the October uprising with the Left Socialist-Revolutionaries allying itself to the Bolsheviks. Thus, the number of seats that the Left and Right Socialist-Revolutionaries obtained on the basis of party lists drawn up well before the uprising could not and did not reflect the amount of (nominal — see the Prologue) peasant support that the two factions enjoyed around the time of and after the uprising. This was clearly demonstrated by the fact that an overwhelming majority of the delegates to the Peasants’ Congress which was held concurrently with the Constituent Assembly election, supported the Left Socialist-Revolutionaries. In any case, the distribution of seats between the two factions need not worry us for, as is shown in the Prologue, the character of the Russian Revolution was not determined by the peasants’
struggle.

The Constituent Assembly held its first, and last, session on January 18, 1918 (Western calendar). The Menshevik Tsereteli told the meeting that the Mensheviks were against “anarchic attempts to introduce a socialist economy in a backward country” and that “the class struggle of the workers for their final liberation” could only be conducted under conditions of “popular sovereignty based on universal and equal suffrage.” (See Carr, op. cit. vol. 1, p. 128) Chernov also spoke in similar terms. In other words, both of them (who had been ministers of the coalition government headed by Kerensky) demanded the replacement of the soviet government by the Constituent Assembly, i.e., the overthrow of the workers’ dictatorship and its replacement by a bourgeois state. The Bolsheviks submitted a draft resolution to the Assembly which demanded, inter alia, the recognition by the Assembly of the soviet regime. The draft was rejected by 237 votes to 138. Upon that the Bolsheviks withdrew from the Assembly. An hour later, so did the Left Socialist-Revolutionaries. On the next day, during the session’s recess, VTsIK passed a resolution to dissolve the Assembly. Before the Assembly adjourned its session, the Right Socialist-Revolutionaries organized a demonstration demanding a new government be formed by the Assembly. This pathetic demonstration was easily dispersed by soviet troops. As the Right Socialist-Revolutionaries themselves admitted, they did not have any support in the urban areas.

It remains a mystery how it can be suggested that the Assembly was dissolved because the Bolsheviks were unable to obtain a majority in it. Firstly, it was VTsIK which dissolved it and not the Bolsheviks; secondly, the fundamental question is: the proletariat had established its dictatorship by means of the soviet state, but the Assembly, a bourgeois state machine elected as it was by universal suffrage, demanded to replace it with a government formed by itself, in such a situation, not to dissolve the Assembly, by force if necessary, was tantamount to abandoning the revolution. (Or was the proletariat supposed to stay its revolution until the petty-bourgeois peasants also supported the socialist revolution, something the Marxist

70. Though the Bolsheviks possessed an absolute majority in VTsIK, we must strictly distinguish between the party and the state. We will analyse this crucial point in a later section.
materialist conception of social consciousness shows to be impossible?). When the election was still going on, Lenin already told the concurrently held Peasants' Congress:

"Anybody who attempts to destroy the Soviets is guilty of an anti-democratic and counter-revolutionary act. And I serve notice here on you, comrades Right Socialist Revolutionaries – and on you, Messrs Cadets – that if the Constituent Assembly attempts to destroy the Soviets we shall not permit the Constituent Assembly to do this thing!" (Quoted in Reed, op.cit., p. 260)

As to the Russian workers, they fully supported VTsIK's decision by accepting it (see Carr, op.cit., vol. 1, p. 130).

Finally, a word of warning: some people will certainly find the analysis in the following three sections 'formalistic'. We will deal with these 'anti-formalists' in "Conclusions".

225
This section only deals with the power relationship between Sovnarkom, VTsIK and the All-Russian Congress of Soviets.

On November 15, 1917 (Julian calendar) a joint session was held between (the second Soviet Congress') VTsIK, the Petrograd Soviet and the Central Executive Committee of the Peasants' Congress (the congress had just closed after resolving to support the soviet government). It was decided that VTsIK be expanded from the original 108 seats to 366 seats: the original 108 seats plus 108 seats from the Peasants' Congress, 100 from the Army and the Fleet and 50 from the trade unions. If it was supposed that the soviet government had thereby obtained the 'support' of the peasants, then that illusion was to be shattered very soon. As is shown in the Prologue, the Socialist-Revolutionaries only received the nominal support of the peasants which the latter were ready to give so long as the former did not interfere with the peasants' autonomous movement — which was why the Left Socialist-Revolutionaries dominated the Peasants' Congress after the Right Socialist-Revolutionaries had discredited themselves over the land question. Thus the support of the Left Socialist-Revolutionaries was far from equivalent to the support of the peasants. Subsidiarily, the alliance between the Bolsheviks and the Left Socialist-Revolutionaries was to fall apart very soon itself.

The soviet government correctly did not practise universal suffrage. The RSFSR Constitution adopted by the 5th Soviet Congress (July 1918) confined the franchise to those who "earn their living by production or socially useful labour", soldiers and disabled persons. The Constitution specifically excluded persons who employed hired labour, rentiers, private traders, monks and priests, and officials and agents of the former police. Workers and peasants were given discriminatory representation: in the urban areas, there was one delegate for every 25,000 voters, in the countryside, only one for every 125,000 inhabitants. The conference of voting rights on the peasants was a tactical move, though it never paid off, as from the first day on, as is seen in the
above sections, the peasants never stopped sabotaging the workers' dictatorship for one single minute. Nevertheless, the franchise, by and large, satisfied the requirements of the principles of the workers' dictatorship.

The soviets at the lowest level were the village soviets and factory soviets composed, in the former, of all citizens and, in the latter, of all workers. Village soviets elected delegates to the district (volost) congresses of deputies. These elected delegates to county (uyezd) congresses of deputies which in turn elected delegates to provincial (guberniya) congresses of deputies. The provincial congresses in turn combined to form regional (oblast) congresses of deputies. In the urban areas, above the factory soviets were territorial congresses of deputies. The All-Russian Congress of Soviets was composed of delegates from either the provincial or regional congresses and from the largest cities' soviets. As is seen in the Prologue, the soviets in the countryside were not autonomous peasant organizations. In any case, since the role of the peasants has already been clarified, we shall focus our attention on the workers' soviets. Factory soviets seemed to have fallen into disuse very early on and the territorial soviets of deputies constituted the basic building blocks of the soviet system. In the early stages after the seizure of power, before the Bolsheviks were able to, by various ways and means, manipulate the elections in the soviet system, election indeed proceeded from bottom up and the All-Russian Congress was indeed a workers' delegated body. However, as we will show in the next section, this point alone was not enough to ensure the implementation of the Paris Commune principle, not enough to render the state thus formed a genuine soviet state.

Sovnarkom and VTsIK were elected by the All-Russian Congress.\footnote{I have some doubts as to the election procedure. This is illustrated by how Sovnarkom was elected by the Soviet Congress. From my references, it appears that Sovnarkom was elected \textit{en bloc} from a list of candidates submitted by the presidium of the Congress, the list being drawn up by negotiations between the different parties represented in the Congress. \textit{En bloc} voting is definitely at variance with the spirit of the Paris Commune principle. Ditto for party lists: while party members should stand for delegation on the party programme, it does not appear right that they can stand as candidates \textit{only} on the party's nomination. Further, the way Sovnarkom was elected suggests that \textit{only} party members nominated by the}
As to the first Sovnarkom, 13 commissariats were originally created plus the post of council president which was filled by Lenin. Though, as is analysed in the next section, deformed from the very beginning, the soviet state was a workers’ state. As such there was no so-called separation of powers between the various central state organs. Executive, legislative and judicial powers were combined. For instance, the People’s Commissar of Justice was a member of Sovnarkom, placed or meant to be placed under the control of the All-Russian Congress and VTsIK. Though the latter two bodies were not involved in actual executive work, they were different from legislatures in bourgeois democracy in that they held or were meant to hold the power of recall of every individual People’s Commissar or VTsIK member as the case might be.\(^72\)

Thus, the distinction between the three bodies was not in terms of the type (executive, legislative, judicial) of power held. Obviously, if the Congress and VTsIK were not to be displaced by Sovnarkom, not to be rendered superfluous by it, a clear delineation of what powers belong to which body is indispensable. Furthermore, in accordance with the principles of workers’ democracy, the question of how control from below (i.e., how, for instance, VTsIK could control Sovnarkom’s exercise of the powers vested in the latter) could be effected was supremely important. The soviet government precisely failed in both respects.\(^73\)

\(^{72}\) The question of the implementation of the Paris Commune principle (which includes the question of the three types of state power) will be discussed in the next section in detail. Ossinsky’s valuable proposal to combine VTsIK and Sovnarkom will also be discussed then.

\(^{73}\) The blame, if we must find a simple answer and identify a culprit, as some people insist we do, is not the Bolsheviks’ alone; since the basic principle of the commune-state was defined by Marx and Engels, no Marxist...
According to the stipulations of the RSFSR Constitution, only two powers were reserved for the Soviet Congress: 1. "the ratification of peace treaties" (at the 4th Soviet Congress (March 1918) the Brest-Litovsk treaty was ratified thereby setting a precedent), and 2. "The establishing, supplementing, and modifying of the fundamental elements of the Soviet Constitution". But as the Constitution itself did not define what its "fundamental elements" were, the power of the Congress was confined to the ratification of peace treaty alone. Thus, at the 5th Soviet Congress, Sverdlov, the Congress' chairman, said that VTsIK could not only repeal but also override decrees of the Congress.

Sovnarkom first conferred legislative powers on itself by a decree of October 30, 1917 (Julian calendar) which also stated that VTsIK had the right to defer, modify or annul any enactment of Sovnarkom. Within a week of the passing of this decree, protests were raised in VTsIK that Sovnarkom was issuing decrees without prior submission to VTsIK. In the ensuing debate, Lenin and Trotsky proposed that Sovnarkom be allowed to do so in case of urgent decrees. Their proposal was carried by 29 to 23 votes. The RSFSR Constitution retained the right for VTsIK to annul or suspend any order of Sovnarkom. But a note was attached to this stipulation which allowed "measures of extreme urgency" to be "put into force on the sole authority of Sovnarkom". As to what constituted "measures of extreme urgency", the Constitution did not define. This meant that in practice VTsIK fared even worse than the Congress: while the latter retained the power of ratifying peace treaties, no power was vested exclusively in VTsIK.

In the beginning, the Congress was meant to, and indeed did in 1917 and 1918, meet every three months. But from 1919 onwards, it met only once a year. Similarly, VTsIK was originally meant to sit in permanent session, however, as the process of
Sovnarkom’s displacement of it and the Congress gathered pace, it met less and less frequently until by 1921 it met only thrice a year.\textsuperscript{74} Given that Sovnarkom was in practice allowed to act on its own authority with the exception of the ratification of peace treaties, the Congress and VTsIK naturally had no need to meet more frequently than they did. But this also meant that their formal power of control over Sovnarkom was rendered void of all substance. Nor did Sovnarkom bother to respect that power (neither did VTsIK itself vis-a-vis the Congress): at the 5th Soviet Congress, it was protested that neither VTsIK nor Sovnarkom had submitted work reports to the Congress! Without \textit{actual} control from below the formal power of recall, which in practice can only be exercised when \textit{actual} control is being exercised, became a complete dead letter. Thus, even though initially the Congress, VTsIK and Sovnarkom were indeed elected from bottom up (but see footnote 71), \textit{in substance}, Sovnarkom soon rose above the soviet system. This in itself constituted a violation of the principles of workers’ democracy. Since a similar process occurred in local congresses as well, this applied all over Russia. As is seen in the next section, this was part and parcel of the overall process of the extinquishing of the Paris Commune principle in the state.

\textsuperscript{74} The effect of the infrequency of VTsIK’s meetings on its legislative ability is clearly shown by the following: according to one estimate, between 1917 and 1921, Sovnarkom enacted a total of 1,615 decrees while VTsIK issued only 375 (see Carr, op. cit., vol. 1, p. 222).
What would the Paris Commune principle be like when put into practice? Both Marx and Engels were decidedly vague on this: aside from stating the basis of the principle as the power to delegate and recall from bottom up, they went no further. Lenin likewise only remained on generalities in State & Revolution:

"... but this apparatus will not be 'bureaucratic'... consisting of the very same workers and office employees, against whose transformation into bureaucrats the measures will at once be taken which were specified in detail [?] by Marx and Engels: 1. not only election, but also recall at any time; ... 3. immediate introduction of control and supervision by all ..." (Foreign Language Press, Peking, 1970, p. 131)

Ditto for what he said in To The Citizens on November 6, 1917 (Julian calendar):

"Comrades, working people! Remember that now you yourselves are at the helm of state... take into your hands all affairs of the state." (Selected Works vol. 2, p. 489)

How can the Paris Commune principle be implemented in practice? As far as I can see (the following picture of how soviets should work is, even formally, somewhat different from the organization of the soviets in 1917), soviets at all levels should have a similar structure, namely, a congress or congress of deputies (depending on the level) and an executive committee. The executive committees of the soviets at one level (or some of their members delegated by them) form the congress of deputies at the level above it. Congresses meet at regular intervals, say every three months (they get re-elected at longer intervals) to exercise power vested in congresses exclusively, to exercise control over the executive committees, as well as to exercise the power of recall. Executive committees submit working reports to congress members at shorter intervals so that the latter's control over them is substantive as well as formal. Executive committees as executive committees meet in permanent session to conduct business belonging to the level in the soviet system to which their congresses
belong. For this purpose, executive committees elect various working committees (both their chairman and members) either from within their own ranks or from their congresses or by co-opting revolutionary militants who are not deputies, to exercise the powers vested in the executive committee. These working committees are responsible to the executive committee plenum, not directly to the congress. Since executive committees meet in permanent session, the power of control over and recall of these committees and their members respectively is exercised permanently. Executive committees at all levels up to and including VTsIK (i.e., the All-Russian Congress' executive committee) will have the same working committees. Thus, let us say we have a People's Commissariat of National Economy. Executive committees at various levels will have corresponding working committees. While the People's Commissariat of National Economy is responsible for drawing up the national economic plan, the execution of the plan will be carried out at the various levels by the corresponding working committees. Execution here means: 1. abiding by the decisions reached at higher levels (for example, meeting a certain production quota); and 2. within (1)'s framework, make decisions and putting them into effect within the respective areas of jurisdiction. This is how the proletariat achieves self-government. The state is the commune system itself. All state functionaries holding actual power are delegated and recallable from bottom up. If people such as bourgeois experts have to be appointed from top down, they will be restricted to an advisory role, holding no power. It will be noted that Ossinsky's proposal that Sovnarkom and VTsIK be combined is, in a slightly modified form, adopted by and incorporated in the above outline.

In 1917 Sovnarkom was originally meant to be a general working committee of VTsIK. But that was not to be. Besides its usurpation of both the Soviet Congress and VTsIK as analysed in the previous section, another even more fundamental process occurred. Though the People's Commissars were elected (ignore the point made in footnote 71 here) they could be and often were replaced and, at times, reinstated, and new commissars were appointed by Sovnarkom (or the RCP? — see later) itself on its own authority. This happened immediately after the seizure of power. For instance, Shliapnikov was sacked and later reinstated as People's Commissar for Labour over the coalition government
row. Let us be crystal clear about this point: in the system described in the previous paragraph, executive committees can recall members of the various working committees as well as delegate new ones because the latter are responsible to them. In 1917, however, Sovnarkom itself was elected by the Soviet Congress and made responsible to VTsIK, the people's commissars should, thus, only be recallable by VTsIK, and not by Sovnarkom itself, and only the Soviet Congress (or VTsIK), and not Sovnarkom, should be allowed to elect replacements. By usurping VTsIK in this way, Sovnarkom was destroying the elective principle. This brings us to our central question.

The Paris Commune principle was destroyed principally by two developments: 1. the abolition of the elective principle in the state, i.e., executive committees as well as deputies of congresses at various levels not being genuinely elected from bottom up; 2. the usurpation of the soviet system by a state machinery which was appointed from top down and which was divorced from the soviet system.

Let us deal with the second development first. The best example of it is the case of Vesenkha. (Contrary to anarchist/libertarian accusations, the setting up of Vesenkha itself, being an effort in economic centralization, had nothing wrong about it at all.)

As soon as it was set up on December 5, 1917 (Julian calendar), Vesenkha established various glavki in order to centralize industrial administration in the various branches of production. This, in itself, had nothing wrong about it, but when the glavki also set up branches all over Russia which were staffed by their appointees, this created an appointed state machine divorced from the soviet system. As mentioned in the earlier discussion of how the Paris Commune principle can be implemented, the execution (meaning as previously defined) of policies devised by central state organs at the local level should be undertaken by the working committees concerned delegated by and responsible to the local soviets' executive committees, and not by a body which is not part of the local soviet structure and which is appointed from top down by the central state organs. The local branches of Vesenkha's glavki were precisely such a body. Not only were they responsible for carrying out Vesenkha's policies, they made all decisions pertaining to production at every level, thereby
completely usurping the power of the soviets.

Since March 1918 Vesenkha began to appoint so-called soviet commissars and directors to take charge of the enterprises. Absolute obedience to them was required from enterprise management committees elected by the workers. This was how Lenin ‘argued’ in defence of this policy:

“That in the history of revolutionary movements the dictatorship of individuals was very often the expression, the vehicle, the channel of the dictatorship of the revolutionary classes has been shown by the irrefutable experience of history . . .

“... There is, therefore, absolutely no contradiction in principle between Soviet (that is, socialist) democracy and the exercise of dictatorial powers by individuals . . .

“... large scale machine industry – which is precisely the material source, the productive source, the foundation of socialism – calls for absolute and strict unity of will, which directs the joint labours of hundreds, thousands and tens of thousands of people. . . . all those who have thought about socialism have always regarded it as one of the conditions of socialism. But how can strict unity of will be ensured? By thousands subordinating their will to the will of one. [Did Lenin recall his criticism of Kautsky’s very same view in *State & Revolution*, chapter 6, section 2, “Kautsky’s Controversy with the Opportunists”?]

“... But be that as it may, unquestioning subordination to a single will is absolutely necessary for the success of processes organized on the pattern of large-scale machine industry. On the railways it is twice and three times as necessary. [Cf. Kautsky: “There are enterprises which cannot do without a bureaucratic organization, for example, the railways.” In *State & Revolution* Lenin said “This reasoning is erroneous” (chapter 6, section 2).] . . . Today, however, the same revolution demands – precisely in the interests of its development and consolidation, precisely in the interests of socialism – that the people unquestioningly obey the single will of the leaders of labour.” (Selected Works vol. 2, pp. 670–671)

Lenin, of course, did not forget to pay lip service to socialist democracy:

“... arguing at mass meetings about the conditions of work
[combined] with ... unquestioningly obeying the will of the Soviet leader, of the dictator, during the work.” (ibid., p. 672)

And:

“"The more resolutely we now have to stand for a ruthlessly firm government, for the dictatorship of individuals in definite processes of work, in definite aspects of purely executive functions, the more varied must be the forms and methods of control from below in order to counteract every shadow of a possibility of distorting the principles of Soviet government, in order repeatedly and tirelessly to weed out bureaucracy.” (ibid., p. 676)

Thus, while Marx said that the commune must not only be a parliamentary body (for ‘arguing’ only), but must be both legislative and executive (which Lenin relegated to a secondary position) at the same time, Lenin told us the opposite. As we will see later, in the later stages of the revolution’s degeneration, even the right to ‘argue’ was taken away from the workers. The identity between Lenin’s view and Kautsky’s, which we have shown just now, was total: “There are enterprises which cannot do without a bureaucratic organization ... Here the democratic organization may take the following shape: the workers elect delegates who form a sort of parliament, which draws up the working regulations and supervises the management of the bureaucratic apparatus.” (Kautsky, The Social Revolution, quoted in Lenin, State & Revolution, chapter 6, section 2; emphasis added) Contrary to Lenin and Kautsky, workers’ democracy does not equal “arguing about the conditions of work” in some “sort of parliament” alone. Certainly, workers will have to obey and carry out decisions made by state organs at various levels. However, members of these organs must be delegated and subject to recall by the workers themselves directly or indirectly through their delegates elected by means of the same process, and not by people appointed from top down.

Here, a word of clarification is necessary. While anarchists and libertarians are mistaken to denounce the establishment of Vesenkha itself, it is equally mistaken to say that denunciation of the usurpation of the management committees’ power by the so-called commissars and directors is a libertarian argument which deserts the soviets for the shopfloor. It has to be realized that the
lowest level soviets never functioned and disappeared very early on. In such a situation, the management committees of enterprises became workers' organs at the lowest level. They should, thus, work in accordance with the Paris Commune principle under the direction of the territorial soviets. Which means that the usurpation of their power by the so-called commissars and directors was, in essence, equivalent to, and therefore was part and parcel of, the usurpation of the soviet system by local branches of the glavki.

"Obedience, and unquestioning obedience at that, during work to the one-man decisions of Soviet directors, of the dictators elected [?] or appointed by Soviet institutions, vested with dictatorial powers (as is demanded, for example, by the railway decree), is far, very far from being guaranteed as yet." (Selected Works vol. 2, p. 680) In other words, Lenin demanded the blood of those who resisted.

Lenin and the Bolshevik majority did not go unchallenged. Ossinsky warned in his Theses on the Current Situation:

"... the rule of various commissars, the loss of independence for local soviets and in practice the rejection of the type of state-commune administered from below." (Quoted in Solidarity, op.cit., p. 39)

"It was all very well," Bukharin pointed out, "to say as Lenin had [in State & Revolution] that each cook should learn to manage the state. But what happened when each cook had a commissar appointed to order him about?" (Quoted in Solidarity, op.cit., p. 39) Radek also admonished prophetically:

"If the Russian Revolution were overthrown by violence on the part of the bourgeois counter-revolution, it would rise again like a phoenix; if however it loses its socialist character and thereby disappointed the working masses, the blow would have ten times more terrible consequences for the future of the Russian and the international revolution." (Quoted in Solidarity, op.cit., p.p. 38-39)

Lenin retorted in 'Left-Wing' Childishness and the Petty-Bourgeois Mentality:

"... the thesis of the 'Lefts' quoted above are a terrible disgrace and imply the complete renunciation of communism in practice and complete desertion to the camp of the petty bourgeoisie.

"... in the first place, when putting 'management' in the
hands of capitalists Soviet power appoints workers’ Commissars or workers’ committees who watch the manager’s every step, who learn from his management experience and who not only have the right to appeal against his orders, but can secure his removal through the organs of Soviet power.

In the second place, ‘management’ is entrusted to capitalists only for executive functions while at work, the conditions of which are determined by the Soviet power, by which they may be abolished or revised.” (Selected Works vol. 2, pp. 701–702)

The author does not know whether the left-communists did or did not answer this ‘argument’ of Lenin. In any case, strictly speaking, i.e., in terms of his own argument, Lenin was correct. The bourgeois experts were indeed subject to the control of the so-called commissars. But that was not the question which was that these so-called commissars were appointed from top down, not subject to the workers’ control and power of recall and divorced from the soviet system usurping the latter’s power. These were the people whom Ossinsky was pinpointing at in the above quotation from him.

The appointment of these ‘dictators’ did not yet satisfy Lenin and the Bolshevik majority. At the first Congress of Regional Economic Councils which met between May 24 and June 4, 1918, Ossinsky proposed in a subcommittee meeting that enterprise management committees be composed of members two-thirds of which were to be elected by the workers. The proposal was adopted by the subcommittee. But when it was put to the full congress, Lenin and the Bolshevik majority cut the elected proportion to one-third. Note, however, that these management committees had already, since March, become empty shells, mere talking shops.

At the 8th RCP Congress (March 1919) Sapronov (of the decist faction which succeeded the left-communist faction as the oppositional faction within the party) complained that Vesenkha

75. This is because the author’s second-hand sources of information have not mentioned of any such reply. Furthermore, Kommunist (Moscow) was suppressed after its 4th number, which was published as a private journal (nos. 1, 2 and 3 were published as an official organ of the Moscow party organisation) in May. But whether it was published before or after Lenin’s text is not mentioned in the above-mentioned sources which, incidentally, have also made no mention of the contents of no. 3.
was pursuing a policy of "creating local Sovnarkhozy [Vesenkha's local branches] and cutting them off from the provincial executive committees", saying to the latter when they protested: "You don't understand the first thing about production." (Quoted in Carr, op.cit., vo. 1, p. 223) What Sapronov was talking about was not the definition of power between central and local state organs (what powers belong to which organ), but the process of the usurpation of the soviet system by a state machine which was appointed from top down and divorced from the soviet system. Needless to say, Sapronov's point, which he made again at the 7th Soviet Congress in December 1919 to no avail, failed to get across.

At the 3rd Congress of Economic Councils (January 1920) Lenin and the Bolshevik majority continued to press ahead. Though the management committees of enterprises had already long been reduced to empty shells, Lenin et al were still dissatisfied. Now they wanted to abolish them altogether by instituting one-man management. Lenin told the Congress: "The elective principle must be replaced by the principle of selection." (Quoted in R.V. Daniels, The Conscience of the Revolution, Harvard University Press, 1965, pp. 108-109) Trotsky spoke in support of Lenin: "Elected collegia, composed of the very best representatives of the working class, but not possessing basic technical knowledge, cannot replace one technician ..." (Quoted in Daniels, op.cit., p. 109) According to Trotsky, the 'collegial principle' was really of Menshevik origin and could only lead to chaos. Despite Lenin's and Trotsky's efforts, the Congress passed a resolution in support of the 'collegial principle'. But two months later, at the 9th RCP Congress, Lenin and Trotsky were able to turn the table against the opposition. Badly defeated, V. Smirnov of the opposition asked: if one-man management was so good, why did not Sovnarkom adopt it? (Tragically, Smirnov's instinct led him correctly to the logical conclusion of Lenin's and Trotsky's position which became a fact less than ten years later.)

The resolution of the 9th RCP Congress contained the following points: 1. "Individual management does not in any degree limit or infringe upon the rights of the working class ... because the class can exercise its rule in one form or another, as technical expediency may dictate. It is the ruling class at large which in every case 'appoints' persons for managerial and administrative jobs." (Quoted in Solidarity, op.cit., p. 62) 2. The
replacement of the elective principle by the selection principle.

3. Only by transiting to one-man management could Russian
industry be rebuilt. According to a report compiled by Kritzman
at the end of 1920, of 2051 enterprises for which data was avai­
lable, 1783 had already passed over to one-man management.
In Terrorism & Communism, published in July 1920, Trotsky
triumphantly remarked that had it not been for the civil war,
the Russian state would certainly have embarked upon the road of
one-man management in the economic field much earlier. Lenin
echoed him in Pravda’s January 21, 1921’s edition:

“Now we add to our platform: we must combat the ideologi­
cal confusion of those unsound elements of the opposition
who go to the lengths of repudiating all ‘militarisation of
economy’, of repudiating not only the ‘method of appointing’
which has been the prevailing method up to now, but all
appointments. In the last analysis this means repudiating the
leading role of the party in relation to the non-party masses.”
(Quoted in Solidarity, op.cit., pp. 75–76)

It seems strange that so much fuss has been made about the
introduction of one-man management. As is shown in the above,
it was merely the final chapter of a process which began when
Vesenkha created appointed sovnarkhozy divorced from the
soviet system in December 1917 (Julian calendar).
The usurpation of the soviets by Vesenkha was a sufficient
condition, all by itself, to separate the producers from the nation­
alized means of production, rendering them (because the law of
value remained completely intact) proletarians in the full capitalist
sense, and the state appointees de facto owners of the nationalized
means of production.

Since October 24, 1919, so-called ‘Revolutionary Committees’
were set up in areas affected by the civil war. These committees
were staffed entirely by appointees chosen by Sovnarkom and all
local soviet organs were required to obey them. At the 7th Soviet
Congress, this was criticized as unconstitutional, but the criticism
was overruled. The setting up these ‘Revolutionary Committees’
totally destroyed the soviets all but in name (even ignoring, for
the moment, the abolition of the elective principle in the soviets
themselves). As a state machine appointed from above, divorced
from and overriding the soviet system, they accomplished in all
other areas of state administration what Vesenkha accomplished
in the field of production. At the 9th RCP Congress (March 1920) Sapronov described this system as 'vertical centralism' in contrast to 'democratic centralism', the supposed basis of soviet organization.

Now we come to the second major development which destroyed the Paris Commune principle in the soviet state, namely, the abolition of the elective principle itself in the soviet system. At the second All-Russian Congress of Trade Unions, the following was revealed: 1. "although in most regions there were institutions representing the trade union movement, these institutions were not elected or ratified in any way; where elections had been conducted and individuals elected who were not suitable to the needs of the central council [the All-Russian Central Council of Trade Unions (ARCCTU)] or local powers, the elections had been annulled very freely and the individuals replaced by others more subservient to the administration ...." 2. "If at a union meeting we elect a person as a commissar — ... — one would think that this individual would be allowed to represent our interests in the Commissariat [of Labour], would be our commissar. But, no. In spite of the fact that we have expressed our will — the will of the working class — it is still necessary for the commissar we have elected to be confirmed by the authorities .... The proletariat is allowed the right to make a fool of itself. It is allowed to elect representatives, but the state power, through its right to ratify the elections or not, treats our representatives as it pleases". (Quoted in Solidarity, op.cit., pp. 51-52) However, the most famous example of how the elective principle was replaced by the selection principle was the 'reforms' Trotsky introduced in the Red Army. The German colonel Max Bauer, amongst other German military officers, was full of praise for Trotsky, once calling him "a born military organizer and leader". (See Carr, op.cit., vol. 3, p. 326) Let us see what was it that gained Trotsky such lavish praise from the German officers.

As soon as he had become People's Commissar for Military Affairs after the signing of the Brest-Litovsk peace treaty, Trotsky applied Lenin's dictum of 'work, discipline, order', which Lenin applied in the economic field, to the Red Army. In order to more
fully appreciate how much Trotsky ‘reformed’ the Red Army under the banner of this dictum, let us go back a little in time to see how the army was organized prior to Trotsky’s ‘reforms’.

Several days after the seizure of power, Sovnarkom enacted two decrees concerning the military: 1. *On the Equality of Rank of All Military Men*; and 2. *On the Elective Principle and the Organization of Authority in the Army*. (The full text of these two decrees is printed in Reed, op.cit., pp. 331–332). The former decree ordered the abolition of, inter alia, military ranks and grades, of all privileges and outward marks of distinction connected with the former ranks and grades, and of officers’ organizations. The latter decree consisted of 12 clauses which stipulated how to apply the principles of workers’ democracy to military organization and discipline. Though improvements can certainly be made to them, by and large, they did suit the requirements of these principles. Clause 2 stated: “Full authority within the limits of military units and combinations is vested in the respective Soldiers’ Committees of Soviets.” Clause 4 stated:

“4. The election of commanding Staff and officers is introduced. All commanders up to the commanders of regiments, inclusive, are elected by general suffrage … All commanders higher than the commander of a regiment, and up to the Supreme Commander, inclusive, are elected by congresses or conference of Committees . . .”

From the “born military organizer and leader” Trotsky’s point of view, the stipulations of the above two decrees must be ‘insanely anarchistic’. On March 27, 1918, he delivered a report to the Moscow party conference which was entitled *Labour, Discipline, Order* in which his remarks rivalled Lenin’s in their pungency: “The elective basis is politically pointless and technically inexpedient, and has in fact already been set aside by decree.” (Quoted in Daniels, op.cit., p. 104) The person responsible for abolishing the elective principle in the army was none other than Trotsky himself. Before long, ranks, addressing by titles, outward marks of distinction, officers’ quarters and privileges, etc., in a word, everything abolished by the decree *On the Equality* was restored. Furthermore, new commanding officers were appointed by the People’s Commissariat for Military Affairs who replaced the previously elected ones, over half of whom were officers of the former Tzarist army.
Trotsky’s ‘reforms’ of the Red Army did not go unopposed. At the 8th RCP Congress (March 1919) a ‘military opposition’ was formed by members of the decist faction, with V. Smirnov as its chief spokesman. The ‘military opposition’ was not against the use of military specialists, the question, however, was how to use them, in accordance with the Paris Commune principle or with the bourgeois bureaucratic principle. As Smirnov argued, the question was not discipline, but what kind of discipline. Trotsky’s ‘reforms’, he further pointed out, brought about a total restoration of the regime in the army prior to the revolution. The principal ‘argument’ that the Bolshevik majority, led by Trotsky, used was the same one used by Lenin (and Trotsky himself too) to support their ‘argument’ for the dictatorship of individuals in the economic field, namely, that the opposition’s view would lead to chaos, was incompatible with modern forms of organization: “To preach guerrilla warfare as a military programme [who did?] is the same as to recommend turning back from large-scale industry to handicraft trades.” (Trotsky at the 8th RCP Congress, quoted in Daniels, op.cit., p. 105) This scare-tactic which also resorts to a distortion of the opposition’s position employed by Lenin and Trotsky was very effective in the critical situation the soviet regime found itself in after its formation and especially during the civil war. The draft resolution presented by Smirnov on behalf of the ‘military opposition’ received 95 votes in favour whereas the Bolshevik majority’s, presented by Trotsky, received 174. Thus, it was by means of abolishing the elective principle that Trotsky was able to build the Red Army in such a way as to evoke the praise of German military officers.

Concerning the elective principle in the Soviets, the evidence available to the author suggests that formally, at the lowest level, it had not been abolished during the period concerned (1917–1921). But, in substance, there can be no doubt that the elective principle had by 1921 long been dead. Firstly, both the Kronstadt programme and strikers’ proclamations raised contemporaneously in Petrograd called for the rejuvenation of freely elected soviets with free campaigning and by secret ballot. This confirms that the elections at the lowest level were manipulated and policed by the Bolsheviks.76 The nature of this manipulation and policing

76. Please note that by using the Kronstadt programme and the proclamations of the Petrograd workers as evidence. I am not assuming Kronstadt
is well-documented. Candidates not favoured were arrested and imprisoned. Harassment and/or outlawing of other parties/political groupings which criticized the Bolsheviks within the framework of accepting the soviet government. Voters being intimidated to vote as the RCP wished which was why the Kronstadters and Petrograd workers demanded the secret ballot. As to the executive committees, since admission to soviet sessions was by card only, which, as a rule, only Bolshevik delegates could procure, this ensured that they were monopolised by the Bolsheviks. In April 1921 Sovnarkom passed a decree the general aim of which was “to maintain the link between soviet institutions and the broad masses of the workers”. One specific aim was to draft (!) female workers into the soviet executive committees to be carried out by . . . the RCP! This clearly indicates that the executive committees were filled by party appointments (though I cannot confirm when exactly this practice started, there can be little doubt that it was long before 1921). When at the 10th party Congress the Workers’ Opposition raised the issue of “the cleavage between the authority of the soviet apparatus as a whole and the broad working masses”, Trotsky answered:

“They [the Workers’ Opposition] have made a fetish of democratic principles. They have placed the workers’ right to elect representatives above the Party . . . The dictatorship does not base itself at every given moment on the formal principle of workers’ democracy . . .” (Quoted in Solidarity, op.cit., p. 78)

Though my research is far from thorough, I think the above is enough to show how the elective principle was extinguished in

and the Petrograd strikes to be proletarian in nature. This point is important. For if we are to use, as I do later, the suppression of these workers’ movements as showing that the process of degeneration prior to these events had been completed and the state now faced the working class as a newly-born bourgeois state, then we cannot at the same time start by assuming these movements to be proletarian in nature (not all workers’ actions are revolutionary or even possess revolutionary potential, for example, striking government employees after the October uprising were counter-revolutionary). We must first prove the degeneration prior to these events. Only then can we say, on the basis of that proof, that they were class movements of the proletariat being suppressed by a newly-born bourgeois state. What I am using here, thus, are only facts revealed by these movements, their class nature has nothing to do with us yet and does not affect our present argument.
the soviets. Also, with the well-documented suppression of the elective principle in other state organs such as the Red Army and the trade unions, as well as in the RCP itself, it would indeed be unthinkable that a parallel suppression as briefly sketched out above, did not occur in the soviets.

In view of the extinguishing of the Paris Commune principle in the soviets, we must be careful when examining the struggle between, for example, the provincial executive committees and Sovnarkom in the later stages of degeneration and after. For the extinction of the Paris Commune principle in the soviets meant that such struggles were more struggles between different sections of the emergent state-bourgeoisie, instead of a defence against degenerating tendencies. For the sake of brevity we shall not examine these struggles here.

We have now finished our brief survey of how the soviet state firstly began as a deformed commune-state, how the soviet system was usurped by an appointed state machine which was divorced from it, and how within the soviets themselves and other state organs all elements of workers' democracy were eliminated. By early 1921 at the latest, the working class had lost all control of the state. It may be asked whether in the critical situation the soviet government found itself in after the October uprising and especially during the civil war, the principles of workers' democracy could be put into practice at all. Firstly, we have already said in the section on method that whether these principles were compromised because of a subjective programmatic deficiency or out of necessity or whatever, that would not have made any difference to the objective effect of such a compromise if it persisted as it did between 1917 and 1921. Secondly, it is true that in the conditions of the civil war, compromises on these principles were inevitable. And it is also true that the destruction of these principles occurred most rapidly during the civil war. This is why in this respect, the isolation of the Russian Revolution, which largely accounted for the duration and intensity of the civil war, was a direct cause of its degeneration. However, we must also note that the seeds of degeneration had already been sown and its process started long before the civil war began. Further-
more, not only did the Bolshevik majority not realize that they were destroying the workers' dictatorship by abandoning the Paris Commune principle, on the contrary, they actually seemed to believe that in doing so they were actually 'strengthening' the workers' dictatorship. For instance, Lenin said in Immediate Tasks:

"Today, however, the same revolution demands — precisely in the interests of its development and consolidation, precisely in the interests of socialism — that the people unquestioningly obey the single will of the leaders of labour." (Selected Works vol. 2, p. 671)

That was one reason why they made no attempt at all to reduce the compromises on the Paris Commune principle to the minimum. Not only did the Bolshevik majority commit this error, many revolutionary-minded workers likewise fell into the same trap. Coupled with what they saw as the greater danger of the civil war, that was why they allowed their dictatorship to be destroyed by the Bolsheviks. Of course, there were many other revolutionary-minded workers who did realize the error for what it was and resisted the Bolsheviks but got crushed by the latter. But unlike anarchists and libertarians, who are often fond of opposing the Bolsheviks to the mass of workers, with the latter allegedly possessing some sort of 'pure' 'uncontaminated' revolutionary consciousness that, however, was 'unfortunately usurped' by the 'machiavellian' Bolsheviks, Marxists recognize fully the fact that just as Marxists often err theoretically, the revolutionary consciousness of the mass of workers is also often misdirected in addition to being subject to dramatic ebb and flow.

In the above analysis the oppositional views of the left-communists and decists were mentioned. It was also mentioned that that did not signify any identification. Now, for reasons that will become apparent in a moment, it is necessary for us to say a word or two concerning them as factions. By virtue of Ossinsky et al's role in Vesenkha prior to March 1918 during which time Vesenkha set up the glavki with their local branches, the left-communists, as a faction, must be condemned for playing that objectively counter-revolutionary role in practice. As Lenin said in his criticism of
the social-chauvinists and the centrists, it is not enough to defend a position in words, it is necessary to defend it also in deeds. As to the decists, a similar situation did not occur with them.

It is extremely important to bear the above in mind when we come to consider the Workers’ Opposition, the darling of the anarchists who, because of its syndicalist tendencies, are fond of portraying it in glowing terms as the revolution’s ‘proletarian conscience’. Let us state right away that we have grave doubts concerning the class nature of the Workers’ Opposition as a faction.

The Workers’ Opposition was formed in 1920 with a strong power base in the highest echelons of the trade unions. We do not deliberately denigrate it because it is praised to the heavens by the anarchists. But facts, as the saying goes, are stubborn. (What follows is an interpretation which is justified on the basis of the class nature of the position concerning the principles of workers’ democracy defended in practice by the Workers’ Opposition which we will come to shortly.) For more than two years since the seizure of power, during which time the debates over individual dictatorship, etc. raged, the leading members of the Workers’ Opposition (Tomsky, Shliapnikov, Kollontai, etc.) had supported the counter-revolutionary policies of the Bolshevik majority. What prompted its formation was Trotsky’s proposed ‘militarization of labour’ plan. Under this plan, the entire Russian economy would come under the control and direction of the Council of Labour and Defence headed by Trotsky himself.

77. The decist faction did not disappear because of the rise of the Workers’ Opposition. The reason why the latter became the focus of attention was threefold. Firstly, in the trade union debate in 1920, Lenin and Trotsky held differing views which greatly enhanced the importance of the debate in which the Workers’ Opposition was also involved. Secondly, the state/party positions held by members of the Workers’ Opposition were far more substantial than those held by the decists. For instance, Tomsky was chairman of the ARCCTU, Shliapnikov the first People’s Commissar of Labour. Thirdly, members of the Workers’ Opposition possessed an immensely strong power base in the trade unions.

78. Several days after the seizure of power, together with Zinoviev, Kamenev, Nogin, etc., Shliapnikov was stripped of all government and party posts as a result of refusing to accept the party majority’s decision to reject the formation of a coalition government on the conditions stipulated by the Mensheviks and the Right Socialist-Revolutionaries. Several days later, Shliapnikov repented and was returned to all posts. In this dispute the Bolshevik majority was absolutely correct.

79. STO for short. Formerly the Council of Workers’ and Peasants’
Vesenkha would become a subordinate body responsible for industrial administration while the trade unions would be reduced to the role of ‘educating’ the workers and guaranteeing labour discipline. Since the seizure of power the role of the trade unions had never been clearly defined. But in practice trade unions had been playing an important role in managing the national economy. Trotsky’s plan would, of course, result in a greatly diminished role for the trade unions, thus prompting the formation of the Workers’ Opposition.

It is beyond the scope of this paper to examine the trade union debate. Anyone familiar with it cannot fail to realize that the formation of the Workers’ Opposition was more a power struggle within the RCP than anything else. As we have shown earlier on, within the trade unions, workers’ democracy was crushed precisely by leading members of the Workers’ Opposition as mercilessly as it was in the Red Army or elsewhere in the state Defence which was created by decree on November 30, 1918 and renamed in April 1920 as STO.

80. The understanding of the role of the trade unions under socialism was very fuzzy in the early days after the October uprising. Since it was originally supposed that the working class had now attained self-government by means of a workers’ state, and since after the nationalization movement had begun the workers were now supposed to be owners of the nationalized industries, it, therefore, made little sense to regard them as an instrument of the working class to fight for better working conditions and higher wages: to fight against whom? The state? The employers? In both cases, given the above suppositions, the workers would merely be fighting against themselves. It was only later when the reality of the state as an employer separate from the workers was clear as daylight that Lenin started to talk about the trade unions being such as instrument (NB: the recognition of this reality needed not lead to the realization that the state had now become a bourgeois state and its members a state-bourgeoisie, it could, for example, be regarded as the inevitable consequence of the ‘low cultural level’ of the Russian workers which ‘necessitated’ their ‘salvation’ by the ‘terrestrial saviours’ of the Bolshevik party). One popularly held view concerning the role of trade unions under socialism was that they should comprise the instruments with which to centralize production since they were organized by industry. Thus, in accordance with a decree of August 1918, Vesenkha was to be composed of 30 delegates from the ARCTU, 20 from the local sovarkhozy, 10 from VTsIK and 9 delegated by Sovnarkom and VTsIK. The party programme adopted by the 8th RCP Congress also stated that trade unions should form the organizational basis of socialized production. See also Shliapnikov’s quotation from soviet government sources in his The Russian Trade Unions in Solidarity, op. cit., p. 32. In practice, the trade unions did play a major role in the management of nationalized industry.
structure. This is why, as a faction, the Workers' Opposition must be condemned as much as the Bolshevik majority is. Given its members' complicity in the government's overall crushing of workers' democracy, the background to its formation as outlined above immediately becomes intelligible. As to its political programme (its economic programme does not concern us here), considered on its own, if it did contain valid criticisms of the RCP, these had already been raised by the left-communists and the decists before, thus saving us the trouble to examine them. 81

As we will show in a later section, the crushing of Kronstadt marked the definitive end of the Russian Revolution. The state had by then become a fully-fledged bourgeois state and its members a fully-fledged state-bourgeoisie. For the same reason, the Bolsheviks had also become a fully-fledged bourgeois party. It is, therefore, not surprising that after the 10th party congress, no proletarian opposition could continue to exist within the Bolshevik party as we will show now.

The Workers' Opposition did not disappear because the 10th party congress banned factions. In March 1922, while a Third International meeting was convening in Moscow, the Workers' Opposition presented a Declaration of the Twenty-Two to the International requesting it to correct the bureaucratization of the Bolshevik party and the Russian state. The International, under the sway of Trotsky and Zinoviev, of course, denounced the appeal to be an 'anti-party' and 'anti-proletarian' act. The Declaration was the last time in which a Bolshevik faction ever mentioned the question of workers' democracy outside the party. Since

81. Power struggles do exist inside proletarian political fractions but that does not condemn them as bourgeois. Thus we have misgivings concerning the class nature of the Workers' Opposition as a faction, not because it was born largely as a result of a power struggle within the Bolshevik party, but because, in practice, its members were responsible for the crushing of workers' democracy within the trade unions. Even so, being part and parcel of the RCP we do not say that the Workers' Opposition was completely bourgeois right from the very beginning: the RCP did not become completely bourgeois until 1921. As said, our argument here is analogous to Lenin's criticism of the social-chauvinists: socialist in words but chauvinists in deeds; and of the centrists: "Marxist in words and a lackey of the bourgeoisie in deeds" (The Proletarian Revolution & the Renegade Kautsky).
then, what the opposition was concerned with was entirely ‘democracy’ within the party. The questions of one-man management, the ‘dictatorship of individuals’, the usurpation of the soviets, etc. had all disappeared from the debates. Though the Declaration of the Twenty-Two did mention democracy outside the party, given as already mentioned, the role played by members of the Workers’ Opposition in strangling workers’ democracy in the trade unions, it is impossible to regard the Workers’ Opposition as a faction as a genuinely proletarian tendency. For the same reason, though it is significant that since the Declaration no Bolshevik opposition mentioned democracy outside the party anymore, their class nature must be judged objectively. From this point of view, no Bolshevik faction after the 10th party congress could be regarded as proletarian because the objective nature of the positions that they defended both in theory and in practice was bourgeois. As is to be analysed now, these positions were the very same positions defended both in theory and in practice by the Bolshevik majority prior to 1921 which led to the revolution’s final total defeat.

On December 7, 1923 Pravda carried a reform resolution drafted by Trotsky, Stalin and Kamenev and approved by the party central committee and Central Control Commission on the 5th. According to a Stalin supporter, the resolution was “a mistaken concession to Trotsky”. (Quoted in Daniels, op.cit., p. 223) So, what was the position of this document that mainly represented the view of Trotsky’s faction?

“... the necessity for state institutions ... of relying ... on a personal staff of functionaries which is still alien to the proletariat ... – these objective contradictions are expressed in a whole series of negative tendencies ... Among such tendencies are: ... the rise everywhere of a threat of cleavage between the party and the masses.” (Quoted in Daniels, op.cit., p. 222) (Cf. the point made in footnote 80 concerning how the fact of the separation of the state from the workers could be rationalized in ideological terms.)

Was that not very ‘critical’? As said, the positions of the oppositional factions after 1921 were none other than the pre-1921 Bolshevik majority’s positions. As to how to block the “negative tendencies”, the resolution had this to say:

“Workers’ democracy signifies freedom of open discussion by
all members of the party of the most important questions of party life, freedom of controversy about them, and also electiveness of the leading official individuals and collegia from below upwards.” (Quoted in Daniels, op.cit., p. 222)
Thus the party = (sic) the workers, therefore, party democracy = (sic) workers’ democracy, QED.

On the next day, Trotsky presented his famous ‘New Course’ letter to a party meeting, stating emphatically that the stipulations of the reform resolution be put into practice resolutely. Several days later, the definitive rupture between the right and the left occurred. Even a bourgeois historian can tell the nature of the struggle between the two factions:
“Neither the leadership nor the Trotsky Opposition made any appeal to the genuine proletarian discontent which the Workers’ Group and the Workers’ Truth had tried to exploit.”
(Daniels, op.cit., p. 228)
The reason why the left defended party democracy was simple enough: the right who had seized control of the party machine (especially the secretariat) was using it to exterminate them. This was why when Stalin, after defeating Trotsky’s faction, turned towards Zinoviev and Kamenev, the latter two suddenly switched from the right to the left and became defenders of party democracy in alliance with Trotsky.

By 1921 the state had become totally separate from the working class. (At the same time all other parties and political groupings, whether or not they supported the workers’ dictatorship, had been banned.) Though we believe that many Bolsheviks were still subjectively full of revolutionary ideals, “we do not judge an individual by what he thinks about himself”. Because the state had now become the largest owner of capital, it meant that objectively it could only act in its interests in that capacity, i.e., as a bourgeois state, which it did by crushing the Kronstadt uprising as we will see later. For the same reason, the Bolsheviks as the masters of the state could objectively only act as a bourgeois party from now on.

Since the 10th party congress, proletarian oppositions could no longer operate within the Bolshevik party and the Russian state. For example, G. Myasnikov was expelled from the party in February 1922 precisely for criticizing the party and the state from a proletarian class standpoint, thereby becoming the first
ranking party member to be expelled. Myasnikov's faction was known as the Workers' Group. It maintained close ties with the left-communists in Western Europe who had also been expelled from the Third International. Though its critique of the Bolsheviks and the Russian state lacked theoretical support, it did represent the proletarian class standpoint. Thus in its Manifesto published in *Workers' Dreadnought*'s June 3's and June 17, 1922's editions, it criticized the Bolsheviks for having turned doing business into its prior concern and the Third International's united front policy as an attempt to rebuild the world economy. It further pointed out that it was no longer possible to reform the Bolsheviks from within. In another Manifesto published in February/March 1923, it said the Russian state had become a bourgeois state and the Bolsheviks a bourgeois party.
In a commune-state organized in accordance with the Paris Commune principle, a governing party in the bourgeois parliamentary sense does not exist. In bourgeois democracy the government is formed by the ruling party. Cabinet ministers are appointed by the ruling party and are answerable first and foremost to it. Though the head of state and members of the legislature are elected once every few years, during their term of office there is nothing at all that electors can do about them unless they have committed criminal offences. Regarding the rest of the state, it is an appointed machine based upon the principle of selection exercised from top down. In a genuine soviet-state, soviet deputies are delegated by the working class from bottom up and not appointed by any party. Ditto for members of soviet executives. Thus, members of a particular political party or group who are delegated to the soviets are responsible, as soviet deputies, to the soviets and not to their party or group. Though soviet deputies do serve a term of office, they are revocable at short notice at all times. This is why even were members of a particular party/group to gain a majority in the soviets, the latter does not rule as a ruling party as in bourgeois democracy. i.e., soviet deputies do not receive their mandate once and then rule à la a bourgeois governing party ‘on behalf of’ the working class. The working class achieves self-government by exercising its power of delegation and recall from bottom up at all times. While members of a proletarian party/group have the duty to seek delegation, they do not do so for the purpose of forming a ruling party. And in a soviet-state, an appointed state machine based upon the principle of selection exercised from top down does not exist: military commanders are elected by soldiers, postal workers elect their own management personnel, schools are run by deputies delegated by teachers and students, etc., etc.

82. It is imaginable and, indeed, is likely that there will be more than one Marxist parties or groups co-existing.
Believers in ‘terrestrial saviours’ who ‘bring socialism’ to the working class may ask: if the workers delegate so many non-communists (either members of non-communist political parties/groups or workers supporting their programmes) to the soviets such that they form a majority, would that not endanger the revolution? The answer is a definite ‘yes’. But if such a situation does occur, it will merely reflect that the revolutionary consciousness of the working class is receding, and in such a case, nobody can force it to push the revolution forward. As is evident from the analysis in the previous two sections, the building of socialism requires as a precondition a high level of revolutionary consciousness on the part of the mass of workers. There is no way in which the labour time voucher system can be put into practice or the Paris Commune principle be enforced unless the workers are highly conscious. Were revolutionaries to grab power for themselves ‘on behalf of’ the working class because the latter’s revolutionary consciousness is receding, they would inevitably be forced to abandon any correct economic and political programmes that might have been instituted. The inevitable outcome of that is, of course, as we have analysed thus far, the transformation of the revolutionaries into a bourgeois class irrespective of their subjective will. One of the major errors committed by the Bolsheviks was to believe\(^\text{83}\) that so long as those holding state power were subjectively revolutionary, then, even if the principles of workers’ democracy were trampled underfoot, not only would the revolution not regress, it would actually progress (see earlier quotation from Lenin’s *Immediate Tasks*). That many workers did voluntarily allow them to do so was, as is said earlier on, a result of the regression of their own revolutionary consciousness. Thus, it is beyond doubt that if, as a result of a regression of the revolutionary consciousness of the workers, non-communists wield a majority in the soviets, the revolution will be endangered. But this is not a reason for adopting the ‘terrestrial saviour’ viewpoint.

That is why we must strictly distinguish between the workers’ state and the workers’ party (or parties/political groups). Given that the Bolsheviks wielded a majority (at first for reasons of

\(^{83}\text{ Given the objectively proletarian positions defended by the Bolsheviks both prior to and after 1917, we have justification to believe that most of them were subjectively revolutionary.} \)
having genuine working class support) in the soviets, some people (for example, the CWO) have argued that it is 'formalistic' to insist on such a distinction. But such a point of view is exactly to argue that soviet delegates, once having received their mandate, should rule 'on behalf of' the working class as we will see in "Conclusions".

The party statutes adopted by the 9th RCP Congress (March 1919) stipulated the following punishments for indiscipline: "... temporary removal from responsible party or Soviet work, temporary removal from all party and Soviet work ..." (Quoted in Carr, op.cit., vol. 1, p. 208) This was a serious mistake. The party, in accordance with the principles of workers' democracy, has no right to act 'on behalf of' the soviet simply because its members have broken party rules for this is purely and simply to usurp the power of the soviets. The Russian Revolution was full of instances in which Bolsheviks were stripped of their soviet posts by the party itself and not by the soviets. It is crystal clear that the Bolsheviks believed (see footnote 83) that since they wielded a majority in the soviets, they were entitled to rule 'on behalf of' the working class à la a governing party in the bourgeois parliamentary sense. This mistaken belief was, however, by no means their monopoly, most Marxist revolutionaries held it at that time, as quite a few still do today.

At the 2nd Congress of the CI which met in July/August 1920, Trotsky told the congress:

"Today we have received from the Polish Government proposals for the conclusion of peace. Who decides this question? We have Sovnarkom, but it must be subject to a certain control. What control? The control of the working class as a formless chaotic mass? [As though the soviets were formless and chaotic!] No. The central committee of the party has been called together to discuss the proposal and decide whether to answer it." (Quoted in Carr, op.cit., vol. 1, p. 226)

Those who accuse the above analysis as 'formalistic', please note! (As we will see in "Conclusions", there is indeed a great affinity between the arguments of these 'anti-formalists' and Trotsky's

84. Since the Brest-Litovsk treaty, all People's Commissars were Bolsheviks because of the Left Socialist-Revolutionaries' withdrawal from Sovnarkom.
anti-proletarian arguments.) Lenin once said in 1921:

"As the governing party we could not help fusing the Soviet 'authorities' with the party 'authorities' — with us they are fused and they will be." (Quoted in Carr, op.cit. vol. 1, p. 229, emphasis added)

He reiterated that point in 1923: "Why indeed should the two not be united if this is what the interest of business demands?" (ibid., p. 229)

At the 12th party congress (April 1923) Zinoviev said:

"We need a single strong, powerful central committee which is leader of everything . . . The central committee is the central committee because it is the same central committee for the Soviets, and for the trade unions, and for the cooperatives, and for the provincial executive committees, and for the whole working class." (ibid., pp. 236-237)

In answer to Trotsky's faction's enquiry as to why it was necessary for presidents of the executive committees of provincial soviets to be appointed by the party central committee, he said: otherwise "everything would be upside down". (ibid., p. 227) Of course, by the time of the 12th party congress, the class nature of the Bolsheviks and the Russian state had already totally changed. What we wish to point out here is that the seeds of the later development of the relationship between the party and the state had already been sown long before both of them became bourgeois organs, in fact, as soon as after the seizure of power. After Lenin's death, the situation became even more ridiculous. The party central committee often announced state policies on behalf of the state and decrees were sometimes jointly signed by the party central committee in conjunction with VTsIK and Sovnarkom.

The party was placed above the state because it was placed above the mass of workers. First, it was Sovnarkom usurping the entire soviet system (by usurping VTsIK and the Soviet Congress, by creating an appointed state machine divorced from and overriding the soviets and by destroying the elective principle within the soviets and other state organs). Then it was the party (the central committee or, more correctly, the politburo) which 'controlled' Sovnarkom (see previous quotation from Trotsky). Add them together and we arrive at the formula: the party's

85. This actually applied to the period before Lenin's death as well. The NEP was first announced at the 10th party congress, for example.
dictatorship over the proletariat = (sic) the dictatorship of the proletariat. The 12th party congress resolved: “the dictatorship of the working class cannot be assured otherwise than in the form of the dictatorship of its leading vanguard, i.e., the communist party” (Quoted in Carr, op.cit., vol. 1, p. 237)

Lenin once said in 1919: “Yes, the dictatorship of one party! We stand upon it and cannot depart from this ground . . .” (ibid., p. 236) In March 1920 the 2nd All-Russian Congress of Food Industry Workers censured the Bolsheviks thus: “The so-called dictatorship of the proletariat is in reality the dictatorship over the proletariat by the Party and even by individual persons” 86 (Quoted in Solidarity, op.cit., p. 61) Trotsky disagreed. He told the 10th party congress:

“They [the Workers’ Opposition] have come out with dangerous slogans. They have made a fetish of democratic principles. They have placed the workers’ right to elect representatives above the Party. As if the Party were not entitled to assert its dictatorship even if that dictatorship temporarily clashed with the passing moods of the workers’ democracy! . . . The Party is obliged to maintain its dictatorship . . . regardless of temporary vacillations even in the working class . . . The dictatorship does not base itself at every given moment on the formal principle of a workers’ democracy . . .” 87 (Quoted in Solidarity, op.cit., p. 78)

Thus was born the idea of the ‘historical birthright’ of the party, the motto of all believers in themselves as ‘terrestrial saviours’ of the working class. Let us see how the ‘terrestrial saviours’ of 1921 made use of their ‘historical birthright’ to ‘save’ the working class.

86. It has already been said that we have grave doubts concerning the Workers’ Opposition’s class nature even at the beginning of its formation because of the anti-working class positions it defended in practice. Thus though we are quoting a resolution which was mainly the work of the Workers’ Opposition, this does not imply any endorsement of the Workers’ Opposition as a faction.
87. See previous footnote.
A series of strikes, rallies and demonstrations broke out in February 1921 in Moscow demanding an end to the militarization of labour, increase in grain rations and the restoration of free trade with the peasants. On the 23rd, the strike wave spread to Petrograd. The Petrograd strikes were on a much larger scale than in Moscow. On the 28th workers of the Putilov plant joined in. Strikers held rallies and demonstrations demanding increases in grain rations, freedom of the press and speech, the release of political prisoners and the abolition of the ban of movement in and out of the city. Zinoviev, then Petrograd party boss, immediately accused the workers of being manipulated by ‘counter-revolutionary’ elements. On the 24th he announced the formation of a Defence Committee and proclaimed a state of siege, a sign of the seriousness of the situation. Strike leaders were quickly arrested, all assemblies were banned and a night curfew was imposed.

The sailors in Kronstadt were very concerned with what was happening in Petrograd. On the 26th delegates were despatched to investigate the situation in Petrograd. On the 28th the delegates returned and reported to the crew of the battleship Petropavlovsk. Having heard the report, the crew passed a resolution which was subsequently endorsed by the sailors, workers as well as soldiers of Kronstadt and became the uprising’s programme. Here we reproduce the relevant parts:

"Having heard the reports of the representatives sent by the General Assembly of the Fleet to find out about the situation in Petrograd, the sailors demand:

1. Immediate new elections to the Soviets. The present Soviets no longer express the wishes of the workers and peasants. The new elections should be by secret ballot, and should be preceded by free electoral propaganda.

2. Freedom of speech and of the press for workers and peasants, for the Anarchists, and for the Left Socialist parties.

3. The right of assembly, and freedom for trade union and peasant organizations."
“4. The organization, at the latest on 10th March 1921, of a Conference of non-Party workers, soldiers and sailors of Petrograd, Kronstadt and the Petrograd District.

“5. The liberation of all political prisoners of the Socialist parties, and of all imprisoned workers and peasants, soldiers and sailors belonging to working class and peasant organizations.

“The election of a commission to look into the dossiers of all those detained in prisons and concentration camps.

“9. The equalization of rations for all workers, except those engaged in dangerous or unhealthy jobs.

“10. The abolition of Party combat detachments in all military groups. The abolition of Party guards in factories and enterprises. If guards are required, they should be nominated, taking into account the views of the workers.

“11. The granting to the peasants of freedom of action on their own soil, and of the right to own cattle, provided they look after them themselves and do not employ hired labour.

“13. We demand that the Press give proper publicity to this resolution.

“15. We demand that handicraft production be authorised provided it does not utilise wage labour.” (Quoted in Ida Mett, *The Kronstadt Uprising 1921*, Solidarity pamphlet, 1967, pp. 40–41; all subsequent quotations are taken from Mett’s work unless indicated otherwise.)

Given the process of degeneration that we have shown in the previous sections, the uprising has to be and can only be understood as a struggle against political oppression and miserable living conditions imposed by a regime which had become alien to the working class. In other words, given the above-mentioned process, its proletarian character can be determined. (We will return to this point later in this section.) As such it cannot be criticized for the part dealing with agricultural policy and handicraft production (points 11 and 15) and, on that basis, branded as representative of petty-bourgeois interests, because it was not an economic programme for building socialism. The programme basically showed that the process of the transformation of the
Russian state from a deformed workers’ dictatorship into a dictatorship over the proletariat as detailed in the previous sections had reached a stage that can only be described as totalitarian thus alienating the workers to the degree that they regarded the Bolsheviks with positive hostility.

Despite the presence and involvement of provocateurs linked to Cadet/Menshevik/Right- and Left-Socialist Revolutionary/etc. émigré circles (see later), the Kronstadt movement was a genuine workers’ revolt. The Kronstadters’ attempt to link up with the struggle in Petrograd was a sign of a high level of consciousness. The failure of the struggle in Petrograd to reach higher levels meant that the revolt could be suppressed that much more easily.

The Kronstadt soviet was due for re-election on March 2. A meeting of the First and Second Battleship Sections met the previous day, attended by 16,000 people. Amongst the speakers were Kalinin (president of VTsIK who took over from Sverdlov on the latter’s death in March 1919) and Kouzmin, political commissar to the Baltic Fleet. Copies of the February 28th programme were distributed and with the exception of two votes (Kalinin’s and Kouzmin’s) it was adopted unanimously. The meeting also decided to send a 30-member delegation to Petrograd to explain their demands to the Petrograd workers. Invitation was to be extended to the latter to send delegations to Kronstadt.

On the following day a meeting of delegates from ships’ crews, Red Army groups, various state institutions, dockyards, factories and trade unions, which had been planned the previous day, convened at the House of Culture to decide on the procedure of new elections to the local soviet. Kouzmin and Vassiliev (president of the Kronstadt soviet) were also invited to speak to the meeting. The March 28th programme was adopted and it was decided to send a delegation to Moscow for discussion with Lenin and the

88. In any case, the NEP, which was unconnected to the Kronstadt uprising, beginning as it did as an agricultural programme, was no less representative of the interests of the petty-bourgeoisie. Recall, however, what we said in the section on the Bolsheviks’ agricultural policies concerning what was and what was not programmatic. Furthermore, as is shown later, by the time the NEP was introduced, the Russian Revolution had already (just) been totally defeated.

89. As in the case with the Kronstadt uprising, given the process of degeneration analysed in the previous sections, the proletarian character of the struggle in Petrograd can be determined.
party central committee. Kouzmin and Vassiliev spoke provocatively and the former warned that the party would not relinquish power without a fight. The situation became extremely tense (before the meeting, rumours had already had it that the government was going to crush the Kronstadters by force) and Kouzmin and Vassiliev were put under arrest. The imposition of the stage of siege in Petrograd made it clear to the Kronstadters that if they did not arm themselves, their merciless massacre would be on the cards. Thus the meeting formed a Provisional Revolutionary Committee (PRC) to act as the provisional administrative body of the town and the fortress. The PRC immediately ordered the distribution of arms to the workers. It was also announced that all trade union congresses and committees were to be re-elected within three days. On the same day soldiers and armed workers occupied all important institutions in the town.

On the 3rd the first issue of the Izvestia of the PRC came out: "The Communist Party, master of the State, has detached itself from the masses... Countless incidents have recently occurred in Petrograd and Moscow which show clearly that the Party has lost the confidence of the working masses. (p. 46)

A great number of Bolsheviks resigned from the party (according to official figures, there were altogether 780) and formed a provisional party bureau which pledged its allegiance to the PRC. The bureau published a proclamation to dispel rumours propagated by the government that Bolsheviks were being shot and urged for support for the PRC. The proclamation ended: "Long live the power of the Soviets! Long live international working class unity!" (p. 49)

It is common knowledge that the émigré circles previously mentioned did attempt to use the Kronstadters' revolt for their own purpose of overthrowing the Bolshevik regime. The Bolsheviks were well aware of that. However, they were also aware that the revolt was not a 'white guard plot'. Nevertheless, they propagated the story of the revolt as a 'white guard plot' supported by the entente. (On the relevance or, rather, irrelevance of the subjective intentions of the Bolsheviks to the objective nature of the crushing of the revolt, see later.) On the 3rd Moscow's Radio Stanza broadcast: "It is therefore clear that the Kronstadt revolt is being led from Paris. The French counter-espionage is mixed up in the
whole affair.” (p. 47) Lenin told the 10th party congress: “White generals — you all know it — played a great part in this. This is fully proved.” (p. 82) Trotsky told the 2nd congress of the Communist Youth International on July 14, 1921: “Kronstadt, as I said, was about to pass into the hands of French and English imperialism.” (p. 62) Today the Stalinists¹ are still repeating this lie which, as Isaac Deutscher pointed out, simply cannot hold: “The Bolsheviks denounced the men of Kronstadt as counter-revolutionary mutineers, led by a white general. The denunciation appears to have been groundless.” (The Prophet Armed, Oxford Press, 1954, p. 511)

In the face of the government’s slanders, the PRC issued an appeal:

“We stand for the power of the Soviets, not for that of the Party. We stand for freely elected representatives of the toiling masses . . . In Kronstadt, power is in the hands of the sailors, of the red soldiers and of the revolutionary workers. It is not in the hands of white guards commanded by General Kozlovsky, as Moscow Radio lyingly asserts.” (p. 53)

During this time many workers in Petrograd held mass meetings to discuss the Kronstadt situation. Leaflets were distributed and the Izvestia of the PRC was posted in factories by the workers. In some factories workers refused to endorse resolutions condemning the uprising issued by the party. On March 7 (the day the bombardment of Kronstadt began) a mass meeting was organized by workers at the ‘Arsenal’ factory which adopted the February 28 programme and elected a commission responsible for agitating for a general strike. Strikes continued at the biggest factories: Putilov, Baltisky, Oboukhov, etc. Strikes on a smaller scale also occurred in Moscow.

The Bolsheviks proceeded to isolate the Kronstadters in three ways, to prevent the Petrograd and Moscow workers from answering their appeal. Firstly, strike leaders in Petrograd and Moscow were arrested and striking workers laid off. Secondly, the propaganda machine worked overtime to fabricate stories of a ‘white guard plot’. Thirdly, large quantities of foodstuffs

¹ Stalinists refer to all those who regard the so-called ‘socialist’ societies as really ‘socialist’. Thus all traditional ‘Communist’ parties are Stalinist parties whether they are of the Maoist, Dengist, Titoist, Euro-‘Communist’ or other varieties.
including chocolate, considered as a luxury then, were imported in order to buy off the starving workers of Petorgrad and Moscow.

March 6: as President of the Military ‘Revolutionary’ Council of the ‘Soviet’ Republic, Trotsky issued the Kronstadtters an ultimatum. March 7: the attack commenced. To the surprise of the Bolsheviks many soldiers refused to attack and further requested to send delegations to investigate the situation in Kronstadt. They were disarmed and heavy sentences imposed by ‘revolutionary’ tribunals. Some soldiers even went over to join the uprising. According to eye-witnesses’ reports, many soldiers who wanted to join the uprising were shot on the spot by army officers (see Mett, op.cit., p.p. 57–58).

_Izvestia of the PRC_ said it its March 12’s edition:
“Revolts by workers and peasants have shown that their patience has come to an end. The uprising of the workers is near at hand. The time has come to overthrow the bureaucracy . . . . Kronstadt has raised for the first time the banner of the Third Revolution of the toilers . . . The autocracy has fallen. The Constituent Assembly has departed to the region of the damned. The bureaucracy is crumbling . . .” (p. 62)

The Red Army was immediately re-organized, army units knowing little or nothing about the uprising were called in from all over the country to replace the mutinous soldiers. The 10th party congress which was then convening despatched 300 delegates to the front for agitational purposes against the uprising. All factions within the party, inclusive of the Workers’ Opposition and the decists, supported the crushing of the uprising either actively or passively. On the 16th, the attack recommenced and the uprising was finally crushed the next day.

In _Hue And Cry Over Kronstadt_ (1938) Trotsky addressed the crushing of Kronstadt. As the Bolshevik ‘white guard plot’ lie

---

91. For instance, on the 13th, soldiers of the 27th Omsk Division refused to attack and impromptu meetings were held. The mutinous soldiers had to be disarmed by force and were given heavy sentences.

92. The crushing of Kronstadt condemned the entire Bolshevik party and, as is shown later, marked its definitive end as a proletarian party. Myasnikov et al later redeemed themselves by fighting for proletarian positions and got expelled from the party for that reason. The Workers’ Opposition was able to continue to function within the Bolshevik party after the 10th party congress because as a faction it had never in the first place genuinely defended _in practice_ (and later on in theory as well) proletarian positions.
could hold no water, Trotsky defended the crushing by means of fabricating a whole series of new lies:

"From a class point of view, which -- remains the fundamental criterion both in politics and in history, it is extremely important to compare the conduct of Kronstadt with that of Petrograd during these critical days. In Petrograd too the whole leading stratum of the working class had been skimmed off. Famine and cold reigned in the abandoned capital, even more cruelly than in Moscow . . . [but] The Kronstadt uprising did not attract the workers of Petrograd. It repelled them. The demarcation took place along class lines. The workers immediately felt that the Kronstadt rebels were on the other side of the barricade and they gave their support to the Government." (p. 78)

As our brief account of what happened in Petrograd before and during the time of the uprising shows, Trotsky's ability to rewrite history was really no less than Stalin's. Earlier on, in 1937, Trotsky had already addressed the issue:

"The country was hungry, and the Kronstadt sailors were demanding privileges. The mutiny was motivated by their wish for privileged rations." (p. 78)

Unfortunately for Trotsky item number nine of the February 28 programme precisely refutes this accusation. Trotsky had in fact told many more lies over Kronstadt, but we shall not be bothered to refute them one by one here. Disregarding these lies the gist of his argument was that Kronstadt at most represented a petty-bourgeois uprising against the rigours of social revolution and the workers' dictatorship. Mett in op.cit. attempted to show that members of the PRC were mostly workers and sailors with a revolutionary background, in order to refute Trotsky's argument that Kronstadt was a petty-bourgeois uprising. However, even had she succeeded to do the former, that would not have helped her, as we will show in a moment, to accomplish the latter at all. (As a matter of fact, Mett's blank statements concerning the PRC's members' background notwithstanding, there is in fact evidence to suggest that Petrichenko (the PRC's president) and some other PRC members were actually provocateurs linked to the émigré circles of the cadets et al in Paris.)

The Kronstadt uprising cannot be considered in isolation by itself. Not all workers' movements, however militant, possess a
revolutionary character. They could just as well be counter-revolutionary: for example, the strikes of the bank and other government employees against the soviet government after the October uprising. The proof of the class nature of the Kronstadt uprising can neither be found in the composition of the PRC even if all its members had perfect revolutionary credentials (this being an empiricist argument – cf. footnotes 2 and 5, supra) nor in the demands for press freedom and so on considered formally and abstractly (for example, the demand for press freedom several days after the October uprising was counter-revolutionary in nature). Only by first proving that a degeneration process had been occurring between 1917 and 1921 and thereby proving that the state had progressively been turned into a bourgeois state and its members a state-bourgeoisie will we be able to show that the Kronstadt uprising was a proletarian movement.

Our analysis in the previous sections shows that prior to 1921 the Russian state was in the process of being transformed into a bourgeois state and its members a state-bourgeoisie, but prior to Kronstadt, it is impossible for us, if we are to avoid arbitrary judgements which lack an objective basis, to specify the exact time when that process was completed. The suppression of Kronstadt (and the contemporaneous imposition of a state of siege in Petrograd) provides us with the required objective criterion to specify the end of that process, because the suppression shows that the state was acting in FULL accord with the role of a bourgeois state which defended the objective needs of capital.

From March 1921 on, Russia's policies have invariably been capitalist in content. Domestically, its economic policies have always acted in the interests of nationalized and (where and when it is allowed to exist) individualized capital, while the bourgeois nature of the state, alien to, oppressing and suppressing the proletariat in these interests, has never changed. Externally, according to Trotskyist theory, Russia is forced by its 'socialist' infrastructure to 'defend' proletarian interests in other countries. Given that Russia's infrastructure is in fact thoroughly capitalist, it follows that she can only pursue capitalist foreign policies. The reason why she is said to 'defend' working class interests in other countries is because, in her imperialistic pursuits, she supports social forces which adopt her own capitalist programme of nationalized capital, etc., which programme is misnamed 'socialist' by
Trotskyism. The capitalist nature of most of Russia’s foreign policies since March 1921 defending her capitalist interests is blindingly obvious. For example, her policies in Germany in 1923: see next section. Even where there appears to be a genuine subjective intention to ‘export’ the ‘revolution’ as in the case of Trotsky’s policy on China in the 20’s, the policy is capitalist in content. For instance, while Trotsky called for the formation of ‘soviets’ in China, given his role in suppressing workers’ democracy in Russia, the ‘soviets’ he was talking about were not the soviets of 1917 but those of 1921 and after.

Despite the claim of the Izvestia of the PRC that Kronstadt was a “Third Revolution” (see earlier quotation), the uprising was not a revolution. True, the Kronstadters demanded the rejuvenation of the soviets, but that was only because they struggled against the background of the extinguishing of soviet power. The uprising was, as we said at the beginning, a struggle against political oppression and miserable living conditions imposed by a regime which had become alien to the working class which had already been defeated. This is clearly evident in the ‘negative’, i.e., non-communist nature of the uprising’s programme.

Finally, in judging the uprising, the subjective intentions of the Bolsheviks do not count. It might well be that the Bolsheviks, as Victor Serge was to say later in the 30’s, though aware of the fact that the Kronstadters’ revolt was not a ‘white guard plot’, nevertheless were of the view that its success would help the Mensheviks et al to overthrow their regime, and thus, on the assumption that their regime was proletarian, found it in the historical interests of the proletariat that the revolt be crushed. Be that as it may, as we have stressed repeatedly in various contexts, the objective nature of the Bolsheviks’ actions is not affected by their subjective beliefs. Thus, whatever might have been the Bolsheviks’ intentions in crushing the revolt, its objective nature was that of a proletarian movement being crushed by a newly-born capitalist state in defense of a newly-born bourgeois regime. Neither was that objective nature affected by the Mensheviks et al’s attempt to use the revolt for their own purpose of overthrowing the Bolsheviks.
The Russian Revolution could not survive (in any form) unless the world revolution was to break out. This was held by all revolutionaries at the time of the outbreak of the Russian Revolution. Trotsky told the second Soviet Congress:

“If the peoples of Europe do not arise and crush imperialism, we shall be crushed – that is beyond doubt. Either the Russian revolution will raise the whirlwind of struggle in the west, or the capitalists of all countries will stifle our struggle.”

(Quoted in Carr, op.cit., vol. 3, p. 29)

As early as in 1915 the Zimmerwald Left led by Lenin already called for the formation of a new International to replace the 2nd International which had deserted to the bourgeois camp. However, because of, inter alia, the failure of the Spartacists (Luxemburg et al) to completely break from centrism, the first attempt to set up a new International failed despite the efforts of the Zimmerwald and Kienthal conferences. It was only in March 1919, after the German revolution had been bloodily crushed earlier in January, that the Third International was founded in Moscow. The Bolsheviks were instrumental in its foundation both because subjectively they believed at that time in the indispensibility of the world revolution to the Russian Revolution’s survival and because, as we will see in a moment, it was an objective need. For the same reasons, the founding congress adopted, under the influence of the Bolsheviks, unequivocal positions on the need to decisively break from parliamentarism, trade unionism, united frontism, etc., and the 2nd International was unequivocally condemned as having crossed the class barricade. The seat of the International was, as it could only be, in Moscow, but in order to promote the revolution in Western Europe, the Amsterdam Bureau was set up headed by Pannekoek and Gorter.

93. The Spartacists’ delegate (Eberlain) was actually given the mandate to vote against the formation of the 3rd International. In the end he abstained under pressure from other delegates.

94. The influence of the Bolsheviks at the first congress was decisive. The congress itself was hastily assembled and some countries were ‘represented’ by Bolsheviks.
Close to a decade elapsed between the October revolution and the adoption of ‘socialism in one country’ by the Bolshevik Right in 1925/1926. During this period, the positions concerning the class nature of the 2nd International, of parliamentarism, etc. adopted by the CI’s founding congress under the influence of the Bolsheviks were abandoned one by one. There are many ways in which this development can be interpreted. One is the ICC’s: the ebbing of the revolutionary wave ‘forced’ the Bolsheviks to abandon the positions adopted by the founding congress, and since these positions were (and have since been) class lines separating a proletarian from a bourgeois party/political fraction, thus the Bolsheviks became a bourgeois party when all of these positions had been abandoned by them, i.e., with the adoption of the ‘socialism in one country’ policy. We have already explained in the section on method why it is impossible to buy the ICC’s view. For Marxists there is only one valid way to interpret the above development, namely, to do so on a materialist basis. The policies of the Bolsheviks were dictated by its objective class role. As we will analyse in a moment, the Bolsheviks’ abandonment of the positions of the CI’s founding congress was fundamentally dictated by the transformation of the objective role of the Bolsheviks from a proletarian party to a state-bourgeois in control of a bourgeois state. Such an analysis, conducted as it is on the basis of the Marxist materialist method, has an added advantage. While the ICC’s thesis of the transformation of the Bolsheviks into a bourgeois party requires the prior acceptance of the bourgeois class nature of participation in parliaments, etc. since World World One, ours does not. The Bolsheviks were transformed into a bourgeois party by the process discussed in the previous sections. As we will analyse in a moment, the Bolsheviks abandoned the positions adopted by the CI’s founding congress because this was required by the needs of Russian capital. This fundamental point is not affected by whether or not we accept that participation in parliaments, etc. since World War One have

95. The only difference between the ICC’s interpretation and, for instance, the Stalinist view is that whereas the former says that the development just mentioned in the text turned the Bolsheviks into a bourgeois party, the latter says that it did not. I.e., the crux of the matter thus becomes an argument over whether or not participation in parliaments, etc. were then, and have since been, class lines.
been bourgeois in nature. If we do, then so much the better. If, however, we do not, that does not in anyway affect our analysis in the previous sections. I.e., it cannot be validly said that because participation in parliaments, etc. ‘could’ (and still ‘can’) be tactics of a proletarian party (even if this were true) this necessarily implies that the Bolsheviks were still a proletarian party: bourgeois parties also participate in parliaments, organize trade unions, etc. Thus the importance of this section is to illustrate how the Bolsheviks’ theory and practice in the ‘export’ of the revolution was determined by its changing class nature as further evidence (not proof) of the latter. Though we agree that participation in parliaments, etc. since the 1910’s have been bourgeois practices, this is irrelevant to our argument here.

There is no way in which an isolated revolution can survive in any form. However correct its economic and political programme, it if is to avoid being conquered by the law of value which still controls the economies of the rest of the world, it must sever all normal economic relations with the latter as pointed out in footnote 39.96 However, as said, imperialism simply would not allow the isolated revolution to do so. Thus, the ‘export’ of the revolution becomes the number one priority in the isolated revolution’s foreign policy. This is not simply a matter of subjective intentions, the capitalist encirclement will force the isolated revolution to realize that ‘exporting’ the revolution is an objective need as well.

The Bolsheviks did not realize the importance of severing all normal economic relations with world capitalism just as they had very little idea about what a correct programme for the transitional period is like. As early as in May 1918 the Russian government made it known to the US that it was willing to allow American capital to exploit Russia’s natural resources by means of concessionary agreements.97 On May 15 Russia opened negotiations with Germany in Berlin with a view to re-establishing normal

96. Here we are referring to economic relations, non-economic relations are not included. Furthermore, to receive economic aid, like Russia did in 1921 from the International Red Cross due to the famine, does not constitute an economic category.

97. This was also a tactical move which attempted to buy America’s neutrality – US troops had not yet landed on Russian soil as entente troops had already.
economic relations. On February 4, 1919 the Russian government wrote to the entente countries, expressing willingness to open negotiations concerning compensations for property confiscated belonging to citizens of the entente countries, and urged the entente countries to consider exploiting Russia's natural resources by means of concessionaries. On March 12, Chicherin specifically wrote to Britain and the US, repeating the February 4 offer as well as urging them to establish normal trade relations with Russia. Lenin himself told the CI's founding congress that workers of other countries than Russia had the duty to press their governments to establish normal economic relations with Russia.

However, all these efforts were made in vain. After the October uprising, the entente countries had decided to overthrow the soviet regime by force as the means to attain their economic ends. Within two weeks of receiving Russia's offer in May 1918, the first batch of American troops landed on Vladivostock. At the allies' 'peace' conference held in Paris in January 1919, the entente countries discussed the option of an all-out invasion of Russia. The British prime minister Lloyd George warned the conference that "if he now proposed to send a thousand British troops to Russia for that purpose, the armies would mutiny", and that "if a military enterprise were started against the Bolsheviks, that would make England Bolshevist and there would be a Soviet in London." (Quoted in Carr, op.cit., vo. 3, p. 133) Though George did speak with exaggeration, his colleagues were not deterred for no reason from an invasion. At the time, the Spartacist uprising had just been crushed while the revolutionary wave was sweeping across Europe. At the end of February, mutinies occurred amongst the British and American troops stationed in Russia while the mutinies amongst the French troops in Russia were so serious that the French were forced to evacuate from the Black Sea ports they had been occupying in April.

Despite giving up plans for an all-out invasion, the entente countries had not given up hope of militarily overthrowing the soviet regime. Although, following the defeat of Kolchak, Denikin and Yudenich, the entente lifted their economic blockade of Russia in January 1920, before negotiations for establishing economic relations could make any progress, with Poland's invasion of Russia in May 1920, the entente once more threw their weight behind Poland on the one hand and Wrangel, who had
reassembled remnant white guard forces, on the other. It was only by 1921, when all attempts to overthrow the Russian government by force had failed, that the entente reconciled themselves to the fact that their economic ends could only be attained by peaceful means.

Under these circumstances Russia's external economic relations prior to 1921 were almost completely severed. The only exception was in May 1920 in a deal reached with a group of 15 Swedish firms in which Russia bought farming, telegraphic and telephonic equipments by means of gold and short-term bills. It was thus the imperialist military encirclement that forced the Bolsheviks to realize that 'exporting' the revolution was an objective need.

Thus can be explained the urgency with which the Bolsheviks called for and organized the CI. Thus can also be explained the positions on participation in parliaments, etc. adopted under the influence of the Bolsheviks by the founding congress in 1919 and, in the main, held on to by the second congress in 1920 which was held in July after Poland had invaded Russia in May. 98

However, as the class nature of the Russian state changed, the Bolsheviks' foreign policy also changed. By 1921, as a newly-born bourgeois class the first and foremost concern of the Bolsheviks was to rebuild Russian capital (we are not dealing with subjective intentions here, the Bolsheviks could well have understood or, for that matter, misunderstood, it to be the 'building of the economic foundations of socialism'). Thus, as a condition for rebuilding Russian capital, the re-establishment of normal economic relations with other countries became an objective need. On the other hand, by 1921, the allied countries, as said, had also been reconciled to the necessity of attaining their economic ends vis-a-vis Russia by means of accepting the existence of the Russian government. Once one country had begun to do so, the other countries were driven to follow suit by the laws of competition. Though the allied countries were still hostile to the Bolshevik regime (the US and France in particular) and subjectively were probably unaware of the change in the class nature of the Russian state, their policies were dictated by economic forces. Thus, it was for both these

98. In addition, the Bolsheviks did initially start with a subjective understanding that the Russian Revolution could only survive if the world revolution was to break out.
reasons that 'exporting' the revolution was no longer an objective need for the Bolsheviks. It is on the basis of this understanding that the development from the 21 Conditions and, in particular, from the CI's 3rd congress on to the 'socialism in one country' policy becomes intelligible. The recession of the revolutionary wave provided the background against which the requirements of the changed (in terms of class nature) Russian state got concretized into specific policies pursued by the Bolsheviks by means of the CI.

Now that the re-establishment of economic relations with other countries became an objective need, to be able to recruit support from whatever socio-economic-political forces in these countries so that the policies of these countries to Russia could be directly or indirectly influenced thus became a paramount objective of the Russian government. It did not matter whether these forces were on the left (the Social Democratic parties and the centrist parties) or on the right, whichever force was willing to take Russia's outstretched hand, the Russian government would grab fast upon it. Whichever force could most influence the policies of these countries to Russia, its support for Russia would be mostly highly valued. Thus can be explained why the Bolsheviks abandoned the CI's founding congress' position on the bourgeois class nature of united frontism, etc. and pushed ahead full steam with the united front policy, etc. The Kommunistische Arbeiter Internationale (KAI)99, though wrong to say that the 3rd International was 100% a tool of the Bolsheviks, was, nevertheless, dead on the spot to point out at its founding congress in April 1922:

"7. Since Russian capitalism had to be rebuilt, and since this capitalism could only be rebuilt by the restoration and reconstruction of European capitalism, the Third International was forced to abandon revolution and to pass over to reformism, that is to have as its aim the reconstruction of capitalism.

"8. And just as the now-capitalist Bolshevik Party renewed

99. The KAI was formed on the instigation of the Essen tendencies of the KAPD and Dutch Communist Workers' Party, and included left-communists from Bulgaria, Britain, etc. The CWO, which previously took the German left as its model, has published various texts from the latter. See, for example, the KAI's "Why We Need the KAI?" and "Lines of Orientation in RP no. 11. pp. 37-42. The KAI soon disintegrated into various small fractions.
its relations with European capitalist governments and with European capitalism to reconstruct capitalism in Russia, so the Third International renewed its relations with the Second International, and the 2½ International for the reconstruction of European capitalism.” (Lines of Orientation, quoted in the CWO, RP 11, p. 40)

In Western Europe the staunchest defenders of the need to break from the policies of participation in parliaments, united frontism, trade unionism, etc. were the left-wing of the KPD and Dutch Communist Party led by Pannekoek and Gorter. Since the expulsion of the KPD’s left-wing from the party at the Heidelberg congress in October 1919, the German left formed the KPD(O) with the aim of eventually reuniting with the KPD. In March 1920, after the armed workers had defeated the Kapp Putsch, the KPD, in alliance with the SPD and VSPD (the centrists), disarmed the workers and drove them back to the factories. It was then that the KPD(O) decided to constitute itself into the KAPD in April 1920.

With the setting up of the KAPD the International closed down the Amsterdam Bureau though the KAPD was affiliated to the International. In June 1920, Lenin published his ‘famous’ Left-Wing Communism: An Infantile Disorder which had already been translated into English, French and German by the time the CI’s second congress convened in July. The 2nd congress itself adopted the 21 Conditions. These developments in 1920 were the first signs of the change in the Bolsheviks’ policies which resulted from the changing class nature of the Russian state.100

On January 18, 1921, with the support of Lenin and Radek, Levi wrote a public letter to the SPD, VSPD, KAPD and their trade unions (the KAPD had not organized any trade unions but had organized political factory committees) in the name of the KPD central committee, inviting them to co-operate with the KPD on a number of issues. This predated the CI’s own adoption of the united front policy (the CI was not directly involved in Levi’s co-operation with the SPD and VSPD in March 1920).

100. Though the CI was not a purely Bolshevik instrument the Bolsheviks did have a decisive influence in it. At the same time, the majority of the CI such as the Spartacist-controlled KPD never did really break from the policies of participating in parliaments, etc. Both these accounted for the ease with which the Bolsheviks could push through the policies of the united front, etc. in the International.
At its 3rd congress which met in June-July 1921, the Third International formally adopted the policy of “the united front from below”. As Levi had earlier been expelled from the KPD in May, it was called “going to the masses” in order to distinguish it in name from Levi’s January 18’s policy. At the same congress the defence of Russia became the ‘first priority’ of all communists.

In March 1921, the Russian government signed a trade treaty with the British government. Prior to this, the Bolsheviks had always held that the struggle against British imperialism was a key link in the class struggle in Asia. Now that a trade treaty had been signed with Britain, to go on calling for the struggle against British imperialism would, of course, be detrimental to Russia’s own interests. Faced with this embarrassing situation, the Bolsheviks decided not to talk about the struggle in Asia at the 3rd congress at all. Zinoviev’s work report of the ECCi was over 60 printed pages long, but only 3 sentences were concerned with the International’s work in Asia. The Indian delegate Roy remarked that this was “pure opportunism”, “more suitable for a congress of the 2nd International”. (Quoted in Carr, op.cit., vol. 3, p. 386)

In December 1921 the ECCi initiated the ‘united front from above’ tactic, i.e., the attempt to reunify the 2nd and the 2½ Internationals with the 3rd International. The reunification conference met on April 2, 1922. It called upon “workers of every country” to organize immediate demonstrations for certain specific ends including: “for the resumption by all countries of political and economic relations with Russia”. (Quoted in Carr, op.cit. vol. 3, p. 408) Several days later, the Genoa conference was held. Chicherin told the attending countries (Britain, France, Germany and Belgium) that Russia was ready to open her rich natural resources to them by means of concessionary agreements (the first concession had already been granted a year earlier to an American firm) in order to help revive the world economy. On April 16, during the conference, Russia and Germany signed the Rapallo treaty. The background of this treaty was as follows: the Versailles treaty forbade Germany to engage in arms production, thus in early 1921 the German general staff (existing under the title of Ministry of War) approached Russia in secret with a proposal that

---

101. To struggle against imperialism alone without at the same time struggling against one’s own bourgeoisie is counter-revolutionary.
Germany provide capital, technology and technicians for the production of arms in Russia. The latter accepted the proposal in principle and secret negotiations started. The scope of the negotiations later widened to non-military areas of economic, political and diplomatic relations with the military negotiations remaining in secret. After the signing of the Rapallo treaty, Krasin, People's Commissar for Foreign Trade warned the German working class, in an interview with the KPD paper Die Rote Fahne, not to engage in strikes.

The 4th congress of the Third International which met in November 1922 adopted the policy of forming electoral alliances with the parties of the 2nd International for the purpose of forming 'workers' government'. Butchers of the working class such as Noske and Ebert, whom the International itself had previously labelled as the left of capital, now suddenly became workers' representatives.¹⁰²

The war indemnity imposed by the Versailles treaty constituted a heavy burden on the back of the German economy. Since 1921, and especially since the signing of the Rapallo treaty, Germany had become Russia's foremost economic partner. Thus, what was detrimental to the German economy was also injurious to the interests of Russian capital. In January 1923, the 3rd International held a meeting of the Western European 'Communist' parties. Die Rote Fahne published its official resolution on January 9 which criticized the Versailles treaty for oppressing Germany. Two days later, as a result of Germany's inability to meet the indemnity repayment schedule, French forces marched into the Ruhr. VTsIK, ECCI and the KPD immediately condemned French imperialism for invading Germany. VTsIK's January 14's proclamation said:

"The sovereignty of the German people is infringed. The right of the disorganized economy has suffered a new and shattering blow." (Quoted in Carr, The Interregnum, Macmillan, 1954, p. 155)

In 1914, in supporting one's own bourgeoisie in defence against foreign imperialism, the 2nd International betrayed the working class struggle and passed over to the bourgeois camp. Now, in

¹⁰². At the 5th congress of the International which met in June/July 1924, because of the failure of the attempted putsch in Germany in October 1923, the SPD was once again labelled 'social fascists'.
defence of the interests of Russian capital, the Bolsheviks and the 3rd International tread precisely the same path by defending German capital against French imperialism. In May, under ECCI's leadership, the KPD adopted the policy of national Bolshevism which was to attempt to unite all social forces, the fascists included, for the purpose of defending Germany against French imperialism. Since May, the KPD entered into a 'honeymoon' period with the nazis until the latter broke the relationship in August. Radek said at the ECCI meeting held on June 12 that the French Government's

"victory in the Ruhr would immensely strengthen it; its defeat on the other hand would shatter the Versailles system and become a fact which would play a revolutionary role. In virtue of these circumstances, the German party should say to itself: Yes, the German working class, like the working class of the whole world, including the French working class, is interested in the defeat of Poincaré." (Quoted in Carr, op.cit., p. 178)

A practice which was a betrayal in 1914 now mysteriously became a "revolutionary practice"! Of course, the mystery is easily resolved by equating 'in the interests of Russian capital' with 'revolutionary'.

The situation in Germany took a 360 degree turn in August 1923. On August 11, Cuno's government resigned. It was replaced by a coalition government headed by Stresemann which included all parties with the exception of the KPD and the nazis. The Bolsheviks feared that Stresemann's government, being pro-Western, would unilaterally annul the Rapallo treaty. Thus, as soon as the government was formed ECCI immediately proclaimed that it sought to turn Germany into a colony of the entente (see Carr, op.cit., p. 204). The proclamation further urged the German masses to recognize that Russia was Germany's real friend. The putsch two months later in October was a coup attempt designed because of Russia's fear that the Stresemann government might turn its back on her and move towards the West.

We shall stop our brief survey of how the foreign policy of the Bolsheviks changed as a result of the change in the objective class nature of the Russian state at this point. What has been said is more than enough to establish our point. As said at the beginning of this section, the above developments in the
Bolsheviks' foreign policy can certainly be *interpreted* in other ways. The point is whether or not such other interpretations are in accord with the Marxist *materialist* method as ours is.
CONCLUSIONS

The socialist revolution is a conscious movement. The defeat of the Russian Revolution was basically a result of a failure in the revolutionary consciousness of the working class (we shall not attempt to examine the objective basis of this failure here). In the broadest terms, that the world revolution did not break out (a result of the above failure on the part of the international proletariat) already cast the die. But we must not simply stop there and say abstractly that the 'cause' of defeat was the revolution's isolation. That would be pure charlatanry. The direct effect of the revolution's isolation on its eventual defeat was not as great as some would like to imagine it to be. The direct cause of the degeneration was mainly the failure in the revolutionary consciousness on the part of the Russian and international proletariat (including the revolutionary minorities). This failure was first shown in the deficiency of the economic and political programme of the Russian Revolution. Secondly, it was shown in the acceptance of the Bolsheviks' destruction of the principles of workers' democracy on the part of many revolutionary-minded Russian workers. In the section on method we have analysed the inevitable consequences of an erroneous programme for the transitional period. In the other sections we have concretely analysed how the Russian Revolution's erroneous programme actually transformed the Russian state into a bourgeois state and its members (mainly the Bolsheviks) a state-bourgeoisie. We repeatedly emphasized that the degeneration process started right from the beginning, i.e., well before the civil war (a result of the revolution's isolation) began. We also stressed on a number of occasions that the civil war did not force the Bolsheviks to abandon a previously correct programme and adopt an erroneous one. Had the German revolution been victorious, that would certainly have had a positive effect on the Russian Revolution's development. But whether or not the degeneration process could thus be arrested or even reversed is open to serious doubt. Thus,

103. As said earlier, the Bolsheviks did not bear sole responsibility for this deficiency (see footnote 44).
104. As said, this is not to say that there was no resistance which was suppressed.
all in all, we can summarize the effect of isolation on the revolution’s defeat as follows: 1. it meant the revolution’s eventual total defeat was a foregone conclusion; 2. it accelerated the process of degeneration which had begun previously by strengthening the tendencies which caused the degeneration; 3. it strangled the possibility of reversing the degeneration though this possibility appeared slim; 4. by directly taking the lives of many revolutionary workers as well as causing a flow of workers into the countryside, it physically weakened the proletariat which undoubtedly played a role (though unquantifiable) in weakening the proletariat in terms of revolutionary consciousness thereby making it that much easier for the germinating bourgeois state to consolidate itself.

Though the ICC agrees that the destruction of the principles of workers' democracy started soon after the establishment of the soviet regime, it still holds that the degeneration process did not start until 1921 with the crushing of Kronstadt. As is pointed out in the section on method, according to the ICC, the major ‘cause’ of degeneration was the revolution’s isolation: the recession of the revolutionary wave ‘forced’ the Bolsheviks to abandon ‘exporting’ the revolution and adopt united frontist and other similar policies until the defeat of the revolution was completed when the Bolsheviks adopted the ‘socialism in one country’ policy. We have already analysed the vacuity of that thesis on the methodological level in that section. Now we can do this on the basis of the analysis of the foregoing sections.

Let us take a look at Russia between 1921 and 1925/26 when the Bolshevik Right adopted the ‘socialism in one country’ policy. After March 1921, aside from the Bolshevik party’s claim that it was a proletarian party and that the Russian state was a proletarian state, what was proletarian about them? As has been shown, by 1921 the Russian working class had completely lost the political power which it had once held to a certain extent and was ruled by a state which was completely divorced from and alien to it. As has also been shown, by 1921 the Bolsheviks, by being in control of the Russian state, had become a collective owner of state-capital and were using the state as an instrument to defend its interests as such an owner against the working class who had become totally separated from the means of production. In this situation, on what basis can we say that the dictatorship of the proletariat had not yet been completely destroyed? The ICC
never does know how to analyse anything at all, thus, in the present case, it could only fall back upon the tricks in which it is expert, namely, the idealist method, astrology and tautology as we have seen in the section on method. As analysed in the previous section, it is only by first understanding how the Russian Revolution degenerated in reality and not in vacuous airy-fairy terms that we are able to understand the real reason why the Bolsheviks gave up ‘exporting’ the revolution.\textsuperscript{106}

In addition to the above, the ICC also puts forward the concept of substitutionism (see “The Degeneration of the Russian Revolution” and “The Lessons of Kronstadt” in \textit{IR 3}) in its analysis of the Russian Revolution, pointing out that an important lesson to be learnt from its defeat was the error of the substitutionist view that the party can take power ‘in the name of’ the working class. The ICC has never provided a complete analysis of substitutionism. Nevertheless, it is true that many revolutionaries as well as workers did (and still do today) harbour the mistaken view that the party could exercise state power ‘on behalf of’ the working class. Understood in this sense, the ideology of substitutionism did indeed play a significant role in the formation of the erroneous political programme of the Russian Revolution as well as in its practice. And to this extent, but only to this extent, the ICC’s analysis of the Russian Revolution, though ideological through and through in its general framework, should be given its due credit.

According to the CWO, the abandonment of the Paris Commune principle and other similar developments of the Russian Revolution were only the expression of its defeat, not the cause. Unfortunately, the CWO has not specified what the cause was. If it means to say that the abandonment of the Paris Commune

\textsuperscript{105.} Since the ICC says that the state should not be the instrument of the workers’ dictatorship (see footnote 19), we have phrased the question in the present way instead of, for example, in the following way: “On what basis can we say the state was still in any way at all a proletarian state?”

\textsuperscript{106.} To say that the recession of the revolutionary wave ‘forced’ the other parties to adopt the policies of united frontism, etc. is equally ridiculous. Take the Spartacist-controlled KPD for example. Except for the left wing which later formed the KAPD, the KPD never did really break from such policies. And as far as the KAPD was concerned, the recession of the revolutionary wave did not ‘force’ it to adopt these positions either.
principle, etc. were the expression of the failure in the revolutionary consciousness on the part of the proletariat (inclusive of the revolutionary minorities) and the consequences of that (i.e., while the abandonment of the Paris Commune principle, etc. were initially a subjective deficiency, their continued abandonment in the subsequent stages of degeneration was more an objective requirement of the changing class nature of the Russian state), then we agree. But there is nothing to suggest that that is the CWO's meaning. If, however, by the above the CWO means to say that the abandonment of the Paris Commune principle, etc. were only the expression of the effects of the Russian Revolution's isolation which was the real 'cause' of degeneration, then we cannot agree, for reasons we have already analysed.

In our analysis we argue that the instrument of the workers' dictatorship is the workers' state formed on the basis of the soviet system which is a non-party institution, i.e., that even were a particular party/political group to gain majority support in the soviets, it still does not rule 'on behalf of' the working class à la a governing party in the bourgeois parliamentary sense. Thus we draw a rigorous distinction between the party (or proletarian political groups), the workers' state and the working class. According to the CWO, to draw such a distinction, and by implication, our analysis of the extinguishing of the Paris Commune principle in general, is 'formalistic':

"Proletarian democracy is not simply formal, but is one of content, and we judge a movement not simply by how it takes decisions, but also by what these decisions are."

("Russia: Revolution and Counter-revolution 1917-1923" in RP 4, p. 4) According to the CWO, prior to the introduction of NEP, the general development of the Russian Revolution was positive: though the Paris Commune principle (the CWO's so-called 'formal' aspect of proletarian democracy) was 'deformed', in particular during War Communism, War Communism, incorporating as it

107. An expression (not cause) of firstly the changing and later the changed class nature of the Bolshevik party was its admittance into its ranks of sundry bourgeois elements. In 1924, of the 600,000 party members, only 2% had joined the party before the October uprising.

108. For the same reason, our analysis of the relationship between Sovnarkom, VTsIK and the Soviet Congress must also have been 'formalistic' since the Bolsheviks wielded majorities in all three bodies.
did, compulsory requisitioning, nationalization of industries, the ‘abolition’ of money in the state sector, i.e., the latter’s ‘naturalization’, etc. (the CWO’s so-called ‘content’ of proletarian democracy) was “proto-communist”, and therefore, the Russian state was proletarian. We have already mentioned that the CWO understands not one iota the politico-economic significance of the Paris Commune principle. Even ignoring that, understanding War Communism’s true nature is already enough to empty the CWO’s ‘form-and-content’ word-juggling formula of all meanings. But it is necessary to criticize this view further because it is just a sophisticated apology for the ‘historical birth-right of the party’ or ‘terrestrial saviour’ view.¹⁰⁹

Proletarian democracy is proletarian democracy and socialist economic measures are socialist economic measures, and not, as the CWO wishes to mislead us to believe, proletarian democracy is the ‘form’ of proletarian democracy (?) and socialist economic measures the ‘content’ of proletarian democracy. As Engels said, the dictatorship of the proletariat is the political form of the economic emancipation of the workers, i.e., in our terms, proletarian democracy is the political form of socialist economic measures. It is true that soviets can be mere formal empty shells which do not take a communist direction (for example, the German workers’ councils in 1918 and 1919). But, the reverse is not true. I.e., it is not true that a government formed by people who claim to be ‘terrestrial saviours of the working class’ and which institutes allegedly “proto-communist” economic measures is, thereby, a proletarian state (cf. this being of great importance, the analysis in the second paragraph of the section “The Relationship Between the Party, the State & the Mass of Workers: the Theory & Practice of the Russian Revolution”; also cf. Pol Pot’s alleged ‘abolition’ of the currency, did that make his government proletarian?). If we must speak in terms of form and content concerning the Paris Commune principle, then it is form and content at the same time. (Our form and content being, of course, different from the CWO’s, it regards the Paris Commune principle

¹⁰⁹. From the formulation of the formula “the party takes power through the councils” (on this formula, see later in the text) to the latest “organizing role of the party” position, the CWO has always held a view of the party which could potentially be pushed to the extreme of the ‘terrestrial saviour’ view.
as ‘only form’ — its wisdom is encapsulated in a simple contradiction in terms: the Paris Commune principle being the ‘form’ of the Paris Commune principle.) Let the CWO show us what other form can the Paris Commune principle take.

“At this time, i.e. early 1918, it is meaningless to try to make distinctions between party, class and soviets. The question is of the direction of policy and the determination of the class to see it through. When a majority of the class has created state organs in which a party which has won the class’ support has a clear majority, then it is formalistic to demand ‘who is in power?’” (ibid., p. 4)

According to this view, once a party has won a clear majority, it does not really matter if it disbands the soviets and becomes a governing party in the bourgeois parliamentary sense. So long as the party institutes allegedly “proto-communist” economic measures, the Paris Commune principle will still be ‘alive and well’, only that it has taken another form. What the party has to do is only to hold periodic plebiscites with the working class and remain a governing party so long as it receives a majority of the votes. Otherwise, the soviets can be reconvened until another party wields majority support in them and the above process can be repeated. Far-fetched? Perhaps, but we cannot think of any other form that the Paris Commune principle can take. Nor can we think of how to distinguish between the form and content of proletarian democracy. If the above does not do, perhaps the CWO can enlighten us. As far as we can see, were the CWO’s view correct, we would certainly need to abandon Marx’s Civil War In France and adopt Trotsky’s conclusions:

“They [the Workers’ Opposition] have made a fetish of democratic principles. They have placed the workers’ right to elect representatives above the Party. As if the Party were not entitled to assert its dictatorship even if that dictatorship temporarily clashed with the passing moods of the workers’ democracy! . . . The Party is obliged to maintain its dictatorship . . . regardless of temporary vacillations even in the working class . . . The dictatorship does not base itself at every given moment on the formal principle of a workers’ democracy . . .” (Trotsky’s speech to the 10th party congress quoted previously, emphasis added)

The CWO sees the introduction of one-man management as a
negative development (see op.cit. in RP 4, p. 10). It must not have noticed that the 9th party congress that introduced one-man management also spoke, in defence of the latter’s introduction, of other forms than the enforcement of the Paris Commune principle in which the working class could ‘realize’ its self-government:

“Individual management does not in any degree limit or infringe upon the rights of the working class . . . because the class can exercise its rule in one form or another, as technical expediency may dictate.” (Official resolution of the congress, previously quoted)

On the basis of its anti-‘formalist’ analysis the CWO arrived at its ‘famous’ “the party takes power through the councils” formula. While our above analysis is already enough to show that the CWO’s view is potentially a sophisticated variety of the ‘terrestrial saviour’ view, there is another reason why we need to criticize it and clearly distinguish between the soviets, the mass of workers and the party (or proletarian political fractions), even if the party held a majority in the soviets. For while the party (or political fraction) may hold a majority, particular views on questions of a non-class line nature may not. It is the duty of communists, in their intervention in the class (for example, in policy debates in the soviets), to defend, not the party’s or group’s majority view, but the view which they believe best serves the interest of the revolution. It is the soviets which decide on state policies, and it may well happen that the party’s or group’s majority view gets defeated by the party’s or group’s minority view in the soviets because delegates not belonging to the party or group are convinced of the latter. For similar reasons, it may also well

110. Not so for both the ICC and the CWO which do not allow members to defend minority views on non-programmatic issues outside of the group unless the majority acting through the leadership allows them to do so. We have seen in the text how in the early days of the revolution, Bolsheviks holding different views from the party majority’s hesitated not once to defend them outside of the party. For example, Ossinsky’s motion for collegial management at the 1st All-Russian Congress of Economic Councils; Larin et al’s draft resolution for press freedom in VTsIK; etc., etc. Judging by the criterion of the ICC’s and the CWO’s organizational practice, these would have constituted ‘breaches’ of party discipline. For a searching critique of such a monolithic, anti-working class view of organizational practice, see the articles in the Communist Bulletin nos. 1 & 2 and section A of my text “Critique of the ICC” in IC no. 2 (English Supplement).
happen that soviet delegates belonging to a particular party/group are convinced of the superiority of a non-class line policy proposal put forward to the soviets by members of another proletarian political group over their own party’s/group’s proposal and vote for the former. With the CWO’s (and, for that matter, the ICC’s) conception of organizational practice (see footnote 110), such a situation would, of course, not be allowed to happen in the first place.

The CWO also says that the supreme allegiance of communists is to the communist programme and not the soviets. True, and this is precisely why members of a party/group do not defend the party’s/group’s majority view on non-class line issues but their own, as well as why, if they are convinced of the superiority of the view on any particular non-class line issue of another party/group, they should support it. But by that the CWO seems to be implying that since the party embodies the communist programme, therefore, its members’ allegiance is to the party and not the soviets even in their capacity as soviet delegates. Firstly, this (implied) view fails to distinguish between the communist programme and non-class line, i.e. non-programmatic, issues, and therefore fails to take into account the situations described in the previous paragraph. Secondly, if, as a result of a regression in the revolutionary consciousness of the mass of workers, communists find it no longer possible to defend the communist programme in the soviets, then what they can only do is to resign from the soviets and fight as an opposition to whatever regime that might emerge out of the degenerated soviets. Under no circumstances should they assert their dictatorship (if they were indeed able to do so) over the proletariat “even if that dictatorship temporarily clashed with the passing moods of the workers’ democracy . . . [and the] temporary vacillations . . . in the working class” (see Trotsky’s speech at the 10th party congress quoted earlier on). For, as analysed in the second paragraph of the section “The Relationship Between the Party, the State & the Mass of Workers: the Theory & Practice of the Russian Revolution”.

111. As an example of such a situation, while the enforcement of the workers’ dictatorship was programmatic, whether the Cheka and the revolutionary tribunals should come under the People’s Commissariat of the Interior and the People’s Commissariat of Justice or be set up as independent organs directly responsible to VTSIK was non-programmatic.
that would only transform them into a state-bourgeoisie in control of a bourgeois state. This is the only conclusion that we can draw from the correct statement that the supreme allegiance of communists is to the communist programme and not the soviets *in abstract*, and not, as the CWO implies, that to criticize its "the party takes power through the councils" formula is, as though by nature, 'formalistic'. The CWO is correct to criticize the fetishizing of councils in formal terms, but in arguing for the reverse (the enemy of one's enemy is necessarily one's allies?) it arrives at a potential 'terrestrial saviour' view which is equally dangerous.
TWO TEXTS
FOR
DEFINING THE COMMUNIST PROGRAMME

ERRATA
(lines are counted from the bottom of the page)

p 18 8th, delete "which is dependent on production"

p 55 2nd, replace 'S' with 'X'

p 98 10th & 11th, replace "imperialism" with "the age of war and revolution"

p 126 top line, replace "in the 'Prologue'" with "earlier"

p 127 6th, replace "socialian" with "socialism"

p 175 22nd, replace "the superstructure" with "an effect"

p 178 11th & 12th, replace "on the level of the superstructure" with "by considering the effects of the base"

p 192 20th, replace "superstructural" with "subsidary"

p 195 13th, replace "derable" with "derably"

p 199 17th, delete "superstructural"

p 271 14th, replace "mostly" with "most"

p 274 insert between 6th & 7th: "of the German people to self-determination is trodden underfoot. Germany's"; delete "of the" in the 6th

p 94 replace paragraph "We can now . . . moment)." with "We can now answer the first aspect of the question "Was Russia ripe for the socialist revolution?". (1) In terms of production relations, Russia was completely capitalist in 1917 and had been so for a long time (cf. France 1789: manorial rights, 'real' rights, guilds, internal tariffs, etc.). It is therefore ridiculous to regard Russia as only ripe for the bourgeois revolution. (2) The Tsarist regime ruled in the interests of the bourgeoisie (cf. France 1789: the monarchy defended the aristocracy's defence of its feudal interests). Thus, on the basis of this and of (1) above, the overthrow of Tzarism (an anachronism arising from the uneven development of capitalism) ≠ a bourgeois political revolution a la the French Revolution (also cf. the social reforms the French bourgeoisie achieved by the Revolution). (3) The Russian Revolution's character was not determined by the peasants' struggle. (4) Despite the peasant origin of most revolutionary soldiers, they were fighting for the proletariat's programme (whatever that is for the moment)."
LEFT COMMUNIST POSITIONS

Since the 1910's world capitalism has entered its non-progressive era. As its development since then is premised upon the condition of periodic generalized war (the crisis — war — reconstruction — crisis — . . . . cycle), lasting reforms can no longer be extracted from capitalism while the alternative to socialism is to become imperialist war's cannon-fodder. In other words, working class interests can only be defended today by the overthrow of capitalism.

All so-called 'socialist' countries are thoroughly capitalist, stricken by the same crisis as the 'mixed' economies of the West.

In its non-progressive era, capitalism takes the form of state-capitalism. From the 'mixed' economies of the West to the 'socialist' economies of the East, the intervention of the state in the economy is a perennial requirement.

Today trade unions everywhere, in every guise, are capitalist weapons which attack the proletarian struggle in order to defend capitalism. Whatever subjective intentions trade unionists may have, trade unions can only attack working class interests because capitalism is in crisis. In this era when the socialist revolution is on the historical agenda, trade unionism diverts the proletarian struggle on to the bourgeois terrain.

In this era parliamentarism is a capitalist weapon which attacks the consciousness and self-organization of the proletariat, often used by the bourgeoisie to defuse working class discontent. Thus, in this era when the socialist revolution is on the historical agenda, the practice of 'revolutionary parliamentarism' acquires an objectively counter-revolutionary function. Whatever the subjective intentions of the partici-
As capitalism is no longer progressive, there are no progressive factions of capitalism anymore and there can be no "conditional support" for one faction against another. All factions of the bourgeoisie including those calling themselves 'labour', 'socialist', 'communist', etc., can only be driven by capitalism's crisis to attack working class living standards and ultimately to lead workers to the imperialist massacre. Thus, any form of 'united front', 'popular front' 'people's front', etc. is an attack upon the proletarian struggle.

So-called 'national liberation' struggles are merely proxy wars between the imperialist blocs headed by the USA and the 'Soviet' Union. They have nothing to offer to the working class of the countries concerned except to turn them into cannon-fodder. 'Victory' in these struggles merely means a shift of alliance from one imperialist bloc to another.

In this era the economies of the backward countries are at the mercy of world imperialism. Thus, there is no way in which these countries can repeat the capitalist development of the West in the 18th- and 19th-centuries, thereby bringing lasting gains to their working class. As a result, the working class of these countries can only defend their interests by striking at world imperialism and their own bourgeoisie at the same time since their national bourgeoisie can in no way escape from imperialism's domination. In other words, they have the same interests and, therefore, goal as the working class of the advanced countries, namely, the world socialist revolution. The economic inequality between the advanced and the backward countries can only be eliminated on the basis of the world revolution. Today, when the capitalist metropoles are making the backward countries bear the brunt of the crisis in an attempt to save themselves, the above is truer than ever.

All self-proclaimed 'communist' parties, 'workers' parties.
the Trotskyists, etc., which provide the ‘socialist’ countries, trade unionism, parliamentarism, united frontism, ‘national liberation’ struggles, struggles for the ‘minimum programme’ in backward countries, etc. with support, however critical or conditional, are objectively bourgeois parties irrespective of whatever subjective intentions their members may have.

- The working class is the only class capable of carrying out the socialist revolution.

- Soviets or workers’ councils are the historically discovered form of working class self-organization both as the means of the revolution and as the building blocks of the proletarian state, i.e., the dictatorship of the proletariat.

- The communist party (or, more generally, political fractions of the working class) is the political vanguard of the proletariat. However, the role of the party is not to carry out the revolution or take power ‘on behalf of’ the working class.

- The socialist revolution can only succeed on a global level. No individual country or group of several countries, however advanced, is able to build socialism in whatever form independently.
Revolutionary communist work is not "doing a good deed". Subjective intentions are not enough. Our role in history is determined objectively by the objective class nature of our positions. In all programmatic discussions today two of the most fundamental questions that must be examined are the class nature of the so-called 'socialist' countries and the Russian Revolution. The two texts in this book examine these two questions on the basis of the Marxist materialist method.