

STALIN AS A THEORETICIAN

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(Concluded from Last issue)

This is revealed with adequate clarity in the question of the peasant's balance of the October revolution. The state as the owner of the land, concentrated in its hands the right to ground rent. Does it realize it from the present market in the prices of grain, lumber, etc.? Unfortunately, not yet. Does it realize it from the peasant? With the multiplicity of economic accounts between the state and the peasant, it is very difficult to reply to this question. It can be said—and this will by no means be a paradox—so that the "scissors" of agricultural and industrial prices contains the ground rent in a concealed form. With the concentration of land, industry and transport in the hands of the state, the question of ground rent has for the peasant, so to speak, a bookkeeping and not an economic significance. But the peasant is little occupied with precisely this bookkeeping technique. He draws a wholesale balance to his relations with the city and state.

It would be more correct to approach this question from another angle. Because of the nationalization of land, factories and mills, the liquidation of the foreign debts, and planned economy, the workers' state acquired the possibility to reach in a short period high speeds of industrial development. On this road, there was undoubtedly created one of the most important premises for collectivization. But this premise is not a juridical, but a material-productive one: it expresses itself in a definite number of plows, binders, combines, tractors, grain elevators, agronomists, etc., etc. It is precisely from these real entities that the collectivization plan should proceed. This is when the plan will be real. But to the real fruits of nationalization we cannot always add nationalization itself, like some sort of a reserve fund out of which all the excesses of the "complete" bureaucratic adventures can be covered. This would be the same as if having deposited his capital in the bank, one would want to use his capital and the interest on it at the same time.

This is the conclusion in general. But the specific, individual conclusion may be formulated more simply:

"Tomfool, Tomfool,

"It were better that you stayed in school"—than to leave for distant theoretical excursions.

The Formulae of Marx and the Audacity of Ignorance

Between the first and third volumes of "Capital", there is a second. Our theoretician considers it his duty to commit an administrative abuse of the second volume, too. Stalin has to cover up quickly from criticism the present policy of compulsory collectivization. Since there are no necessary arguments in the material conditions of economy he looks for them in authoritative books with the result that he inevitably looks for them every time on the wrong page.

The advantages of large scale economy over small, agriculture included, are proved by all capitalistic experiences. The possible advantages of large-scale collective economy over dispersed, small economy were established even before Marx by the Utopian socialists and their arguments remain basically sound. In this sphere, the Utopians were great realists. Their Utopia began with the question of the historical road of collectivization. Here the direction was indicated by the Marxian theory of the class struggle in connection with the criticism of capitalist economy.

"Capital" gives an analysis and a synthesis of the processes of capitalist economy. The second volume examines the imminent mechanism of the growth of capitalist economy. The algebraic formulae of this volume prove how, from one and the same creative protoplasm—abstract human labor—the means of production are crystallized in the form of constant capital, wages—in the form of variable capital, and surplus value, which is afterwards transformed into a source of additional constant and variable capital. This in turn permits the acquisition of greater surplus value. Such is the spiral of extended reproduction in its most general and abstract form.

In order to prove by what process the different material elements of the economic process, commodities, find each other inside of this unregulated whole, or more precisely, by what process constant and variable capital accomplish the necessary balance in the different branches of industry with the general growth of production, and on the other—enterprises producing articles of consumption. The enterprises of the first category have to supply machines, raw materials and auxiliary materials and auxiliary materials to themselves as well as to the enterprises of the second category. In turn, the enterprises of the second category have to cover their own needs, as well as the needs of the enterprises of the first category with articles of consumption. Marx reveals the general mechanism of the accomplishment of this proportionality which creates the basis of the dynamic balance under capitalism.* The question of agriculture in its mutual relation to industry therefore rests on an altogether different plane. Stalin evidently simply confused the production of articles of consumption with agriculture. With Marx, however, enterprises of capitalist agriculture (only capitalist) producing raw materials enter automatically into the first category. In so far as agricultural production has peculiarities that contrast it to industry as a whole the analysis of these peculiarities begins in the third volume.

The Process of Extended Reproductions

Extended reproduction occurs in reality not only at the expense of surplus value created by the workers of industry itself and capitalist agriculture but also by the influx of fresh means from the outside: from the pre-capitalist village of the backward countries, colonies, etc. The acquisition of surplus values from the village and colonies is conceivable once more, either in the form of unequal exchange or compulsory expropriation (primarily through taxes, or, finally, in the credit form savings bank, loans, etc.) Historically, all these forms of exploitation combine in different proportions and play a no lesser role than the extortion of surplus value in its "pure" form; the deepening of capitalist exploitation always goes hand in hand with its broadening. But the formulae of Marx that interest us very carefully dissect the live process of economic development, clearing capitalist reproduction from all pre-capitalist elements and transitional forms which accompany it and which feed it, and at the expense of which it develops. Marx's formulae dealt with a chemically pure capitalism which never existed and does not exist anywhere now. Precisely because of this, they revealed the basic tendencies of every capitalism, but precisely of capitalism and only capitalism.

To anybody having an understanding of "Capital", it is obvious that neither in the first, second nor third volumes can an answer be found to the question of the tempo the dictatorship of the proletariat should adopt in collectivizing peasant economy. All these questions, as well as scores of others, were not solved in any books and could not be solved because of their very essence.* In essence, Stalin in no way differs from the merchant who would seek guidance in Marx' simplest formula M-C-M (money-commodity-money), as to what and when to buy and sell to obtain a bigger profit. Stalin simply confuses theoretical generalization with practical prescription, not to speak of the fact that the theoretical generalization itself is related by Marx to a completely different problem.

Stalin Refers to Marx

Why, then, did Stalin have to refer to the formulae of extended reproduction which he evidently does not understand? The explanations of Stalin himself in regards to this are so inimitable that we are compelled to quote them literally: "The Marxian theory of reproduction teaches that contemporary (?) society cannot develop without annual accumulations, and it is impossible to accumulate without extended reproduction year in and year out. This is clear and evident." It cannot be clearer. But this is not taught by Marxian theory, for it is the general property of bourgeois political economy, its quintessence. "Accumulation" as a condition of development "of contemporary society" is precisely the

great idea which vulgar political economy cleared of the elements of the labor theory of value which had their foundation in classical political economy. The theory which Stalin so bombastically proposes "to draw out of the treasure of Marxism" is a commonplace, uniting not only Adam Smith and Bastiat but also the latter with the American president, Hoover. "Contemporary society"—not capitalist, but "contemporary"—is used with the object of extending Marxian formulae also to "contemporary" socialist society. "This is clear and evident." Right here Stalin continues: "Our large scale centralized socialist industry develops according to the Marxian theory of extended reproduction (!) because (!!) it grows yearly in scale, has its accumulations and advances with seven league boots." Industry develops according to the Marxian theory—an immortal formula:—in absolutely the same way as oats grow dialectically according to Hegel. To a bureaucrat, theory is the formula of administration. But the immediate essence of the matter does not lie in this. "The Marxian theory of reproduction" refers to the capitalist mode of production. But Stalin speaks of Soviet industry, which he considers socialist without any reservations. In this manner, according to Stalin, "socialist industry" develops according to the theory of capitalist reproduction. We see how incautiously Stalin slipped his hand into the "treasure of Marxism." If two economic processes: anarchical and planned, are covered by one and the same theory of reproduction, which is built up on the laws of anarchical production, then this itself reduces to zero the planned, that is, the socialist beginning. However, these two are only the blossoms—the berries are still ahead.

The best gem extracted by Stalin from the treasure is the above-underlined little word "because": socialist industry develops according to the theory of capitalist industry, "because it grows yearly in scale, has its accumulations and advances with seven league boots." Poor Theory! Unfortunate treasure! Wretched Marx! Does it mean that the Marxian theory was created especially as a basis for the necessity of yearly advances and, at that, with seven league boots? But what about periods when capitalist industry develops at a "snail's pace"? For those instances, apparently, Marx' theory is rejected. But all capitalist production extends cyclically through prosperity and crises; it means that it not only does not advance with seven league, or any other boots, but marks time and retreats. It appears that the Marx' schema is not suited to capitalist development, for the explanation of which it was created, but for that it completely answers the nature of the "seven league" advances of socialist industry. Aren't these miracles? Not limiting himself to the teachings of angels with regard to the nationalization of land, and occupying himself at the same time with the basic correction of Marx, Stalin at any rate marches . . . with seven league boots. In the meantime, the formulae or "Capital" crack under his hours like nuts.

But why did Stalin need all this? The puzzled reader will ask. Alas! We cannot jump over stages, especially when we can hardly keep up with our theoretician. A little patience, and all will be revealed. Immediately after the point analyzed here, Stalin continues: "But our large scale industry does not exhaust all of our national economy. On the contrary, in our national economy, small peasant holdings are still predominant. Can it be said that our small peasant holdings develop according to the principle (!) of extended reproduction? No, it cannot be said. Our small peasant holdings . . . do not always have the possibility of realizing even simple reproduction. Can we move forward with an accelerated tempo our socialized industry, having such peasant economy as a basis . . . ? No, we cannot. Further on, the conclusion follows: complete collectivization is necessary.

Stalin Discloses the Un-Marxian Village!

This point is still better than the preceding one. From the solemnest banality of exposition every now and then rockets of audacious ignorance explode. Does the peasant, that is, simple commodity economy, develop according to the laws of

capitalist economy? No, our theoretician replies in terror. It is clear: the village does not live according to Marx. This matter must be corrected. Stalin attempts, in his report, to reject the petty bourgeois theories on the stability of peasant economy. However, becoming entangled in the net of Marxian formulae, he gives this theory a most generalized expression. In reality, the theory of extended reproduction, according to the idea of Marx, embraces capitalist economy as a whole not only industry but agriculture as well, only in its pure form, that is, without its pre-capitalist remnants. But Stalin, leaving aside, for some reason, handicraft and guild occupations, poses the question: "Can it be said that our small peasant holdings develop according to the principle (!) of extended production? No, he replies, "it cannot be said." In other words Stalin, in the most generalized form, repeats the assertions of the bourgeois economists that agriculture does not develop according to the "principle" of the Marxian theory of capitalist production. Wouldn't it be better, after this, to keep still? After all, the Marxian agronomists kept still listening to his shameful abuse of the teachings of Marx. Yet, the softest of answers should have sounded thus: Get off the tribune immediately, and do not dare to deliberate on problems about which you know nothing!

But we shall not follow the example of the Marxian agronomists and keep still. Ignorance armed with power is just as dangerous as insanity armed with a razor.

The formulae of the second volume of Marx do not represent guiding "principles" of socialist construction, but objective generalizations of capitalist processes. These formulae, abstracted from the peculiarities of agriculture, not only do not contradict its development but fully embrace it as capitalist agriculture.

The only thing that can be said about agriculture in the framework of the formulae of the second volume is that the latter pre-suppose the existence of a sufficient quantity of agricultural raw materials and agricultural products for consumption, for insuring extended reproduction. But what should be the correlation between agriculture and industry: as in England? or as in America? Both these types conform equally to Marxian formulae. England imports articles for consumption and raw materials. America exports them. There is no contradiction here with the formulae of extended reproduction, which are in no way limited by national boundaries, and are not adapted either to national capitalism or, even less, to socialism in one country.

If people should arrive at synthetic feeding, and at synthetic forms of raw material, agriculture would be completely reduced to nothing, being substituted by new branches of the chemical industry. What would then become of the formulae of extended reproduction? They would retain all their validity to the extent that the capitalist form of production and distribution would remain.

Agricultural bourgeois Russia, with the tremendous predominance of the peasantry, not only covered the demands of the growing industries, but also created the possibility of large exports.

These processes were accompanied by the strengthening of the Kulak top and the weakening of the peasant bottom, their growing proletarianization. In this manner, in spite of all its peculiarities, agriculture on capitalist foundations developed within the framework of those very formulae with which Marx embraced the whole of capitalist economy—and only capitalist economy.

Peasant Economy and "Socialist" Industry

Stalin wants to come to the conclusion that this is impossible "to base . . . socialist construction on two different foundations: on the foundation of the greatest and most consolidated socialist industry and on the foundation of the most dispersed and backward small commodity peasant economy." In reality, he proves something directly contrary. If the formulae of extended reproduction are equally applicable to capitalist and socialist economy—to "contemporary society" generally—then it is absolutely incomprehensible why it is impossible to continue the fur-

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