

THE SOVIET UNION & THE 4th INTERNATIONAL

(Continued from the last issue)

"State Capitalism"

During the last period, Urbahns, incidentally, has created a new theory: the Soviet economic structure, it appears, is a variety of "state capitalism". The "progress" lies in that Urbahns has descended from his terminological exercises in the sphere of the political superstructure down to the economic foundation. But this descent—alas!—did him no good.

According to Urbahns, the newest form of self-defense of the bourgeois regime is state capitalism: one need only take a look at the corporate "planned" state in Italy, Germany, and the United States. Accustomed to broad gestures, Urbahns also throws in here the U. S. S. R. We shall speak of this later. Insofar as the matter touches the capitalist states, Urbahns concerns himself with a very important phenomenon of our epoch. Monopoly capital has long since outgrown both the private ownership of the means of production and the boundaries of the national state. Paralyzed, however, by its own organizations, the working class was unable to free in time the productive forces of society from their capitalist fetters. Hence arises the protracted epoch of economic and political convulsions. The productive forces pound against the barriers of private property and of national boundaries. The bourgeois governments are obliged to pacify the mutiny of their own productive forces with a police club. This is what constitutes the so-called "planned economy". Insofar as the state attempts to harness and discipline capitalist anarchy, it may be called conditionally "state capitalism".

But we should remember that originally Marxists understood by state capitalism only the independent economic enterprises of the state itself. When the reformists dreamed of overcoming capitalism by means of the municipalization or governmentalization of ever greater numbers of transport and industrial enterprises, the Marxists used to reply in refutation: this is not socialism but state capitalism. Subsequently, however, this concept acquired a broader meaning, and begun to apply to all the varieties of state intervention into economy; the French use the word "etatisme" (statification) in this sense.

But Urbahns not only expounds the travails of "state capitalism"—he appraises them after his own manner. Insofar as it is generally possible to understand him, he pronounces the regime of "state capitalism" to be a necessary and, moreover, a progressive stage in the development of society, in the same sense as trusts are progressive compared with the disparate enterprises. So fundamental an error in appraising capitalist planning is enough to bury any approach whatsoever.

While, during the epoch of the capitalist upswing to which the war put an end, it was possible to view—under certain political pre-conditions—the various forms of statification as progressive manifestations, that is, consider that state capitalism acts to lead society forward and facilitates the future economic labor of the proletarian dictatorship; the present "planned economy" must be viewed as a stage that is reactionary through and through: state capitalism strives to tear economy away from the world wide division of labor, to adapt the productive forces to the Procrustean bed of the national state; to constrict production artificially in some branches and to create just as artificially other branches by means of enormous unprofitable expenditures. The economic policies of the present state—beginning with tariff walls upon the ancient Chinese pattern and ending with the episodes of forbidding the use of machinery under Hitler's "planned economy"—attain an unstable regulation at the cost of causing the national economy to decline, bringing chaos into world relations, and completely disrupting the monetary system which will be very much needed for socialist planning. The present state capitalism neither prepares nor lightens the future work of the socialist state, but, on the contrary, creates for it colossal additional difficulties. The proletariat let slip a series of opportune periods for the seizure of power. Through this it has created the conditions for Fascist barbarism—in politics; and for the destructive work of "state capitalism"—in economy. After the conquest of power, the proletariat will have to pay economically for its political lapses.

The Economy of the U.S.S.R.

However, what interests us most within the limits of this analysis is the circumstance that Urbahns attempts to include also the economy of the U. S. S. R. under the term "state capitalism." And while so doing he refers—it is hardly believable!—to Lenin. There is only one possible way of explaining this reference: as the eternal inventor who creates a new theory a month, Urbahns has no time to read the books he refers to. Lenin did actually apply the term "state capitalism" but not to the Soviet economy as a whole, only to a certain section of it: the foreign concessions, the mixed industrial and commercial companies, and, in part, to the peasant, and largely kulak co-operatives under state control. All these are indubitable elements of capitalism; but since they are controlled by the state, and even function as mixed companies through its direct participation, Lenin conditionally, or, according to his own expression "in quotes", called these economic forms, "state capitalism". The conditioning of this term depended upon the fact that a proletarian, and not a bourgeois state was involved; the quotation marks were intended to stress just this difference of no little importance. However, insofar as the proletarian state allowed private capital and permitted it within definite restrictions to exploit the workers, it shielded bourgeois relations under one of its wings. In this strictly limited sense, one could speak of "state capitalism."

Lenin came out with this very term at the time of the transition to the NEP, when he presupposed that the concessions and the "mixed companies", that is, enterprises based upon the correlation of state and private capital, would occupy a major position in Soviet economy alongside of the pure state trusts and syndicates. In contradistinction to the state capitalist enterprises,—concessions, etc., that is—Lenin defined the Soviet trusts and syndicates as "enterprises of a consistently socialist type." Lenin envisioned

The Class Nature of the Soviet State - by Leon Trotsky

the subsequent development of Soviet economy, of industry in particular, as a competition between the state capitalist and the pure state enterprises.

We trust that is clear now within what limits Lenin used this term which has led Urbahns into temptation. In order to round out the theoretical catastrophe of the leader of the "Lenin (!) Bund", we must recall that contrary to Lenin's original expectations neither the concessions nor the mixed companies played any appreciable role whatsoever in the development of Soviet economy. Nothing has now remained generally of these "state capitalist" enterprises. On the other hand, the Soviet trusts whose fate appeared so very murky at the dawn of the NEP underwent a gigantic development in the years after Lenin's death. Thus, if one were to use Lenin's terminology conscientiously and with some comprehension of the matter, one would have to say that the Soviet economic development passed by completely the stage of "state capitalism", and unfolded along the channel of the enterprises of the "consistently socialist type".

Here, however, we must also forestall any possible misunderstandings, and this time of just the opposite character. Lenin chose his terms with precision. He called the trusts not socialist enterprises, as the Stalinists now label them, but enterprises of the "socialist type". Under Lenin's pen, this subtle terminological distinction implied that the trusts will have the right to be called socialist not by type, not by tendency, that is; but by their genuine content, after the rural economy will have been revolutionized; after the contradiction between the city and the village will have been destroyed; after men will have learned to fully satisfy all human wants; in other words, only in proportion as a real socialist society would arise on the bases of nationalized industry and collectivized rural economy. Lenin conceived that the attainment of this goal would require the successive labors of two or three generations, and moreover, in indissoluble connection with the development of the international revolution.

To summarize. Under state capitalism, in the strict sense of the word, we must understand the management of industrial and other enterprises by the bourgeois state on its own account, or the "regulating" intervention of the bourgeois state into the workings of private capitalist enterprises. By state capitalism "in quotes" Lenin meant the control of the proletarian state over private capitalist enterprises and relations. Not one of these definitions applies from any side to the present Soviet economy. It remains a deep secret what concrete economic content Urbahns himself puts into his understanding of the Soviet "state capitalism". To put it plainly, his newest theory is entirely built around a badly read quotation.

Bureaucracy and the Ruling Class

There is, however, also another theory concerning the "non-proletarian" character of the Soviet state, much more ingenious, much more cautious, but not any more serious. The French social democrat Lucien Laurat, Blum's colleague and Souvarine's teacher, has written a booklet defending the view that the Soviet society, being neither proletarian nor bourgeois, represents an absolutely new type of a class organization, because the bureaucracy not only rules over the proletariat politically but also exploits it economically, devouring that surplus value which hitherto fell to the lot of the bourgeoisie. Laurat invests his revelations with the weighty formulae of *Das Kapital*, and, in this manner gives an appearance of profundity to his superficial and purely descriptive "sociology". The compiler is obviously unaware that his entire theory had been formulated, only with much more fire and splendor, over thirty years ago by the Russo-Polish revolutionist Makhaisky, who was superior to his French vulgarizer in that he awaited neither the October revolution nor the Stalinist bureaucracy in order to define "the dictatorship of the proletariat" as a scaffold for the commanding posts of an exploiting bureaucracy. But even Makhaisky did not suck his theory out of his thumb: he only "deepened" sociologically and economically the anarchistic prejudices against state socialism. Makhaisky, by the way, also utilized Marx's formulae but in a manner much more consistent than Laurat's: according to Makhaisky, the author of *Das Kapital* covered up, with malice aforethought, in his formulae of reproduction (volume II), that portion of surplus value which would be devoured by the socialist intelligentsia (the bureaucracy).

In our own time, a "theory" of this kind, but without an exposure of Marx, the exploiter, was defended by Myasnikov who proclaimed that the dictatorship of the proletariat in the Soviet Union had been supplanted by the hegemony of a new class: the social bureaucracy. In all probability, Laurat borrowed his theory, directly or indirectly, precisely from Myasnikov, investing it only with a pedantically "learned" air. For completeness sake it should also be added that Laurat has assimilated all the mistakes (and only the mistakes) of Rosa Luxemburg, among them even those that she herself had renounced.

Let us, however, examine more closely the "theory" itself. The class has an exceptionally important and moreover a scientifically restricted meaning to a Marxist. A class is defined not by its participation in the distribution of the national income alone, but by its independent role in the general structure of economy and by its independent roots in the economic foundation of society. Each class (the feudal nobility, the peasantry, the petty bourgeoisie, the capitalist bourgeoisie, and the proletariat) works out its own special forms of property. The bureaucracy lacks all these social traits. It has no independent position in the process of production and distribution. It has no independent property roots. Its functions relate basically to the political technique of class rule. The existence of a bureaucracy, in all its variety of forms and differences in specific weight, characterizes every class regime. Its power is of a reflected character. The bureaucracy is indissolubly bound up with ruling economic class, feeding itself upon

the social roots of the latter, maintaining itself and falling together with it.

Class Exploitation and Social Parasitism

Laurat will say that he "does not object" to the bureaucracy being paid for its labor insofar as it fulfills the necessary political, economic, and cultural functions; but what is involved is its uncontrolled appropriation of an absolutely disproportionate part of the national income: precisely in this sense does it appear as the "exploiting class". This argument, based on undubitable facts, does not, however, change the social physiognomy of the bureaucracy.

Always and in every regime, the bureaucracy devours no small portion of surplus value. It might not be uninteresting, for example, to compute what portion of the national income is devoured by the Fascist locusts in Italy or Germany! But this fact, of no small importance by itself, is entirely insufficient to transform the Fascist bureaucracy into an independent ruling class. It is the hiring of the bourgeoisie. True, this hiring straddles the boss's neck, tears from his mouth at times the juiciest pieces, and spits on his bald spot besides. Say what you will, a most inconvenient hiring! But, nevertheless, only a hiring. The bourgeoisie abides with him because without him, it and its regime would absolutely go to the dogs.

Mutatis Mutandis (changing what should be changed), what has been said above can be applied to the Stalinist bureaucracy as well. It devours, wastes, and embezzles a considerable portion of the national income. Its management costs the proletariat very dearly. In the Soviet society, it occupies an extremely privileged position not only in the sense of having political and administrative prerogatives but also in the sense of possessing enormous material advantages. Still, the biggest apartments, the juiciest steaks, and even Rolls Royces are not enough to transform the bureaucracy into an independent ruling class.

Inequality, moreover, such crying inequality, would, of course, be absolutely impossible in a socialist society. But contrary to official and semi-official lies the present Soviet regime is not socialist but transitional. It still bears within it the monstrous heritage of capitalism, social inequality in particular, not only between the bureaucracy and the proletariat, but also within the bureaucracy itself and within the proletariat. At the given stage, inequality still remains, within certain limits, the bourgeois instrument of socialist progress: differential wages, bonuses, etc., as stimuli for emulation.

While it explains the inequality, the transitional character of the present system nowise justifies those monstrous, open, and secret privileges that have been arrogated to themselves by the uncontrolled tops of the bureaucracy. The Left Opposition did not await the revelations of Urbahns, Laurat, Souvarine and Simone Weil*, etc., before announcing that the bureaucracy in all its manifestations is pulling apart the moral tie-rods of the Soviet society; engendering an acute and a lawful dissatisfaction among the masses; and preparing the ground for great dangers. Nevertheless, the privileges of the bureaucracy by themselves do not change the bases of the Soviet society, because the bureaucracy derives its privileges not from any special property relations, peculiar to it as a "class", but from those property relations which have been created by the October revolution, and which are fundamentally adequate for the dictatorship of the proletariat.

To put it plainly, insofar as the bureaucracy robs the people (and this is done in various ways by every bureaucracy), we have to deal not with class exploitation, in the scientific sense of the word, but with social parasitism, although on a very large scale. During the middle ages the clergy constituted a class or an estate, insofar as its rule depended upon a specific system of land property and forced labor. The present day church constitutes not an exploiting class but a parasitic corporation. It would be silly to actually speak of the American clergy as a special ruling class; yet, it is indubitable that the priests of the different colors and denominations devour in the United States a big portion of the surplus value. In its traits of parasitism, the bureaucracy, as well as the clergy, approximates to the lumpen-proletariat, which likewise does not represent, as is well known, an independent "class".

* Having fallen into despair over the "unsuccessful" experiments of the dictatorship of the proletariat, Simone Weil has found solace in a new vocation: the defense of her personality against society. The hoary formula of liberalism, vivified with cheap anarchistic exaltation! And think of it—Simone Weil speaks loftily about our "illusions". She and those like her require many years of stubborn perseverance in order to free themselves from the most reactionary lower middle class prejudices. Appropriately enough her new views have found a haven in an organ that bears the obviously ironic name, "The Proletarian Revolution". This Louzon publication is ideally suited for revolutionary melancholics, and political rentiers living on the dividends from their capital of recollections, and pretentious philosophizers who will perhaps adhere to the revolution... after it will have been achieved.

(To be continued)

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NOTES OF A JOURNALIST

By Alpha

KOLTZOV IN PARIS

By means of telegraphic dispatches from Paris, Koltzov, the correspondent of the *Pravda*, keeps the Russian workers informed about the course of the Leipzig Trial. Here is what he writes:

"The former Trotskyite, the present Nazi deputy to Reichstag, Karwahne takes the witness stand. His present role befits his past most properly... What is most remarkable about Karwahne's deposition is that it is entirely devoted to the defense of the position of the Trotskyite Katz group who fought, if you please, against 'the impossible internal regime of the German Communist Party, a Fascist deputy championing Trotskyite theses during a Fascist trial and in the presence of Communist fighters who are being condemned to death—there you have the proper and befitting harvest that has sprung from the seeds of Trotskyite teachings!"

Stalinists by tens of thousands have deserted and are deserting to National-Socialism. Many of them passed in review during the Leipzig trial as witnesses. Among the renegades, of course, there could have a former Left Oppositionist. But neither the group of Ivan Katz nor Karwahne ever had the slightest connection with "Trotskyism" Karwahne renounced not only the ideas of the Communist party of which he was one time a member but also the semi-anarchist ideas of Ivan Katz's group. Koltzov, however, refuses to forgive Karwahne his past. Koltzov is adamant as regards the past. Is it, perhaps, because his own past is not entirely unblemished?

No; that is not the reason why. Koltzov is the consummation of the type of appointed careerists. During the period of the October revolution he was the most rabid foe of the Bolsheviks; during the years of the Civil War he prowled in the Ukraine working for Petlura's and other white-guardist papers. After the Red Army had cleared the Whites out of the Ukraine, he arrived in Moscow. Knowing full well that he had no choice, Koltzov offered his sprightly pen to the services of the proletarian dictatorship (naturally with the proviso that he receive rooming quarters and a privileged payok — rations-card). The then editor of the *Pravda* Bucharin was in a considerable quandry, "His pen is sprightly enough—said he—but his personality is awfully dirty."

After the inception of the Left Opposition, Koltzov did not know for a long time which way to turn, and he tried to secure himself with both camps. Moreover, because of his congenital make-up, he had become very much accustomed to wag his tail before Sosnovsky, the outstanding and most influential of Soviet journalists. The moment the leaders of the Left Opposition were sent into exile (December 1927), Koltzov began spreading gossip about Sosnovsky in order to purify himself completely in the eyes of the rulers.

He did not get off scot-free. Sosnovsky's wife slapped his face in the Bolshoi Theatre at Moscow. Not only the Left Oppositionists but even the most hide-bound bureaucrats welcomed warmly the "gesture of the energetic revolutionist; everybody without exception concurred that never had a slap in the face reached its destination so expeditiously and so appropriately.

After this bit of biographical information, we trust that Koltzov's Parisian communique regarding the "Trotskyism" of Karwahne will not require any further commentaries.

A PUMPKIN IN THE DIRECTOR'S OFFICE

The *Pravda* falls into raptures describing how a director in charge of a plant producing precision instruments is busy at the same time with a garden, a dairy, and a rabbit farm and so forth. "This summer—writes the newspaper during the drought, the workers at the close of the working day came to the gardens of the Sovkhoz with their pails and watered... the plants, in order to save them from withering away." We are here told about a factory garden. But what happens in this event, to the 7-hour working day? The *Pravda*, still enraptured, reports the results of the double labor: "the factory kitchens will be completely supplied with vegetables... no small portion of the crop will be allotted to the workers for individual use." What a fearful tenseness in the foodstuffs situation peeps out at us from this pathetic article!

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