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The Soviet Union after the War And the Policy of the Communist Parties

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NOTE

The articles printed here were first published in September and November 1946 in two special issues of the French edition of the *Bulletin Intérieur* of the International Secretariat of the Fourth International. These two issues were devoted entirely to discussion material on "The Soviet Union after the War and the Policy of the Communist Parties."

The first bulletin contained the first three articles printed here, by Germain, Schwartz, and Marcoux etc.; and carried the following foreword:

"The first Plenum of the International Executive Committee in June 1946 declared the discussion open for the coming World Congress of the Fourth International. It pointed out that although the discussion should start from the two basic documents — the Political Resolution adopted by the April 1946 Pre-Conference, and the June 1946 Plenum Resolution on the withdrawal of all occupation troops including the Red Army — it should center especially around the following points:

"a) The Soviet Union and the policy of the Communist Parties.

"b) The meaning of and our way of carrying out the Transitional Program today.

"c) The tactics for building revolutionary parties today.

"We are publishing in this first Bulletin of the IS a series of articles offered for discussion on the Soviet Union and the policy of the Communist Parties. In general they present a point of view more or less in conformity with that of the IS on this question (with reservations particularly on, Comrade Schwartz' thesis, regarding his concept of the defense of the USSR today and of the conditional withdrawal of the Red Army); but only the document submitted by E. Germain should be considered as expressing in its entirety the leading opinion of the IS.

"In a second bulletin we will publish another series of documents on the same subject, which express different points of view existing today in the International. We also call to the

attention of members of our sections the following articles already published in the press of the International, which should be taken into consideration for this discussion and which it was impossible for us to re-publish here:

"1. For a Clear and Consistent Policy on the USSR and on the Policy of the Communist Parties, by Gabriel (presented at the First Congress of the French PCI and published in the May 1945 Fourth International).

"2. The editorial in the February 1946 Quatrième Internationale on the question of the USSR.

"3. Theses on Stalinist Russia Today, by G. Hirt, published in the February 1946 Quatrième Internationale.

"4. The Eruption of Bureaucratic Imperialism, by D. Logan, in the same issue.

September 1946 THE INTERNATIONAL SECRETARIAT"

The second special IS Bulletin contained the last four articles here published, with the following note:

"In addition to the articles in the present issue, we call attention to the document of Comrade G. Munis entitled, *The Position of Revolutionists on Russia and World Stalinism*, which has already been published in Mexico as a pamphlet in French.

"No article on the USSR which reaches the IS after the appearance of this bulletin can be published in any of the later bulletins unless it is within a maximum of 5,000 words.

"In accordance with the resolution adopted at the October 1946 IEC on the preparation of the World Congress, which called for the greatest possible publicity for the international discussion, this bulletin as well as the previous bulletin on the same subject will be put on public sale.

November 1946 THE INTERNATIONAL SECRETARIAT"

The translations from the French, of the articles by Germain, Schwartz, Marcoux etc., and Magneux etc., are by D. Conway.

The Soviet Union after the War

DRAFT THESES presented by E. GERMAIN

Although the USSR emerged from the war as the most formidable military power on the European continent, it did not thereby improve its internal and external situation in relation to capitalism. Internationally, the policy of **bureaucratic expansionism** is an entirely ineffective answer to the encirclement of Russia by a single imperialist bloc. Internally, the transition from a war economy to peace-time economy—a transition in which the needs of reconstruction are the dominant factor—was accompanied by a series of violent shocks which assumed the

aspect of a deep-going crisis. The bureaucracy has been able temporarily to resolve the internal crisis, as previously it met the crisis of Hitler's attack, through maintenance of an unstable equilibrium between the proletariat and the pro-capitalist tendencies—and on the international arena, between the proletariat and imperialism. But it has nevertheless been unable to remove a single one of the contradictions which will bring its power to ruins. The **fundamental alternative** for the USSR, a degenerated workers' state, thus remains what it has been: forward to socialism or backward to capitalism.

I. Problems of Reconstruction

1. THE CRISIS IN THE SOVIET UNION

A. In the field of industry, the war was marked, in the USSR, above all by the vast destructions which threw Western Russia back to a level far lower than at the beginning of the Second Five-Year Plan. Some 31,850 industrial plants were destroyed; 239,000 electric motors and 175,000 pieces of industrial machinery were lost to Soviet industry. The losses in industrial manpower were terrible: between 4 and 6 million men—and not taking into account the women workers. The drop in **heavy industry production** which resulted from the loss of the Ukraine and Donetz basins and part of the Leningrad area, a loss not compensated for by the accelerated industrialization in the Urals and Siberia, was enormous: between 40 and 50 percent for coal and steel production in 1942-43. Only in March 1946 did coal and metal production again reach the 1940 level; for other sectors of heavy industry the Fourth Five-Year Plan does not envisage attaining the 1940 level until 1947 or 1948. The output of oil declined sharply. The drop in **light industry production** was still sharper, as a result of the concentration of light industry during the war on military requirements. In many sectors of light industry production had been completely stopped. The fall in the **productivity of labor** was a result of the loss of skilled and qualified sections of the workers, their replacement with drafted peasant layers or women, and the abysmal lowering of the living standards of the masses. The number of workers unable to make their "norm" rose constantly, according to the admission of Kuznetsov himself, leader of the Soviet trade unions; in 1944 the number was between 30 and 40 percent. The number of industrial accidents increased despite the lowering both of time-rates and of the quality of the products.* As for the structure of industry, the industrial crisis—a crisis of production, of machinery, of manpower—was reflected in the appearance of **centrifugal tendencies** which signaled a very marked regression from the pre-war planned economy:

a) Light industry, especially food, clothing and shoes, was organized—often in handicraft form—on a local scale, with local resources.

b). In heavy industry, the preliminary budget of production costs was done away with in 1941. The lack of a general

industrial plan sharpened both the trend of the trusts toward independence—the trusts began to take upon themselves the issuing of orders without going through central state bodies—and the trend toward independence on the part of the top industrial bureaucrats.

B. In the financial field, the war was clearly marked by a growth of inflationist tendencies. Although the figures for total wages rose, due to increased working hours, the total of consumer goods which these wages could buy fell precipitously. The Soviet government tried to combat the inflationist tendencies by absorbing the paper currency in two ways:

a) Issuance of a series of war bonds, repayable and with interest varying between 3 and 6 percent (these bonds were transmissible to inheritors). This led to the creation of a group of **rentiers deriving their income from state bonds**, which is a significant step on the road to primitive accumulation.

b) The opening of "free market" stores for the sale of goods at prices often 50 to 100 times higher than "rationed" goods. We must add that a corollary of the state "commercial stores" was the development of the **Rynok**, or free peasant market, where likewise prices were at a dizzy height. This phenomenon resulted—as did the entire inflation—in a **re-distribution** of the national income in favor of the peasants, or rather, the well-to-do layers on the collective farms.

C. In agriculture, the Soviet regime went through a desperate crisis which endangered the very existence of collective farming. The war destroyed 98,000 collective farms, 1,876 Soviet state farms, and 2,890 tractor stations. According to an especially well-informed correspondent of *Economist*,* agricultural production dropped to what it was in 1932 after the great social crisis in the villages. This fall in agricultural production is clearly indicated by the fact that for wheat the Fourth Five-Year Plan sets the 1950 goal, for all of Russia including all the annexed territories, at only 7 percent higher than 1940, and for sugar beets a figure 17 percent below that of 1940. The situation in stock-raising is even more catastrophic: from 1938 to 1945 the number of horses dropped from 17.5 millions to 10.5 millions; horned cattle from 63.2 to 47 millions; sheep and goats from 102.5 to 69.4 millions; pigs from 30.6 to 10.4 millions. Finally, out of the total number of tractors in the regions previously occupied by the German army, less than 3 percent (3,500 out of 130,000) were saved.

This crisis in production and equipment has been accompanied by a deep-going crisis in the structure:

* As an accentuating factor in the industrial crisis we must add the crisis in transportation. More than half the railway systems in the occupied regions were destroyed (65,000 kilometers of trackage, 4,100 railway stations, 36,000 signal-houses). An English correspondent also reported, in July 1946, that it was impossible for the already over-loaded Soviet transportation system to carry even a minimum additional weight of foreign traffic. The disorganization of the transportation system has led to the wreckage of a considerable part of the machinery shipped to Russia from the occupied countries.

* *Economist*, July 20, 1946.

a) With the beginning of the war the Soviet state farms disappeared.

b) The process of primitive accumulation on the part of the upper layers on the collective farms moved rapidly, because of the development of the "free market," the food crisis and the scarcity of consumer goods, with the result that the tie between city and country was loosened. The most tangible external sign of the development of primitive accumulation was the appearance of the "millionaire collective farmers" and the big financial contributions which the peasantry made to the clergy (appearance of millionaire popes and bishops).

c) The enrichment of the top layers on the collective farms—an expression of the process of social differentiation in agriculture—brought about, in the given concrete conditions, the development of a peasant market more and more independent of the planned economy. Beginning in 1941, numerous collective farms no longer entered into agreements with the state tractor stations, which is to say, they stopped grain deliveries to the state. On the eve of the war the collective farms, or rather their top layers, began to decide themselves on the size of the various crops; as the "free market" grew, there was a heightened tendency to concentrate especially on those crops and stock animals which brought high prices on the free market, at the cost of wheat production.

d) But the gravest convulsions of Soviet agriculture occurred in the formerly occupied territories. The partition of the land by German imperialism had left a profound impress on the mind of the peasantry. The complete destruction of the material base of collectivization—mechanization of agriculture; the replacing of tractor and horse by the cow and the man (if not the woman!) pulling the plow; the extreme manpower scarcity;* the extreme scarcity of fertilizer and even seeds—all this led both to a narrowing of the base of agriculture and to a transformation of its structure. The peasant was in general satisfied with laboriously working his own parcel of land, leaving the collective farm lands untilled. Where he was in slightly better circumstances and where the state forcibly compelled work on the collective lands, the better-off peasants selected the choice pieces, annexed them to their own parcel and continued to farm them on an individual basis. Collective work had virtually disappeared!

D. In the social and political field, the bureaucracy faced attacks from both the right and the left.

On the right, the directors of the trusts, who had become more and more independent, the upper layers on the collective farms, and the new military caste, exerted a powerful pressure on the party bureaucracy, heightening its rightist tendencies which derived from its fear of conducting the war through an appeal to the revolutionary instincts of the masses. Thus the bureaucracy was led to make great concessions to the petty-bourgeois and pro-capitalist tendencies, which fitted in more or less with its general policy of "alliance" with the English and American imperialisms on the international arena and its "guarantees" of abandoning revolutionary perspectives, etc.:

a) The right of inheritance was widely extended, the will restored, the transmission of a much greater quantity of possessions, through straw men, made possible.

b) The reestablished Orthodox Church, although it constituted a temporary arm of the state and adapted itself to the interests of the bureaucracy, became the rallying point for all the conservative forces.

c) The propagation of "Marxism-Leninism" vanished from the foreground. The official ideology based itself on the most reactionary kind of chauvinism, identifying itself with all the heroes of Czarism and telescoping in the past all of its

counter-revolutionary sentiments (Stenka Razin and the other popular Russian heroes who represent the past insurrections and revolts against Czarism were spoken of as harmful elements "who undermined the authority of the state").

d) The new officers' corps acquired a great degree of independence and was, in fact, largely removed from control by the party. Political commissars were done away with, unity of command reestablished, the GPU no longer had the right to intervene in the army, officers amassed new privileges and rights (among others, the right to shoot on the spot, without trial, all deserters or soldiers caught in the act of stealing).

On the left of the bureaucracy, the pressure of the masses began to increase, especially toward the end of the war. The period just prior to and at the outbreak of the war, was marked for the Soviet masses by an enormous accumulation of sufferings and privation, comparable only to the civil war period. In 1940, the 35-hour week (5 seven-hour days) had already been superseded by the 48-hour week (6 eight-hour days); this meant simply a wage-cut of over 10 percent (the difference between the hours at the regular wage and the additional hours worked—for the actual working-time was 10 hours a day). This wage-cut was but one link in the bureaucracy's chain, for there had been a series of official wage reductions in December 1938, January 1939 and June 1940. Along with this, a whole series of repressive measures, each more outrageous than the last, was introduced to stop the exodus to the country. Various decrees successively established the "work card," gave the plant manager alone the right to release a worker from his job, inflicted fines equal to a 20 percent wage-cut for being fifteen minutes late to work, and even prescribed the penalty of withdrawal of ration and housing cards from workers who had more than three marks against them on their work card.

How greatly the living standard of the masses was lowered during the war is difficult to measure. The revenue from the turnover tax—charged on every purchase in the USSR and constituting one of the most important sources of income in the Soviet budget—dropped in 1944 to 50 percent of the 1940 figure. When we also consider the inflation, we can say unhesitatingly that consumption by the masses during the war was compressed to less than half of its pre-war level. To realize fully what this compression actually meant, we must also understand that the proletariat was affected more deeply than the peasantry, and we must remember how miserably low the living standard of the Soviet worker was in 1940.

The factor which had virtually paralyzed the Russian proletariat since 1923 and made possible the wiping out of the vanguard by the GPU, was the discouragement and disillusion which grew out of the defeat of the world revolution and the low level of productive forces in Russia after the civil war. Despite the enormous privations which the proletariat suffered in the Second World War, despite the terrible blood-letting in the loss of four to five million workers, there is no question that victory in the war renewed the courage, the spirit of initiative, the determination of the working masses and their confidence in their own strength. The workers from the factories in Rostov, Moscow, Leningrad and Stalingrad who first halted and then drove back the most powerful capitalist army the world had ever seen, began to raise their voices in protest against the social inequalities,* to call insistently for improvement in the food situation, to demand more clothes, more shoes, more consumer goods. The entire election campaign of January-February 1946 reflected these demands and tried to give the masses a minimum satisfaction (see below).

* An outstanding example is Kallnin's speech on November 7, 1945, in which he told the story of a working woman who interrupted one of his speeches with the complaint that she didn't have any shoes whereas he did! The fact that Kallnin had to mention this incident is proof that it is typical and that it reflects hundreds, if not thousands, of similar interruptions in the speeches of local and regional Kallnins.

* A Times correspondent who visited the Ukraine in the spring of 1945 stated that 90 percent of the workers on the collective farms were women.

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The popular discontent was given especially sharp expression in the army. The whole of 1945 saw a violent crisis of discipline. According to a correspondent of the London Observer, the number of deserters rose to more than a million. The great increase in acts of indiscipline, insubordination, theft and looting "for oneself," and the formation of brigand groups on a large scale, compelled the bureaucracy to speed up the process of demobilization; but at the same time the bureaucracy made use of these facts to combat the overly independent tendencies of the military caste (see below).

E. Finally, in the question of nationalities, the war gave clear evidence of the strength of centrifugal tendencies in the USSR. The best-known cases of anti-Soviet actions on the part of entire nationalities are the following:

a) The Tartars of the Crimea, and the Kalmuks, Chechens, Ingushes, Kabards, and Balkars—five peoples inhabiting the regions between the Caucasus and the Kalmuk steppe—lined up on the side of the Germans, took part in the war against the USSR and intervened with special fury against the partisans. The repression was barbarous. The Republics and autonomous territories of these peoples were wiped from the map and all the inhabitants deported to Siberia.

b) In the region of Vladikavkaz (in the Caucasus), Kaganovich crushed a local uprising with the help of the GPU (*Neue Züricher Zeitung*, June 28, 1946, taken from the Menshevik organ *Sozialistichenski Vestnik*).

c) The reason for sending Beria to Georgia seems to have been the appearance of separatist movements, which he was to pacify through negotiations and promises.

2. THE NEW "LEFT TURN"

As soon as defeat of imperialist Germany seemed assured, the bureaucracy abruptly turned back toward fundamental solution of its internal difficulties. It made this turn in a spirit of panic, driven by forces whose pressure it had not foreseen and whose orientation it had not understood. In many ways the Soviet crisis of 1944-45 resembled the 1927-28 crisis: the bureaucracy, terrified by the difficulties and incapable of pursuing a broad plan, began its "solution" by combining barbarous police methods with a policy of small concessions to the masses, —living on expedients, from day to day.

Despite the use of these bureaucratic methods, what was involved here for Stalin, in 1944-45 as in 1927, was fundamentally the defense and the strengthening of the collective property. Although economically and socially this was an offensive against the right, the bureaucratic solution of the Soviet crisis inevitably involved an attempt to strengthen still further the grip of the state, that is to say, of the GPU, on the entire social life. The new fact, in relation to 1927, was that the bureaucracy had to reckon with the mood and temper of the masses.

It is beyond question that Stalin succeeded as a whole in surmounting the crisis, and a relative and temporary consolidation of the regime followed. But this consolidation has nothing to do with any outcome in a "new stage," a "new exploiting state," or a new "class society." Fundamentally, it is the result of two factors, as it was during the first Five-Year Plans: on the one hand, the undeniable economic successes are the result of the superiority and the dynamics of Soviet relations of production; on the other hand, a certain stabilization of Stalinist bonapartism is produced by the temporary equilibrium between the proletariat and the petty-bourgeois and pro-capitalist forces in the USSR, and between the proletariat and imperialism on the world arena. It is precisely the impossibility of a prolonged continuation of this equilibrium, and the impossibility of a continuous development of the productive forces under bureaucratic management, which immediately dooms this new consolidation to collapse.

A. The Fourth Five-Year Plan

In industry, transportation and finances, the bureaucracy first of all (during the whole of 1945) had to attack the problems of reconstruction, which it did in a more or less chaotic way. The resources for planned reconstruction were derived from:

a) The newly industrialized regions of Siberia and the Urals (very little came from this source; the Soviet government did not want to ship back the plants which in 1942 it had sent to the East, but to build new plants in the West).

b) Looting of the occupied regions: this source, though important in certain fields (industrial machinery, equipment for oil extraction), did not count heavily in relation to the tasks of reconstruction as a whole.

c) Assistance from abroad: American supplies from "Lend-Lease" agreements; aid from UNRRA; trade pacts with Sweden, Hungary, Finland, Rumania, Poland, etc.

d) Rebuilding and resumption of production in the ruined plants: here the results have been brilliant. The Dnieperstroi dam has already been rebuilt; most of the mines in the Donetz basin have been dried out and coal production there has already reached over 60 percent of the pre-war output.

e) The current results of the Fourth Five-Year Plan. During the first years all industry is concentrating on production of industrial machinery and repairing the productive apparatus. Insofar as the plan is fulfilled, production is bound to progress in great leaps, since the setting in motion of just a minimum of key machinery will be enough to put back in production all the industries of the devastated regions.

The manpower crisis which Soviet industry faced has been partially resolved by:

a) Demobilization.

b) Bringing in millions of war prisoners and workers deported from the occupied countries.

c) Putting several million disabled war veterans back to work.

The control figures of the Fourth Five-Year Plan set the goal of an over-all growth of Soviet industry at a rate of 10 percent each year, with the final figures for 1950 averaging 50 percent higher than the 1945 figures. In certain sectors—among them, steel, aircraft, automobiles—the rate of expansion is to be higher, with a goal set of 50 percent in relation to the 1940 level. That the bureaucracy's defensive concern for its own interests is at the base of the speeding up of production in these sectors, is undeniable. We should also add that the plan in its entirety reflects the same lack of equilibrium that has been characteristic of all the Five-Year Plans of the bureaucracy. Satisfaction of the elementary needs of the masses still remains the last concern of the bureaucracy.*

It is too soon to be able to foresee whether or not the goals of the Fourth Five-Year Plan will be reached. But it is clear already that in the reconstruction of Soviet Russia the achievements are notable.

In comparison with the stagnation and the very slow reconversion of industries in the far less devastated capitalist countries, the superiority of collective and planned economy—even under bureaucratic management—is demonstrated as decisively as was its extraordinary strength of resistance during the war.

In agriculture, the resources for fulfilling the plan have come in large part from the regions of Eastern Russia; assistance from abroad was entirely out of the question. The central problem—mechanization—will be gradually solved by the reconversion of tank factories into tractor factories. In

* This is especially clearly demonstrated in the matter of housing construction. Despite the terrible housing crisis (thousands of Soviet families live in caves or mud huts) the Fourth Five-Year Plan concentrates for the first years primarily on development of the building-materials industry, and not on actual construction of new housing.

general, however, it seems that not until 1950 will the material basis for collectivized agriculture be reestablished. At present the number of State tractor stations is again at the 1940 figure, but as even the Soviet press admits, many of these, in White Russia and the Ukraine, are but ghost stations.

B. The Struggle Against the Pro-Capitalist Tendencies

a) In industry. The tendencies of the trust directors toward independent action and even primitive accumulation, were vigorously repressed. As has happened every time, the "turn" in the bureaucracy's policy found expression in a series of trials of industrialists. "Recent investigations," states the editorial writer of *Pravda* on July 17, "have brought to light (! . . . as if up to then Stalin had been in complete ignorance of it!) a number of cases of misappropriation of funds and important material belonging to the State, illegal passing out of bonuses for production, issuing falsified financial statements, and even (!) embezzlement." By thus making a number of top functionaries take the blame for the results of the entire bureaucratic management, Stalin aims to terrorize the upper layers of the "industrial bureaucracy" and at the same time to conciliate, at least superficially, the discontent of the masses.

Some of the specific main charges, in this connection, are typical: "misappropriation of coal and oil supplies"; "squandering capital funds," etc. Furthermore, the bureaucracy saw fit to publish in the newspaper *Trud*, in May 1946, the news of a strike which broke out in an important electro-motor plant in Moscow as a result of the refusal of the director to receive the trade union committee which wanted to put before him their grievances on the bad safety conditions in the plant. Thus the bureaucracy has been led, in the course of its attacks against the rightist tendencies within it, to reveal just how strong the pro-capitalist tendencies have grown.

b) In agriculture. The beginning of the campaign for the Fourth Five-Year Plan in the field of agriculture was marked by a violent offensive against the "new kulaks." Stalinist journalists, admitting for the first time in ten years the existence of new exploiting elements in the country—up to then they had been repeating in insane rhythm that "classes have completely disappeared in the USSR"—launched diatribes against "the existence and vitality of vestiges (?) of capitalism in the spirit of our people" (*Bolshevik*). They called upon the local party leaders to ruthlessly repress all abuses (seizing of the collective lands by the peasants, etc.). In fact, the government took draconian measures on the collective farms to enforce respect for the Plan. Rigorous control of crops was established, and a policy of discrimination in granting material aid to the devastated regions provided for systematic favoring of those agricultural enterprises which "fulfill the Plan."

c) In the state and the army. The undercover struggle which at the beginning of 1944 brought the new military caste into opposition to the top apparatus of the party—which, during the war, had seemed to lose its supremacy—ended in the complete victory of the latter. The new Soviet government does not include a single member of this new military caste. On the contrary, the only two military men in the government—Voroshilov and Budenny—are the only two survivors of the original corps of "Red Commanders" of the time of Lenin and Trotsky.

The victory of the party apparatus over the military caste found concrete expression in a whole series of developments:

- reestablishment of GPU control in the army;
- tightening of discipline within the officer caste (new regulations of May 1946);
- removal to secondary posts of the majority of great "war leaders" like Zhukov;
- repressive measures against the tendency of the of-

ficers toward "fraternization" with capitalist elements in the occupied countries.*

d) In the ideological field, the end of 1945 and the beginning of 1946 saw an abrupt break (notably Kalinin's famous article in the magazine *Bolshevik* and Stalin's speech during the election campaign) with the immediate past of ultra-chauvinism, and the beginning of continuous efforts to re-gild the banner of the party and of "Marxism-Leninism-Stalinism." This was not carried out in a mild manner. Magazines were suppressed and historians relieved of their functions for having "exaggerated" the glorification of Czarist heroes. Russian history continued to be spoken of as a source of inspiration, but the popular heroes were once more brought forward. In a resolution of the Central Committee the party even officially condemned the above-mentioned "deviation" and insisted on "intensification" of the propagation of Marxism-Leninism.

3. THE LIMITS OF THE "LEFT TURN"

The bureaucracy which in 1927 worked out its first "left turn," came only slowly, in the course of the struggle against the Left Opposition, to take note of the existence of its own social interests. Since its lower layers were added to largely from the proletariat and the peasantry, the bureaucracy lived in fear of isolation from the masses, and a phenomenon like Stakhanovism, whatever its objective economic significance, accorded with the bureaucracy's aim of disintegrating the working class and establishing a mass base for the dictatorship.

The bureaucracy which 17 years later was once more compelled to embark, fearfully and reluctantly, upon a "left turn," shows markedly different features. Like all parvenues, the Soviet bureaucrats, who had developed their own special nature, began trying both to become a stable caste and also to have their origin forgotten. Like the Napoleonic nobility in relation to the legitimate nobility, they tried to take on the customs of the bourgeoisie (night-clubs, race-tracks, fashion shows, elegant automobiles, unheard-of luxuries, etc.) and even to go them one better. An interesting development in this connection is the abandoning, one after another, of terms which recall the October Revolution and the substitution of bourgeois or even Czarist terminology (minister, ukase, synod, etc.). It is also characteristic that from 1940 on, the May Day and November 7th proclamations and official speeches discarded appeals to the "Proletariat" and the "Workers and Peasants," and in their place appealed to the "Soviet People," "Soviet Citizens," etc. Even the term "country of socialism," which was in general use between 1935 and 1940, had to give way to "Soviet Fatherland."

The tendencies of the bureaucracy to establish itself as a stable caste, and to halt all new recruitment from the ranks of the workers, were expressed by:

a) The new laws on education, which introduced high tuition fees for grade school and higher education.

b) Stalin's overt moves for reconciliation with the White emigration (reconciliation in Paris and Shanghai, official government appeal for return of the émigrés to Russia, etc.).

But these two currents — stabilization, and adaptation of bourgeois customs along with denial of proletarian origin — are limited by the very social character of the bureaucracy and by its attachment to the collective property. The Napoleonic "nobility" was based not on feudal property but on bourgeois property; its evolution could not but be different from what the "nobility" wanted it to be, and its own ideology even had to reflect this difference. The same thing is true with the bureaucracy. Alongside its tendency toward stabilizing itself,

* An August 3 AEP dispatch from Berlin suggested that Marshal Sokolovski might possibly be replaced as Soviet High Commander in Germany. The dispatch concluded: "The Kremlin is of the opinion that its policies would be better served by men who have not been softened by long contact (!) with the Western Allies."

other tendencies develop within it toward breaking up the collective property which is its only instrument for definitively stabilizing its social situation. But as long as it rests on the base of this collective property, the bureaucracy, as a caste, reflects in its policies and its ideology this hybrid compromise between its origin and its destiny. The result is a sharpening

of the social tension — and this in turn requires increased police control. That is why the present regime of the bureaucracy — which the Russian press, through terminological inertia, continues from time to time to call “the transition from socialism to communism” — lies under the sign of the strengthening of the state and the dictatorship.

II. The “Strategic Bulwark” of the USSR

that's silly!

Every social system, when it arrives at a certain stage of maturity, tends to move out beyond the territorial boundaries within which it had its development. The capitalist system, based on private ownership in the means of production, has shown this tendency ever since its youth and now, in the imperialist stage of its development, is being driven by this tendency into paroxysms. If the development of the productive forces has for thirty years been in permanent revolt against national boundaries, the overthrow of capitalist relations of production in one section of the world, far from “weakening” this revolt, cannot but aggravate it. The system of production which issued from the October Revolution carries within itself the tendency to move out beyond the boundaries of the USSR — the more so as the productive forces on a world scale demand collectivization. Stalin had begun by denying the need of a larger framework than Russia for the building of socialism. At that stage, this theory of “socialism in one country” simply reflected the pressure of petty-bourgeois forces in Russia on the isolated revolutionary party in power. The crystallization and relative stabilization of the Soviet bureaucracy transformed Stalinism from an objectively counter-revolutionary force (a centrist revolutionary tendency whose errors were determined by the pressure of the petty bourgeoisie) into a counter-revolutionary force both objective and subjective (the ideology of a bureaucratic caste whose interests were mortally opposed to the interests of the world socialist revolution). But by the very logic of defense of its own special interests, the bureaucracy itself has been led to move out beyond the Russian framework within which it wished at first to confine the social system that issued from the October Revolution, and to envisage a policy of territorial expansionism.

Foreign policy is the continuation of domestic policy; thus it furnishes an extremely precise key for an understanding of the social relationships within a country and, in the concrete case under discussion, for determining the social nature of the Soviet bureaucracy. The policy pursued by the bureaucracy in its “strategic bulwark” necessarily must accord with the nature of this bureaucracy; at the same time it will reveal to us the nature of the Russian state. Thus it gives us the opportunity once again to examine our previous analyses and the conclusions to which they led.

I. THE NEW FOREIGN POLICY OF THE STALINIST BUREAUCRACY

From 1923 to 1941 the main concern of the Stalinist bureaucracy was to prevent the formation of a general alliance of all the imperialist powers against the USSR. To this end the bureaucracy used to the fullest — as previously the Bolshevik party of Lenin and Trotsky had done — the inter-imperialist antagonisms which had grown out of the First World War. But instead of basing his strategy on the revolutionary potentialities of the world proletariat, Stalin — at first without the slightest confidence in these potentialities, and then coming more and more to feel them contrary to the interests of the ruling caste in the USSR — utilized the Communist Parties throughout the world for the sole purpose of neutralizing one or another section of the world bourgeoisie through deals made on the backs of the proletariat and the colonial peoples.

This “balancing-the-weights” policy, which was expressed in a series of alliances with one imperialist power against another (first with Germany, then with France, again with Germany, then with England, etc.), could not prevent the invasion of the USSR by the German imperialist armies and the devastation of the most advanced regions of the country. The apparent “successes” which Stalin seemed to have won (Japanese neutrality during the Russo-German war; a certain amount of aid from the English and American imperialisms, etc.) were in no way a result of the “cleverness” of his policy but of a *de facto* reality, that is, the concrete relations of forces which the imperialist powers faced and which compelled them to postpone till later their settlement of accounts with the USSR. It is false to say the war proved that the antagonisms between the bureaucracy and imperialism were no longer acute “because Roosevelt allied himself with Stalin against Hitler.” The only conclusion to be drawn is that American imperialism did not want to leave to its German rival the privilege of colonizing the vast Russian spaces, since American imperialism itself eyed this loot covetously. Washington understood well that a Germany victorious over the USSR would constitute a thousand-fold greater danger for its plans of world domination than a Russia exhausted from a long “victorious” war. Events have demonstrated that Washington was in no wise mistaken.

But today this “balancing-the-weights” policy can no longer furnish the axis of Soviet diplomacy. It presupposes the existence of two blocs more or less equal in strength, at least militarily. The second imperialist war definitely destroyed the imperialist equilibrium and barring the unforeseen, this equilibrium cannot again be restored. The encirclement of the USSR by a single imperialist bloc has already been accomplished in fact, and its moral and “legal” accomplishment (as in the UN) is the principal aim of imperialist diplomacy in the next years. Faced with this changed situation, the bureaucracy in 1944 had to work out, in a wholly empirical way, a new foreign policy based essentially on the three following factors:

a) Construction, on all flanks of the USSR, of a “strategic bulwark” which was to remove at a distance from Russia the points of contact and the concentrations of imperialist forces, and which might even be able, in certain places, to break through the encirclement.

b) The attempt to exploit to the fullest the antagonisms between those imperialist powers which had been weakened by the war and reduced to the rank of satellites of the United States (France, Italy, Holland, Belgium, Norway, etc.), and their Wall Street imperialist masters.

In this category must also be included the constant endeavor of Soviet diplomacy to break the solidarity existing between the English and American imperialisms as against the Stalinist bureaucracy.

The position of the bureaucracy toward Germany, China and Japan is determined by a combination of the two foregoing factors.

c) The attempt to utilize the workers’ movement in the United States and Great Britain, and especially the movement of the colonial peoples, as a method of blackmailing these powers, with the aim of being able to conclude temporary new agreements on the backs of these movements.

Of these three factors, the first has up till now been given most attention, though in the coming period the third factor will become more and more important. But before we analyze the intervention of the bureaucracy in the "buffer countries," a brief review of the situation in these countries before the Red Army occupation will facilitate an understanding of developments there.

2. THE SITUATION IN THE "BUFFER COUNTRIES" PRIOR TO THE RUSSIAN OCCUPATION

The countries of Eastern and Central Europe* are all, though in varying degrees, typical examples of the combined development which is a feature of backward countries in the imperialist epoch. These countries began to be industrialized only in the last decade of the 19th century, under the impetus of foreign capital. If the latter was wholly successful in breaking through the framework of handicraft production and undermining the bases of the great landholdings, it showed itself, on the other hand, quite incapable of leading these countries as a whole toward a development of productive forces comparable to that in the advanced capitalist countries. From the beginning of the 20th century, the economy and consequently the political situation of these countries has been distinguished by a constant succession of crises — the Balkan wars, followed by the First World War, then in the postwar period coups d'etat which led to the establishment of military-police dictatorships, and finally, their entry into the second imperialist war and their collapse. These crises were simply a reflection of the fact that these countries were caught between the decay of the post-feudal society from which they had just emerged and the decay of the capitalist society into which they had just entered.

In the field of industry, the distinguishing features of these countries, as shown in the report of Comrades Marcoux, etc., were:

a) The predominance of foreign capital. Forty percent of the total capital of stock companies in Poland; 11 out of 16 banking institutions in Yugoslavia; 80 percent of the capital invested in the 102 major enterprises in Bulgaria; 40 percent of the capital of the Rumanian stock companies and almost all the capital in Albania — all this was in the hands of foreign capitalists.

b) The existence within "native" capital of a large sector of state capital, represented chiefly by the state monopolies, public utilities (railways, telephone and telegraph, etc.), and heavy industry for armaments. The unusually wide extent of this state sector was simply a reflection of the combined development, where the primitive accumulation of the "native" capitalists was checked and retarded by the growth of industries using foreign capital, by foreign competition, etc., and where the state, which absorbed an important part of the surplus value on a national scale, was alone capable of "making large-scale investments in certain fields" (Marcoux's theses).

c) The insignificant specific weight of industry in the national economy as a whole.

In the field of agriculture, the situation showed these features:

a) With the exception of Hungary, every country had seen the disappearance of the large semi-feudal landholdings under the blows of indebtedness and mortgages. The banks had taken control of the lands out of the hands of the nobles.

b) Since 1918 a series of agrarian reforms had brought about redistribution of the land. The number of landowners had

increased while the total indebtedness of the peasantry had steadily mounted. The central problem for the peasantry of these countries was freedom from their debts, cheap credit facilities, the introduction of modern methods of work in the cooperatives.

c) Nevertheless, hunger for land continued to exist because of over-population in the village, which in turn was the result of retarded industrial development. In all these countries there was an average of more than a million peasant families without land. Moreover, there still existed remains of large estates, on which, however, the owner was often no more than a kind of "administrator" for the banks, since the largest part of the revenue went to the banks in the form of interest and amortization of mortgages.

In the political field, the characteristic features were as follows:

a) The entire lack of any material base for classic bourgeois democracy, as well as the extremely feeble development of a workers' aristocracy, resulted in general in a very weak growth of the classic reformist Social Democracy and the urban petty-bourgeois parties.

b) The large "popular" party was the peasant party, whose membership generally took in the large majority of the peasantry and which was led by the more or less progressive intelligentsia.

c) The bourgeois parties, properly called, were corrupted to the core and sold themselves successively to foreign trusts, to powerful native financial groupings, to the Court, etc.

d) A majority of the working class followed the Communist Party after the First World War. Most of the Communist Parties of these countries had led an illegal existence ever since 1924-26.

We must also add that in those countries where there was a monarchy, the reactionary "bloc" of the court, military caste and nobility, tried to defray the costs of the decadent large landholdings by looting the state treasury. Between the big landowners, the military caste and the church — itself a big landowner — there was everywhere a close tie.

With this rapid review of the situation in the buffer countries before the entry of the Red Army, we can now analyze the events which accompanied and followed this entry.

3. OUTLINE OF DEVELOPMENTS IN THE BUFFER COUNTRIES

In appraising these events, we have an extremely valuable precedent: the analysis which Trotsky made of the Red Army in Finland, Eastern Poland and the Baltic countries. It is not a matter of merely making an exact tracing of our analysis from his; what is involved is determining to what extent the characteristic features which Trotsky recognized in the mechanism of the occupation of Eastern Poland, and which for him flowed from the social nature of the bureaucracy, are now to be met again in the mechanism of the occupation of the buffer countries. Trotsky found four such features, and we meet each one of them again in the recent developments. They are as follows:

a) The approach and entry of the Red Army launches a relatively wide-spread revolutionary upsurge, for the Red Army is looked upon by the masses as the representative of a different and revolutionary social system, the system of collective ownership in the means of production.

b) The bureaucracy's tendency is to ruthlessly suppress every large-scale independent action of the masses. Where it finds that it cannot carry through this suppression, it will withdraw rather than expose the Red Army to permanent contact with the revolutionary fires.

c) The bureaucracy can definitively bring new territories into its control only by assimilating them structurally on the

* Namely, Poland, Hungary, Rumania, Bulgaria, Yugoslavia and Albania. Although Austria and Czechoslovakia have features similar to those discussed here, they show a combination of these features with those of a highly developed capitalist country.

economic base which issued from the October Revolution. This structural assimilation may be gradual and may appear as a tendency. It is not at all necessary that the bureaucracy assimilate structurally all the territories which it is temporarily occupying; what is important is to determine the tendency. An understanding of the extent to which this tendency may be realized depends on the relations of forces between the bureaucracy and imperialism on the one hand and between the bureaucracy and the proletariat on the other.

d) But in order to completely assimilate a given territory, that is to say, in order to expropriate and destroy as a class the landed proprietors and capitalists, the bureaucracy is compelled — even if in a limited way and with the aim of always controlling it and crushing it when necessary — to call upon the autonomous action of the masses. It is precisely for this reason, among others, and precisely because the bureaucracy fears the autonomous action of the masses like the plague, that it will be unable to accomplish assimilation except on a relatively limited scale.

These four characteristic features flow, as we have said, from the social nature of the Soviet bureaucracy, a degenerated caste deriving its privileges from the economic bases which came out of a proletarian revolution. No other social group can act in the same contradictory fashion. It is, for example, quite inconceivable that the American imperialist bourgeoisie could "utilize" the occupation of factories by the workers of a given country against one of their "rivals." On the contrary, events of the last years have demonstrated clearly that the bourgeoisie of every country tried to systematically crush every class action of the proletariat even when this action seemed at the moment to be a means of "speeding up" conclusion of the war. The difference in the social policy of the bureaucracy and of the imperialist bourgeoisie in the occupied countries flows from their different social nature.*

However, in addition to the four features enumerated above we may cite two others which, while also flowing from the nature of the bureaucracy, reflect at the same time the immediate aims which the bureaucracy pursues in occupying the buffer countries.

e) The bureaucracy tries to extract immediately all the possible resources of the occupied countries, in order to speed up reconstruction of the devastated areas of Russia. "In view of the enormous extent of the war damages and consequently the extreme difficulties of reconstruction, it is understandable that the Soviet government is trying to speed up the progress of reconstruction by using the material resources of other countries," — so writes the bourgeois and openly anti-Soviet newspaper *Neue Zürcher Zeitung* (May 18, 1946). This attitude of the bureaucracy is the result of the panicky way in which it approached the problems of reconstruction (see above). It should be remarked that this kind of action, this systematic looting, is in contradiction with a rational and long-term utilization of the resources of these countries, not to speak of harmonious incorporation of their economy into the economy of the USSR.

f) The bureaucracy tries to destroy in the buffer countries every element of military cooperation with Anglo-American imperialism. It therefore endeavors especially to get rid of the military caste and, in the political field, the direct representatives of foreign capital, etc., and thus to assure its strategic, military and police control of these countries.

Let us now confirm these tendencies by examining what has actually happened in the buffer countries.

4. THE REVOLUTIONARY UPSURGE, THE BUREAUCRATIC REPRESSION AND ITS LIMITS

In Czechoslovakia, the approach of the Red Army launched a general revolutionary upsurge: occupation of the factories, establishment of plant committees to run the factories, creation of Councils (a kind of Soviet) which gathered into their hands all political authority, concentration of all arms in the hands of the workers' militia. The Czech proletariat, with a highly advanced consciousness, was only a step away from taking power; the lack of a sufficiently strong revolutionary party to lead it to power forced the Czech revolution to mark time. But a year had to pass before the central government, whose authority at the beginning was extremely slight, dared to set limitations on workers' management in the factories. At the present time an actual dual power still exists.

The extent and maturity of the revolutionary wave in Czechoslovakia greatly restricted the counter-revolutionary intervention of the bureaucracy. We might say that there actually was no such intervention. Soviet troops were speedily withdrawn. The troops were confined to extremely narrow lines of march. The Soviet command showed itself quite as desirous as the Czech or the American government of restricting to the utmost any contact between Russians and Czechs.

In Yugoslavia and Albania, the civil war (the struggle between the Chetniks and the Partisans) raged from 1942 on. From its very beginning the civil war gave birth to committees of workers and peasants as organs of power, and to a workers' and peasants' militia. But as the war continued the Stalinist apparatus succeeded in "centralizing" the system of committees, gradually destroying the highly radical social measures (equitable food distribution, common work on the land, collective herding of cattle, etc.), taking away all spontaneous initiative from the popular organs and constructing a new bourgeois state apparatus. In these two countries, the Soviet bureaucracy did not have to carry on any consistent counter-revolutionary activity; the native Stalinists took this upon themselves.

In Poland, the approach of the Red Army was marked by a succession of clearly revolutionary movements on the part of the working class, while the peasantry, sharply differentiated, maintained a waiting attitude. The workers began by seizing the factories, setting up Councils, introducing workers' control, and here and there running the plants themselves. The Lublin government had only the authority and support that it derived from being recognized as the natural child of the bureaucracy. Through military suppression it immediately abolished workers' control and "restored law and order." The "principle of the authority of the employer" was reestablished. But actually, terrorist anti-working-class measures were at a minimum. In some cities, such as Bialystok, workers' control continued to function and even still functions today. The counter-revolutionary intervention of the bureaucracy had a political rather than a police character.

In Rumania and Bulgaria, the approach of the Red Army started a real revolutionary upsurge. August 23, 1944 in Rumania, and September 9, 1944 in Bulgaria, were marked by gigantic demonstrations of the workers and followed by an uninterrupted succession of strikes, mass demonstrations, etc., until the Red Army arrived in Bucharest and Sofia. But the Rumanian and Bulgarian workers were to be profoundly disillusioned. The Soviet command not only collaborated with the worst reactionary elements, such as Radescu in Rumania, but even actively assisted the "native" bourgeois repressive apparatus in restoring order. At the outset, not the slightest disturbance of the "stability" of the bourgeois regimes in these countries was tolerated. The counter-revolutionary role of the bureaucracy was both political and police.

* This difference is expressed in particularly striking fashion in Germany, where the English and the Americans, immediately after they began their occupation, drove the workers out of the factories and "reestablished" the authority of the directors whom the workers had driven out as Nazis.

Finally, in Germany and Austria, the approach of the Red Army unloosed revolutionary movements wherever there was a concentrated proletariat. In Saxony, in the regions of Halle and Magdebourg (the central German basin, the Communist stronghold before 1933), in Vienna and even in certain sectors of Berlin, the first reaction of the workers was to occupy the factories, set up plant committees and establish workers' control. Red flags were hoisted over most of the factories and in working class housing districts. But the elite contingents of the Red Army only passed through these cities or were immediately withdrawn. The bulk of the occupation troops were the most backward contingents, carefully selected: Kalmuks, Mongols, Circassians, brought from the confines of Asia and the Caucasus. We know the barbaric way in which they terrorized the German working-class population during the first week of the occupation. In Vienna, according to all witnesses, three days of looting, slaughter and pillage were enough to crush all possible working-class action. The counter-revolutionary intervention of the bureaucracy here was directly terrorist. On the other hand, its political counter-revolutionary activity was much more limited. Thus, whereas in the British and American occupation zones factory committees and workers' control were immediately abolished by the Allied military command, they were maintained in the Russian zone, although with sharply reduced functions (among other things, they had neither the right to strike nor the right to make wage demands).

5. LOOTING AND THE "PURGE"

As we have said, the two immediate objectives of the bureaucracy in occupying the buffer countries were: to secure supplementary resources for reconstruction of the devastated areas in Russia, and to create a "security" zone where imperialism could no longer establish strategic bases. The bureaucracy tried to achieve these two objectives in its own way, by brutal police methods, by violent measures from on top. It exploited its military superiority and especially the momentary prostration of the possessing classes in the buffer countries, who were caught between the revolutionary wave on one side and the pressure of the Soviet bureaucracy on the other. We can even say that in the first period of Soviet occupation the bourgeoisie offered almost no opposition to the measures of the bureaucracy, considering these measures as a necessary price for Stalin's maintenance of bourgeois property. Precisely to the extent that Soviet intervention crushed the mass movements, consolidated the tottering bourgeois regime and by its brutal methods alienated the masses of the "Communist" Parties — precisely to the extent that this process developed was the bourgeoisie able to recover and begin to oppose the bureaucracy.

This opposition, however, could have no chance of success unless it was supported by pressure from the English and American imperialisms. Now on the question of Stalinist intervention in these countries, the defensive phase of world imperialism accorded with the defensive phase of the bourgeoisie in the buffer countries. As long as the war continued, imperialism temporarily accepted Soviet occupation of the buffer countries and merely attempted to obtain a number of "legal" guarantees. Stalin was not only ready to give these guarantees but even hastened to offer practical demonstrations that he didn't want to upset the property relations in these countries. Once the war was ended and the danger of an immediate revolutionary upsurge in Germany had passed, imperialism became more actively interested in what was happening behind this "iron curtain" which it had itself helped to construct. We must emphasize this point: the fact that the counter-offensive phase of the "native" bourgeoisie coincided with the counter-offensive of imperialism, is but an expression of the fact that the bureaucracy had more or less "effectively" fulfilled its counter-revolutionary role and that imperialism "no longer needed it."

Thus the Stalinist bureaucracy, which had looted the occupied countries without at first meeting any generally consistent opposition, was gradually confronted with a stubborn imperialist pressure which sought to drive the bureaucracy out of the buffer countries once and for all. We shall study later the forms which this pressure took. But it is important to understand that the bureaucracy, faced with this concerted pressure of imperialism and of the native bourgeoisie, was compelled to lean once more upon the masses. This in its turn involved a change in the form of the economic looting, a change which resulted also from the fact that the long-term perspective had ousted the short-term perspective (only in Manchuria has the perspective of a brief military occupation, which Stalin had at the beginning, been borne out; only in terms of such a short-term perspective does the stripping of the entire productive apparatus make any sense).

The forms which the bureaucracy's looting of the buffer countries has taken are as follows:

a) **Removal of industrial machinery, raw materials, manpower** (to which we must add the more or less "individual" looting of consumer goods). These actions had a highly developed form at the beginning of the Soviet occupation, because of the immediate needs of "reconstruction" in the USSR and the uncertainty of the bureaucracy about being able to maintain its domination in the buffer countries. In Manchuria, Korea and the Russian occupation zone in Germany, the removal of equipment took on immense proportions: at least 75 percent of the entire industrial machinery. Although the looting in Rumania, Finland, Hungary and Bulgaria, as well as in the Russian zone in Austria, was on a very considerable scale, it nevertheless did not shatter the industrial structure of these countries. Finally, in Poland, Czechoslovakia and Yugoslavia, the removal of industrial equipment was on a smaller scale: from 15 to 25 percent of the existing productive apparatus was removed as "spoils of war" under the pretext that it was "German property." The first form of looting was the most odious and the most contrary to the interests of the USSR, not only because it weakened the proletariat in the occupied countries and made them hostile to communism, but also because it actually led to the loss of much of the stripped material, only a small part of which arrived at its destination and could be used.

We do not need to state that the deportation of labor-power — an expression of the very acute manpower crisis in the USSR — was another powerful method of terrorizing the workers and peasants of the occupied countries.

b) **Reparations and requisitions in the guise of reparations.** The Stalinist bureaucracy exacted reparations from all the "conquered" countries, and although payment is stretched out over a number of years, these reparations are nevertheless an extremely heavy burden on the already completely disorganized budgets that resulted from the war costs, destructions, inflation (they constitute, on an average, 30 percent of the annual budgets). Reparations payments, as well as maintenance of large Soviet garrisons which requisitioned on the spot the food and lodging they needed, contributed to precipitating in a number of the occupied countries an acute inflation (Hungary) or a terrible food crisis (Austria, Yugoslavia). These two forms of looting which the Stalinist bureaucracy employed have the tendency — unlike the first method — to "become stabilized," and thus they also "stabilize" the aversion and increasing hostility of the masses toward the USSR.

c) **Participation in the corporations which worked a number of sources of raw materials.** The bureaucracy set up "joint-stock companies" for working these raw material sources, keeping 50 percent of the shares while the "native" capitalists held the other 50 percent. This was done in the Rumanian oil fields, the oil fields of northern Iran, some of the bauxite mines in Yugoslavia, a number of Hungarian industries and com-

mercial companies, etc. The bureaucracy wanted to introduce the same system for working the Austrian oil fields, but here it met with stubborn opposition from the native bourgeoisie.

What is involved here is actually another kind of looting, since the effective "participation" of the bureaucracy in these companies is confined to installing the leading personnel and sending equipment to replace parts that had been destroyed. This means that the bureaucracy is in fact appropriating half of the shares from the bourgeoisie and giving nothing in return.

It would nevertheless be quite wrong to compare this form of looting with the capital exports which are characteristic of imperialism. Export of capital reflects capitalism's reaction to the falling average rate of profit, and also its search for fields of investment not under monopoly control. With the Soviet bureaucracy, neither of these is the case. The bureaucracy is not looking for labor-power to "super-exploit" (on the contrary, it is more than likely that the Rumanian, Hungarian and other workers employed by the "joint-stock companies" will have a higher standard of living than the Russian workers). It is likewise certain that the bureaucracy has not reached a "ceiling" for profitable investments in the USSR; on the contrary, it suffers not from overabundance but scarcity of capital in Russia. Its participation in the joint companies flows from the same strategic-economic reasons which determine its whole policy in the buffer countries: the need to make up for the very serious reduction in Russian oil output as a result of the war, and to prevent imperialism from grabbing the sources of vital raw materials. We should remark, finally, that this participation also reflects to a certain degree the impotence of native capitalism to set into motion those industries which require large capital investments; the bureaucracy's participation has the result of preventing the bourgeoisie from appealing to foreign capital to restore production in these sectors.

The Fourth International condemns in the very sharpest manner the bureaucracy's policy of looting; it points out that the setting up of these "joint-stock companies," by showing the top bureaucrats all the "advantages" of the capitalist regime from the point of view of social privileges, may become the starting point for collusion between the bureaucracy and foreign imperialism, and constitutes an extremely serious danger of gangrenous infection of the Soviet planned economy. But the Fourth International nevertheless cannot follow those who, on the basis of formal and superficial similarities, "identify" the bureaucracy's policy of looting with that of the imperialist bourgeoisie. The term **imperialism** has a very specific meaning in Marxist sociology; Marxism refuses to follow the eclectic historians who tried to apply this term to the expansionist policy of the Roman slave-holders, just as it refuses to label capitalist the development of commerce, handicrafts and monetary economy in ancient society. Imperialism is the policy of expansion of finance capital, characterized by the export of capital, the super-exploitation of the colonial masses of workers and peasants, the maintenance in power of semi-feudal classes and institutions (large land-owners, nobilities and royalties, churches, etc.), the wiping out of small peasant property wherever it exists. It brings about in general the destruction and advanced gangrene of the productive forces. **Bureaucratic expansionism**, although based on looting which is all the more to be condemned because it covers itself with the prestige of the socialist October Revolution, wipes out the semi-feudal remnants, weakens the bourgeoisie, supports itself primarily on the petty bourgeoisie and the intelligentsia, and is even forced to lean upon the working masses. Although at the outset it destroyed the productive forces, it brings about — insofar as the temporary situation in the buffer countries can be extended even for a short time — a real development of the productive forces, and it puts on the order of the day the assimilation of the social and economic structure into the structure of the USSR.

The different aspects which we distinguished in the bureaucracy's policy of looting may also be noted in its purge policy. At first the matter of the "military security" of the bureaucracy was solved "mechanically" by arrest and removal of the most anti-Soviet elements through simple police measures. The bourgeoisie and imperialism abstained from intervention, content—in the face of the pressure of the masses—if the bureaucracy helped to limit the purge to only certain layers of the officer caste and the politicians. But as the masses retreated and imperialism began its counter-offensive, the bourgeoisie itself also began to furiously defend every one of its own people. Continuation and deepening of the "purge" was impossible except through constant appeal for the support of the masses.

Actually, the "purge" touched chiefly the officer corps: in Yugoslavia, Poland, Czechoslovakia, Germany and Austria, the officer corps were largely "purged" of anti-Soviet elements; but the bureaucracy incorporated into these corps a number of "refugees" from the former officer caste, who will prove themselves quite doubtful elements when the hour of danger comes. In Finland, Hungary, Rumania and Bulgaria, the bureaucracy limited itself to demanding the removal of some of the most reactionary elements, but the bulk of the reactionary caste of high officers still remains.

Besides the officer corps, politicians who "collaborated" with the Nazis and certain industrialists were "purged." The bourgeois class as a whole has nowhere been physically broken up, except in Yugoslavia as a result of the civil war. (We must distinguish the special case of Poland, where the bourgeois class was almost exterminated by German imperialism and most of the "relics" escaped to foreign countries).

6. REFORMS OR 'REVOLUTION'?

We have said that the bureaucracy in general began by curbing and breaking the revolutionary upsurge of the masses. A year and a half later, however, the situation in these countries is marked by a more or less wide-spread introduction of agrarian reforms and the nationalization of heavy industry. We must examine the significance of these measures, what their source is and whether they are altering the social nature of the buffer countries.

a) The agrarian reform was accomplished in the first six months of the Soviet occupation. This was a spontaneous action in certain parts of Germany where the peasants themselves seized the land. In other places it was carried through upon the "advice" of committees of poor peasants which were set up at the call of the occupying authorities in Germany and of the Stalinist parties elsewhere. The results may be considered as a deepening and completion of the agrarian reforms introduced after the First World War. The greatest transformation was in Hungary, where the class of great landowning nobles was shattered by the reduction of all landholdings to 142 acres. It is estimated that a million peasants will profit from this measure.

In Poland, 360,000 poor or middle peasants will together receive 2,400,000 hectares of cultivable land and 1,800,000 of prairies, woods, etc. This has been made possible by the expulsion of the German farmers from the vast annexed territories (the expropriation of the great Polish landowners, whose domains were chiefly in Eastern Poland, had already been carried out by the Russians when they occupied these territories in 1939). In Czechoslovakia, the lands of the expelled German and Hungarian big proprietors and the Slovak "collaborators" were distributed among the middle and poor peasants. A total of 2,300,000 hectares were partitioned among some 175,000 families. The average size of the new holdings is from 8 to 13 hectares. In Rumania all landholdings of more than 500 hectares

were partitioned; among these were 500 huge estates of over 1,000 hectares. A great many peasants received land (the approximate figure is unknown), for it appears that no lot larger than 5 hectares was given out. Finally, in Germany, 280,000 families received lots averaging 12½ acres (less than 5 hectares). In view of the number of agricultural workers and landless peasants expelled from Poland, the number of landless peasant families after the agrarian reform is estimated at more than 600,000.

Generally speaking, the peasants received the agrarian reform with a waiting attitude. The central problem for the peasant class is one of credits for acquiring modern machinery and for opening up the possibility of relatively profitable farming. Generally speaking, the agrarian reform has not brought this about. On the contrary, insofar as it has been accompanied by removal of a large part of the agricultural machinery to Russia, it has rendered the general agricultural situation still more precarious, reduced both production and profits and created a condition of permanent deficit.

The agrarian reform definitely reduced the number of landless peasants, but did not bring about the disappearance of this social category. It is entirely illusory, however, to suppose that under present conditions it could resolve any of the contradictions of capitalist agriculture. Even under extremely favorable conditions, "stabilization" of small peasant property is no longer possible. The strengthening of medium-sized property will be the first result of the agrarian reform, for it will become clear that only the peasant who already has a medium-sized piece of land will actually profit from the increase in his holding. Small property will go through a succession of permanent crises, or else it will be rapidly abandoned, with the owner once more becoming a day-laborer or farm-worker. It is not at all a simple "juridical distinction" that exists between the agricultural system introduced by the October Revolution—which gave the products of the land to the peasants—and the present agrarian reform, which gives him ownership of the land. The small peasant, unable to make ends meet at the end of the year, has the right to sell his property. The new owner has the right to divide it in lots and to rent it out. Thus the agrarian reform of 1945, like that which followed 1919, will be unable except in very small measure to slow down the process of differentiation in the country, which operates according to the laws of the profit system.

b) Nationalizations were legally introduced later than the agrarian reform, and not as generally throughout the buffer countries. Actually we must distinguish here between the occupied zone of Germany, Poland, Czechoslovakia and Yugoslavia, on the one hand, where nationalizations reach between 70 and 90 percent of heavy industry and in general encompass more than 60 percent of the total industrial capital, and on the other hand, Finland, Rumania and Bulgaria, where nationalizations have touched only those enterprises which were German property and which the USSR considered "spoils of war." Austria and Hungary are half way between these two groups of countries; a beginning of nationalizations has been outlined, but not yet generalized on a legal basis.

This picture becomes understandable if we consider that in the countries mentioned as having witnessed a powerful nationalization movement (occupied Germany, Poland, Czechoslovakia and Yugoslavia), the expropriation of the capitalist owners of the nationalized enterprises had been a *de facto* reality long before the "legalization." In Yugoslavia, this *de facto* reality was the result of the civil war and the flight and death of most of the legal owners. In Poland, the overwhelming majority of nationalized enterprises no longer had "legal owners," for the plants had first been expropriated by the Nazis and later occupied by the workers. In occupied Germany, we had the phenomenon of the flight of the capitalists, the

occupation of factories by the workers and the fact that the former owners were considered "war criminals." In Czechoslovakia, all the nationalized plants had been occupied by the workers a year earlier, and run by them since then.

But the situation becomes still clearer if we retrace the developments in these four countries from the time the nationalizations were legally introduced up to the moment of Soviet occupation of these countries. In general, we find an undeniable retreat of expropriations and advance of private ownership, both quantitatively (drop in the number of nationalized enterprises) and qualitatively (disappearance of management by the workers, lessening of the role of workers' control, the former directors once more taking over, etc.). Thus in Czechoslovakia the passage by the National Assembly of the nationalizations law was hailed in the bourgeois press as a victory. The enterprises passed from the hands of the workers to the hands of the state, which again runs them in the interests of the bourgeois class. In Poland, the nationalization decrees explicitly confirmed "the authority of the director." The importance of maintaining a sector of private ownership was constantly stressed, and a circular of May 21, 1945 instructed all administrative bodies to support "free enterprise in the field of wholesale and retail business. . . . In order to facilitate the conduct of private businesses, the Finance Minister has instructed the banks to open credits for wholesale merchants" (*Nouvelles Economiques*, May 17, 1946).

Finally, we must also include as part of the picture the fact that in Hungary and Austria, and to a lesser degree in Finland, Rumania and Bulgaria, the tremendous working-class pressure in demand of real nationalizations has up to now found only a very hesitant response from the governments as well as from the Stalinist parties of these countries, and has even been openly blocked by the Stalinist bureaucracy. This was notably the case in Finland, Hungary and Austria, where on three occasions the Soviet Government protested against nationalization projects under the pretext that they endangered regularity of production in plants supplying the USSR with reparations, or else that these nationalizations involved the notorious "joint-stock companies" which the Soviet government was participating in.

This brief general survey now makes it possible for us to draw a number of important conclusions:

a) The extent of nationalizations in certain countries is to be explained primarily in terms of the extent of the revolutionary upsurge in those countries. The absence of the owners (an exceptional historical case) also worked in favor of nationalizations. But generally speaking, the Soviet bureaucracy has nowhere been able to "nationalize"—to say nothing of expropriate—the bulk of the industrial enterprises without the action and pressure of the masses.

b) The carrying out of nationalizations is the result of several factors: mass pressure, inclination of the Soviet bureaucracy, impotence of the native bourgeoisie, temporary "neutrality" on the part of imperialism. The reasons why the bureaucracy has responded to the pressure of the masses on the question of nationalizations are many. The bureaucracy hopes in this way to satisfy the revolutionary aspirations of the masses and to divert them from the real tasks of expropriation. It hopes for more direct control of industry through introduction of its agents into the administration of the enterprises, and thus to promote production, payment of reparations, etc. (and, as we have pointed out, wherever nationalization leads to a temporary drop in production and reparations payments, the bureaucracy vigorously opposes it). It sees in nationalizations a means both of blackmailing the bourgeoisie and of "militarizing" the masses, etc. In brief, "nationalizations" were for the bureaucracy a step on the road toward "structural assimilation"—bureaucratic—of the buffer countries into the economy of the USSR.

c) Nationalizations in no way change the capitalist character of the economy of the buffer nations; they merely express, in a new and more concentrated form, the total incapacity of the native private capital of these countries to develop and even to run industry. Just as previously the state had been compelled, for reasons of profits, to take over, in the name of the entire capitalist class, the matter of investments, so now the state has to take over the running of the plants for the bourgeoisie, for reasons of "social security." There is only a quantitative and not a qualitative difference between these nationalizations and those that have been introduced in Western Europe: the motivations are the same; indemnity or compensation is provided for; the nationalized enterprises continue to be run as capitalist enterprises, with the directors appointed by the state as an administrative council (and the stockholders assured of the same dividend every year, which is to say, never having any losses!); workers' control exists only rarely.

7. THE SOCIAL NATURE OF THE BUFFER COUNTRIES

With the above survey we now have a basis for posing the question of the social nature of the buffer countries. Starting from the tendency of the bureaucracy to "structurally assimilate" the countries where it is continuing its occupation for a whole period and which it wishes to integrate into its economic system; starting likewise from the impossibility of this assimilation being accomplished without the action of the toiling masses—we now find that the countries which have been occupied one after another by the Stalinist bureaucracy may be divided into three groups:

a) The Baltic countries, Eastern Poland, a part of Eastern Prussia, the sub-Carpathian Ukraine, Bessarabia, etc.—that is to say, all the territories incorporated in the USSR: here structural assimilation is complete. The native bourgeoisie no longer exists as a class. Furthermore, it had already to a large extent been physically liquidated by the successive Russian and German occupations. As for the landowning petty bourgeoisie, the well-to-do and middle peasantry, etc., we have insufficient data for judging their situation. In view of the extreme weakness of the proletariat in these regions, the presence of these petty-bourgeois classes, which were strengthened by the period of German occupation (redistribution of the land, etc.), presents the bureaucracy with a very difficult problem which it cannot resolve except by the bloodiest kind of terror.*

b) In Poland, occupied Germany, Yugoslavia and Czechoslovakia, the beginning of structural assimilation corresponds to a very powerful revolutionary pressure (or, in an exceptional situation, to the physical disappearance of the possessing classes). But the nature of the economy and of the state in these countries remains bourgeois. Nevertheless, the relations of forces are such that the bourgeoisie finds itself for the moment at the mercy of an action by the proletariat. It is only the bureaucracy's fear both of the proletariat of these countries and of imperialism which restrains it from dealing the native capitalists a death blow.

c) In Finland, Austria, Hungary, Rumania and Bulgaria, the state and the economy remain basically bourgeois. The pressure of the working class is quite strong, quite revolutionary, but for the moment it is blocked by the Communist Parties (and by the Socialist Party in Austria and Hungary). The bureaucracy is content to speed up the resumption of production with a view toward prompt payment of reparations; it endeavors to tie these countries economically to the USSR by

concluding trade agreements which give the USSR 50 percent of the foreign trade; and it also tries to prevent military collaboration of these countries with the English and American imperialisms by installing its people with a controlling hand in the state apparatus, police apparatus, military and even economic apparatus.

The capitalist nature of the economy of the buffer countries is illustrated in the fact that the only consistent reforms which have been introduced—agrarian reform and nationalizations—do not, as we have shown above, fundamentally change property relations. But in addition there is a multitude of completely convincing facts which leave not the slightest doubt that the nature of the economy is capitalist. Banking capital has been only very slightly affected. Most of the big capitalists in Bulgaria, Rumania, Hungary, Austria and Finland, remain where they were and continue to play a leading role; the personnel in control of the nationalized enterprises has been changed in only a very few instances.* The capitalist class as a whole continues to enjoy all its material privileges, except for those rare individuals who were hit by the "purge" and who constitute less than one percent of their class.

The bourgeois character of the state flows from the capitalist nature of the relations of production, and is expressed in a special kind of state structure. This structure (hierarchical and centralized administration, apparatus of repression, etc.) is preserved everywhere, with the same officials still functioning, since the "purge" touched only the smallest fraction of them. The only exception is Yugoslavia, and to a lesser degree Poland. In these countries the people who made up the former state apparatus have almost completely disappeared, as a result of certain historical factors. Further proof of the bourgeois character of the state is the fact that the new state apparatus makes use of roughly the same structure as the previous apparatus did.

A. Bureaucratic Realization of the Socialist Revolution?

The facts thus prove the complete falsity of Leblanc's theory that the Stalinist bureaucracy would be compelled "objectively to carry through the socialist revolution in other countries." This theory is a complete petty-bourgeois revision of the Marxist-Leninist concept both of the state and of the proletarian revolution. The social origin of the personnel of the state apparatus is not what determines the nature of the state; on the contrary, the nature of the state derives from its structure, which is determined by the relations of production upon which it is based. "A policeman who is a 'socialist' is not a socialist but a bourgeois policeman," said Trotsky. Even if the majority of officials of the bourgeois state were members of the Stalinist party—which is not so in any of the buffer countries—the nature of the state would not thereby be qualitatively different.

The Russian state, it is true, long ago lost the structure characteristic of a workers' state; in *The Revolution Betrayed*, Trotsky emphasized the fact that its structure was approaching more and more closely that of a bourgeois state. But what we are dealing with there is a process of degeneration in a previously established workers' state. In 1917 the workers and poor peasants completely destroyed the framework of the bourgeois state, and they consummated this destruction in four years of civil war. Under the pressure of certain historical factors, their new state, far from "disappearing," has on the contrary experienced a fantastic growth. To believe that such a growth would have been possible without the prior destruction of the

* We know, however, that after the re-occupation of Estonia in 1944 the bureaucracy had to preserve temporarily the status of the landowning peasantry. It was only toward the end of 1945 that the collective farms were reestablished.

* For example, the big industrialist Paasikivi in Finland; Joseph Jahan, president of the Kreditanstalt in Austria; Tatarescu, the big oil trust figure in Rumania, etc.

bourgeois state means admitting in fact the reformist thesis of a "gradual" transition from capitalism to socialism. It must also be said that the reformists tried—quite correctly—to prove their incorrect thesis by pointing to the "gradual" growth of workers' democracy within the framework of the "democratic" bourgeois state. They, at least, understood that the socialist revolution means the taking over and management of the economy by a state which is in the hands of the masses. The entire Marxist conception of the socialist role of the proletariat is based precisely on the fact that economically, as Marx showed, and politically, as Lenin showed, the proletariat is the only class in society which, when it becomes the ruling class, can move on toward the gradual abolishing of classes and of the state. This mission of the proletariat is expressed precisely by the dominant role which the masses play in all the organs which are an expression and outcome of the socialist revolution. Thus Leblanc's revisionism strikes at both this conception, by claiming that the Stalinist bureaucracy can "take the place of" the proletariat "which is incapable of fulfilling its historic mission," and also the very concept of socialism, which is now to be thought of as meaning less and less control by the masses, less and less initiative for the masses and less and less freedom for them.

Finally, Leblanc's thesis completely revises the Trotskyist conception of the objectively counter-revolutionary role of the Stalinist bureaucracy both in Russia and in other countries. To be sure, the bureaucracy furiously "defends" the economic bases which issued from the October Revolution; this has been confirmed by the entire historical epoch which lies behind us. But it defends them *bureaucratically*, and the whole struggle of the Bolshevik-Leninists for twenty-three years has been based on the belief—verified at every turn of history—that "bureaucratic defense" of the collective property begets the degeneration of collective property; that "bureaucratic defense" of the planned economy undermines the latter increasingly; that "bureaucratic defense" of the economic bases of October speeds up the process of social differentiation leading to the formation of new exploiting pro-capitalist elements; that "bureaucratic defense" of the USSR drives the country from one diplomatic defeat to another, strengthens world imperialism, brings nearer the day of imperialist intervention in the USSR and deals mortal blows to the world proletariat. The whole struggle of the Bolshevik-Leninists against Stalinism has been based on the fact that its role is that of grave-digger of the world revolution and grave-digger of the USSR. And now suddenly this grave-digger is offered us as the one who will "objectively carry through the proletarian revolution." From the conclusions which Leblanc draws in his thesis it is clear that what we have here is a capitulation under the pressure of Stalinism—a very powerful pressure among the French intelligentsia—a capitulation resulting both from disillusionment in the absence of a victorious revolutionary movement and from complete lack of confidence in the revolutionary potentialities of the world proletariat. In consciously substituting the bureaucracy for the proletariat as the main revolutionary force in the world, Leblanc, in his point of departure as well as his reasoning and his conclusions, repeats twenty years later the sophistries which led the Stalinist leaders of the Comintern from one capitulation to another, all the way to open and cynical betrayal of the proletarian revolution.

B. Bureaucratic Imperialism?

At the other end of the rainbow of revisionist tendencies on the nature of the USSR and the bureaucracy, is the concept of Comrades Lucien, Guerin, Darbout, that "the policy of expansion is determined by the state structure and the need for internal accumulation of capital, i.e., by its imperialist character." We have already shown that it is incorrect to

compare the bureaucracy's participation in the "joint-stock companies" in the buffer countries, with the export of imperialist capital. We have also shown the diametrically opposite sociological consequences of imperialism's actions and the actions of bureaucratic expansionism. Just as it is false to determine whether there is socialism by abstracting the role and condition of the masses, so it is wrong to confine oneself to counting the number of policemen and prisons in order to determine the social role of intervention by a foreign country. The tendency toward structural assimilation is undeniable. This tendency does not stem from the need for "internal accumulation of capital," that is, from any pursuit of profits. It is precisely here that the essential economic difference between capitalist economy and Soviet economy lies. The central problem of capitalist economy is the problem of getting surplus-value—that is to say, the pursuit of profits (under the capitalist system accumulation of capital is the capitalization of the surplus-value; this can be achieved only if surplus-value is gotten). But with Soviet economy the basic question is expansion of production, independently of the matter of profits (the economist Leontiev, in an article published in 1943, acknowledges that between 1928 and 1935 the Soviet metallurgical industry operated at a steady loss and could not have survived and grown except with the help of state subsidies). Whereas imperialism consists essentially in the search for new spheres of capital investment in order to combat the tendency toward a steady decline in the average rate of profit, Soviet expansionism looks for sources of raw materials, finished goods, etc., independently of the question of profits, considering only the needs of production and of the planned economy.

On this question, it is typical that Comrades Lucien, etc., confine themselves to examining the bureaucratic repression in a wholly eclectic manner, without pointing out the social character of the repression, its aims or its significance. Thus the concepts of these comrades actually compare imperialist repression (for example, the repression of British imperialism in Palestine or in India) with the bureaucracy's repression which is directed first of all against elements of the possessing classes. These comrades are obliged to close their eyes to the latent civil war, that is, the class war, which is at the basis of the conflicts with Mihailovich in Yugoslavia, Mikolajczyk in Poland, the "traditional parties" in Rumania, the Agrarian party in Bulgaria and the Hungarian Smallholders party. To be sure, we—we too—oppose the methods which the bureaucracy and its Stalinist agencies use in their struggle against the possessing classes—though not because we find them "inhuman" or "terrorist," but, on the contrary, because we find them ineffective, weak, hesitant, made up of half-way measures which result from the bureaucracy's wish to substitute its police action for the revolutionary terror of the masses, and ending actually in rotten compromises with the bourgeoisie of these countries. The elementary duty of a revolutionary party is to distinguish the Stalinist terror against the class enemy from its terror against the workers' organizations, and not to furnish grist for the mill of the anti-Soviet campaign of the imperialist press, a campaign which is nothing but an instrument in the propagandist preparation for war.

In order to determine the social nature of a country, the dialectic method of historical materialism always starts from the situation in its entirety. To isolate one factor (the state, the political regime, etc.) from this whole and to set it up as the sole criterion for determining the social nature is absolutely contrary to this method. Fundamentally, the relations of property and production are decisive—but they are decisive only within the totality of development of these countries. To recognize the highly unstable and transitional situation existing at present in the buffer countries; to understand the internal logic of their development which is to a large extent determined

by the social nature of the bureaucracy itself; not to do violence to the facts which show clearly the essentially different tendencies of the bureaucracy in the occupied countries in relation to the tendencies of the imperialist bourgeoisie—these are the primary conditions for scientifically approaching the question of the “strategic bulwark.” The arguments advanced by Daniel Logan in his article “The Eruption of Bureaucratic Imperialism,” and taken over by Comrades Lucien, etc., cannot stand up against the facts:

a) Logan, and with him Lucien, claims that the Soviet bureaucracy’s policy in the buffer countries — which he determines from the “looting” and characterizes as “bureaucratic imperialism”—is the result of the parasitism of the bureaucratic caste, its squandering of the national revenue, which forces it, “lest the rate of accumulation fall to a ridiculously low level . . . to plunder means of production and labor power everywhere it can” (Logan). But this “squandering” is something we have recognized for 20 years. To the contrary, the main tendency of the “rate of accumulation”—that is, the tempo of development of the productive forces—between 1937 and 1940 was to decline steadily, but at the end of the war it made a sharp recovery and it will unquestionably continue to rise (independently of the consequences of the looting) for five or six years. Logan confuses the general tendency of the bureaucracy to constitute a brake on the development of the productive forces, with its tendency to become, at a certain moment, an absolute brake. Now, not only has this moment not yet arrived, but it has even been deferred as a consequence of the war and the devastations; it is clear, therefore, that the central problem—of reconstruction—which the bureaucracy now has to meet is a result of the war — a problem which a regenerated Soviet Russia would quite as much have to face—and not a result of the bureaucratic management of industry. The bureaucracy’s road to a fundamental solution is the road of bureaucratic planning, not the road of looting; furthermore, according to the unanimous opinion of all observers, the results of plundering the occupied countries will be only a minor aid in the reconstruction of the USSR.*

b) According to Logan and Lucien, the “policy of looting” is determined by the social nature of the bureaucracy. According to this, it would have to be a permanent phenomenon, a general tendency of the bureaucracy’s policy. But we see, on the contrary, that what is involved is a temporary phenomenon, the outcome of immediate necessities and of the panicky way in which the bureaucracy approached “reconstruction.” The permanent phenomenon and the general tendency are toward “structural assimilation,” which does not involve looting but, on the contrary, developing the productive apparatus. This has already been clearly revealed in all the occupied countries. Similarly, it is false to claim that “disintegration” of the proletariat of the occupied countries is an aim of the bureaucracy. In several countries, such as Poland and Yugoslavia, the number of workers employed in industry is already at the pre-war level, even though industry is working at only 50 percent of its pre-war capacity.

Along the same lines, it is altogether false to maintain that the Soviet occupation will have fundamentally reactionary economic and social consequences (retarding of the productive forces). Logan and Lucien are hypnotized by one phenomenon (plundering and stripping), but close their eyes to the nationalizations, the industrial development which is being given a powerful impetus by the trade agreements (these essentially agricultural countries will be increasingly forced to become providers of industrial products), etc. To be sure, the unstable and transitional situation of the buffer countries does not allow us to formulate definitive perspectives, but there is no

doubt in our mind that if the Soviet occupation should continue for some years and lead to structural assimilation, the result would be a development of productive forces far surpassing anything these countries have known in thirty years of capitalist evolution.

Logan and Lucien speak often of “the Stalinist terror which does not allow the slightest room for activity of the masses.” This is wholly contrary to fact (later on we will give a full list of these facts). This error springs precisely from the fact that these comrades do not understand the fundamental contradiction in the situation of the bureaucracy which, no matter what its hostility to the masses, is compelled to base itself upon them against the bourgeoisie.

C. Transitional Society and State?

Finally, it remains to get rid of a confusion which has arisen between the transitional situation existing in the buffer countries and the so-called transitional nature of the state and the economy. There are moments, to be sure, when it is extremely difficult to determine exactly the social nature of the state. These are precisely those moments when the social crisis has produced explosions that are in the process of changing property relations or that potentially involve such a change. The period called “dual power,” which has appeared in almost every revolution of the twentieth century, is just such a moment; but as long as the bourgeois state apparatus is not actually destroyed and as long as the workers have not actually seized the industries and expropriated the bourgeoisie, the nature of the state and of society remains basically capitalist, no matter what the inherent revolutionary possibilities in such a situation of dual power may be. There is no shadow of doubt that Lenin and Trotsky characterized the nature of the Russian state and economy on the eve of October as capitalist. The unstable and transitional character of a given situation—the expression of a crisis in the regime, a thermometer registering the degree of society’s fever—does not in itself change the social nature. Thus we must state precisely—and insist on this precision—that the buffer countries are still capitalist countries where, however, the revolutionary pressure of the masses, the pressure of the Soviet bureaucracy, the increasing number of reforms, the prostration of the possessing classes, the collapse of the economy—all these render extremely precarious the maintenance of capitalism which, nevertheless, cannot be overthrown without the active revolutionary intervention of the proletariat.

The phenomenon of the penetration of native Stalinist elements into the state apparatus is not new. But it cannot be compared sociologically with the formation of the Soviet bureaucracy, which was created on the base of a victorious proletarian revolution; rather it must be compared with the role of the fascist bureaucracy which, while partly expropriating the bourgeoisie politically, and allying itself with those bourgeois elements most disposed to such an alliance, maintained and defended bourgeois property itself. The role of the new state bureaucracy (recruited from widely varying sources) which Stalinism has brought to power in countries such as Yugoslavia and Poland is in several ways comparable to the role of the fascist bureaucracy. But it differs on an essential point: while doing all they can to maintain temporarily the bourgeois character of property relations, the native Stalinist bureaucrats remain continually exposed to the pressure of the proletarian masses who constitute the broad mass base of their parties; their final goal remains the structural assimilation of their countries into the USSR, under conditions where this would not confront the Soviet Union with the threat of immediate military intervention by imperialism or of a general revolutionary upsurge of the proletariat. It is precisely this two-fold, contradictory character of the native Stalinist bureaucrats—on the one hand, agents of bourgeois law and order and

* A large part of the equipment taken out was destroyed en route.

property, and on the other hand, more or less involuntary agents of structural assimilation—which, although simply reflecting the contradictory character of the Soviet bureaucracy, nevertheless make it extremely difficult to judge the social nature of the buffer countries.

This is why we believe the term “dual power,” as between the native Stalinist bureaucracy and the bourgeoisie in the buffer countries, is inappropriate and leads to confusion. “Dual power” presupposes the existence of organs of power of two competing classes. It must be clearly stated: the penetration of the bourgeois state apparatus by the bureaucracy of the Stalinist parties does not yet constitute an element of dual power, although potentially it involves such an element. Only when the latent conflict between the bourgeoisie and the bureaucrats of the Stalinist parties produces an explosion of some kind and thereby provokes wide-scale intervention on the part of the proletariat—only then may the presence of Stalinist agents in key state positions become one of the elements of a dual power created by the action of the masses.

8. THE COUNTER-OFFENSIVE OF CAPITALISM

We have just pointed out the unstable character of the present situation: in the long run, the bureaucracy's tendency toward structural assimilation of the countries it is permanently occupying must collide more and more violently with maintenance of the bourgeois state and property. We have also pointed out that the native bourgeoisie, firmly backed up by world imperialism, is beginning to react, and that the Stalinist bureaucracy, in the face of the counter-offensive of capitalism, finds itself compelled more and more to appeal to the masses in order to achieve its aims.

The counter-offensive of capitalism has passed through two stages:

a) **A political stage.** From the time of the Yalta Conference, that is to say, from the moment when defeat of German imperialism was assured, Anglo-American imperialism, although temporarily tolerating Soviet occupation of the buffer countries, weakened the Stalinist grip on the state apparatus by demanding and obtaining the formation of coalition governments. Recognized representatives of the bourgeois parties were installed in the governments of buffer countries where the big bourgeois parties no longer played a role: the agreement with Subasich-Grol in Yugoslavia; with Mikolajczyk in Poland; the installing of representatives of the opposition in the Rumanian and Bulgarian governments. At the same time, Stalin promised free and secret elections in all the buffer countries. Since the policy of plunder had alienated the large petty-bourgeois masses from the workers' parties, these elections resulted in such striking victories of the “right-center” bourgeois parties in Austria and Hungary that the Soviet bureaucracy had to retreat and limit itself to getting Communist representatives in the government. We should note that in those countries where control of the state apparatus by the native Stalinist parties was much slighter, the Soviet bureaucracy itself was compelled to intervene directly in order to win its demands on such questions as reparations or “military security.”

b) **An economic stage.** One year later, the balance sheet of the Stalinist bureaucracy's policy of plunder is revealed as a catastrophe for the buffer countries. Not only has the economy of most of these countries been unable to rehabilitate itself, because of the lack of capital reconstruction—which cannot draw on Soviet assistance since the USSR itself lacks industrial machinery—, but the result of the looting has been to endanger the entire development of production and even the regular payment of reparations. The bureaucracy has therefore been compelled to change its course, and its policy of removing equipment, reduce requisitions and even give a certain amount

of credits in the form of shipments of raw materials. Insofar as this has not sufficed to rehabilitate the economy of these countries, their governments are forced to turn to imperialism. Guarantees are given for indemnities to the nationalized foreign properties. The security of new foreign investments is likewise guaranteed. Yugoslavia, which a few months ago took a strong stand against foreign investments, is now trying to attract them; a British credit agreement has been made in Poland; the dollar is penetrating behind the Iron Curtain through loans to Poland and Hungary; Yugoslavia is looking for a loan from France; Rumania is again turning to the Belgian capital market. This new penetration of capital into the buffer countries, though conducted prudently and cautiously at first, will not be slow in producing decisive political and social results. Clearly this is the strongest brake on the structural assimilation of these countries.

It is on the basis of the economic developments outlined above, and the disillusionment and hostility of the masses resulting from the Stalinist policy of plunder and of curbing the proletarian movements, that we must analyze the revival of an aggressive reactionary spirit on the part of the conscious vanguard of the bourgeoisie in the buffer countries. Like the bureaucracy and like the vanguard of the proletariat, the most conscious elements of the “native” bourgeoisie understand full well that the present situation cannot be indefinitely prolonged. Seeing the change in attitude of English and American imperialism, they too have decided to proceed to a political counter-offensive against Stalinism, and more than that, against the working class as a whole. In Poland, Rumania and Bulgaria, this offensive of the bourgeoisie has openly taken semi-fascist forms, including the formation of armed bands, assassination of working-class leaders, sabotage of workers' meetings, etc. In Rumania, King Michael—decorated by Stalin—is the center of the counter-revolutionary conspiracy. In Bulgaria, a recent letter of our comrades informed us of the public activity of the fascist party which is growing rapidly and is based on the officer caste that is practically intact. In Yugoslavia, where the bourgeoisie was rendered impotent by three years of civil war, the church forms an important center of the reaction. In Poland, the reactionary coalition has its “legal” base in the church and Mikolajczyk's Peasant Party, but it also has illegal ramifications in the emigration and the “underground” terrorist Armja Krajova. Finally, in Hungary and Austria, the reactionary forces, avowed supporters of a bonapartist regime, share power with the Stalinist and reformist parties while waiting for a change in the relations of international forces which will make it possible for them to try to crush these parties.

9. THE APPEAL TO THE MASSES AND THE FUTURE OF THE “BULWARK”

The extremely critical situation of capitalism in the buffer countries at the present moment, allows not the slightest room for the existence of a more or less normal “bourgeois democracy.” Withdrawal of the Soviet occupation troops, far from bringing more “democracy,” would result in a terribly bloody civil war. Victory of the bourgeoisie in this civil war would establish a dictatorial regime that would leave the “horrors” of the Soviet occupation far behind; we need only remember Horthy's white terror or the regimes of King Alexander in Yugoslavia and King Boris in Bulgaria. We say this, not to “excuse” the barbarous policy of the bureaucracy, but to point out its origins and to reduce the situation in these countries to a schema based not on a “humanitarian” criterion but on the social criterion of the class struggle.

It is from this point of view that we must understand why in the present stage of events the Soviet bureaucracy has been increasingly compelled to appeal to the action of the masses.

We have pointed out above the reasons for this development. Here we will confine ourselves to enumerating the important events:

a) In Germany: The bureaucracy launched a furious campaign for "socializations" (nationalizations under workers' control) in Saxony. It promised not to remove equipment from the "socialized" factories. A plebiscite on this question gave a large majority for nationalizations.*

The bureaucracy put the purge in the hands of committees elected in the plants and working-class districts; elections of plant committees were really secret—so "secret" that the Communist Party was badly defeated in the Russian zone in Berlin. The bureaucracy made successful efforts to organize large mass meetings on the unification of Germany. These meetings are not at all to be compared with meetings held in the "totalitarian" countries: all observers agreed that what was actually involved was an attempt to mobilize the masses against Anglo-American imperialism (for example, the propaganda tour of the Berlin Stalinist leaders through the English and American zones).

b) In Austria and Hungary, the Communist Party after its electoral defeat embarked on an all-out demagogic "leftist" campaign on the question of food and wages. It called for workers' control of production, control of food-rationing by popular committees from the working-class quarters, carrying out of the purge by these committees, etc.

c) In Yugoslavia during the Mihailovich trial, in Rumania during the Antonescu trial, and in Bulgaria during the trial of the three regents, the Stalinist bureaucracy made a wide appeal to the masses. There were demonstrations and huge meetings; trade union delegates, delegates from the partisans, etc., came to the trials to protest against the delays and the capitalist appeals for pardon, etc. It is erroneous to compare these movements with the "engineered" movements at the time of the Moscow Trials. It is clear that a working class in full revolutionary upsurge cannot be "engineered" by a few thousand GPU agents in just a year's time, when it took ten years of Stalinist terror, a continuous retreat of the working-class forces on a world scale, and in Russia an enormous growth of the repressive apparatus, to bring the Russian proletariat to the point of prostration.

d) Every time there was an incident or demonstration provoked by the counter-revolutionary forces in Rumania and Bulgaria (and, to a lesser extent, in Hungary also), the Communist Party and the trade unions called on the masses for a counter-demonstration, and up to now they have succeeded each time in bringing tens if not hundreds of thousands to their feet. †

But as the working class begins—even if under the impulsion of the Stalinists—to reorganize and prepare for a new offensive, the Stalinist terror also begins to work its havoc in the ranks of the proletariat. In just the last few months there have been the arrests of the Social-Democratic leaders in Germany and Bulgaria, the anti-Trotskyist and anti-trade union terror in Bulgaria, the persecution of the Rumanian Social Democracy. Only an inveterate formalist is incapable of understanding that these developments are intimately complementary: to the extent that Stalinism is compelled to appeal to the masses, precisely to this extent is it compelled to increase its pressure within the working-class movement, to try

to eliminate every independent tendency in the working-class movement, and the more difficult it becomes for it to achieve this goal.

The future of the "strategic bulwark" of the USSR must be viewed essentially through the mechanism of the class struggle and its development. Whatever physiognomy and whatever decisive role the class struggle may give the bureaucracy in determining the destiny of these countries, Stalin himself is no more than a transmission agent for the contradictory social forces which are in such violent conflict with each other. Until now the actions of the bureaucracy have chiefly demoralized the working class, squandered an enormous political capital, artificially dislocated the relations of forces which condemned the bourgeois regime to death; but insofar as the bureaucracy has brought about these results, it has at the same time laid the base for the counter-offensive of the bourgeoisie which is determined to oust the bureaucracy completely from the buffer countries. American imperialism follows the developments from afar, intervenes diplomatically and stands ready to grasp every opportunity to reopen these countries to exploitation by American capital; but as long as the world proletariat, and especially the English and American proletariats, remain undefeated, it cannot undertake a war to reconquer the buffer countries. The struggle around the green table, perhaps accompanied occasionally by isolated military actions, will in the next years seem to decide the destiny of these countries. Actually, this decision will depend on the development of the living forces on the arena of the class struggle.

Since the bureaucracy is incapable of rehabilitating through its own help the economy of all the buffer countries; since it is incapable especially of making a sufficiently broad appeal for anti-capitalist action, an appeal embracing nearly half the European proletariat (if the German workers are included)—which is the only way of achieving complete structural assimilation on a similar scale in each country—; it is therefore extremely doubtful at this moment that the bureaucracy can and even wishes to continue its occupation of all the buffer countries. On the contrary, it is probable that in all the countries where there has not been a start toward structural assimilation (Finland, Hungary, Austria, Rumania, Bulgaria), the Russian troops will quit the scene in one place after another, fairly unobtrusively, leaving behind only espionage agents in the army, the police and the economy, who, in more and more unfavorable conditions, will be gradually ousted unless a new revolutionary upsurge of the "native" proletariat radically changes the situation. The occupation of Poland and Eastern Germany will certainly be maintained so long as the situation there has not brought about the establishment of a regime like that in Yugoslavia, that is, a regime where the "native" Stalinist party has in its hands complete control of the social life. All of these countries, including Yugoslavia, will however be exposed to an especially powerful pressure from imperialism; it is not excluded that in this case the Communist Parties, basing themselves firmly on the revolutionary aspirations of the masses, will move forward and abolish the remnants of bourgeois power and property. But from whatever angle we view it—and this is particularly true for Czechoslovakia, which for more than a year has experienced a genuine dual power—, in the last analysis only the revolutionary action of the proletariat can determine the final crushing of capitalism in the buffer countries. That is why in these countries, more than anywhere, every phase of work and the entire policy of the Fourth International must be inspired by the necessity of aiding this revolutionary movement; that is why defense of the USSR in the buffer countries moves along essentially the same road as in any capitalist country; that is why the slogan of "immediate withdrawal of the Red Army troops" here acquires all its importance.

* We put the word "socialization" in quotation marks because we are somewhat sceptical about the nature of this "workers' control"; there is insufficient information to form a judgment.

† A correspondent of the London Daily Herald who was at one of the demonstrations in Prague when the nationalizations law was being voted on, said that it was the most impressive demonstration he had ever seen, and compared it with the demonstrations on May Day and July 14, 1936 in Paris and the great May Day parades in Red Vienna, etc. No one can seriously maintain that the Czech proletariat — one of the most conscious proletariats of Europe, and in full upsurge — had been "driven" into these demonstrations by some secret police force.

III. The Nature of and the Defense of the USSR

I. BALANCE SHEET OF EVENTS

More than ten years have passed since Leon Trotsky, in *The Revolution Betrayed*, worked out in definitive form his analyses on the social nature of the USSR and the Stalinist bureaucracy. In the last ten years a huge number of events relating to the Soviet Union and Stalinism have unrolled. It is time to draw the balance sheet of these events and to see what evidence they can give us on the question of the nature of the USSR.

A. On the Nature of the USSR

1. The Hitler occupation of vast territories of European Russia demonstrated beyond all question the different social nature of the USSR from that of the capitalist countries. The occupation of Poland by the Nazis and parts of Germany by the English and American imperialisms, although often leading to a complete change in the individuals and groups owning the means of production, did not bring about any overturn of property or production relations: the German capitalists took over the Jewish enterprises; the American capitalists bought up the I. G. Farben plants, etc. On the other hand, in order to be able to take over the Soviet factories, the German capitalists had to break the Soviet "combines" and "state trusts," they had to change the collective property into private property, divide the collective farms, legally reintroduce the right of private ownership in the means of production. Similarly, reoccupation by the USSR of regions previously occupied by imperialism, as well as the incorporation of new territories into the Soviet Union, have everywhere required overturning property and production relations. Once we admit the different social nature of the USSR from the capitalist countries, it is simply playing with words to pose again the question of "state capitalism." Actually, under these conditions state capitalism becomes a qualitatively different social system from private capitalism, and all the other questions — ruling class, progressive or reactionary regime, etc. — remain to be solved, since no analogy can be drawn with private capitalism (for example, the slogan of "revolutionary defeatism" is in no way a "logical" conclusion, since this slogan stems solely from the different social nature of private capitalism in its imperialist stage!).

2. The qualitative set-back of the productive forces caused agriculture in Western Russia, even after reoccupation by the Red Army, to move from Soviet relations of production and property to capitalist production and property relations. This confirms the conclusion driven home by the tempo of the planned industrialization as well as by the extraordinary resistance demonstrated by Soviet economy during the war: the Soviet social system is a superior social system, that is to say, progressive in relation to capitalism, making possible a general and over-all development of the productive forces in all sectors of the economy — something which is no longer realizable in the world of decadent capitalism. It is the progressive character of Soviet relations of production which demands their defense against the attempts to replace them with capitalist relations of production, and not the emotional value of the "working-class" label which attaches to the Soviet system. To call Russian society a "bureaucratic" society while at the same time recognizing its progressive character in relation to capitalism, does not solve but on the contrary confuses the question of "defense of the USSR," since in this case we would be dealing with a new progressive class!

B. On the Nature of the Bureaucracy

3. In the classical terminology of Marxism a class is a group of people which plays a given and "necessary" role in

the productive process in a given historical epoch. The relations between the different classes are expressed in different property relations (the feudal nobility is a class characterized by ownership of the land as against a more or less natural economy; the bourgeois class has a monopoly of ownership in the means of production as against the working class which owns only its labor power, etc.). Every possessing class corresponds to a given level of the productive forces, to a given form of property and to a necessary stage in the historical process. Now when the proletariat becomes the ruling class it is characterized by collectivization of the means of production; its rule corresponds to the post-capitalist stage of society and development of the productive forces. If we admit that the bureaucracy also constructs "its" society — post-capitalist — on the basis of collectivization of the means of production and thus makes possible a development of the productive forces, we then have to revise either the Marxist conception of classes or the Marxist conception of the proletariat as the only class capable of advancing society beyond capitalism. To say that in special historical conditions — isolation of the revolution, backwardness of the country, famine and scarcity of all consumer goods, etc. — a new possessing class inevitably had to be born (Shachtman, Ariat, etc.) solves nothing, for this does not explain the passing of power from the proletariat to another class without any change in the relations of production and property.

4. For determining the social nature of the bureaucracy, events have given us the following evidence:

a) It is a social group essentially unstable in composition. The 1940 purge, for example, cleaned out half of the People's Commissars and more than 130,000 out of 210,000 trade union bureaucrats.

The profound political crisis of 1945, the "liquidation" of the influence of the new military caste, the new wave of purges and trials, knock the bottom out of the reckless statement that the war contributed to the "stability of the leading layer" in the USSR.

b) It is essentially unstable in position. Attempts have been made to stabilize privileges (new laws on inheritance, new regulations on education, etc.), but these changes in no way assure the automatic continuance of privileges during one's lifetime and for one's family, which only property ownership can grant.

"The bureaucracy has neither stocks nor bonds. It is recruited, supplemented and renewed in the manner of an administrative hierarchy, independently of any special property relations of its own. The individual bureaucrat cannot transmit to his heirs his rights in the exploitation of the state apparatus. The bureaucracy enjoys its privileges under the form of an abuse of power. It conceals its income; it pretends that as a special social group it does not even exist." (L. Trotsky.)

c) It is essentially unstable in ideology. All the analyses which come to the conclusion that the "new possessing class" has constructed its "own" ideology based on chauvinism, have been exploded by the new "left turn," the official offensive against "ultra-chauvinism" and the return to a new falsified edition of "Marxism-Leninism."

d) It is essentially unstable in policy. The last years, far from showing a tendency toward the crystallizing of some "constant" in the bureaucracy's policy, have on the contrary sharpened the zigzag course of its political evolution in every field. The source of this contradictory character of Stalinist policy must be found in the contradictory social nature of the bureaucracy.

e) Despite all its hatred of the proletarian revolution and despite its frankly counter-revolutionary role, the Stalinist bureaucracy has been compelled to base itself on the proletarian

masses, and to foster the development of civil war in the occupied countries whenever its special economic and social interests force it to make attacks upon the native bourgeoisie.

f) The bureaucracy has been completely incapable of bringing any new element into the social life of the country. It has only been able to exploit the economic base — product of the proletarian revolution — with methods of oppression and plunder borrowed from the former possessing classes — methods which are the product of the isolation of the revolution in a backward country.

g) Contrary to all predictions of supporters of the thesis of "state capitalism" or "bureaucratic class," and contrary to the assertions of Leblanc and Lucien, the cracks which appeared in Soviet economy and in the bureaucracy at critical moments, were the result of the tendencies toward a return to private capitalism. Far from being a "new type of exploitive society," the USSR thus remains essentially a society in evolution between private capitalism and socialism (or "a progressive society in relation to capitalism"; to admit that there can be other societies progressive in relation to capitalism, besides the society which issues from a socialist revolution, means to completely revise Marxism!).

C. Conclusions

From all these facts it flows logically that the bureaucracy is not a new homogeneous class, but a social group without its own economic base, a caste whose contradictory component elements are developing on the one hand toward a return to capitalism and on the other hand toward progress to socialism.

5. The practical application of the policy of defense of the USSR has not, contrary to the predictions of its opponents, led any section of the Fourth International to concessions to social-patriotism in the imperialist countries "allied" to the USSR. On the contrary, all the sections of the Fourth International have been able to integrate their policy of defense of the USSR with their revolutionary strategy which is formed of an intransigent internationalism. They have all subordinated defense of the USSR to defense of the world revolution, and condemned (not justified) the counter-revolutionary interventions of Stalinism in the countries occupied by the USSR and elsewhere.

6. All the negotiations around the question of the American loan to the USSR, and the publication of the views of the U. S. Senate committee on this matter, confirmed — if confirmation were still needed — the thesis that American imperialism wants to destroy the basis of Soviet economy in order to bring the Soviet Union within its market and its field for capital investment. Will Comrades Lucien, etc., who maintain that "the antagonism between the USSR and the U. S. comes within the same frame as the contradictions of world capitalism," deny that a war of the United States against Russia will have for its aim the reestablishment of private property in the means of production, destruction of the planned economy, etc.? Would this constitute — yes or no — a set-back of the productive forces?

From all the points outlined above there flows inevitably the fundamental exactness of the Trotskyist analysis of the Russian phenomenon: the Russian state remains a degenerated workers' state, the degeneration of which has moved gradually in the direction of reestablishment of capitalism, though it is still a long way from this end; the bureaucracy remains a parasitic caste, a growth on the proletariat, with a certain tendency to stabilize its privileges but unable to accomplish this except by overturning the property relations which issued from the October Revolution.

The "new" arguments which have been brought against this analysis cannot stand up against either the facts or Marxist

theory. Leblanc idealizes the Soviet bureaucracy,* assigns it a progressive role, denies that the proletarian revolution must pass over its corpse. Now historical experience has demonstrated that in every field the bureaucracy's parasitism, its squandering and plunder, its stifling of the initiative of the masses and all critical spirit, its retrogressive education, its monstrous police terror — all these counteract, curb and even neutralize to a certain extent the action of the economic and social factors which resulted from the October Revolution. Not only can the proletarian revolution do no other than pass over the corpse of Stalinism — since the latter is the main counter-revolutionary force in the world — but the real alternative, far from being "American imperialism or Soviet bureaucracy," remains more than ever: either the proletarian revolution, passing over the corpse of Stalinism, will save the USSR by crushing American imperialism, or the latter, crushing the world proletariat, will at last pass over the corpse of the USSR and of Stalinism. Leblanc's theory is simply a bridge to the position of the deserters from Trotskyism who affirm the "socialist" nature of Soviet economy, where the level of development of the productive forces (productivity of labor, consumption by the masses) remains far below that of the most advanced capitalism and where a monstrous inequality grows constantly instead of diminishing with the progress of production.

Lucien and the others believe that the juridical forms of property are only "superficial." They do not, however, explain to us how any bureaucracy can "assure" its privileges and how it can transmit them to its descendants. According to them, "the planned economy has no significance outside of the question of power." Do they think that a genuine planned economy is possible without collectivization of the means of production? Is it really "without significance" that the planned economy was able to quadruple industrial production in Russia in the space of ten years — the same ten years when the over-all production of all the capitalist countries, advanced or backward, was either retarded or in a manifest condition of stagnation? Comrades Lucien, etc., judge the USSR emotionally. Like Logan, they are filled with horror at the crimes of Stalinism. Naturally we share completely these worthy sentiments, but we refuse to make them the criterion for judging the social nature of a state. Logan himself recalls, quite appropriately, that the collectivization of agriculture by the bureaucracy involved far more victims than all the crimes committed since then. Nevertheless its objective result was, in the end, the development of the productive forces. We believe there has been no change in this matter, either in the methods or in the objective results of the bureaucracy's policy.†

2. DEFENSE OF THE USSR AGAINST IMPERIALISM

In order to "clear the ground" on this question, the central controversy in the International, let us first state precisely

* It should be remarked that all the theories involving the class nature of the bureaucracy end in this kind of idealization and attribute to the bureaucracy the role of industrializer of Russia.

† On a number of occasions Lucien and the others have ventured confused explanations on the question of surplus value. It is obvious that during the entire transitional period between capitalism and socialism, the rate of surplus value will be extremely high, in order to make possible a rapid development of the productive forces. Even in a communist society there will be a very large "surplus product" not distributed to the producers: society's reserve funds, maintenance of the sick, the old, etc. What characterizes a class society is not the existence of a surplus product undistributed among the producers, nor even the unequal sharing of this surplus product. The class structure of a society determines the property relations governing the appropriation — and the specific method of appropriation — of the surplus product by the possessing class. It is precisely because in the USSR this appropriation does not flow from the relations of production that we say the bureaucracy robs production and thus undermines the bases of collective property and the planned economy. This kind of appropriation can be eliminated without transforming the relations of production.

what "unconditional defense of the USSR" does not mean for a Bolshevik-Leninist:

1. It does not mean to be silent about, to hide, to excuse or to avoid condemning any crime of Stalinism, whatever it may be or wherever perpetrated.

2. It does not mean being silent about or hiding any political difference with Stalinism, nor abandoning the policy of ceaselessly unmasking the Stalinist leaders as avowed enemies of the proletarian revolution. The tactical question of how to conduct the struggle against Stalinism may differ from one country to another (from France to the United States, for example); but the basis of this struggle, its content, remain everywhere the same.

3. It does not mean to support any given movement of Soviet troops, any diplomatic maneuver of the Kremlin, when these go against the interests of the proletariat.

4. It does not mean abandoning anywhere any principle of the class struggle. Wherever the Russian army may intervene to support the bourgeois state or property, the Fourth International will assist the proletariat in opposing by every means, including arms, such counter-revolutionary intervention.

5. It does not mean the slightest abandoning of revolutionary defeatism in the capitalist countries allied with the USSR.

6. It does not mean automatic acceptance of any given political, economic or military measure taken by the bureaucracy in the course of a war against imperialism. On the contrary, it denotes critical analysis of every one of these measures and, in accord with this analysis, constant struggle against every act contrary to the interests of the proletariat, a struggle which can take all forms, including at certain moments armed insurrection, when the overthrow of Stalinism becomes an immediate necessity for carrying on the war.

After this process of elimination, the definition of the formula "unconditional defense of the USSR" in the present situation, becomes easy. It means: If a war should break out between the USSR and one or several of the imperialist countries, the Bolshevik-Leninists will fight with all their strength for victory of the USSR, since defeat would mean reintroduction of capitalism into Russia and would involve a terrible setback of the productive forces.* Understanding that victory in such a war is possible only as an outcome of the victorious struggle of the proletariat, the Bolshevik-Leninists will subordinate their military struggle against imperialism to the political interests of the world socialist revolution, just as they subordinate their political struggle against the bureaucracy to the requirements of military defense of the USSR (proceeding to insurrectional struggle when that becomes a military necessity).

At the present moment we are in the stage of propagandist preparation of the imperialist war against the USSR. The task of defense of the USSR, integrated with our general revolutionary strategy, demands that we expose all the imperialist preparations for forming an anti-Soviet bloc, stock-piling their munitions of war, seizing strategic bases under various pretexts, covering themselves hypocritically with lying slogans from the mouths of slave-owners, such as "defense of democracy," "defense of the small nations," etc.

* It is wrong to oppose the progressive character of the relations of production in Russia to the so-called "reactionary" character of the state which up to now has defended — to be sure, in a hesitant, contradictory and insufficient manner — these relations of production against both internal and external enemies. As Trotsky said: "The predominance of socialist tendencies over petty-bourgeois tendencies is guaranteed, not by the automatism of the economy — we are still far from that — but by political measures taken by the dictatorship. The character of the economy as a whole thus depends upon the character of the state power." We have seen what unfortunate use Logan and Lucien have made of this last sentence torn from its context. For them, this would mean that a "barbarous" state could convert a progressive economic base into a reactionary one. For Trotsky, on the other hand, it meant that the Russian state, despite its monstrous degeneration, continued to guarantee the progressive character of the economy and thus remained fundamentally progressive, working-class.

3. THE STRUGGLE AGAINST THE BUREAUCRACY

But this propaganda can be carried on effectively only if we unreservedly condemn Stalin's barbarous interventions in the buffer countries; only if we show, with concrete examples, that the Stalinist policy is as ineffective for the USSR as it is fatal for the proletariat; only if we endeavor by every means to dissociate the cause of communism and of the USSR from Stalinism, the gangrene of the workers' movement and of Soviet Russia.

In the buffer countries, the cause of "defense of the USSR" demands the liberation of the workers' movement from the killing weight of Stalinism; unless the class struggle is consistently carried on in these regions, integral assimilation of the countries into the imperialist bloc is only a matter of time. The slogan of "immediate withdrawal of the occupation troops," tied to the slogan of carrying on and broadening the revolutionary struggle against the tottering bourgeoisie, is required both in order to achieve the liberation of the workers' movement from the Stalinist grip and to halt the increasing demoralization of the proletariat which results from the reactionary policy of plunder, police control and counter-revolution of the Stalinist occupation forces. This reactionary policy will inevitably throw the petty-bourgeois masses and even many working-class layers into the arms of the parties which are agents of imperialism — unless the revolutionary proletariat itself resolutely fights this policy.

But at the same time the Fourth International must be careful not to confuse the revolutionary struggle for withdrawal of the Russian occupation troops, with any kind of aid to the anti-Soviet bourgeois reaction which aims to destroy the reforms introduced since the end of the war. We oppose the looting, the dismantling and removal of machinery; but we will try to extend and deepen the nationalizations, demanding the abolishing of indemnities, expropriation of the banks, generalization of workers' control and management. We refuse to support petty-bourgeois or bourgeois cliques "sympathetic" to the USSR. We fight the Stalinist terror against the workers' movement; but at the same time we will be in the front ranks against the Mikolajczyks, the Yugoslav Royalists, the Bratianus, etc., and we will try to demonstrate in action to the proletariat that the revolutionary struggle of the masses against the reaction will win far greater successes at infinitely less cost than the Stalinist police intervention.

4. WHITHER THE USSR?

Marxist prognosis concerns itself with the internal logic of development; it deals with tendencies, orientation, the direction of development. As such, it may "predict" a transformation of quantity into quality (war, revolution, etc.) which "doesn't take place"; but the prognosis is not really invalidated unless it can be proved that the development has changed in direction. In any other case, what is involved is an error in tempo and extent, not a real error in analysis.

Isolating Trotsky's famous prediction* from the entire Trotskyist analysis as a whole, Shachtman and now Lucien, etc., try to show through this the "bankruptcy" of the concept of the degenerated workers' state. Actually, they prove only that they have never understood the meaning of this prediction. It is absolutely false to maintain that it was based exclusively on "the assumption of the existence in Russia of a certain instability of social relations, which the test of war would inevitably accentuate." Trotsky never followed the Stalinist charlatans in their elucubrations on the so-called "laws of development of the USSR, in a sealed enclosure, independently of the rest of the world." On the contrary, Trotsky al-

* "In either case the war will lead to Stalin's downfall!"

ways insisted on the fact that the bureaucracy and its continuance in power in Russia were the expression both of the defeats of the world revolution and of the temporary inability of imperialism to overthrow the remaining conquests of October. According to him, the war would finally break this unstable equilibrium. A new revolutionary upsurge would produce a heightening of civil war on the world arena — and as a reflection of this, a violent social crisis in the USSR — ; and, leading either to conquest of power by the proletariat in a number of countries or to complete victory of imperialism, it would thus put an end to Stalinism, in the first case through the regeneration of Soviet democracy, in the second through restoration of capitalism.

This prognosis has been fundamentally confirmed by events. We have seen a world revolutionary upsurge, although at a much slower tempo and much more spasmodic than we had hoped. The sharpening of class contradictions on the world arena as a result of the war is expressed in the USSR by a profound economic, social and political crisis. But nowhere has the revolutionary upsurge led to the conquest of power by the proletariat; on the other hand, imperialism for its part has nowhere succeeded in smashing the proletariat in a decisive defeat. Only insofar as the world class struggle has temporarily resulted in a draw, has the bureaucracy been able to maintain itself in power. The world pressure of the proletariat is great enough to check for the moment every attempt at armed imperialist intervention in the USSR; but this pressure is still too weak to undermine the bases of Stalinism and to assist the Russian working classes in getting rid of the dictatorship of the bureaucracy.

The fate of the USSR, which has not yet been decided, will be decided on the world arena of the class struggle. With the end of the war we entered upon a whole revolutionary epoch which will last a decade or even more. The conclusion of this epoch will determine the fate of the USSR. Another general defeat of the world proletariat like the defeats of 1923-38 — and particularly, such a defeat in England or the United States — will inevitably lead to the colonization of Russia by American imperialism. The outbreak of the Third World War, in which the main stake will be this colonization, remains basically dependent on the prior crushing of the proletariats and the colonial peoples. For this reason, as we have already pointed out in connection with the fate of the buffer countries, we believe that — without excluding the possibility of isolated military actions — the period we have entered will be first of all a period of propagandist and diplomatic preparation for war. The imperialist offensive will remain on a political and diplomatic plane, while using to the fullest every means of economic pressure. The revolutionary vanguard of the proletariat thus receives a new breathing spell — perhaps the last — in which to group around itself the most advanced sections of its class, to temper itself in political experience won now in direct and active intervention in the class struggle, to utilize every opportunity for raising the class struggle to a higher stage.

Essentially of the same nature as the error of the "ultra-left" comrades on the "stabilization" of the bureaucracy's power, is the opportunist error of those who seriously believe in the possibility of the USSR surpassing the productive level of American imperialism.

If the USSR emerged from the war as the first military power of Europe and of Asia, it also emerged economically weakened. As we have said, the most optimistic predictions anticipate that in 1948 industry as a whole will have surpassed the 1940 level, while for agriculture the figures of the Plan itself for 1950 are in many cases below the 1940 figures. On the other hand, the American productive apparatus emerged from the war with a doubled capacity, and will have a supplementary expansion during the few postwar boom years. This means that even if we incorporate in advance the economy

of all the buffer countries within Soviet economy — which is most unlikely to happen! — the spread between the industrial production of the United States and of the USSR is very much greater in 1946 than it was in 1940, and will still be so in 1950, though slightly less than in 1946. Far from being able to "overtake" American production, the most optimistic perspective for the USSR can at best look forward to "overtaking" the new lag which resulted from the war. So far as the productivity of labor is concerned, this new lag is even more marked, since the decline in labor productivity in Russia is greater, in absolute figures, than the decline in production.

But even this reasoning is still too superficial. It would be quite pointless to draw two curves, one of American production moving from the postwar boom to a grave depression, and another of Russian production gradually rising according to a rate of accumulation calculated on the basis of the first four Five-Year Plans. Actually, the possibilities of the bureaucracy gradually developing the productive forces on the basis established by the October Revolution, are strictly limited, in both an economic and a social sense. The bureaucracy was able only to introduce into an extremely backward country "the most important elements of capitalist technique," a task which consisted of borrowing, imitating, transplanting and grafting (Trotsky). Even at that stage, the bureaucratic management of economy involved an enormous squandering of the social product, and thus relatively checked the growth of the productive forces. But at a certain stage the bureaucracy is transformed from a relative check into an absolute check on the development of the productive forces. At that stage a higher level of production requires a rise in the cultural level of the masses and in the productivity of labor, and these higher levels are incompatible in an absolute way with the bureaucracy's plundering of the surplus product and its police-crushing of the initiative of the masses. At this point workers' management of industry becomes an immediate and absolute condition for a new growth of the productive forces. That this point is neither "theoretical" nor very far off has already been clearly demonstrated by the rapid decline in the rate of accumulation after the Second Five-Year Plan.

On the social arena, the impossibility of a continued development of the productive forces under bureaucratic management is still more evident: the higher the level of production rises, so much the higher does the bureaucracy — the only beneficiary of the progress achieved — pile up its privileges. The more these privileges increase, so much the more necessary it will be for the bureaucracy to tighten the police vise in order to defend its privileges from the masses, and all the more inclined the bureaucracy will be to attempt stabilization of these privileges by overthrowing the property relations of October. On the other hand, as this process unfolds, the possibility of the bureaucracy further developing production declines, the importance which its role assumes in the eyes of the proletariat declines, the confidence and the will to struggle of the masses increase, and their desire to seize their part of the surplus product becomes the greater. The culminating point in the sharpening of social contradictions corresponds to the economic limits of production under bureaucratic management. At a more or less parallel tempo, these two processes will alike mark the interment of the Stalinist regime in the USSR.

The war unquestionably, under the given concrete conditions, prolonged the life and the objective role of the bureaucracy. Economically, the devastation gives it the possibility of raising production for another decade. Although on the right it has had to give a large measure of freedom of action to the new military caste, the bureaucracy has without doubt acquired a renewed prestige in the eyes of the masses, the prestige of successful defense of the collective property, the prestige of victories won on the fields of battle. The war also gave the bureaucracy another "respite." If we review the different generations of the Russian proletariat since 1917, we see the fol-

lowing picture: The first generation, which "made" the revolution and the civil war, was thereby broken both physically and in its fighting energy; the second generation bore all the weight of the defeats of the world revolution, with its youthful days lived under the sign of famine and the most elementary struggle for existence: this was the generation which was actually vanquished by the bureaucracy; the third generation, born after 1917, has given evidence of a much stronger spirit of independence and criticism as against the bureaucracy: it was at the moment of its maturity, that is, around 1940, that most observers fixed the possibility of a revival of the workers' struggles in Russia. But this third generation has been gravely affected by the war. The proletariat alone lost 6 million dead and countless disabled; its composition has been completely differentiated with the huge influx of women, foreigners and forced laborers. It will need a half decade in order

to reestablish its cohesiveness. Coinciding both with a growth in assurance and confidence as a result of victory in the war and with the reestablishment of a minimum of well-being as a result of fulfillment of the Fourth Five-Year Plan, this moment will likewise coincide with the moment of profound social crisis in the USSR resulting from the nature of the bureaucracy. The Russian working class will at that moment recover again its energy and its revolutionary will to struggle of the past. But right now the discontentment of the masses has become a positive factor in the social life in Russia. Whether the workers' struggle there will go through a long molecular process of isolated actions, stamped out before they burst through, or whether it will be slow in taking shape and then suddenly break out in a gigantic explosion, in the last analysis it will follow, like the oscillating needle of a pressure-gauge, the increasing or diminishing pressure of the world proletariat on its enemies.

The USSR and Stalinism

By LAURENT SCHWARTZ

I. The Internal Situation in the Soviet Union

1. ECONOMIC STRUCTURE

The fundamental nature of the economy is this: It is a planned economy based on a low level of the productive forces. We will briefly outline (following *The Revolution Betrayed* and Bettelheim's *La Planification Soviétique*) the characteristic features of this economy.

A. Positive Features

It is clear that, historically, the positive features are consequences of the October Revolution. By virtue of favorable objective and subjective circumstances the October Revolution overthrew the capitalist regime in Russia. It destroyed the political power of the bourgeoisie, who have not reappeared on the scene during 29 years (an entire generation), despite all the difficulties the country has experienced.

The economic power of the bourgeoisie of course did not fall all at once on October 25, but it was no longer supported by political power; and the new leaders immediately had to "direct" a large part of the economy. It is important to recall the main stages:

a) The attempt to set up a regime of state capitalism under workers' control (nationalization of the banks, the press, the land).

b) With the civil war, "military communism" (complete nationalization, workers' management, prohibition of trade, requisitions).

c) In 1921, the NEP (New Economic Policy), which restored freedom to trade, circulation of currency, small and medium private industry.

d) Starting in 1928, an increasing drive for collectivization, and the beginning of the great Five-Year Plans which not only oriented but organized production and distribution. We should remark that this important stage was realized—tardily and brutally, but effectively—by the already consolidated bureaucracy. But clearly the bureaucracy was able to accomplish this only by virtue of the relation of forces created by the October Revolution.

Soviet economy today has two characteristic features:

a) Collectivization of natural resources and the means of production:

This is not the place to analyze the features of this collectivization, but there is no question of its extent. Bettelheim

cites the following figures: in 1936 the socialized economy represented 99.1 percent of the total revenue and 97.7 percent of the output of agricultural raw materials (the latter figure including the product of the collective farms, although they are not purely socialist but rather cooperative enterprises); 95.3 percent of the crops were collectively cultivated on the collective farms or the state farms.

b) State monopoly of foreign trade.

These two fundamental characteristics have made possible a planned system of production, distribution and foreign trade. There is no aspect of economic life which is not planned, executed and controlled under the guidance of the planning commission.

The advantages of planned economy no longer have to be demonstrated theoretically. They have been revealed in practice in a growth of the productive forces which would otherwise have been impossible. (In particular, the Soviet Union did not share in the world crisis of 1929.) It is well known that the most striking indices of growth are in industry. Between 1928 and 1936 coal production rose from 35 to 136 million tons, compared to 29 million in 1913. The growth of heavy industry is especially noteworthy: the total power of tractors built in 1936 was 171 million kilowatts as against 1.3 million in 1928. In the field of transportation, shipment of goods rose from 93 to 322 million ton-kilometers. Agriculture was relatively stagnant during this period, due to the sudden technical changes introduced by collectivization, and the unequal distribution of forces provided for in the plans. But the following years showed agricultural production progressing and conforming more and more to the plans.

The technical achievements of this economy dazzled the eyes of the whole world during the war. Today this economic system makes it possible for the USSR to make a more rapid recovery than any other country; it is held back not by financial obstacles but only by the unavoidable material difficulties resulting from the vast destructions, and by the political difficulties which we shall discuss later. Despite these difficulties, the Soviet Union is today one of the first economic powers in the world. Only the United States unquestionably surpasses it.

B. Negative Features

Trotsky made an illuminating analysis of these negative features in *The Revolution Betrayed*.

He showed their historical origin in the defeat of the

European revolution after World War I and the consequent political and economic isolation of the Soviet Union. Russia was an economically backward country, and certainly could not realize what Marx called socialism, the first stage of communist society. We know that in such a stage the level of production must be high enough to satisfy the needs of the workers—not unconditionally as yet, but high enough so that there is no oppression of the majority and so that state pressure can diminish and the state itself begin to “wither away,” to use the well-known formula. It has been correctly said that there cannot be socialism (in the true meaning of the word) with poverty: since production was insufficient in Russia, it was necessary to impose widespread measures of compulsion by means of a state apparatus. In order to guarantee the march and progress of the economy, certain industries had to be given privileged positions; but what developed was primarily a process of differentiation of social layers, a fatal process when a struggle for existence is going on. Those who had any power, and especially the top officials, used it first of all—thanks to the NEP—to guarantee themselves the maximum of stability and personal benefits. Thus was born the bureaucracy, whose political traits and whose destiny we will analyze later. We can see already that its existence is a direct consequence of the low level of the productive forces and the accompanying low level of culture and output.

The bureaucracy, in turn, reacted upon the productive forces. We have said that it was able to bring about a considerable—and brutal—development of these forces. That it is still to some extent capable of this is shown by the present pace of reconstruction. But at the same time it sets limits on the productive forces by its methods, which we shall describe further on. One basic reason is precisely that its existence is bound up with this low level. Not only was the low productive level the cause of the bureaucracy being formed, but if there should be a rise in the productive forces the bureaucracy's position would be shaken by the improvement in the cultural and political level and the consequent inevitable revival of democracy among the masses. The beginning of such a development could be observed in the years 1935-1936. A slight improvement in the standard of living, and more, the stability of the social-collectivist system, found their reflection in a certain reawakening of political life among the masses, which threatened to crystallize their discontent in a revolutionary direction. One reason for the Moscow Trials and the wholesale persecution of the Old Bolsheviks was the need to crush this budding opposition.

In saying this, we are endeavoring to point out the relationship between the living standard and the bureaucracy, and we do not pretend to be indicating a present or even approaching danger for the latter; for by its own special methods it can prevent any rebirth of democracy for a long time, while, most importantly, the dominant factors of armaments, war and the other products of capitalism, prevent a real rise—indeed quite the opposite—of the living standard in the USSR.

The low standard of living is not actually willed by the bureaucracy; it is perpetuated, on the one hand, by the predominance intentionally given to heavy industry, for economic, political and strategic reasons; on the other hand, by factors which check the whole economic development. The chief of these are:

—appropriation by the bureaucracy of a sizeable proportion of the national income and production;

—mistakes in drawing up and carrying out the Plans; bureaucratic waste; in the countryside, the unbalanced growth of the collective farms;

—the low technical level and low output (which inevitably go together) resulting from the inadequate standard of living

and of culture, and from the poor organization of labor. This has been combatted and improved in certain fields (the annual productivity of a foundry worker rose from 253 tons in 1932 to 740 tons in 1937). The Stakhanovist movement had mixed results. As a whole the productivity of labor must still be low. A significant indication on this question as well as on many others is the economic importance that forced labor in the concentration camps has acquired, where the regime greatly reduces the output. Even the war is not enough to explain how slave labor can compete with or even seriously supplement the labor of the other workers. It would be important to have current and authentic data on this question. But the chief obstacle the bureaucracy puts in the way of growth of the productive forces is its retarding of the European and world revolution which alone, through universal planned economy, will be able to dislodge Soviet economy from the rut of so-called “socialism in one country.”

C. Conclusions

From an examination of the economic premises as well as from a description of the economy, it follows—and there is complete agreement on this among us—that the economy of the Soviet Union is not socialist. Trotsky long ago exposed the official lies on this question and analyzed their political function.

Nevertheless the Soviet system of planned economy works with great success and resolves many of the contradictions in which capitalism flounders: it is not a capitalist economy. We disagree with the remarks of R. Guerin that crises in the Soviet Union are avoided only by expansion of war industries, as in a capitalist country, and that their cause—the low level of consumption by the masses—remains. Certainly there is underconsumption by the masses; but if the national income is invested in war industries, if exports are increased, this is done deliberately, for specific economic and political reasons, and not at all because the economic system makes it economically impossible for the workers to enjoy the fruits of their labor. Planned economy makes it possible precisely for the internal market to absorb the production, since profits (which have not disappeared) are collectivized and controlled and no longer have the anarchic character of individual capitalist profits.

Despite the shackles of the bureaucracy, Soviet planned economy is totally different from the controlled economy of fascist or other countries where capitalism with almost all its contradictions is preserved. Comparing Hitlerism with Stalinism seems to us as false economically as it is correct from the standpoint of totalitarianism and bureaucratization. Nevertheless, a confusion between collective planned economy and “controlled” capitalism dominates the thinking of many of our contemporaries, especially those who believe—or want to believe—that capitalism can little by little be brought under control, and then engulfed through bureaucratic and authoritarian measures. That is how many Stalinists today view the road to socialism in France where, despite the war, capitalism has not lost ground; and all the more in Czechoslovakia, where it has lost ground. We will return to this neo-reformism.

On the other hand, we have to attach prime importance (as Daniel Logan does) to those social and political factors which are as inexorable a brake on the development of the Soviet Union as the mechanism of capitalist economy would be.

2. SOCIAL AND POLITICAL STRUCTURE

A. The Fate of the Former Bourgeoisie

The bourgeoisie was politically eliminated by the October Revolution. Its strength in industry became negligible beginning with 1928. In the same period its power in the rural areas was demolished (the “dekulakization”).

The Russian bourgeoisie was a small class with little cohesiveness. The top circles—in particular, the aristocracy, diplomats and upper clergy—left the scene in 1917, that is, 29 years ago. In the course of a generation these de-classed émigré elements have necessarily undergone changes, and where their traditions still exist they have degenerated. They might rally to a social regime in the USSR, but they could in no way be the motive and decisive elements in it.

The industrialists, technicians and former functionaries, who for long preserved their economic privileges, have already been integrated into the new regime; and we must recognize the political and social importance of this integration. At the present time these elements are not detaching themselves en masse from the new social layers, but function within these layers, though as people with a different past. Perhaps the remodeling and the intermixture have been less definitive in the rural areas, but the rural bourgeoisie—if the kulaks may be so called—did not distinguish themselves from the other peasants by a higher cultural level and, isolated in the countryside, they did not form a tightly shut class. However that may be, those who were left after the “dekulakization” now form part of the peasant class.

We thus see that there exists no dispossessed Russian bourgeoisie ready to return on a large scale as a class. All the important social elements are those which presently constitute the different layers of Soviet society—and it is from this starting point that the social strata of the future will differentiate themselves. The present layers, even if they include elements or descendants of the old bourgeois minority, come essentially from other classes, petty-bourgeois, peasant and working class—the latter having had the decisive role in the beginning.

B. Political Reasons for the Emergence of the Bureaucracy

The most characteristic social feature was the differentiation of a social layer which rose steadily above the others. We have already seen the economic causes of its existence. The social and psychological causes have also been analyzed in **The Revolution Betrayed**: exhaustion of the proletariat, in its individuals and its energies, after the tense years of revolution and civil war; disillusionment as a result of failure to get revolutionary assistance from abroad. A widely-felt need for settling down isolated the Bolsheviks, who saw success only in extension of the revolution. Furthermore, alongside a proletariat “demobilized” both figuratively and literally, the NEP restored the importance of petty-bourgeois elements. The building of socialism in one country was accepted by those who wanted to make a better life for themselves alone. But to accomplish this they could not accept the law of equality, they had to hang on to their privileges, extend them, raise themselves above the masses.

Unable to attack directly the economic causes of the bureaucratization, Lenin and Trotsky called for political measures which they hoped would retard the process until the victory of the proletariat abroad. In their opinion, the antidote had to come from a reorganization of the party, the strengthening of its internal democracy which would safeguard the working class from the corroding action of privileges. But the party itself suffered this corroding action, and for the same reasons; evidence of this was the appointment of leaders all up and down the line not from among the most tested elements, but from the most inactive, those who did not demand too many sacrifices from themselves or others, who were, in sum, already bureaucrats. These elements gave each other mutual support and were able to keep as General Secretary of the party the one among them who was at the same time an Old Bolshevik: Stalin. After Lenin's death they dealt a mortal blow to the party by opening its ranks widely to new elements. “What was

involved,” Trotsky explained, “was swallowing up the revolutionary vanguard in a human mass without experience or personalities and, as compensation, accustomed to obeying their leaders.”

Thus the power and the corruption of the bureaucracy grew. Trotsky estimated that in 1936 from 12 to 15 percent of the population belonged to the privileged layers. As for the inequality in wages, an important symptom of differentiation, we know that it is greater than in the capitalist countries. The great mass of workers live in conditions which the workers of capitalist countries would not tolerate.

C. Dual Character of the Bureaucratic State

We have seen that the bureaucracy was constituted of the officials who were needed to administer the economy. Because of the low level of the productive forces, administration of the economy brought with it monopolization by and formation of a privileged layer with state power in its hands. Hence flows the dual character of the state:

a) On one hand, it lives by administering the collectivized economy; it has to defend it; in administering and defending this economy, it serves the historical interests of the world proletariat. To these ends, it employed police measures against the remnants of the old classes (dekulakization), but its principal and progressive weapon has been fulfillment of the great Five-Year Plans which placed the economy upon firm foundations, gave it the strength of a long-functioning system, and won for it the confidence of the people. We must include, in the bureaucracy's defense of the economy, its defense of the Soviet Union against imperialism—a defense which the bureaucracy conducts by methods which we shall return to later.

b) On the other hand, it has to preserve the privileges of the bureaucratic minority and, consequently, to oppress the majority. Capitalist classes possess capital, which automatically gives them economic and hereditary supremacy. The bureaucracy does not possess this economic privilege, but for many years it has had all the other instruments by which the bourgeoisie maintains itself as a class. The inheritance laws permit transmission of all the bureaucracy's acquisitions and its habits of comfort. Still more important, the recent laws repealing free higher education are giving the bureaucracy almost a monopoly of culture and technique. Following the decree of October 2, 1940, 600,000 students of poor parents had to quit school since they were unable to pay. These basic measures lessen competition among students to the advantage of the bureaucrats' children, allow all the supporting props of the bureaucracy to operate fully in their favor, and give the bureaucracy the privilege and prestige of culture.

Correlatively, cultural opportunities for the rest of the population are restricted. The great advance given to popular education by the Soviet regime and even the bureaucracy itself should not be forgotten: this admirable advance is directly bound up with the progressive nature of the October Revolution and the new economic regime. But now, cultural development is being checked by classic methods: religion, cult of the family and lowering of the position of women, laws against abortion—not to speak of the increasingly gross and stultifying political propaganda, the prostration produced by an atmosphere of toadyism, suspicion and stoolpigeoning, and above all the elimination of all communist ideology in favor of the crudest kind of chauvinism. Things went to such a point that the Soviet-German pact with its parade of shameful statements could pass without any serious opposition being manifested. Parallel with the growth of the bureaucracy, democracy disappeared from political life. The party, the Soviets, the trade unions—all bureaucratized—ceased to play any role. The political regime became a totalitarian and police regime.

Police measures do not play the secondary role that they

did, for example, in the bourgeois democracies of the 19th century. They constitute one of the principal methods of governmental action, even more than in the time of the Czars. The tragi-comedy of the Moscow Trials has been analyzed both politically and psychologically. The secret activity of the police is a still more powerful weapon. Finally, there has been a fearful increase in the number of prisons. The horrible figures given by Daniel Logan, who estimates the number of prisoners as between 8 and 15 millions, must be checked. The studies of Rousset on the Hitler concentration camps show that all such camps are subject to their own laws which automatically convert them into hells where all the inhabitants degenerate. We should remark that Rousset portrays them as a tragic caricature of present-day societies, especially bureaucratized societies. The bourgeoisie eagerly identifies Stalin's regime with Hitler's. From an economic standpoint this is, as we have seen, totally false. From a police standpoint—which is also important—it is correct; for in both cases we find the highest level of modern technique in the physical and moral exploitation of man.

D. Bonapartist Character of the Bureaucracy

Since the formation of the bureaucracy, the government has made great use of the contradictions in the system. Internally, these contradictions derived mainly from the chronic disequilibrium between the cities and the country, the existence of living revolutionary forces within the proletariat, the inertia of the great mass, and the hostility of the former possessing classes which had not yet been integrated within the other classes. The government thus appeared as an arbiter with a bonapartist character: Stalin, one of the architects of the October Revolution, raised himself above the classes liberated by this revolution, in order to subjugate them.

Today the native bourgeoisie plays no appreciable role: the main opposition to the Soviet proletariat comes from the world bourgeoisie — and the bureaucracy tries to hold these two forces in check. During his regime Napoleon III likewise exerted a check, on the one hand, on the bourgeoisie which had not yet acquired full power and reached its full strength, and on the other hand, on the proletariat which threatened to pursue its revolutionary course. But there is a fundamental difference: Napoleon III acted as arbiter in favor of the bourgeoisie, which held the economic levers and deemed it wiser to leave the political and military power in his hands so long as they did not feel sufficiently strong; but as the bourgeoisie little by little grew in strength, bonapartism lost its usefulness, its base contracted, and it finally fell and gave way to genuine parliamentary governments of the bourgeois class. Of course the bureaucracy is in no respect founded upon the power of the bourgeoisie; it neither arbitrates nor governs for the benefit of the latter nor does it turn over to it the economic power. On the contrary, when it appeared it was founded upon the power of the proletariat; but the proletariat relinquished not only political and military power but also economic power to the bureaucracy. As a result, the proletariat grew weaker and weaker, thus allowing the bureaucracy to extend its base and to make itself more and more indispensable; and now, far from being able to overthrow it, the proletariat is obliged to entrust it more than ever with the military defense of the country and defense of the collectivized economy. Because Stalinist bonapartism has followed a course so different from the typical bonapartism we described, it follows that the Stalinist bureaucracy displays profoundly different features from those of the other bonapartisms, especially as regards its stability.

E. The Question of the Bureaucracy's Stability

We have seen that the fundamental explanation for the Soviet bureaucracy's existence lies in the economic and political role it plays among the various opposing forces within the USSR

and throughout the world. Thus its duration and its stability are bound up with the duration of these opposing forces, and especially with the duration of the cataclysmic period in which capitalism, torn by contradictions, prolongs its power by every method against the proletariat still incapable of conquering it. At bottom the essential factor in the stabilization of the Soviet bureaucracy is the low level of political consciousness of the Soviet and world proletariat, coupled with the weakening and confusion of the world bourgeoisie, that is, the putrefaction of decaying capitalism. This stability in its turn serves to lower the level of proletarian consciousness. Moreover, we know that the weakness of the Fourth International is directly connected with the weakness of the world proletariat. It is because we recognize, on a historical scale, the transitional character of this epoch, that we consider the bureaucracy a transitional phenomenon on a historical scale, and that we do not propose to call the bureaucracy a class. It is because this epoch has proved to be a long one, that we must recognize a relative stability in the bureaucracy. All other factors of stability or instability flow from this. We will try to assign these other factors their correct place in the general historical process.

a) Factors of Instability

The Stalinist bureaucracy has no counterpart in any large foreign country; we will show in Part Two that despite appearances this situation is unlikely to change — and this renders the bureaucracy the more vulnerable.

Divergent tendencies exist within the bureaucracy itself. Having already crushed every tendency even remotely favorable to proletarian democracy, the Stalinist bureaucracy is now able to curb the right wing which crystallizes the capitalist restorationist tendencies. But Stalin, in whose person the bonapartist character of the bureaucracy has its full flowering, can pass from the scene; and most important, the capitalist tendency which exists especially on the collective farms is once again open to encouragement from the U.S. where many circles still hope for peaceful or semi-peaceful conquest of the Russian market, despite the failure of the Yalta policy. The present situation of Soviet economy seems to be very serious, and the support of American capital may be more or less indispensable; this could only increase the instability of the bureaucracy and the tendencies toward capitalist restoration.

b) Factors of Stability

An overly aggressive policy on the part of the imperialist powers would, on the other hand, draw the various social layers closer around the bureaucracy. This was the result of the brutal policy of German imperialism in 1941 when its terrible onslaught profoundly shook the Soviet apparatus. There were large-scale surrenders and tremendous confusion within the country, but, contrary to his actions in France, Hitler did not seek to utilize these divisions or to encourage the backward elements; the pillaging of the occupied territories, the destructions and atrocities, made it clear to every social layer, up to and including the White Russian émigrés, that defeat meant certain annihilation. The necessity for the most vigorous defense strengthened the bureaucracy and in particular the military bureaucracy. We must not overlook the importance of these factors; they are what drove the Poles, however divided and infected with fascism, to defend themselves against Hitler's armies; they are the factors which, in the other camp, prolonged the power of Hitler, whom the Germans clung to when, if not for the implacable attitude of the Allies, they would otherwise have capitulated.

This brutal policy of imperialism is a purely external and, to a certain extent, an accidental factor in the bureaucracy's stability. But if the bureaucracy met the test of war, it was also because it had gained considerably in internal stability, es-

pecially since 1936, the year that Trotsky wrote *The Revolution Betrayed*. Let us review some of the factors in this stability:

1. For twenty years the bureaucracy extended and intensified its economic, political, military and police power. Fascism has given an example of how a police apparatus makes it possible for a bureaucracy, of whatever kind, to prolong its life-span.

2. The bureaucracy grew in numbers until in 1936 it comprised 10 to 15 percent of the population.

3. Although not every member of the bureaucracy invariably piles up profits, the law allows transmission of their possessions to their children.

4. And the law accords these children almost a monopoly on education.

Parenthetically, we want to answer those who say we over-emphasize the present stability of the bureaucracy. The undeniable fact that, contrary to the predictions of the Fourth International, the bureaucracy met the test of the war, has not been admitted by everyone. Some make a point of Stalin's enormous difficulties at present, and the obvious fact that the war intensified the fundamental antagonism between the USSR and the capitalist world; others go so far as to say that "the curtain is going up on the last act of the imperialist war" (Hirt, September 8, 1945) and that the present struggle between the USSR and the Anglo-Americans is therefore part of this war. How can we make any theoretical progress if the common meaning of an expression is distorted for the sake of argument? As though one can't emphasize the numerous facts which confirm and strengthen previous positions of the Fourth International, and at the same time analyze those events which might alter our ideas on certain important points. Trotsky himself showed that he was always ready to submit his ideas to the test of contemporary history.

We object to the systematic confusing of immediate perspectives with historical perspectives, and to the neglecting of the factors of stability which to a large extent determine our immediate actions. We know only too well that if we do not recognize them in time and clearly, we are doomed to error and impotence. That is why we were astonished to read in the resolution adopted by the majority of the April 1946 International Conference, the phrase "bonapartist Stalinist clique." From everything we have seen, the term "clique" has not the slightest justification today. We attach all the more significance to the use of this term because it occurs in connection with the slogan of "immediate overthrow," which we will criticize further on.

3. PERSPECTIVES

A. Possible Developments

From the characteristics of Stalinism it follows that a change in the government would mean nothing unless there were a change in the whole leading layer.

In *The Revolution Betrayed* a still valid analysis was made of the social and economic transformations that would ensue from a restoration of capitalism or, on the other hand, from a return to the dictatorship of the proletariat.

a) Retrogressive Developments

A return to capitalism would involve a true social revolution changing property relations and bringing in its wake a train of famines and other catastrophes. However, it would not mean the reestablishment of a liberal bourgeois economy but rather a return to capitalist slavery, the form of which would be dependent on the form of world capitalism. The totalitarian structure and the planned economy would be destroyed, but entire sectors would be taken over bodily under the domination of foreign trusts or governments.

Whether capitalism returned peacefully or behind a shower of bombs, it would not find enough elements ready to replace

the present bureaucrats and it would have to make use of the latter. As we have seen, capitalism is already trying to attract a section of them into its orbit; we know there is an entire right wing, including especially the higher officers, who would be quite ready to sacrifice essential weapons of the planned economy in a compromise with the imperialists. This right wing is at present held in check, but it relies on the not insignificant forces of disintegration, on the rich elements whose already legalized fortunes create in them the urge to use these fortunes for increasing their income and their power. The changes of experience during the war and the occupation of the buffer countries taught many of these rich people "the advantages of capitalist investment"; other groups learned that in many capitalist countries the living standard was higher than in the USSR, though they are unaware that present-day capitalism is not responsible for this superiority. On the collective farms the individualistic element was always powerful, but it grew even stronger during the war when the collective farms had the right to sell part of their produce at arbitrarily high prices on the official black market; it was strengthened also because of the lack of machines which alone can give meaning to collective farming. This was the case in the devastated regions from which the working population had to emigrate eastward, only to return and find the destitution still vast (6,000 tractors left out of 90,000 before the war). Attempts have been made to improve the situation in these regions by systematically looting the buffer countries, but this has turned out badly (for example, livestock died en route). Reconstruction of housing has had to be delayed. Widespread discontent exists, small pieces of land are farmed individually, and there is danger of disintegration of the collective farms. It will be instructive to see how this major crisis is solved. In any case, the bureaucracy is not a homogeneous unit; events will inevitably cause it to crack apart; and when such a split occurs, the question of ownership of the means of production will have to be resolved one way or the other.

The war caused repercussions throughout the Soviet Union, as a result of the terrible economic losses: two-thirds of the pre-war production of coal and three-quarters of the iron and manganese output, in the occupied areas. During and since the war, assistance from the United States was necessary. The orientation changed in the immediate postwar period: during this era of peaceful collaboration with imperialism, significant indications of the favoring of capitalist tendencies could be observed — inheritance laws, decentralization, and above all, delay in planning. International antagonisms were such that this policy had to yield to a policy of firmness and aggressiveness. Despite the zigzags, which may again change the political picture, this provides a rich lesson. It proves — and there is abundant evidence to confirm this — that although the bureaucracy no longer believes in the revolution, it nevertheless recognizes in general that the planned economy is its principal weapon on the world arena.

The policy of the bureaucracy coupled with the inertia of the world proletariat may some day result in the economic pressure and military threat of the imperialisms becoming considerably greater than the capacity of the bureaucracy to defend the USSR. The bureaucrats will then say: "Better to collaborate with imperialism than to perish." There would then be a political shift similar to the one at the time of the German-Soviet Pact, but sharper and more long-lasting.

b) Progressive Developments

A return to the dictatorship of the proletariat would bring about important economic reforms, but not a social revolution and not changes in property relations. As Trotsky stated in *The Revolution Betrayed*, the proletariat "would retain and further develop the experiment of planned economy." On the other hand, from a political standpoint the restoration of pro-

letarian democracy would be a revolutionary undertaking in view of the present power of the Soviet bureaucracy.

The preparation for revolution in the USSR must be an unceasing struggle, though what form the struggle will take is difficult to determine from the outside because of the totalitarian and police nature of the government. But however illegal and primitive and even dispersed the struggle may be, it must become identified with the formation of a revolutionary party, the Russian section of the Fourth International, operating of course in illegality. The transitional tasks put forth by this party will be those tasks which in many places can be undertaken immediately and which will advance the Russian proletariat toward political consciousness and political organization, without which it will not be able to take advantage of any favorable circumstance for overthrowing the bureaucracy. Among these immediate tasks we point out the following: defense of the collective and planned economy against the capitalist tendencies and against the wretched bureaucratic administration; equitable revision of wages; renewal of contact with workers' parties and trade unions abroad; defense of proletarian internationalism against the chauvinist poison; struggle for restoration of the conquests of October, especially on the questions of inheritance, education, religion; and above all, struggle for the reestablishment of proletarian and Soviet democracy at every level (legalization of all Soviet parties).

It is highly unlikely that such an opposition could succeed in overthrowing the bureaucracy without the assistance of revolutionary movements in the rest of the world. The bureaucracy's police stranglehold, infinitely more effective than Czarism's, and especially the lack of international support, will prevent any really powerful development of the opposition so long as the present relationship of forces persists. But if oppositional work has been sufficiently pushed and extended, it could, with the help of changes in the world conjuncture and especially proletarian victories in other countries, grow strongly and swiftly and succeed in overthrowing the bureaucracy. Thus preparation for the revolutionary overthrow of the bureaucracy moves along the road of the world class struggle, and requires a revolutionary level not yet reached. It is in this way that the proletariat outside the Soviet Union can act very effectively, though indirectly, to facilitate the return of the USSR to the road of socialism. Organization of revolutionary struggle must be the immediate aim of the world proletariat. The revolutionary overthrow of the bureaucracy, which will be a consequence of this struggle, cannot be looked for in the immediate future any more than we can expect the immediate overthrow of some of the well-established bourgeoisies.

Now, in the above-cited resolution of the April 1946 International Conference, we read in capital letters (our emphasis): "While calling (on the Soviet proletariat) for the immediate overthrow of the bureaucracy, the Fourth International does not revise its position on the character of the USSR as a degenerated workers' state." And before this: "Thus the best defense of the USSR becomes more than ever a question of the struggle for the immediate overthrow of the bonapartist Stalinist clique and the spread of the proletarian revolution." The slogan of immediate overthrow is here specifically stated; but we have seen that at the present time it is an absurdity. It doesn't seem quite so absurd when the expression "bonapartist Stalinist clique" is used instead of "bureaucracy," since the overthrow of a "clique" can be more easily envisaged. But as we have seen, the bureaucracy is not a clique.

Perhaps it will be said that it is a question of estimating the tempo more or less correctly; but once again we point out that estimations of tempo can be of utmost importance. What is required in our opinion is to correct a position adopted too hastily by the Conference where a thorough discussion was not possible.

B. Application of Defense of the Soviet Union

The expression is often heard: "We defend the Soviet Union because it is a workers' state although degenerated"; or else, "because of what remains of the October Revolution." We must understand, on the one hand, what is meant by these expressions, and on the other hand, we must realize that it is never the past which we defend but rather the possibilities contained in the future. Conservative phraseologies conduce to hiding this fact.

a) We say that there exists in the USSR a progressive economic system which is indeed an outcome of the October Revolution. This is a well-functioning system, so solidly established that in the conquered countries Hitler could not succeed in setting up another economic system in its place. We want this system to survive because it represents progress over all other economic systems in the world, and, despite its imperfections, contributes to upholding the technical and cultural level of humanity. Moreover, it can be a highly favorable factor in the world revolution, for it makes it possible for the revolutionary proletariat to take power without bringing about economic overturns and crises of production, and thus it will be of assistance to those countries where such overturns and crises are unavoidable.

We also want it to survive because its downfall would open up a huge market for world capitalism, thus prolonging capitalism's existence.

From this standpoint, defense of the Soviet economic system, like defense of the colonial peoples, is no less than a form of attack against capitalism.

Thus so far as the Soviet Union itself is concerned, what we want to defend is essentially its economic and social structure.

b) Defense of the Soviet Union today against imperialism. The problem depends essentially upon what one considers the greatest "immediate" danger for the Soviet Union. Here again we have to consider separately the position of the Russian proletariat. It is not unaware of the threat of armed aggression which imperialism today directs against every social layer in the USSR and also against its economy. It ignores this threat still less because its activities, unlike revolutionary action in a capitalist country, are not aimed at overthrow of the economy of the country but rather at strengthening it. Nevertheless, the "immediate" enemy at present is the bureaucracy, and the proletariat must not make peace with the bureaucracy under the pretext that a united front is necessary, but must carry on the consistent opposition work we have mentioned.

The question of defense of the USSR as it confronts the proletariat today in the imperialist countries is altogether different. Except for the proletariat in the occupied territories, which we shall discuss later, they have no contact with the bureaucracy, for the big shots of the native Communist Parties do not serve as intermediaries. It has, on the other hand, direct contact with world imperialism, the great enemy of the collective economy.

The proletariat of the imperialist countries takes special note of the diplomatic and military preparations for armed aggression (for example, the Bikini experiment). But actually this aggression is directed at the bureaucracy as well as against the economy it administers. Defense of the Soviet Union, in its simplest and most immediate form and as it is actually felt by the progressive sectors in the imperialist countries, thus merges defense of the planned economy with defense of the Stalinist bureaucracy, whether this defense is projected through maneuvers within the governments or through the class methods we call for (which in their further development would make possible the revolutionary overthrow of the bureaucracy). Now, we are "for" the planned economy and "against" the Stalinist bureaucracy. Which of these two factors has the greater weight? That is the difficult problem which defense of the USSR today by the proletariat of other countries brings up, a problem which

cannot be evaded by subtle distinctions. Our position is the one Trotsky formulated on the eve of the war in approximately these terms: "Our struggle against the bureaucracy is subordinate to defense of the collectivized economy in the USSR." And he added: "Defense of this economy is itself subordinate to the struggle for the world revolution."

c) Defense of the USSR on a historical scale. The Soviet Union and its economy cannot be maintained indefinitely in the present state of equilibrium, and will inevitably collapse if victory of the proletarian revolution does not establish world socialism.

It is this truth which is at the basis of Trotsky's second sentence quoted above. It is this which explains how we may sometimes proceed against the interests of the immediate military defense of the USSR. To give two significant examples, this may happen even in time of war (revolutionary defeatism in countries allied to the USSR) or when the USSR is directly threatened by imperialism (today we support the workers of

the buffer countries even when they are opposed to the USSR). Of course, when the Soviet Union is in danger we would not risk weakening its power except in the most important junctures of the class struggle. When we apply this hierarchy of importance, defense of the Soviet Union becomes simply a part of the struggle for the world revolution; but it remains to assign defense of the USSR to its correct place in this struggle, and this is an extremely difficult matter. We will criticize later an aspect of Leblanc's October 1945 document in which he maintains that defense of the Soviet Union must take precedence today over everything else.

Whatever else we may say, we must ceaselessly explain that it is the class struggle, the struggle for the world revolution, which dominates everything else. To rephrase the sentence of the International Conference cited above, we say that **defense of the Soviet Union on a historical scale becomes more than ever a struggle for the world revolution and the overthrow of the Stalinist bureaucracy.**

II. The Role of the USSR in the World

1. THE DUAL CHARACTER OF SOVIET FOREIGN POLICY

The foreign policy of the Soviet Union is characterized on the one hand by the antagonism of the USSR toward the capitalist countries, and on the other hand by its hostility to the world revolution. This corresponds to what we — along with Trotsky—have called the dual character of the bureaucratic state, which administers a non-capitalist, planned economy and at the same time pursues a counter-revolutionary internal policy.

From this simultaneous opposition to the two great historical forces between which the fate of the world hangs in balance, flow the features of the Kremlin's foreign policy: "centrist" oscillations between an ultra-leftism which reached its extreme around 1930 and an opportunism which went to the extent of the German-Soviet pact of 1939; contradictions and instability revealing that this policy of equilibrium can find no solution.

A. The Antagonism Between the USSR and the Capitalist States

a) The causes of the antagonism are:

1. The fact that the planned economy closes the Russian market to capitalist enterprise, at a time when the internal contradictions of capitalism are more than even displayed in capitalism's inability to distribute its production according to a plan, and in its need of always looking for new markets.

2. The impossibility of socialism in one country. Planned economy makes possible a rational distribution of products and to a very large extent avoids the necessity of turning to foreign markets. But this does not at all mean that the USSR can ignore the rest of the world. It needs foreign products, technical assistance, etc., and it is especially subject to the constant pressure of the imperialisms — a basic obstacle to its harmonious development. The tempo of the armaments race is set by the high technical level of the big capitalist countries — Germany before the war, and now the United States; this pace is far too swift for Soviet economy and is one of the fundamental reasons for its disequilibrium and its inability under these conditions to raise the workers' standard of living and to effect a gradual transformation to a socialist economy.

Now, the planned economy is so greatly superior to capitalist economy that in peacetime the USSR, despite everything, tends to overcome its initial economic lag in relation to the capitalist countries; but the imperialist powers stop at nothing,

including war, to prevent the Soviet economy from catching up with them. The Second World War broke out between two imperialist blocs, but we know that one of the causes of the war was the need of both imperialist groups to halt the advance of Soviet economy. This need is already being frankly given as the aim of World War III. It is clear that, whatever form the declarations of war may take, **imperialism has the offensive and the USSR is on the defensive.**

b) The Present Positions

The last war profoundly altered the respective positions of the USSR and the great imperialist powers:

1. German imperialism — which represented the shock troops of capitalism against the Soviet Union — was crushed.

Europe was divided into two parts: one part the USSR tries to make into a protective zone, a "bulwark"; the other will come under U. S. influence but will no longer have the offensive power of German imperialism. Now air power and the atomic bomb notwithstanding, **military invasion remains an essential factor in war.** Thus the collapse of German imperialism represents a tremendous advantage for the Soviet Union.

2. Prior to the war, one of the strongest weapons of the USSR was the mortal rivalry between the great imperialist powers. Soviet diplomacy was concerned above all with making use of these constant rivalries in such a way as to prevent the forming of a huge anti-Soviet bloc. These rivalries persist today, but their scope has been greatly reduced and they involve only relatively secondary questions, since no imperialist power can dream of dethroning Yankee imperialism. On the contrary, all the imperialisms are vitally dependent on the latter and inevitably follow its anti-Soviet policy. Today we can see that by assuring absolute hegemony to American imperialism, the war in fact established the anti-Soviet bloc; and this is a great political defeat for the USSR.

3. The present economic situation of the USSR is the result of contradictory factors. On the one hand, growth of production during the war, creation of new industries and industrial regions, increase in the technical knowledge and skills of the leading staffs, progress of the planned economy — all these brought Russia to the position of second world power, and are making possible far more rapid rehabilitation of the economy than in the countries of Western Europe which suffered much less destruction. But on the other hand, the economic and human war-losses (ten to twenty million dead, industrial areas completely destroyed) were catastrophic and increased

the disparity in relation to the U. S., which experienced an extraordinary development during the war (the over-all production indices, which showed a 6:10 relation for the USSR as against the U. S., reached the proportion of 2.5:10).

These changes must all be borne in mind, but we will not attempt, by weighing them one against the other, to answer in a single sentence the question — which, moreover, is badly put — of whether the USSR “won or lost” the war. As will be seen later, we do not at all share the optimism of the Stalinist and Stalinized circles. But we cannot accept the position of G. Hirt who states (*Quatrième Internationale*, February 1946, page 13): “Soviet Russia won the war against a section of the world bourgeoisie but lost it against the world bourgeoisie as a whole.” What we clash with him over is not his belief that the losses outweigh the gains. It is that for the sake of his argument he confuses the Second World War with the much more prolonged and still unfinished struggle between the USSR and the imperialist powers.

The fundamental antagonism between the USSR and the imperialist powers and the swift forming of an anti-Soviet bloc furnish the explanation of why the political scene has been dominated, since the end of World War II, by the danger of a third world war, which will again be imperialist in the sense that the United States, driven by capitalist contradictions, will attempt to open up the Russian market for itself.

B. The Hostility of the Bureaucracy to the World Revolution, and the Policy of the Stalinist Parties

We have seen that one of the conditions for existence of the Soviet bureaucracy has been oppression of a large part of the toiling masses in the Soviet Union. A drive of the masses to reestablish proletarian democracy would topple the privileges of the bureaucrats. Such a liberating drive would infallibly follow upon a victory of the proletarian revolution in Europe. For the bureaucracy, hostility to the world revolution is a vitally necessary attitude for its self-defense as the ruling caste. This attitude is to be expected. Administering the economy from a strictly nationalist point of view, the bureaucracy has an essentially nationalist character and would be incapable of leading the proletarian revolution, which demands an internationalist policy. The bureaucrats, as parvenues and privileged persons, would be incapable of devoting themselves to the task of liberation of the peoples. Not that they lack the technical ability to make long-range plans: the planned economy and the preparation and conduct of the war testify to their capacities. But one cannot work for the revolution unless he has confidence in the proletariat, whereas they have acquired their position through oppression, duping, and scorn of the workers. What they do have confidence in is technology, arms, the police, political trickery, and the most degrading kind of propaganda. All the measures of the Kremlin bureaucracy are counter-revolutionary. And one of its chief methods is stifling the class instinct in every country, in favor of the most abject kind of chauvinism.

Strangling the proletarian revolution has been the unconfessed aim hidden under various guises. During the Spanish war it was said that revolutionary measures would involve the risk of weakening the fight against Franco; in the Popular Front period it seems that revolutionary measures involved the danger of provoking intervention by Hitler; the German-Soviet pact and the fantastic maneuvers accompanying it — halting of the ideological struggle against Nazism, pro-capitalist orientation — were perpetrated in the name of defense of the USSR; during the war no revolutionary propaganda was carried on in Germany, and the Third International was dissolved under the pretext of maintaining the unity of the Allies. With the end of the war, the Chinese Communist Party was once again abandoned in favor of Chiang Kai-shek; the Greek proletariat was delivered help-

less to the savage repression of British imperialism. Social struggles were sabotaged under every kind of pretext: defense of the USSR, fear of the U. S., the need of “production,” or with the simple excuse that it wasn't the right moment. Finally, Thorez used no pretext whatsoever when he put through the disarming of the militias, collaboration with the MRP, etc. — and this is an extremely important indication. The zigzags in the policies of the Communist Parties, the cold water thrown on their supporters, the ideological compromises demanded of them (especially at the time of the German-Soviet pact), the chauvinist propaganda — all of this disarmed the CP followers ideologically, demoralized them, made them lose confidence in their own strength and shift their confidence today to the Red Army — but tomorrow perhaps to some kind of bonapartism or fascism.

This influence was counteracted by the collapse of Hitler and his satellites, which was understood and felt by the European workers to be their liberation — a liberation they wanted to utilize for still further advances, as their only way of preventing oppression by the Anglo-American imperialist powers and their satellites. Present developments in Europe grow out of these objective and subjective contradictions. But it is now clear that the Soviet bureaucracy was fundamentally incapable of utilizing the exceptionally favorable situations produced throughout the world by the postwar period, to overthrow its enemy, world capitalism. The basic reason for this is, as we have seen, its incapacity for and its fear of the world revolution. At every moment and in every country its influence over the toiling masses is exerted in line with the immediate interests of Soviet diplomacy which lacks all social perspectives — except to uphold the unstable equilibrium of the bourgeois pseudo-democracies. On the whole the bureaucracy has befriended capitalism at the expense of the revolutionary opportunities. Ivry's speech, for example, was of great help to the French state in dissolving the workers' militias and reestablishing its repressive apparatus.

Insofar as this policy is pursued, the latitude of action and even of maneuvering for the Communist Parties is narrowed. Their abandonment of all genuine class struggle, their chauvinism, their complete subjection to the USSR, their bureaucratization, prevent them from making any serious move to the left. If leftward-moving Communist groups should offer something more than sterile opposition — as at present in England — or a policy of adventurism, and if the pressure of the masses impelled them on a genuinely revolutionary road, they would automatically be curbed, fought, disavowed by their bureaucracy, and they would either have to submit or pass over under another banner. The recent leftist maneuver just before the French elections of June 2 was symptomatic: it was of extremely limited scope, it had no other purpose than to be a means of blackmail, and it will be brought to a sudden stop at any time.

The Stalinist Parties and the Native Bourgeoisie

After certain statements by the American Communist Browder, Trotsky declared, before 1939, that the continuous capitulation of the Communist Parties to the native bourgeoisie, and their collusion with nationalism and imperialism, would lead them more and more, in critical situations when a choice has to be made between the USSR and the imperialism at home, to choose the latter. The outbreak of war in 1939 partly confirmed this hypothesis (Gitton, Clamamus) but to a great degree invalidated it (Duclos, Thorez, Marty). Today we must see the situation for what it is: the top bureaucracy of the Communist Parties is completely bound to the Stalinist bureaucracy and carries out its policy no matter what the contradictions or difficulties. On the other hand, the middle and lower cadres and the bulk of the followers are torn between contradictory

interests and greatly influenced by nationalism. This situation will not last forever. Ministerial participation in the government, the most generalized form of collaboration with the bourgeoisie, is a factor for the swift degeneration of all the Stalinist cadres.

We will give an example. When the French and German Communist leaders have opposite policies on the question of Germany, when the Italian and Yugoslav Communists fight over Trieste, they are in perfect accord with Stalin; for it is part of the Stalinist game to attract the petty-bourgeois masses, to utilize nationalist blackmail against the bourgeoisie, etc. But the communist masses of these countries have been thoroughly demoralized by this policy; the French and Italian communist intellectuals and workers do not understand and do not approve of Molotov's position on the Ruhr and Trieste.

The use of mass action as a form of blackmail is not taken seriously by the bourgeoisie, which knows that the bureaucracy is equally afraid of truly revolutionary action of the masses. The bourgeoisie knows now that it can without fear accept governmental collaboration of the Communist Parties and profit by it: the Communist ministers take on the most thankless governmental tasks; the party, either through the intermediary of the trade unions or directly, exhorts the workers to "produce," hoping thereby to help native capitalism escape American bondage — as if this could be done, even if native capitalism appropriated all the surplus value possible from the workers' labor. In brief, the Communist Parties share in the administration of a ruined and decayed capitalist economy, just as the German Social Democracy did after 1918. By their administration, they discredit themselves in the eyes of the masses. So much so that in the perhaps near future the reaction will be able to work up an anti-Communist and anti-Soviet spirit eminently favorable to intervention against the USSR. In leaving a share of power to the Communist Parties in many countries of Western Europe, the reaction, still very weak today, has taken a step backward in order to make a longer jump ahead. In England and the U. S., an effort to stiffen the attitude of the Communist Parties can be observed, but as we have pointed out, these parties are doomed to impotence. They can at most launch into adventurist tactics which will be dangerous not for capitalism but only for the masses.

The Future Crisis of Stalinism

The aim of the present policy of the Communist Parties is to delay the war and defend the interests of the Soviet bureaucracy, by methods which are barred from reaching their logical conclusion — the proletarian revolution. Thus these methods involve a perpetual balancing on a razor's edge and can have only limited duration; if they succeed in holding off the revolution, they will inevitably bring victory for the reaction.

The policy of the Soviet Union is slowly but inexorably using up the weapons represented by the Communist Parties and the moral influence of the USSR. Those who are taken in by the present power of the Communist Parties should be reminded of the power of the German Social Democracy after the first war and the confidence it inspired in the future. After dominating the scene for a whole decade, it collapsed before Hitlerism at the critical moment — with a collapse unprecedented in all history. When the violent crisis arrives in a few years and hundreds of thousands of unemployed are thrown out on the sidewalks, the Communist Parties will experience the same fate.

2. SOVIET EXPANSIONISM AND THE IMPERIALIST POWERS

A. Causes of Soviet Expansionism

Let us first review the necessities which are at the root of this expansionism:

a) Strategic and Diplomatic Necessities

These are the most decisive. The bureaucracy has to guarantee military defense of the Soviet Union. To this end it seeks to establish beyond its frontiers a strategic "bulwark." This is designed, on the one hand, to secure certain important positions and to break through the circle of strategic stations being set up by the U. S. around the Soviet Union; and on the other hand, in case of war, to delay the invasion of its own soil by enemy armies. The depth to which an army is extended is an important military consideration; but the concern that such extension in depth should be limited to non-Russian territory is symptomatic of the nationalist degeneration of the Soviet Union. Entirely analogous to these strategic necessities are the diplomatic necessities which impel the USSR to insure — by diplomatic measures and by using the Communist Parties as intermediaries — its influence in other countries so they will not have a base of attack against the Soviet Union.

b) Economic Necessities

We have seen that harmonious development of Russian economy is impossible, not so much because of the inadequacy of its natural resources as for two closely linked political reasons: on the one hand, administration of the economy by the bureaucracy, which by its very nature is incapable of utilizing to the fullest the man-power and natural resources of the country and which appropriates a considerable part of the national income; on the other hand, the pressure of the imperialist countries. The latter has brought war, invasion, destruction of part of the labor force and the industrial potential. In time of peace, it imposes far too rapid a pace on Soviet economy — in particular, an armaments race which causes chronic disequilibrium and keeps down the living standard of the workers — though improvement in the living standard is the only way of raising the low production level which is one of the greatest weaknesses of the economy.

The necessity of bolstering up the deficient economy by day-to-day measures is what drives the Soviet Union to employ in the occupied countries the illusory policy of dismantling the factories, a policy hardly conducive to the growth of its influence in these countries.

In his article in the February 1946 *Quatrième Internationale* Daniel Logan analyzed the growth of economic expansionism, showed that it is linked to the chronic deficiency in the economy and, in order not to confuse it with the imperialism of finance capital, proposed to call it "bureaucratic imperialism," the word "imperialism" being deliberately used to indicate the economic roots of this expansionism.

The proposal merits discussion. But we do not support it, for the following reasons:

1. The economic causes of expansionism (bureaucratic administration of the economy, chronic economic deficiency and low cultural level as a result of bureaucratic management) are less important than the political and diplomatic causes. In contrast, finance imperialism of the capitalist countries has an economic basis which dictates its political attitudes.

2. The economic nature of Soviet expansionism (expressed above all in the lootings and the dismantling of factories) has no relation to the economic nature of capitalist imperialism (which, in contrast, is expressed in rehabilitation of the conquered countries and exports of capital and machinery). Moreover, the expansionist policy of imperialism is an inevitable part of capitalist economic development; whereas the Soviet planned economy may, under certain favorable conditions, develop without expansionism.

3. It is essential to fight against any form of ideological confusion. If for no other reason than to point up the antagonism between the USSR and the capitalist countries, we must reject the term imperialism.

B. *The Soviet Union and the Imperialist Powers since the End of the War*

We have seen that, despite its expansionist character, the Soviet Union is on the whole on the defensive before American imperialism. This fact dominates their respective ideas on the "third world war" and their relations since the end of the last war. These have been well described by E. Germain in an article in the Belgian *Avant-garde* reprinted in *La Vérité* (though we are not in agreement with all his appraisals). Germain distinguishes, in the final war years, a first period dominated by the so-called Yalta policy. This policy looked toward peaceful co-existence of the Soviet Union and the imperialist powers. Soviet economy was to be reconstructed with economic aid from the United States. Along with this, more and more concessions were made in the internal policy of the Soviet Union: growth of privileges, reconciliation with the White Russians, and most important, decentralization and delay in establishing a Five-Year Plan.

At Yalta and Teheran the Big Three made an amicable division of the world into spheres of influence, that is, spheres of plunder and oppression. The Anglo-Americans renounced "their interests" in the buffer countries while the Soviet Union closed its eyes to the savage imperialist repression in Greece and the Far East. It would seem that Stalin was comparatively sincere in adopting this policy; it was in line with his desire to prevent revolutions and to continue so far as possible with his so-called building of socialism in one country; his very cynicism prepared the way for his being duped by the "idealist" Roosevelt. It was in this situation that the American Communist Party (under the leadership of Earl Browder) announced its dissolution and developed the remarkable theory of peaceful collaboration with American Big Business. It was also in this period that the Third International was dissolved.

The second period saw the collapse of the Yalta policy, involving a sharp change in the entire Stalinist policy. The Yalta line became impossible. This was obvious from a theoretical point of view, and events quickly confirmed it. Germain describes the moves of the Allies to nibble away the strategic "bulwark" and establish a tight ring around the Soviet Union. Soviet influence diminished in Western Europe, making room for the more or less direct influence of the United States. The Communist Parties saw their influence decrease in many countries, to the benefit of the parties of law and order and religion; in Austria, the CP suffered a debacle. We should add that the Soviet regime, as well as the Anglo-Americans, hoped that reconstruction in Russia would be carried out with the assistance of Anglo-American capital on a grand scale. It became clear that the conditions fixed by these two partners for such economic collaboration led to an irreconcilable contradiction. The collapse of the policy of American credits was due in large measure to the collapse of the Yalta policy. Germain states that the loss of influence of the Communist Parties worked to the advantage of the revolutionary tendencies. We, on the contrary, point out emphatically that such tendencies did not in fact develop, especially in an organized form, and that it was the reaction which profited from the decline of the Communist Parties. The failure of the Yalta policy compelled Stalin to shift his ground and substitute an aggressive line for the previous line of compromise. Hence, within the Soviet Union, a higher degree of centralization and establishment of a Five-Year Plan; and outside, a more sharply aggressive policy (the Iranian question, seizure of plants in Manchuria, etc.) and blackmail (the attitude of the German CP, the left turn indicated in the reconstitution of the American CP and Browder's expulsion, etc.). The expression "making an about-turn" is in our opinion too strong, for it hides the fact that the counter-revolutionary character of Stalinist policy prevents

it from making a complete about-turn. Neither the Yalta policy nor the present line form part of a general plan looking toward the establishment of genuine socialism. It is always a matter of living from day to day, maneuvering, taking what one can, trying to harrass the anti-Soviet bloc, and above all delaying the next war, the war of the U. S. against the Soviet Union.

C. *Preparation for the Third World War*

We have seen that the roots of the Third World War are to be found in the contradictions of capitalism: its coveting of the Russian market, on the one hand, and on the other hand the impossibility of a prolonged and peaceful co-existence of planned economy and anarchic capitalist economy.

The efforts to delay the war, efforts emanating chiefly from the Russian side, are combined with preparation for war—as has always been the case. The two antagonists employ the classical methods: race for armaments, diplomatic and economic struggles to secure strategic and influential positions in other countries.

The weapons of the new age do not render such preparations useless. The first Bikini experiment should not remove our fears about the terrible danger that atomic energy in the hands of American imperialism represents — and the United States probably has still more terrible weapons which it will keep hidden until the moment it wants to use them. But as we pointed out in an article in *La Vérité*, every government knows that these weapons can be "successfully" used only within the framework of a great war, and that until then they can be utilized simply as a means of pressure and blackmail or, perhaps, to suppress isolated uprisings. But we must never lose sight of the fact that the vastly increased scale of the devastation brought about by the oldest of methods — starvation — as well as by the most modern — atomic energy — produces certain qualitative changes in almost every question.

The Soviet government is fully aware that the U. S. has an imperative need for a base of attack in Europe. That is why it endeavors to remove the U. S. grip on the European continent. It employs various methods:

a) In Eastern Europe, it utilizes the power which comes from its geographical proximity and its military occupation. This gives it the opportunity to build fortifications, to integrate the economy within Soviet economy and withdraw it from the orbit of imperialism, and to prevent the formation of reactionary anti-Soviet governments. But there is another side to the coin: occupation arouses the people of these countries against the Soviets and prepares the psychological conditions for intervention by imperialism.

b) In Western Europe and in America, the Communist Parties attempt to create an atmosphere which would render war against the Soviet Union impossible, and they try to use blackmail methods against the bourgeoisie. We have shown above how this "playing tricks with history" will inevitably lead to the downfall of the Communist Parties.

c) The Soviet government uses classical diplomatic methods, in particular the UN, fit successor of the League of Nations which Lenin so well described as a thieves' kitchen. The Soviet Union plays a completely bureaucratic role in the UN, justifying the veto power and the secret conferences of the Big Three or Big Four — while the U.S. and England, mobilizing the governments of the small powers, can pretend to be acting as defenders of democracy. It is clear already that the Soviet Union is in an extremely difficult defensive position in the UN.

There is only one practical way to defend the Soviet Union and delay the war, and this is, to prepare the revolution. It is one way the bureaucracy will never follow.

D. Our Point of View

The Stalinist methods for preventing the war cannot inspire us with any confidence. But there is an indispensable precondition for war, a condition which can only be brought nearer by such methods and which it is precisely our task to combat: that is, the demoralization of the working class. **The American government will attack the Soviet Union only when it has its own proletariat under control and when the European working class has been defeated, crushed and demoralized.** History has shown that capitalism engages in war only when it sees a defeated and above all demoralized proletariat. In 1914, it took advantage of a temporary weakness which was enough to prevent a revolutionary answer at the outset of the massacre; but the answer finally came, and since then capitalism has been more cautious. Before engaging in World War II it waited until many years of demoralization had passed, and it subordinated everything, even important strategical considerations, to prolonging this state of demoralization. Examples of this were to be seen in Spain, and especially at the end of the war when the Allied victory was deliberately postponed. This is a fundamental and basic policy. **One of the main aspects of imperialist preparation for the Third World War is this very policy of trampling the proletariat into a state of prostration as rapidly as possible. This is the fundamental reason why the policy of the Communist Parties does not remove the danger of war but inevitably brings it nearer.**

Today the Soviet Union and the U.S. are contesting for European strongholds. The Anglo-Americans have strengthened their grip on Spain, Italy and Greece, and are preparing to install reactionary governments in France and Belgium; Germany is the object of the sharpest struggle of all. The U. S. drew a lesson from the war: that Hitler was able to engage in warfare against the Soviet Union only with a fascist regime of unprecedented violence and barbarism. And still he lost the war. The next war against the USSR will also require completely totalitarian, reactionary regimes in Europe and America. Today we are still in the period of preparation of the favorable conditions, and far from war itself.

It follows that the one hope for peace is this: the maintenance of a high level of morale in the proletariat of every country, through a firm and clear-sighted policy of class struggle; and with the help of such a policy, the preparation of the subjective conditions for victorious revolutions which will establish the Socialist United States of the World, the only form of organization which can put an end to war once and for all, and which at the same time can definitively preserve the progressive character of Soviet economy.

This general perspective, the perspective of the Fourth International, requires above all the formation of political parties with real influence in the class struggle. Before the time arrives to lead a victorious revolution, these parties can have decisive influence on world events by creating a spirit among the masses which will make it impossible for the imperialist powers to venture into a new war.

In an article in the SWP Internal Bulletin of March 1946, R. Johnson (of South Africa) writes: "Any major revolutionary upheaval, whether in Italy or France, in Czechoslovakia or Belgium, cannot but accelerate the attack of Anglo-American imperialism on the Soviet Union, in spite of the counter-revolutionary nature of the Stalinist bureaucracy." We certainly believe that imperialism will not stand passively by while the revolutionary forces in Europe gather themselves together, but will do its best to repress them savagely. But nothing justifies the hypothesis that imperialism is hurrying to declare war on the Soviet Union, whose bureaucracy can render such valuable service — especially since imperialism must wait precisely for a fall in the revolutionary level and the demoralization of the European masses.

3. SOVIET POLICY IN EASTERN EUROPE

A. Importance of the Developments in Eastern Europe

We shall now examine the problems of Eastern Europe in the light of the information — unfortunately incomplete — at our disposal and the analyses already made in this article. Not that we believe Eastern Europe forms part of the USSR in any sense; but it is a field of diverse experiments which gives us an opportunity to study the results of the bureaucracy's active role in postwar situations objectively favorable to the overthrow of capitalism. In view of what we have seen of the dual character of the bureaucracy's policy, we can state that its influence has had both progressive and counter-revolutionary consequences. It is of utmost importance to determine whether the former outweigh the latter, and whether this may make possible a gradual and enduring transformation of property relations without passing through the proletarian revolution. Leblanc posed the question in an article in October 1945; we will explain our disagreement with him. "There is no question," he writes, "that the rulers in Russia want the socialist revolution even less today than yesterday. But what they want is one thing, and what history dictates to them for their own survival is quite another." The first examples of the progressive achievements of the Russian bureaucracy were collectivization and the planned economy. "They accomplished this with many retreats and zigzags, through barbarous methods and at enormous cost — but they accomplished it."

By the same methods they achieved fairly complete assimilation of the Baltic countries. At first they introduced only agrarian reforms, which were facilitated by the previous flight of the Baltic barons. But since then private industry has been integrated and assimilated within the plan through a process in which the rank-and-file workers had little part. Although in recent elections the proportion of the opposition has been higher than elsewhere, there is nothing to lead us to believe that the bureaucracy does not have as firm control over these regions as in the Ukraine, despite all the difficulties we have pointed out.

The expression "iron curtain" has been used to designate a north-to-south line east of which the Soviet Union is supposed to have complete control. Will this iron curtain be shifted westward, thus signifying the passing of a great part of Europe under the exclusive influence of the Soviets, or will it be moved toward the east, with the danger of eliminating the strategic bulwark? The great importance of this problem is clear.

The political evolution of Eastern Europe must be closely followed from a theoretical standpoint, for it affords us the opportunity of appraising the possibility of bureaucratic revolutions, in which the theoreticians of the French Communist Party, with no confidence in the proletariat, see the contemporary solution for the overthrow of capitalism. We have pointed out that the Stalinist bureaucracy no longer has any confidence in the proletariat; the same is true of the leaders of the Communist Parties abroad, which constitute the rigidly controlled wings of this bureaucracy. These people plan to take over the key positions quietly and by cunning, set up a Communist bureaucracy, and when it is securely established, to carry out increasingly radical reforms without calling them by their right names. Such experiments are being tried out in France and, in unusually favorable circumstances, in Czechoslovakia and Yugoslavia. We must study the lessons to be drawn from this.

What we have here is a new kind of reformism. Its social bases are no longer the comparatively comfortable conditions which capitalism was able to maintain for part of the working class, but the accumulated defeats of the working class. It is crudely and steadily spread among the advanced elements,

through the demoralizing stranglehold of the Communist Parties which, since 1934, have gradually accustomed the militants to methods which at the outset they would have considered cynically counter-revolutionary and reformist. This reformism, like the old reformism, runs up against the class struggle which the capitalists carry on ever more implacably. As Trotsky so often said: "You can't play tricks with history." One of the main theoretical tasks of the Fourth International is to refute this neo-reformism both theoretically and through study of political events as they unfold. Theoretical justification of this "bureaucratic revolution," this neo-reformism, appears in the ranks of the Communist Parties, in the Stalinized circles around them and sometimes even in our own ranks. The social basis of this neo-reformism is similar to that of classical reformism. It consists of a bureaucracy raised above the level of the mass, fearing the intervention of the masses and hoping for peaceful conquest of power under their own leadership. But this reformism has infinitely greater possibilities than Social-Democratic reformism; for the Social-Democratic leaders are agents of their own imperialist bourgeoisie within the labor aristocracy, whereas the Stalinist leaders represent the Soviet bureaucracy, hostile to the imperialist bourgeoisie. Thus Stalinism is a much greater threat to the bourgeoisie than was classical reformism. And thus we can understand how new conditions can once more bring up the old problem of reformism which had already been solved by history. But neo-reformism has made no serious gains. It has won no clear-cut victory to establish its reputation. And it has already revealed its inherent dangers, both in France (the victory of the reaction in the referendum) and in Eastern Europe (the elections in Austria and Hungary). Only the growth of the parties of the Fourth International, which will restore to the proletariat its role of prime mover, will be able to annihilate these theories born of despair and isolation.

B. Main Features of the Developments in Eastern Europe

At every step in our study of developments in Eastern Europe we are confronted with the dual aspect of Soviet policy. On the one hand, it seeks to withdraw this section of Europe from the grip of the great imperialist powers, something which could be permanently accomplished only through collectivization and planned economy. On the other hand, it has to prevent any revolutionary uprisings and it has to plunder the economy of the occupied countries to maintain its own.

a) The Political Influence of the Soviet Union and the Communist Parties

The Soviet Union consistently utilizes its widespread influence for the following purpose: to establish bourgeois governments, generally with Stalinist participation, which will be favorably disposed to it, and to concretize its political influence through the bureaucratized Communist Parties. The latter use their political influence only within the strict limits of this policy (overthrowing governments which are not sufficiently pro-Soviet, etc.). Marcoux has stated quite correctly that Stalinist policy in Europe seeks to establish dual power between the native bourgeoisie, which is everywhere tied to world capitalism, and the local Stalinist bureaucracy, an extension of the Soviet bureaucracy. But the local Stalinist bureaucracy is not based upon a revolutionary movement capable of overthrowing the political power of the bourgeoisie or on a socialist system capable of replacing capitalism. Now dual power is an unstable thing; we can predict that, as world capitalism regains its foothold in Eastern Europe with the passing years, the question of dual power will be resolved to the disadvantage of the bureaucracy. We will return to this point.

In Poland, where the tradition of the ruling classes and

all the governments, including the London government, has always been reactionary and anti-Soviet, the Soviet Union has had a hard time maintaining a favorable government, and the government is prey to violent attacks. In every other country, the pro-Soviet orientation of the internal policy has come about as a result of the intermingling, the occupation, and the power of Russia and the Red Army — and also because the economic and political influence of Great Britain and France declined sharply during the war. This is clear in Czechoslovakia, where a Communist Minister of Foreign Affairs is hardly needed to guarantee a policy which the bourgeoisie themselves call for.

An indication of the influence of the Soviet Union can be found in the degree of strength and growth of the Communist Parties. In Austria, after seven and a half months of occupation, the election dealt a severe blow to the CP, which won 8 seats against 72 for the Social Democrats and 84 for the Popular Catholic Party. The situation is different in Germany. The German question is so important that the USSR is seeking to obtain the key positions through the CP, for whose benefit it prescribes an artificially created unity of the workers. It has abandoned the anti-German ravings of an Ilya Ehrenburg; it is following a course of agrarian reforms and apparently seeks to secure certain economic benefits for the country and not to strip it as brutally as it did Austria.

Although the Communist Parties in Hungary, Rumania and Bulgaria embrace only a minority of the population, they have great political influence. Similarly, in Czechoslovakia the CP has over a third of the votes in the country and of the seats in Parliament, where together with the Social Democrats they have a clear majority. Finally, the Communist Party in Yugoslavia actually has the power, but the party has such deep going roots here that it must be considered less directly dependent upon the Soviet government than the Communist Parties in other countries. We must say a few words about the Yugoslav events. The constitution does not say a word about communism. But although it states that private industry is maintained and although alongside the Communists the government includes democrats, socialists, Serbian agrarians, and republicans, what we have here is a totalitarian regime with communist tendencies. At the top is a group of five Communists of whom Tito is one. At the base there are the peoples' councils; these have great significance, even though they are closely controlled by the Communists — or composed entirely of them — and even though they exercise wide police surveillance over the entire population. Judges are elected by these councils or by popular assemblies, and trials are public. Even if these popular organs have a police and bureaucratic character, they constitute a really important base for the regime.

On the question of the purge there is insufficient information, especially in Germany, but it seems that, except in Poland, it was carried further than in Western Europe. In Bulgaria and especially in Yugoslavia it was unusually severe. But scandals of failure to purge can be found as easily in Eastern as in Western Europe.

b) The Question of Nationalities

This problem has torn Central and Eastern Europe for years. What has been the influence of Russia on the question?

Some progress has been made in the relations between Czechs and Slovaks. But it was Yugoslavia in particular which drew upon methods whose correctness had been demonstrated by the October Revolution: it became a federated state, and this had a real effect on the relations between Serbs and Croats. This has been genuine progress.

But it is the only sign of progress. In all other countries the problem of minorities continues to be handled as it was before the war, but even more savagely. Czechoslovakia brutally expels the Sudeten Germans. Poland has expelled wholesale

the entire German population of the annexed 150,000 square kilometers (including Danzig and Stettin) under the most terrible conditions. Czechoslovakia drives out the Hungarians; Hungary and Rumania wrangle over Transylvania; both Poland and Czechoslovakia demand Teschen; the Jewish problem is still unsolved in Poland, etc.

The problem of nationalities has been constantly inflamed by the nationalist attitudes rampant in each country. Has this nationalism declined under the influence of the Soviet Union and the Communist Parties or under the pressure of events which for half a century have demonstrated the injuriousness of national rivalries? Absolutely not. National passions have been heightened by the occupations and the war, and instead of trying to quell them, Soviet diplomacy makes cynical use of them. Soviet diplomacy is interested not in organizing the future but in securing the greatest degree of influence in the present. To this end the Communist Parties encourage national passions. The German Communist Party seems to want to take the place of the Nazi party in this respect. As a result internationalism has totally disappeared from the ranks of what once was the Third International. French and German Communists fight over the Ruhr just like their respective bourgeoisies. Italian and Yugoslav Communists wrangle over Trieste. This is one of the most alarming aspects of the world situation.

c) The Agrarian Reforms

Feudal survivals continued in the form of huge landholdings (though there were none in Bulgaria and hardly any in Czechoslovakia). After the Second World War these large estates were liquidated almost everywhere. This is what is called the agrarian reform. This measure has always figured in the program of bourgeois democratic revolutions, and it is important to note that it was put through by the highly imperialist American government in several parts of its occupation zone where the task remained to be done. In Russia, however, where the agrarian reform was accomplished at the end of 1917 under the impulsion not of the bourgeoisie but of the revolutionary proletariat, it was directly linked with the measures of the proletarian revolution. Was the same thing true in Eastern Europe, where the large landholding bourgeoisie had no strength of its own and was discredited because of its collaboration with Hitlerism? Except in Yugoslavia, the agrarian reform was not merged in a general revolutionary development. This reform, which the bourgeoisie was incapable of accomplishing by itself, was carried out by the Soviet bureaucracy so as to prevent a revolutionary upsurge of the masses. It is indicative that in Rumania the church and crown properties were not touched. Thanks to the bureaucracy, the agrarian reform was accomplished slowly and without endangering the capitalist economy.

The ending of the last remnants of feudalism in the countryside of Eastern Europe was a fact of enormous importance. Without any mass support, the Soviet bureaucracy carried out this bourgeois reform par excellence which the bourgeoisie had been powerless to accomplish. But however great its importance, it is nevertheless no more than a bourgeois reform which in no way inaugurates socialism. Although division of the land was accomplished in Russia by the revolutionary alliance of the proletariat and peasantry against the bourgeoisie, it nevertheless did not win over to the proletariat its powerful enemies, the kulaks and rich peasants, the chief obstacles in carrying through the revolution. This will be all the more true in Eastern Europe where the proletariat has played no role at all in the agrarian reform.

International capitalism will probably not repeat the errors of Wrangel and Denikin. It has abandoned to their fate the country squires, the Prussian junkers, relics of a former age. Henceforth it will base itself on the rich peasants: the parties

of Mikolajczyk in Poland and Nagy in Hungary are proofs of this. It will not seek to appear as restorer of feudal property but as supporter of peasant private property against the Soviet regime which, sooner or later, will proceed to collectivization of the land. Thus the agrarian reform will have gained nothing for the proletariat.

d) The Economic Influence of the USSR

In the opinion of the Soviet leaders this is one of the main weapons for consolidating their "zone." Let us see what methods they use. In every country they have taken the following steps:

1. Reparations agreements — which legalize the looting. In general these agreements require payments in kind (300 million dollars for Finland and Rumania; 200 million for Hungary). To meet this, these countries have to reserve virtually their entire foreign trade for the USSR.

2. Seizure of the properties of German capitalists (removal to Russia of a large part of the industrial equipment — the Bor mines in Yugoslavia, Hungarian steel works, Rumanian oil fields, etc.).

3. Trade agreements, which for the most part these countries cannot fulfill and which leave them in the position of debtors. The USSR sends cotton and certain indispensable food-stuffs.

4. Economic agreements, providing for the purchase by Russia of shares which give it 50 percent participation in the national economy, thus guaranteeing a capitalist economic base for the dual power between the bourgeoisie and the bureaucracy and virtually complete freedom of action for the bureaucrats. But nothing final has been accomplished along these lines. Agreements have been made with Rumania where three joint-stock companies have been set up, and in Hungary where, as we shall see, things are in a preliminary stage such as to block any attempts at nationalization.

It is clear that the USSR is making vigorous efforts in the buffer countries to insure its influence against the influence of the great imperialist powers — but it conducts the struggle on their ground. And despite the advantages which come from its own economic structure and its geographical nearness, we can predict that on this ground it will be defeated. Significant setbacks have already been recorded (recently in Austria, Hungary, etc.).

The bureaucracy deliberately adopted an economic policy which was certain to have beneficial results for a few months; it renounced any attempt to secure a long-term advantage through consistent encouragement of planned economy and collectivization, which would have allowed the satellite economies to become genuinely integrated within a Soviet bloc far less susceptible to the influence of the big capitalist countries. On the contrary, the door has been opened to these influences and will be opened wider and wider.

Let us now see what has come of the nationalizations which have been tried in certain countries, often without Soviet support.

e) Nationalizations

Almost the entire capitalist class collaborated with Nazi Germany. In countries which did not undergo complete occupation for long, most of the capitalists preserved sufficient autonomy to be able to resume their positions unscathed. Such was the case in Bulgaria where the economy — a capitalist economy including numerous cooperatives — suffered comparatively little from the war. The country is under the open and accepted influence of the Soviet government; the working class, small in numbers, supports the Communist Party, which has a preponderant influence in the Fatherland Front that wields power. Is the influence of the USSR, so near at hand, bringing economic transformations? Not at all; capitalism has not even

been shaken. We read in *Le Monde* of June 1, 1946: "Moreover, the Fatherland Front has been able to maintain a sound economic situation and to safeguard the financial stability of the country." We knew that the bureaucracy could not go far in the social struggle against capitalism. This example demonstrates that even in a country so near the USSR, it does not seek to undertake such a struggle. We will show that wherever certain reforms have been effected, it was not the USSR but circumstances which dictated them.

Hungarian economy was ruined by the war, and its convulsions led to a terrible inflation. Regarding the measures which were undertaken, the *Journal de Geneve* of May 8, 1946 states: "Wherever they can do so, the Russians block and oppose the taking over of large industrial enterprises under a new state-ist system. Since most of the large enterprises had been 'bought out' by the Germans or simply confiscated as non-Aryan property, the Russians became, by the terms of the armistice, the largest shareholders or even sole owners. They are not unconcerned with the fate of Hungarian industry, but they are vigorously opposed to any legislative measures which might endanger their own financial interests. Their solution of the problem provides for the setting up of Russo-Hungarian joint-stock companies in which their representatives will join hands with the former directorates." Needless to say, this preference for capitalist forms, which the USSR now finds more advantageous than state forms, cannot last; it is nonetheless indicative. The Soviets prefer these Russo-Hungarian joint-stock companies to nationalized corporations which would give a greater degree of independence to the Hungarian working class.

It is noteworthy that the Soviets could not prevent the inflation in Hungary. This shows how far Hungarian economy is outside the orbit of Soviet planned economy.

In Czechoslovakia even more than in Hungary, a whole section of industry passed into the hands of the Germans, either under their direct management or through the medium of collaborators (who have not been able to clear themselves). There is not much information on the present economy, but what there is is in agreement. Most of what we cite here is taken from an article by J. Charrière in *La Revue Internationale* of May 1946. At the time of the liberation, the situation was this:

1. A large number of enterprises had no owners, the former owners having vanished either in disgrace or as enemies.

2. The almost total isolation of Czech economy made a policy of centralized control and authority essential in order to prevent total capture by Anglo-American capitalism.

3. The pressure of the masses, led by a proletariat which was one of the most advanced in Europe and considerably influenced by the example of the Soviet Union, made itself felt in favor of nationalizations as an anti-capitalist measure. Faced with these difficulties, the Czech bourgeoisie had to sacrifice many individual economic interests and in fact made a compromise with the proletariat in the hope of safeguarding its class interests and the bourgeois structure of the country. The proletariat, powerful but organized in the Social-Democratic and Communist Parties, could do nothing but accept the compromise. Nationalizations were extensive, covering 70 percent of industry and 30 percent of the economy as a whole (banks, key industries). The directing personnel of all these enterprises had to be changed and a new management appointed from top to bottom, starting with the ministries; no doubt many Communist Party members were put in. But is this enough to guarantee a march toward socialism? We will pass over the indemnifications, which in general were turned over in full in the form of bonds. But we must dwell on the concept itself of these nationalizations. According to one decree, nationalized enterprises were to be administered in line with the principles

of commercial business, independence, profit-making, free competition. The appointment of new plant administrators, often Communists, therefore meant a change in owner rather than a change in the system. Thus they were not brought within an over-all plan; whereas this would be the very first step if there were a serious desire to build a socialist economy. In this rejection of a planned economy we see the mark of collaboration with the bourgeoisie: the latter has contrived a possible and even easy return to an almost classic capitalism. On one hand, since the nationalized enterprises are confronted with the same problems as capitalist enterprises — especially the wage question — they will more and more assume the features of the latter. On the other hand, private capital (increased by the indemnities) maintains the right to establish new industries even in the nationalized sectors.

In brief, although the status of Czech economy still holds broad opportunities for progress, the Communist Party nevertheless has not taken advantage of the exceptionally favorable circumstances to move firmly along the road of socialism. Czech economy is highly vulnerable and may once again, as before the war, fall under the domination of the great imperialist powers, with all the implied political consequences for Czechoslovakia and also for the USSR.

In Yugoslavia, where the economy suffered greater convulsions than in other countries, more radical economic transformations appeared: three-quarters of the production enterprises were nationalized. But Yugoslavia is poor, dependent on other countries, with all the dangers this implies. But nothing leads us to believe that the measures of collectivization and planning have been carried through consistently. Will the USSR furnish the necessary assistance? Nothing is less certain. An English correspondent writes: "Certain Russian commentators, who are not sparing of their criticism of the economic organization of the new Yugoslav state, say that the Yugoslavs are making the same mistakes the Russians did 25 years ago. Russia is a huge country with enormous natural resources. Yugoslavia is small, and cannot afford to let thousands die of starvation before halting the experiment . . . When the time comes for Belgrade to introduce the New Economic Policy, it may be too late." Unlimited Soviet assistance might prevent such a tragedy in Yugoslavia; but everything leads us to believe that the development of Yugoslavia is not and will not be the work of the Soviet government but the work of the Yugoslav people under guidance of leaders whose social concepts are greatly influenced by the ideas of the Stalinist bureaucrats and by the Russian example.

C. Conclusions

We find the following:

a) The Soviet bureaucracy and the Communist Parties played a predominant role in destroying the remnants of feudal economy. We have mentioned that in some places this task was carried through by the Anglo-American imperialisms; but it is unlikely they would have done this in Eastern Europe — any more than in Spain — for fear of its leading to movements of the masses. The Soviet government, by virtue of its greater control of the masses, was able to accomplish the agrarian reform bureaucratically, without this leading to more revolutionary measures. Moreover, on various issues, in particular the purge, it acted more energetically than the imperialist powers (which isn't saying much).

b) The Soviet bureaucracy could not take advantage of its great influence and the generally weakened condition of capitalism at the end of the war, to deal decisive blows to the latter and take firm steps along the road of a planned European economy. The door is wide open for American capitalist support to the capitalist bourgeoisies of Eastern Europe. In the Rumanian elections and on control of atomic

energy, American capitalism has already revealed that it means to exercise the right to look into — and then to influence — the Soviet “bulwark.” In the UN it has a good instrument for such diplomatic penetration.

c) If our information is correct, during the war against the occupying forces Yugoslavia saw a kind of popular revolution, of which there remains a bureaucratic superstructure still based on the masses. But as we have shown, whatever progressive steps were taken were the accomplishment of the Yugoslav people under the impetus of favorable economic and political conditions; and though the bureaucracy furnished the scaffolding for this movement, it held it within strictly national bounds and did not direct it on the road of socialism.

The other countries of Central Europe witnessed attempts at bureaucratic revolutions in the neo-reformist Stalinist manner. We can see that these bureaucratic movements accomplished certain bourgeois reforms which the bourgeoisie itself was no longer able to carry out, but they were incapable of effecting fundamental changes in property relations.

With less favorable circumstances in Western Europe, there is absolutely nothing to make us expect success for Stalinist neo-reformism.

We come now to the progressive tasks which history imposes upon the bureaucracy. Hitherto the bureaucracy has shown itself capable of preserving the collectivized economy within the country; but beyond its borders, when it comes to any task of the proletarian revolution, the bureaucracy's counter-revolutionary incapacity and its need for bolstering its own economy by every possible method, outweigh all the historical tasks of socialism and even its interest in long-term self-preservation.

When the iron curtain is shifted, it will probably be toward the East, thus narrowing the strategic “bulwark” and threatening the security of the USSR. Therefore although we do not completely deny Leblanc's thesis that history compels the bureaucracy to carry out certain progressive tasks, we believe these tasks to be strictly limited, and in general we disagree with him when he clutches on to the present economic forces as if to a life-saver. To be sure, Leblanc does not base himself solely on what the bureaucracy has done, but also on what it will inevitably have to do in self-preservation. We must then remark that if Stalin was led to collectivization and industrialization through circumstances and in spite of himself, he accomplished these transformations with incredible brutality and by methods he can no longer use today with the present relations of international forces. Stalin cannot do in Eastern Europe what he did in the USSR in 1923, for Great Britain and the U. S. are in a position to prevent him.

We must try to see how it was possible for an old Trotskyist to take such a position even momentarily. In our opinion, the reason lies in the undue importance given to certain considerations:

a) A deep-going scepticism growing out of the defeats of the proletariat, the absence of the victorious revolution after the war, the crushing of the German proletariat, the enormous talents of both capitalism and the Stalinist bureaucracy for duping and disorienting the masses, and the physical annihilation of the proletarian leaders. The sinking of the revolutionary level, he says, is today physically perceptible. But what he chiefly forgets to note is that prostration is not universal today, and above all, that this danger is still remote for the English and American proletariats. He says of the latter: “Their political consciousness is still deeply infected with utopianism, and the ruling classes still have wide opportunities for keeping them duped.” Was it otherwise when Marxist theory and politics were elaborated? Does this prevent great movements taking form in America? Before one can speak of a general proletarian collapse, there will have to be large-scale defeats, especially of the American and English working class.

b) The belief that the Third World War is imminent, and underestimation of the important political developments which will take place before its outbreak (even if this should occur fairly soon). These developments will have far greater importance than any strategic gains of the USSR — such as, possibly, a brief extension of the Red Army's counter-revolutionary occupation of Austria or even Trieste being given to Tito — and will cancel them out. Leblanc does not see that the present political situation in Europe and the power of the leftist parties is what prevents the outbreak of the Third World War for the time being.

c) The experience, perhaps, during his life in the Nazi camps, of the power of an organized bureaucracy over the prostrate masses.

d) The exaggerated importance attached to the progressive tasks carried out by the Soviet bureaucracy, in relation to the catastrophes which the bureaucracy made possible (Hitlerism, outbreak of war, stifling of revolutions). We have endeavored in this section to show how greatly this importance has been exaggerated.

e) The extreme weakness and isolation of the parties of the Fourth International.

This criticism of an incomplete document — whose author should leave it behind — is a necessary criticism; for it is essential that the party be armed ideologically against the consequences of scepticism. Scepticism is never abstract. It invariably leads the individual to adopt other beliefs, though usually without being aware of it. Now, when a revolutionist today loses confidence in the proletariat, he does not put his faith in the strength of the munitions merchants — he is too developed for that — but he does frequently put faith in the tangible force represented by the Stalinist bureaucracy and the Red Army. If he knows in advance exactly what this force is and what can be expected of it, it will be more difficult for him to overestimate it, and despite his discouragement, despite the temporary set-backs, he will still look for the possibilities of success in the working-class forces. If we are truly a vanguard party one of whose tasks is building cadres, theoretical refutation should be our weapon in such cases, and not the political anathema proposed by the majority at the January 1946 PCI Congress. Such methods prevent the comrades from expressing their ideas, or lead them to do so only when it fits with some conjuncture or other of the internal policy of the party. In short, such methods give primacy to maneuvering in discussion, and for a revolutionary party this is a fatal disease.

We must recognize that under the ever difficult conditions of our work, discouragement may assail our members, workers as well as intellectuals, the underfed and the well-nourished; and such discouragement often takes a Stalinist form. If we do not thoroughly understand this tendency and answer it theoretically and not by methods of excommunication, we will inevitably cause the weakening of our organization by depriving it of important elements — workers in particular; and we will vegetate in impotence, considering ourselves to be almost perfect and not seeing that we have other faults equally deserving of excommunication.

WHAT THE SOVIET UNION REPRESENTS TO THE WORKERS

A. Generalizations

Ideological confusion is at its height throughout the world. More than ever the causes of events are lost sight of and superficial explanations substituted. Political phenomena often appear to people as quite different from what they really are — and this in itself is a not negligible political phenomenon. We cannot, therefore, from the analysis we have made, arrive at

an abstract deduction of what the USSR represents to the masses. We must make direct observations, and in a situation changing greatly according to country and period. But broadly speaking, we can say that the masses grasp the deep-rooted antagonism between the Soviet Union and the capitalist world. And this even in a period of apparent quiet and of Communist participation in the governments. The masses explain this in various ways, but they grasp in general the opposition between planned economy and capitalist anarchy. Only a few ultra left revolutionists and the anarchists deny this, along with those bourgeois theoreticians who deliberately equate fascism with Stalinism. But not everyone attaches the same importance to this antagonism. There is one dominant fact: that although not every party which calls itself a working-class party is favorably inclined to the USSR, the reactionary parties are savagely hostile to it. We have seen the reason. This explains why the world proletariat feels a kind of defensive alliance between itself and the USSR.

But the feeling is different in different countries. In Czechoslovakia, the USSR appears to everyone as a great ally and, to the majority of workers, as the seat of social progress. In neighboring Austria, where the Communists have only a small minority of votes, the USSR appears as an occupying power in the worst sense of the word; and the advanced elements in Austria have no interest in tying their own struggle to defense of the occupying and looting armies whose exactions all the world knows.

In the United States, we believe, on the one hand, that many class-conscious workers may well be indifferent or hostile to the Soviet Union, but on the other hand, that a strong movement favorable to the USSR is appearing and will grow in strength as a reaction against the policy which links the most aggressive anti-Sovietism in foreign affairs with the most reactionary measures at home. We cannot make sure judgments at this distance; the American comrades will have to analyze for us the positions of the various currents — working-class, petty-bourgeois, intellectuals, etc. — on the Soviet Union. We also need to know the position of the American proletariat: it is possible that in the U.S., which is advanced but at the same time anti-Soviet, the working class feels no solidarity with the USSR.

Here we will confine ourselves to France; what we have to say will be valid for all countries with a strong Communist Party.

B. The Example of France — Our Policy toward the French Communist Party

The French CP includes the majority of the advanced workers. For most of them, their social ideal is still incarnated in the USSR, the sole progressive force in the world but a force powerful enough to save the world. This attitude is shared by a considerable section of the petty bourgeoisie and advanced intellectuals. However important we consider our work with the Socialists and those without party connections, there nevertheless remains but one fundamental task for the French Trotskyists: to prevent the French Communists from being gradually corrupted by the influence of the French CP; to keep them, when they become disillusioned, from sinking into discouragement and abandoning the class struggle; and to bring the revolutionary elements to regroup themselves around our program, and not around centrist programs with all their seeds of degeneration.

a) Political Considerations

Even though we are convinced that any revolutionary movement is doomed to defeat as long as the French CP has control of the working class, nevertheless at the present moment a swift

collapse of the CP would be a dangerous thing, for the reaction would be the first to profit from this, in view of the fact that we do not yet have enough weight to take the place of Stalinism. The betrayals of the French CP will not bring the masses toward us today, for we are still too far away from them. The CP militants have already seen plenty, and if they remain in the party it is because they still accept the Stalinist zigzags — except for some few, whose numbers are being increased by our propaganda.

If we must take advantage of every right turn to open the eyes of the comrades of the French CP, we must also understand that a left turn can be utilized favorably. An interesting article in the April 1946 Fourth International on the Stalinist left turn says that "it is more dangerous because it is more deceptive." This is probably true in the U. S., where the maneuver will increase the influence of the CP (though the latter will make poor use of this increased influence). But it is not true in France, where the CP's influence has already been won. Before disillusioning the masses, a left turn of the CP gives them encouragement and brings them closer to us. If we carry on our propaganda correctly and if we are sure enough of our ideological stability not to remain paralyzed through fear of taking any initiative, this rising period may well lead to contact being made with us for the joint task of immediate demands; and when the inevitable right turn of the CP comes, a section may continue to follow our slogans. This is not a blueprint; the developments will be more complex in their actuality.

It is hardly a question of a broad movement of the CP to the left, but merely of a tendency revealed in particular or general immediate demands, as short-lived as the fight for a 25 percent wage increase on the eve of the June 2 elections. At all events, it remains in general true that the revolutionary party grows in periods of revolutionary upsurge.

1. We believe that it is completely impossible in a country like France, for the CP to bureaucratically take the "power" (that is, the government, army, police, prisons) without the aid of the masses. From this point of view, only a revolutionary party based on the masses will be capable of abolishing the bourgeois power.

2. A CP-SP government is in our opinion a transitional phenomenon. It is a government within the framework of the bourgeois state, but the result of a movement of the masses; giving rise to such movements when, in extraordinary circumstances, it is not the result of them; and destined to be superseded by the proletarian revolution. We cannot repeat too often that only a movement of the masses, only a revolutionary upsurge will make it possible for the party to grow. To want to perpetuate — as R. Guerin does — the present situation "of relative equilibrium, of bourgeois democracy, during which we will be able to win over, one by one, the workers who are disillusioned with the CP party," *is to bar the road definitely to the growth of the revolutionary party, which can grow only in struggle. From this, springs R. Guerin's desire for a pause in the class struggle, since the growth of the forces of the proletariat today necessarily means the strengthening of the SP as well as of our party. His road, the road of waiting, can lead only to defeat.

3. What prevents the CP from assassinating us today? They don't have to be in the government to do this. We have no illusions about it. We know that the development of revolutionary situations and the growth of our party will at certain moments put us in the greatest danger; the CP will be in the forefront of our enemies, but all the bourgeois gangs will also be on hand for the repression. Our only chance of final success is a victorious drive of the masses; but if we had a real growth prior to the establishment of a CP-SP-CGT government, it would prevent the latter from being able to crush us. Today the

* Internal Bulletin No. 27, page 5, column 2.

Stalinist slanders sicken many of the workers, and in a period of upsurge Stalinism will not be able to get away with anything it wants. We should add that the situation also depends on us; if we are sectarian and stupidly anti-Stalinist, it will be much easier to suppress us than if we understand how to conduct a united front policy. Our policy of "legalization" (which at bottom remains almost entirely still to be achieved) has already been a solid guarantee.

b) Psychological Considerations

When we try to orient the Stalinist Communists toward our positions, we must not forget to pay attention to certain psychological considerations:

1. The best way of convincing a person is to get him to make his own experiments as independently as possible. He will accept the conclusions far more readily if they are the result of personal effort. And he will be brought to these conclusions far more easily by a comrade who has shared his experience than by someone outside — especially if he sees that this conclusion has always been correct.

2. When we cannot go through the experience together and can do no more than discuss, the discussion should so far as possible center around experiences from life and in the most immediate fields (trade union questions, immediate demands, political problems, even parliamentary questions since the masses are interested in this aspect). People are more ready to listen to concrete proposals than to criticisms.

3. People resent it when someone comes from outside to criticize those in whom they have confidence; they look for every argument against such criticism, and the very effort to find answers tends to alienate them from us. Personal criticism of the Stalinist leaders has an effect on only very few CP supporters who are already nearly fed up; the others it doesn't affect, or only disastrously. Such criticism should therefore be made cautiously and, above all, without acrimony.

One of the aims of the Stalinists' slanders about us is precisely to provoke our just anger, and thus to instill in us purely critical positions at which the French CP member takes offense.

One of the chief aspects of our progress has been our recognition that we must not fall into the trap of making only negative criticisms of the other workers' parties, and that we must consider our main propaganda weapon to be our positive propaganda for the party.

Such a position seems to us to be obvious — no matter what opinion one has on the USSR, no matter what slogans are advanced. What is not obvious is the choice of slogans, as witness our discussions. No one who understood us correctly could have dreamed of characterizing this position as opportunist. Is Trotsky's remarkable letter to a Social-Democratic worker, in which he adopts the most fraternal and comprehensive tone — is this letter opportunist? We have been considering here only methods of agitation, and not the sharpness which our opposition to the French CP must take today. This of course does not prevent us from resisting the Stalinist slanders and terrorism with every ounce of our strength. On this question our passivity in the past can only be condemned. But unflinching resistance to the Stalinist slanders has nothing to do with sectarianism in our day-by-day estimate of the policy of the French Communist Party.

c) Our Propaganda on the USSR

The foregoing considerations lead, in our opinion, to the following conclusions:

1. We must throw the sharpest light on the USSR, on its bureaucracy and its terrorist methods.

2. Too rapid agitation on these questions might risk our being completely misunderstood as anti-communists; these questions belong primarily in our propaganda. This is what we recognize when, for example, in meetings, we do not speak of the Stalinist terror until we are known; and when, in the paper, we do not put it in the headlines. But in certain situations it may be that we will have it to do, as, for example, after a Stalinist slander or attack.

These various considerations come together in our main slogan on the USSR, which remains the slogan of unconditional defense.

III. Conclusion

THE PROBLEM OF DEFENSE OF THE SOVIET UNION

A. Our Principled Position

First of all, a principled position must be taken on the conflict between the USSR and imperialism.

In the first part of the second section, we gave the reasons for this antagonism. The antagonism is unavoidable, and its inevitable result will be a Third World War, unless the victorious revolution comes first. What we must understand is whether in the coming war we will be indifferent to the fate of the USSR, whether we will apply the tactic of "revolutionary defeatism" in every belligerent country including the USSR, or whether despite the existence of the reactionary Stalinist bureaucracy we will be for victory of the USSR and defeat of imperialism.

It has become a habit in the International to make long, violent and sectarian speeches against the Stalinist bureaucracy, speeches which end, in a quavering voice, on the "fundamental principle" of unconditional defense of the USSR. The April issue of *Quatrième Internationale* is entirely in this tone. Many of the members think that when they call one of their paradoxical positions "hard-boiled" or "unsentimental," it is a proof of their Bolshevism. Bolshevism, indeed, bids us not to follow sentimental currents and to go against public opinion when necessary — but never to scandalize.

In the conflict between the USSR and imperialism, all the

forces of reaction will be directed against the USSR. We cannot repeat too often that, as Hitler's example showed, aggression against the Soviet Union and in particular a victory over it will be accompanied by acts of barbarism, savagery, repression, annihilation of the masses, such as humanity has never known. On the basis of our analysis in these pages, we believe that preservation of the USSR against the unloosed forces of imperialism is a life-and-death necessity for the working class. We have already indicated the two basic reasons:

a) Soviet economy is outside the orbit of imperialism; its collapse would offer capitalism a huge new market and would make possible the prolonging of its already over-prolonged death agony. We defend the USSR as we defend any colonial country in the struggle against imperialism.

b) Soviet economy, a conquest of October, is progressive in relation to capitalist economy. We cannot be indifferent to its existence and its progress. It is the main outpost in the struggle to demolish capitalist economy. This fact will be the Russian proletariat's strongest weapon when it is once more emancipated by a political revolution. We should add that defense of the USSR will promote the class struggle in countries at war with the USSR.

We therefore take this principled position: we will defend the Soviet Union against imperialism in order to withhold the Russian market from the imperialisms and to save the Soviet planned economy.

The advocates of defeatism in the USSR believe that the counter-revolutionary role of the Stalinist bureaucracy is more important than anything else and outweighs the progressive character of the economy. This is incorrect. The Stalinist bureaucracy is a fundamental obstacle to the revolution but it is not the sole obstacle; the Social Democracy is also an obstacle to the revolution, and imperialism is the prime obstacle.

Whatever difficulties it may cause, the existence of Stalinism leaves the door open — through the discrediting of the Communist Parties to the advantage of the revolutionary parties — for victory of the proletariat. Defeat of the Soviet Union under the blows of imperialism would have world-scale results comparable to the results of a Hitler victory: the bourgeoisie throughout the world would be able to annihilate both Stalinism and the entire working class; the working class, deprived of its traditional organizations by the reaction, would be demoralized for decades. And we can be certain that the Trotskyists, sole heirs of the October Revolution, would not by some miracle be spared. Let the comrades reflect on this, and let them remember the example of Germany; our picture is not too somber, at least if we base ourselves on the present realities.

The present realities may change; if so, we also may change our position, which is not an abstract dogma. Our position on the defense of the USSR is not eternal; it depends on developments in the USSR and the rest of the world. Alongside the picture of possible victory for imperialism, we must place the picture of a victorious defense of the USSR. The experience of the last war demonstrated that defeat of German imperialism at the hands of the Red Army gave rise to vast popular movements throughout the world; and even though these have been temporarily arrested by the Stalinist bureaucracy, they are not yet at the end of their development. If the bureaucracy is to emerge victorious from a war against imperialism, it will have to call upon the proletariat to some extent.

But, someone will say, you want to defend a regime of "blood and corruption." First of all, our principled position will never keep us from denouncing the Stalinist bureaucracy and its counter-revolutionary role; we defend the USSR as it is, but we take no responsibility for the crimes of the bureaucracy. Imperialism is even more a regime of blood and corruption; it alone is responsible for fascism and war, it alone is responsible in the last analysis for the Stalinist degeneration of the October Revolution; and defense of the USSR is but one link in the chain of the world revolution, which alone can do away with the imperialist system of blood and corruption.

It should be remarked that anti-defensism appears as a rightist position in the U. S. and leftist in France. This is a direct reflection of the external situation and the pressure of public opinion. The rightist is always inclined to go with the stream, even if its origin is questionable as with anti-Sovietism in the U. S.; the leftist always tends to isolate himself, going against the stream even when it is a proletarian stream, such as pro-Sovietism in France.

B. Conditions for Applying our Position

Our principled position for defense of the Soviet Union against imperialism does not mean that defense takes precedence over all other issues and at all times. First of all, it is a question of defense only against imperialism; wherever the USSR plays the role of straggler of the revolution (often actually alongside imperialism) we will of course defend the revolution as against the USSR. Naturally there will be complicated cases, and we cannot set down in advance a final formula. This means simply that revolutionary politics cannot be learned like a catechism. For example, when we fight for the evacuation of Soviet troops from an occupied country, we are serving the interests of the proletariat of that country, the interests of the developing revolution there and, in the last analysis, the in-

terests of the world revolution — even though temporarily this may be damaging to the military strength of the USSR. Similarly, in the case of a capitalist country fighting beside the USSR (as in the last war), we adopt the tactic of revolutionary defeatism even though it is militarily injurious to the Soviet Union. As Trotsky said: "Overthrowing the Stalinist bureaucracy is for us subordinate to the defense of the USSR, but defense of the USSR is subordinate to the world revolution." Reduced to a simple formula our position is this: we are always for the world revolution; in certain special cases, we march with the Stalinist bureaucracy; we are always against imperialism.

The USSR is not in danger of direct attack by imperialism in the present period; the threat lies in the long-term perspective. Defense of the USSR will frequently recede to the background. But if imperialism attacks the USSR, defense becomes our primary task. We must look at this question clearly. There is a dishonest form of defensism which is afraid to come out openly and uses a formula somewhat like this: defense of the USSR, but implacable struggle against the Stalinist bureaucracy. This is sidestepping the issue, taking one's stand in an unreal world and dooming oneself to inaction. That we must not for a moment stop denouncing the bureaucracy — agreed; that we must never whitewash its crimes — absolutely; that we must work ceaselessly for its overthrow at the next and earliest possible stage — yes. A revolutionary opposition may perhaps develop during the war — even though it didn't in the last war — and may be able to overthrow the Stalinist bureaucracy even in the midst of war — fine. But so long as this doesn't occur, in case of a direct imperialist attack we will defend the USSR, as it is (not in our dreams but in reality), the Stalinist USSR. And we can do this in no other way than through military and technical collaboration with the bureaucracy. Because of its contradictory role, which we discussed in the first section, this very bureaucracy is compelled in the interest of self-preservation to defend — by its own bureaucratic and nationalist methods — the Soviet economy against an imperialist aggressor. We defend this economy with the bureaucracy, until we are in a position to defend it ourselves alone. Our defense of the USSR is unconditional; this means simply that we do not lay any conditions upon the bureaucracy for our defense, that we take the USSR and the bureaucracy as they are. To lay conditions for our defense is equivalent (for anyone not living on another planet) to rejecting defensism.

We have put our discussion of defense of the USSR at the conclusion of our document. In doing this we wished to indicate that our analysis of the USSR leaves unchanged the traditional position of the Fourth International on unconditional defense. But defense of the Soviet Union, as valid in peace as in war, is far from being the sole task of the proletariat today. It would be dangerous to jump to the conclusion that the entire historical postwar epoch will show a balance sheet of nothing but defeats of the proletariat, that fascism and reaction will triumph again, that world imperialism will be able to launch a third war, this time against the Soviet Union, and that the again isolated bureaucracy will once more have to defend its existence on its own soil. Such vast defeats would perhaps definitively rule out all possibilities for the revolution.

C. Our Attitude on the Red Army Occupation of Eastern Europe

The present form of military occupation is typical of the counter-revolutionary character of Stalinism.

The Fourth International must declare itself in principle for withdrawal of Soviet troops from Eastern Europe, and proclaim the right of self-determination for all peoples.

This position involves the risk of temporarily weakening

the military defense of the USSR. But although the Red Army occupation acts in the interest of military defense of the Soviet Union, under the present circumstances it runs counter to the development of the revolution in Eastern Europe — and this latter aspect has the greater weight.

This is a principled position; we must follow it as such — the more so as the development of the revolution becomes swifter. But it is not in the same category as a slogan that is valid under all circumstances:

a) It would be absurd to demand withdrawal of the Soviet troops without at the same time demanding withdrawal of all occupation troops.

b) In the imperialist countries (France, Great Britain, United States) the proletariat has no way of fighting for evacuation of Soviet troops from Eastern Europe without directly serving the interests of imperialism at home. We can therefore take only a theoretical position on this question, and our primary struggle must be against the anti-Soviet designs of imperialism at home.

c) How we translate these principled positions into practice and agitation will depend on the concrete circumstances. Austria, for example, has been ruined and plundered by all the occupation troops; there is in Vienna a powerful proletariat adhering to the Social-Democratic Austro-Marxist party which is as strong as the Stalinist party; the role of Stalinism in Austria is completely reactionary. Here we must demand immediate withdrawal of all occupation troops and the right of

self-determination for the Austrian people, up to and including "anschluss" with Germany if they wish it.

In Hungary, on the other hand, immediate withdrawal of Soviet troops would be a victory for the parties of reaction. Poland offers an even more typical example. Soviet troops were evacuated from Poland, but so great did the progromist terror unloosed by the fascist organizations become that the Red Army had to partly reoccupy the country.

We do not have to put emphasis on withdrawal of the Red Army. If Soviet troops had to be withdrawn under the combined pressure of native fascism and world imperialism, it might even be that we would denounce such evacuation as a capitulation. Similarly, if the world war threatened to break out in the immediate future between the USSR and the U.S., the demand for withdrawal of the Red Army would constitute direct aid to imperialism. We must therefore examine each particular case in all its concreteness, for the situation is in constant evolution. We must constantly advance our traditional demands, especially the democratic demands, whether or not the Red Army is in occupation. The demand for evacuation should not be raised unless it coincides with a popular current which can follow it up with a struggle against imperialism and reaction.

Thus the necessity for withdrawal cannot be defined in a universal formula. The International must follow the developments closely, and avoid too hasty judgments. It must take a principled position for withdrawal, but it must study very carefully the possibilities of applying the principle in each particular case.

IV. Draft Resolution

(As comprehensive a resolution as possible should be drawn up at the World Congress.)

1. Soviet economy is a planned economy, operating on a low level of productive forces. It is not a capitalist economy: private property in the means of production and exchange does not exist. It is not a socialist economy: the living standard of the masses is lower than in the large capitalist countries, and a privileged bureaucracy absorbs a large part of the national revenue.

2. The origin of the bureaucracy lies in the scarcities, the low level of productive forces and the low cultural level, the contradictions between the proletariat and the peasantry, the isolation of the USSR in a capitalist world.

The bureaucracy is a gendarme, regulating by its own methods and to its own advantage the distribution of the products of labor but defending the planned economy against internal and external attacks. Thus it has a dual character:

— progressive, since it accomplishes, however badly, the task of protecting the Soviet economy — a task which must return to the proletariat.

— reactionary, since it politically oppresses the majority of the population, wipes out the ideological conquests of October, blocks all democracy within Soviet society and checks the proletarian revolution in other countries.

4. In the course of the war the bureaucracy revealed itself to be more stable than the Bolshevik-Leninists throughout the world had believed. We must recognize that the establishment of a totalitarian police regime in Russia, the possession of both economic and political instruments of power, the generally low level of political consciousness of the proletariat and the enfeeblement of the bourgeoisie, have given the bureaucracy a stability greater than that of any classical bonapartist regime.

5. However, we maintain our stand that the bureaucracy occupies an unstable and contradictory position between capitalism and the revolution, between the bourgeoisie and the proletariat, and that on a historical scale it has no stability. It will

give way either to a reactionary return of capitalism, or to a revolutionary victory of the proletariat. If capitalism is to conquer, it would have to make profound changes in the economic structure and reintroduce private property. The proletariat, on the contrary, once the political power of the bureaucracy is overthrown, would be able to utilize profitably the existing framework of the planned economy.

6. The dual and contradictory character of the Soviet bureaucracy, is revealed in its foreign policy. The bureaucracy defends the Soviet economy both militarily and economically, and thus keeps it withdrawn from the orbit of imperialism; hence the profound antagonism between the USSR and the imperialist countries. But the bureaucracy also defends its privileged position in Soviet society; hence its hostility to the proletariat, hence its counter-revolutionary role.

7. The various Communist Parties, with their top cadres tied to the Soviet bureaucracy, defend the interests of the bureaucracy by opposing the bourgeoisie in their own country, but without basing themselves on the action of the masses; hence the policy of maneuvers, blackmail, political pressure on the bourgeoisie.

8. This policy brings the Communist Parties into opposition to the native bourgeoisie to a far greater extent than was the case with the policy of the traditional reformist parties. But "playing tricks" with history will solve none of the great problems of our epoch, the necessity of replacing dying capitalism with socialism.

The influence of the Communist Parties is inexorably being exhausted; if the revolutionary parties of the Fourth International do not take the place of the Communist Parties by winning the masses, they will sooner or later be crushed by a new fascism.

9. Mainly for diplomatic and military reasons, the USSR has been led to conquer territories of Eastern Europe and Asia. In the countries of the "bulwark," the bureaucracy has

brought about significant economic and political transformations, while at the same time abolishing all democracy and blocking the development of the revolution. Along with the agrarian reform, the nationalizations and a whole series of quite progressive steps in these traditionally backward and reactionary countries, the USSR has discredited socialism by its lootings, its crimes, and all the terrible consequences of an especially barbarous military occupation. By its totalitarian oppression, it checks every proletarian movement.

10. We believe that unconditional defense of the Soviet Union against imperialism remains the slogan of the Fourth International. Conquest of the Russian market by imperialism and disappearance of Soviet planned economy would have grave consequences for the proletariat; and in the conflict between the USSR and imperialism we cannot remain indifferent.

11. The Stalinist bureaucracy defends the USSR by methods which in the long run cannot be successful, and at the same time it checks the development of the revolution. We therefore struggle ceaselessly for the revolutionary overthrow of the Stalinist bureaucracy.

12. Defense of the USSR against imperialist attack is thus a compromise for us. Irreconcilable enemies of the bu-

reaucracy, we nevertheless consider imperialism an even greater danger. So long as we are still unable to reestablish the power of the Soviets in the USSR, we collaborate militarily and technically with the bureaucracy which, to preserve its privileges, defends the USSR in its bureaucratic way.

13. In each concrete situation we must examine whether strengthening the bureaucracy against imperialism runs counter to the interest of the development of the revolution at a later stage. "Overthrowing the Stalinist bureaucracy," said Trotsky, "is for us subordinate to defense of the USSR, and defense of the USSR is subordinate to the world revolution."

Since war is not an immediate threat today and the Soviet occupation of Eastern Europe stands in the way of every revolutionary development in the "bulwark," we take our position in principle for withdrawal of Soviet troops from Eastern and Central Europe. But the application of this slogan must be made carefully, in such a way as not to play into the hands of the reactionary parties in the occupied countries.

The slogan should be carried into our agitation only if a popular current offers the possibility of giving it a progressive meaning. Our position will have to be precisely formulated in each concrete case.

The Bureaucratic Defense of the USSR

Presented for Discussion at the Third Congress of the PCI
By MARCOUX, MESTRE, RENAN, DURAL, HOUDON, LIME

An understanding of Stalinist policy remains the key to the world situation and especially the European situation. To pose this question wrongly is virtually to preclude the building of the revolutionary party. In order to facilitate

the discussion, we have intentionally omitted all questions on which there is nothing new to contribute; nevertheless our document is not restrictive.

Part One

THE INTERNATIONAL SITUATION AND THE "BUREAUCRATIC DEFENSE" OF THE USSR

I. "The world situation is dominated by the power conferred by the war upon the United States and the USSR, and by their reciprocal relations." (International Conference, April 1946.)

II. The relations of forces between the great powers (the United States and Great Britain on the one hand and the USSR on the other) undergo variations in relation to:

a) the social instability in Great Britain (and its Empire) and the United States;

b) the Anglo-American antagonisms;

c) the intensity which the class struggle in Europe reaches, and the extension of the Stalinist bureaucracy's influence in the "bulwark" (the border countries controlled by the USSR) as well as in the other European countries beyond this "bulwark";

d) finally, the rapidity with which the USSR surmounts its crises and actually succeeds in increasing its industrial and military potential.

Despite its intensive exploitation of the buffer countries, the USSR suffered such economic losses during the war, and the level of production is so far below that of the advanced capitalist countries, that according to statistics the USSR could not reach the U. S. level of production before 1960 or surpass it before ten years after that. At the present moment we can believe that the bureaucracy will be on the defensive for a very long period.

III. The antagonism between Great Britain and the United States on the one hand and the USSR on the other, drives implacably toward a Third World War. There are three factors speeding up this outcome:

a) the military and economic superiority of the United States;

b) the dangers of an economic crisis, which are being clearly revealed in all the big capitalist countries;

c) the present difficulties of the USSR.

Only one factor retards this outcome: the second imperialist war, like the first, unchained in an explosive form the class contradictions on a world scale. The first wave (the "Liberation") ended in restoration of democracy in the countries of Western Europe, a series of full-scale battles in Italy and Greece, and finally the tottering of the seats of the old colonial empires (liberation of Indonesia and Indo-China). The second wave—the economic strikes which took place against the background of the transition from war-time to peace-time economy—was only the portent of new and powerful social explosions. Everywhere the strength of the working class remains intact.

THE NATURE OF THE USSR

On the question of the nature of the USSR, we are quoting part of the document presented by Gabriel to the First Congress of the PCI, with which part we are in complete agreement:

"For those who remain faithful if not to the letter at least to the spirit of Trotsky's thoughts, the question of the nature of the USSR can be resolved only in this way: the starting point

for a sociological definition of the USSR remains the defining of the social relations existing there. What are the forms of property in the USSR, what are the relations between the various social categories (class relations)—these are the only valid criteria for Marxists who wish to define scientifically the nature of the USSR.

"On the forms of property in the USSR there is almost unanimous agreement in our ranks that what we have to do with is nationalized (state-ized) property. Differences exist on the significance and the scope of this nationalized property. For us, this property system: (a) can arise only out of a proletarian revolution, which alone is capable of expropriating private property on a general scale; (b) can be maintained only if it evolves toward socialism through the world proletarian revolution; (c) cannot be assimilated again, in this form, into the capitalist system. If a prolonged set-back of the revolution throughout the world should lead to reincorporation of the USSR into the capitalist system, the nationalized property would give way to private property (for example, destruction of Russian nationalized property in the Ukraine by the Germans). This incorporation would at the same time mean a massive destruction of the productive forces of the USSR, including the working-class population which has advanced thanks to nationalized property, planned economy and the monopoly of foreign trade.

"To believe that capitalism is capable of nationalizing property on as large a scale as in the USSR and thus of assuring, in the present imperialist stage, the development of the productive forces, means to believe that capitalism is capable of transforming its own nature. Thus all attempts to compare the property system in the USSR to state capitalism, or to maintain that this system can as such be assimilated into the capitalist system, start from a complete misunderstanding of the nature of capitalism. Nevertheless, the fact of nationalization of property in the USSR does not automatically solve the question of class relations in the USSR.

"We agree in general that, because of the backwardness of the USSR and its imperialist encirclement, the bureaucratic caste of state functionaries and technical administrators of the economy—who in the first days of the Revolution were a necessary evil destined to disappear according as the economic and cultural progress of the Soviet masses (thanks to support from the world revolution) rendered them capable of doing the administering themselves—acquired an unforeseen social and political numerical importance and finally appropriated 'in some measure' (Trotsky) the state and consequently the state property."

"Does this social category today represent a bureaucratic caste, a 'temporary and extraordinary growth on a social organism' (Trotsky), or is it a new exploiting class, a growth which has 'already become transformed into a historically indispensable organ?' (Trotsky).

"Even an exploiting class—Trotsky rightly said—is a social organ which 'can take shape only as a result of the deeply rooted internal needs of production itself.'"

"According to the Marxist criterion of the development of the productive forces, the present property system in the USSR is a different and more progressive system than capitalism."

"Does the Stalinist bureaucracy represent the ruling social layer which corresponds historically to such a system, does it represent the indispensable social organ without which the historical development of this system (of state property and planned economy) is impossible—or is it, on the contrary, a parasitic excrescence which has grown up on this system as a result of the system being confined within the national framework of a single backward country?

"If the latter, then what we have to do with is a temporary caste.

"The entire evolution of the USSR, in our opinion, accords in showing that the importance which the bureaucracy acquired in the economic and political life of the country went far beyond the need of a backward country to transplant and assimilate the technology and organization of production of advanced capitalist countries, which was accomplished in part through bureaucratic automatism that stifled the leadership, initiative and creative spirit of the masses.

"The development of the productive forces in the USSR resulted from the nationalization of the means of production and the planned beginnings, and by no means from the fact that command of the economy by the bureaucracy was still indispensable at that stage.

"On the contrary, 'bureaucratism, as a system, became the worst brake on the technical and cultural development of the country.' (Trotsky.)

"We therefore reject the definition of the bureaucracy as a new exploiting class, since we cannot show its historical justification, and we hold to our definition of it as a temporary exploiting caste."

"The essence of the socialist system which the proletarian revolution intends to establish in place of capitalism is its international character.

"The proletariat cannot raise itself to the position of ruling class unless it assures satisfaction, in the shortest possible time, of the basic needs of the new society and the rapid development of its culture, by removing the need for a bureaucracy as organizer of the national revenues.

"But that this task is insoluble within the framework of a single country and especially a backward country—this is the fundamental lesson of the Russian experience. Only the extension of the proletarian revolution into a whole number of advanced countries can furnish the necessary economic and cultural base for reducing the proportions and life-span of the bureaucracy to the minimum compatible with preserving the working-class character of the state which issued from the revolution."

"The Stalinist regime in the USSR thus represents a deformation of the workers' state in a backward country encircled by imperialism.

"This regime is located, but only temporarily, between capitalism and socialism. It does not represent an autonomous and durable social system, a new autonomous and durable system of exploitation."

* * *

Comparing the French and Russian Revolutions, Trotsky underlined that in both cases it was the plebeian democracy that assured the triumph of the new system, and that in both cases the bureaucracy rose on top of the plebeian democracy and strangled it.

The social content of the dictatorship of the bureaucracy is determined by the relations of production established by the revolution.

Soviet society has a contradictory character: in the inequalities of living conditions and the privileges of the bureaucracy, it is infinitely closer to the capitalist system than to communism. But the development of the productive forces is proceeding not through reestablishment of private property but on the basis of socialization along the road of planned management.

"What we have always understood in the slogan of defense of the USSR was defense of the nationalized and planned economy, and nothing else. We have called this defense 'unconditional.' We defend the nationalized and planned economy of the USSR independently of the policy, whether relatively revolutionary or relatively reactionary, of the Soviet bureaucracy."

"At the same time we were for carrying on the most

implacable policy of revolutionary opposition to the Stalinist regime, calling for the formation in the USSR of an underground Bolshevik-Leninist party and the revolutionary overthrow of Stalin.

"We have said that if the masses should take such action, it would be a political revolution, which although having profound effects in the economic field would nevertheless leave intact the economic foundations of the USSR, i.e., the nationalized and planned economy."

"In practice, our difference with those who defend the thesis of a 'social revolution' thus reduces itself to a purely terminological dispute. In times of 'peace,' to be sure, the task of the revolutionary overthrow of Stalin cannot be deferred for a moment. It is always on the order of the day. In times of 'war,' or rather in times of direct military action against the USSR by one or several capitalist states, while we conduct our revolutionary propaganda against Stalin and show the masses the necessity for his overthrow, we postpone the above task 'for the next and perhaps very near state' (Trotsky).

"That is the only valid justification today for this position.

"Why and how do Marxists defend the colonies? They defend them, on the one hand, because 'the surplus value gained by exploitation of the colonies is one of the mainstays of modern capitalism,' and on the other hand, because imperialist domination in the colonies 'obstructs the free development of the economic forces. That is why its overthrow is the first step toward the revolution in the colonies; that is why assistance in overthrowing foreign rule in the colonies is not in reality assistance to the nationalist movement of the native bourgeoisie, but rather the opening of the road for the oppressed proletariat itself.' (Supplementary Theses on the Colonial Question at the Second Congress of the Comintern.)

"Every territory wrenched, no matter how, from imperialist exploitation sharpens the internal crisis of imperialism and hastens its downfall.

"On the other hand, every territory which remains open to capitalist exploitation prolongs the life of imperialism.

"The USSR represents in its economic system a territory closed to imperialist exploitation. It represents, furthermore, an economic system superior to imperialism.

"The interests of world revolutionary strategy dictate to Marxists the task of preventing imperialism from finding a way out by entering the USSR, exploiting its material and human wealth and checking its economic development.

"Assimilation of the USSR into the capitalist system would be a palliative for imperialism, an above-all economic victory of imperialism.

"In the present stage of the evolution of the Soviet Union, it is false to present defense of the USSR as if dictated primarily by the sociological and political characteristics of 'workers' state,' 'outpost of the revolution,' etc.

"Such terminology corresponds to no content and is capable of creating the worst sort of illusions among the masses and within our ranks.

"We defend the USSR as an economic system closed to imperialist exploitation and economically superior to capitalism—nothing more."

* * *

The bureaucracy, as a whole, emerged victorious from the war. Like Bonaparte, it now attires itself in the lustre of victory.

The whole policy of the bureaucracy derives from its desire to defend the contradictory character of the society which assures it its privileges and which gave it its victory: its entire policy is subordinated to defense of this society.

The Stalinist theory of the peaceful and gradual building of "socialism in one country" has been cut to shreds: the destructions suffered by the USSR and the presence of the armed forces of English and American imperialism in Western Germany, impel the bureaucracy to establish a relatively tight control over the whole of Eastern Europe.

Part Two

THE POLICY OF THE STALINIST PARTIES

A crushing mortgage burdens the workers' movement: the degeneration of the USSR and the increase in strength of all the Stalinist parties. Only a complete understanding of their policy will make it possible for us to lift this mortgage.

We will analyze this policy both in the countries controlled by the USSR and in the other countries. Only such an analysis can introduce any new elements into the problem of the USSR and Stalinism.

When the war against the USSR broke out, the Stalinist parties in all countries occupied by German troops took part in the "resistance movements" and collaborated on a nationalist basis with the bourgeois parties which stood in opposition to German imperialism.

Fundamentally, this policy was a continuation, under the conditions of war against the USSR, of the Stalinist "Popular Front" policy begun in 1934.

The Kremlin, for its part, did not again set up "Kuusinen cabinets"—composed exclusively of Stalinists—as it did during the first Russo-Finnish war. The Kremlin itself established "Committees of National Liberation" under bourgeois leadership (Free Germany Committee, the Hungarian C.N.L. led by General Bella Miklos) or C.N.L.s under reformist leadership or with mixed participation (the Polish C.N.L., the Austrian provisional cabinet under Renner); and in countries where the Red Army entered, the Kremlin at first gave its support to the bourgeois

governments which at the last moment switched from one camp to the other (the royal cabinets in Rumania, the Mannerheim cabinet in Finland).

The Kremlin's entire policy was dominated by its desire to guarantee bureaucratic defense of the USSR without compromising the agreements with its temporary imperialist allies. Against this background, we find in the last stage of the war this new situation: bourgeois governments, with or without Stalinist participation (the latter in Finland and Rumania), administer a bourgeois economy largely to the benefit of the Soviet bureaucracy, which wields the prerogatives of an occupying power. Thus a dual power is created between the national bourgeoisie on the one hand and the Soviet bureaucracy on the other.

The equilibrium between these two powers is constantly threatened: with the support of its allies, the native bourgeoisie, both in and outside the government, tries to turn the situation in its favor by every method, the most important of which is the pressure exerted by the English and American imperialisms.

For its part, the Kremlin attempts to stabilize its control. Incapable at the present time of undertaking structural assimilation of the buffer countries, because of its need for obtaining the support of foreign capital to rehabilitate the economy of these countries and for preventing the revolutionary outburst of the masses; unable, on the other hand, to content itself with the present situation in which the bureaucracy has to share its benefits with the national bourgeoisie, the Kremlin pursues, in the countries occupied by the Red Army, a policy which is

opportunist but nevertheless tends, though in a completely empirical way, toward assimilation of the buffer countries. Hence the illusion that the Soviet bureaucracy, despite everything, is quite capable of promoting revolutionary solutions.

Actually, it can be said that the Kremlin records no more successes for the revolution internationally than internally. Within the country, it corrupts socialism (suppression of proletarian democracy, suffocation of the Soviets, growth of the military caste and the bureaucracy) and endangers the planned economy and collectivization. Externally, it corrodes the conditions for the revolution by retarding the economic growth of these countries and crushing all revolutionary perspectives in the workers' movement, while by a succession of military annexations it pushes the frontiers of the USSR still further off.

In all the buffer countries the Stalinist parties, transmission belts for the designs of the Kremlin bureaucracy, utilize the revolutionary will to struggle of the masses, not to mobilize them against the bourgeois state, but to increase the number of posts for the Stalinist parties in the bourgeois governments. This is especially clear in Rumania, where three royal cabinets were overthrown in six months and where the revolutionary will to struggle of the masses was able to do no more than bring to birth, thanks to Vyshinsky's intervention, a bourgeois government in which the key posts went to the Stalinists. Two cabinet changes in Bulgaria brought the same result. At the present time all the governments of the buffer countries (with the exception of Finland) are dominated by the respective Stalinist party of each country.

The dual power, as we have said, does not reveal itself solely between the bourgeois governments on the one hand and the Soviet bureaucracy on the other, but also within the bourgeois governments, between the representatives of the native bourgeoisie and the bureaucracy's agents.

Thus the Stalinist parties administer the bourgeois economy in favor of the Soviet bureaucracy, but also in favor of the native bourgeoisie.

BOURGEOIS ECONOMY OR NOT?

A study of the two fundamental measures taken under the pressure of the masses and of the Stalinist parties—the agrarian reforms and nationalizations—reveals that the forms of property remain the forms of private property.

THE AGRARIAN REFORMS

The agrarian reforms have been incomparably more deep-going than those which came about in these countries as an outcome of the First World War. At the call of the Stalinist parties, committees of poor peasants were set up everywhere. But the initiative in partitioning the land was in only small measure left to these peasant committees, for everywhere in the buffer countries we find the same basic lines of reforms: agrarian property was uniformly limited everywhere to fifty hectares (in 1918 the limit for landholdings was fixed, except in Bulgaria, at 500 hectares and higher). Agricultural machinery and land belonging to "Germans, collaborators and traitors," were divided among the peasants. The immediate consequence was the shattering of the social base of the great feudal estates in Germany (the Junkers in Prussia and Pomerania), Poland (especially the part incorporated into the USSR), Hungary and Rumania.

In distinction from the 1917 Revolution which nationalized the land and gave the peasant the products of his piece of land, the present reforms consolidate small property in the country and require compensation (set at an annual quota for each piece of land, payable in kind or in money payments spread over several years). Moreover, the present reforms (which in Rumania

exclude the lands of the king and the church, and in Poland even give new properties to the church) grant only a small parcel (an average of one hectare) to a part of the peasantry, just as in 1918.

When the Russian proletariat seized political power in 1917, it used its powers to win over the peasantry. Nationalization of the soil and immediate division of the land without compensation tore away from the bourgeoisie, in a few hours, the support of the peasantry, and at the same time opened the perspectives of collectivization. This was the profound significance of the Bolshevik decrees on the land.

In the buffer countries at the present time, political power (the government and the state apparatus shared with the national bourgeoisie) is used by the Stalinists not to tear away from the bourgeoisie the support of the peasantry, but to consolidate still further the existing capitalist system; not until after many years will the small peasant, with his small property hung around his neck, go through his own experience of the bankruptcy of small property within the framework of a decadent capitalist economy.

THE NATIONALIZATIONS OF INDUSTRY

The nationalizations of industry and their extent have bred the most fantastic ideas in the minds of the petty bourgeoisie.

Let us recall first of all that all the countries of Central-Eastern Europe have suffered and are suffering from an atrophy of private capital, a sign of the delayed capitalist development of these countries. State enterprises naturally played an increasing role here, while international imperialism was able, thanks to a system of loans and investments, to carry off a large part of the national revenue.

In Poland, for example, before the war the state owned almost the entire transportation system, 70 percent of steel production, 50 percent of the metallurgical and coal industries, 100 percent of the chemical industry, not to mention its monopolies in alcohol, tobacco, matches, etc. This case, which is typical for Central-Eastern Europe, shows that only the state, acting in the name of the bourgeoisie as a whole, was capable of making large-scale investments in certain fields, and the rest had to be given over to foreign capital. It may be said that in industry and banking, private property was represented essentially by foreign capital.

In fact, before the war in 1939, foreign capital held 40 percent of all the capitals of stock companies in Poland; 11 out of 16 banking establishments in Yugoslavia were entirely in the hands of French, English and German finance; 80 percent of the capital invested in the 102 major enterprises in Bulgaria was in the hands of foreign capital; 41 percent of the total capital of stock companies in Rumania was in foreign hands. Albania was completely dominated, like a colony, by Italian capital.

The extension of nationalizations, that is, state enterprises, was thus inherent in all the countries of Central-Eastern Europe; and even more so in the areas "won" by Poland (100,000 square kilometers) and Czechoslovakia from what was formerly German territory (the Sudeten region), where the owners had fled. We should add that the nationalizations only temporarily helped the countries of Central-Eastern Europe to shake off the grip of foreign capital.

The extensiveness of these nationalizations did not transform class relations, as has been wrongly maintained. It is precisely in its role as representative of the entire ruling class that the state assumes, in a period of crisis or scarcity of capital, the management of an important sector of the economy. The new factor in the buffer countries is the benefit which the Kremlin bureaucracy derives from these measures, as a result of the relations of forces between it and the national bourgeoisie.

In Central-Eastern Europe the state, as owner, sees that the nationalized enterprises are run according to the purely commercial principles of capitalist economy: employees are the private employees of each enterprise; all profits go into the treasury; all nationalizations, except of properties belonging to Germans, Hungarians or collaborators, were carried out on the basis of compensation in the form of state bonds at 3 or 3.5 percent interest.

Enterprises are run by the directors. In the Russian zone in Germany, the plant administration consists of four directors, one from each political party. The council of workers and employees exercises no control over production and has no rights of management. Delegates are not elected but appointed; they have only the right to bring in suggestions for improving production. All the personnel have a ten percent share in the net profits of the enterprise. The right to strike has been suppressed in all the buffer countries.

The displacement of the former directorates of the now nationalized enterprises, like the compensation of foreign shareholders, does not create a change in the forms of property but a change in the property owners; in this sense, a dual power (solely between the bourgeoisie and the Stalinist bureaucracy) has also appeared in the economic apparatus.

The entire economy of the buffer countries is thus regulated by capitalist laws, even though the USSR, through trade agreements, secures for itself the possibility of centralizing in its hands the foreign trade of these countries and controlling the functioning of the national economy through the native Stalinists.

The policy of reparations (an average of 300 million dollars for each of the buffer countries except Yugoslavia), and the policy of large-scale looting and reducing huge layers of the population of the buffer countries to slave-laborers (deported to the USSR), were undertaken by the Kremlin as the combined outcome of the destruction of its own productive apparatus and its uncertainty as to how long it would occupy the buffer countries.

The maintenance of capitalist economy in all the buffer countries, the economic crisis caused by the war and devastation, as well as the huge requisitions levied by the bureaucracy, resulted in the collapse, one after another, of the national currencies of all the buffer countries, and boundless misery for the toiling masses. The USSR itself lacks the resources to bring the production of the buffer countries even up to three-quarters of the pre-war level. Under such conditions, an appeal to foreign capital becomes a gripping necessity for these countries. Already representatives of the Hungarian government have taken a one-way ticket—to Wall Street—and the Polish government has just contracted for a 90 million dollar loan in the United States. Now the appeal to foreign capital offers the latter the opportunity for dictating not only economic but political conditions. All of Molotov's efforts in international conferences will be powerless to check the economic collapse of the buffer countries, a collapse which paves the way for the aggressive return of foreign capital. The revolutionary will to struggle of the masses, broken by the bureaucratic stranglehold, will be incapable of standing up against the new penetration of American imperialism.

The policy of "production at all costs"—the general slogan in all the buffer countries as also in the other European countries—cannot assure the economic independence of these countries on a capitalist basis, in the face of foreign capital.

In all the buffer countries increased output—as well as the idea of getting freed from foreign capital—means, within the framework of the dual power, just another way of lifting additional surplus-value from the working class.

The working class in all the buffer countries has become the fly in the milk of the bureaucracy.

THE SPECIAL CASE OF YUGOSLAVIA

Nowhere in the buffer countries, or in the rest of Europe except for Greece and Italy, has the class struggle taken on as explosive a character as in Yugoslavia, where defeat in the war unloosed all the social and national contradictions. From 1942 on, the Anti-Fascist Committee of National Liberation (the Avnoy), completely controlled by the Stalinists, was the top of a huge pyramid of workers' and peasants' committees which, according to Tito's expression at the time, were the "germs of the future popular power." The Avnoy had to conduct the struggle not only against the Nazis and the government of the Yugoslav quisling Nedich, but also against the Mihailovich "partisans" supported by Nedich. Thus a real civil war was waged in Yugoslavia in the guise of a war against national oppression. And from 1943 on, sections of the Yugoslav partisans were in entire control of important parts of the country.

Here better than anywhere else we can appraise the counter-revolutionary role of Stalinism and at the same time see what distinguishes it from reformism.

The defeat of the Mihailovich "partisans," and following this the activities of the partisans, completely destroyed the framework of the bourgeois state. The old political parties completely disappeared. The intelligentsia rallied to the Committees of National Liberation. Apart from the Red Army which entered as an ally, no foreign army set foot on the soil of the country after the collapse of the German armies.

Nevertheless, the framework of capitalist economy was preserved: the Stalinists, with virtually complete power, did not proceed to nationalization of the soil, or socialization of the means of production, or a planned economy, or still less to a broadening of the popular democracy which was begun with the setting up of the committees.

Stalinism in full power brought to birth a petty-bourgeois republic which copied the external forms of the degenerated Soviet state without its content. According to the rather fine-spun definition of the Communist leader Pijade, "Yugoslavia is neither a bourgeois democratic republic nor a socialist republic; it is a form above the bourgeois democratic republic but below the socialist republic."

Actually, the Yugoslav republic is the picture of a decapitated proletarian revolution: before the latter could succeed in setting up a genuine workers' and peasants' regime, the bureaucracy strangled the democracy of the committees and transformed them into the bureaucratic machine of a petty-bourgeois state resting on the economic base of small property in both city and country.

THE "CONQUEST OF THE BOURGEOIS STATE"

The wide-scale purge, the "popular" organization of the army and the movement to organize a single party, were the instruments which Stalinism used to alter, within the bourgeois state, the equilibrium which had been established between it and the native bourgeoisie.

The purge was a continuation, within each country, of the struggle against the elements hostile to the USSR.

The most extensive purges took place in Bulgaria, where in the space of eight months there were 131 trials and 2,000 death sentences (among these, the three regents, most of the ministers who succeeded each other from 1943 to 1944, and a large part of the reactionary deputies). But the example of Bulgaria shows that, despite the purges, the traditional representatives of the bourgeoisie remained in the key governmental posts and at the head of the single party called the "Fatherland Front." We can thus understand why a bourgeois newspaper, appraising the Bulgarian purges, said: "It is certainly better to pose the

political problems of power before a court rather than in a bloody civil war." (Der Bund, Berne, February 6, 1945.)

The purge hit some of the most compromised elements and at the same time made possible the rehabilitation of others who joined the various "Popular Fronts" set up in each country.

The dual power that was established in the government, the state apparatus and the economy, revealed itself in the rechristening of the army which now was named "Popular" or "Democratic." Actually, the former officer caste was partly dispersed and partly destroyed, but a part of it adapted itself to the new regime. But the model of this "democratic" army was the degenerated Red Army which sanctifies a powerful hierarchy and the absolute authority of the top cadres. Democratization was a positive measure insofar as it eliminated enemies of the USSR, but it did not bring with it the emancipation of the soldier.

Maintenance of "unity of the Resistance" was for Stalinism a mask behind which the Stalinist parties worked to suppress all political life and all democracy in the occupied countries.

The establishment of single parties with a petty-bourgeois platform and under the control of the Stalinists (the Bulgarian Fatherland Front, the Rumanian Democratic Front, Tito's single party in Yugoslavia) made possible both justification of the policy of curbing the revolutionary struggle, and suppression of every political current whatsoever that was hostile to Stalinism.

Wherever the Front could not be realized—for one thing, because of the pressure of the large masses who took refuge in the reformist or bourgeois parties (the Polish Peasant Party, the Hungarian Smallholders Party) — Stalinism applied its policy, in regard to these parties, of boring in from bottom to top.

The policy which germinated in the brain of a degenerated bureaucracy—the policy of penetrating the bourgeois state machine in large numbers in order to move it in a direction favorable to the Kremlin—shows the real difference between Stalinism and reformism:

When the reformists penetrate the state machine and place their representatives at various levels in the apparatus, they feel no necessity for introducing any alterations whatsoever in the framework of this apparatus. Stalinism, on the contrary, though resting on the base of a capitalist regime, by its very nature brings about certain alterations (agrarian reforms, extensive nationalizations, purge). The explanation, as we have said, lies in the fact that wherever Stalinism seizes the key posts, it produces a dual power between the national bourgeoisie and the Kremlin, whereas the reformists, since they are agents of native capitalism, do not involve any sharing of power.

* * *

The same concern for conquering the bourgeois state apparatus, not in order to break it but to make it serve the aims of the bureaucracy, dictates Stalinist policy also outside the buffer countries. But the outcome cannot be the same: whereas in the occupied countries structural assimilation is the logical outcome of the contradiction which sets the national bourgeoisie in opposition to the bureaucracy, in countries such as France, Italy, Belgium, etc., the bases of the capitalist regime are not in the least threatened by the relatively large participation of Stalinists in the government. Furthermore, this policy had been anticipated—and under conditions of open civil war—in the Stalinist policy pursued in Spain from 1936 to 1939.

Let us examine concretely the present Stalinist policy:

The essence of Stalinist policy outside the USSR is "conquest" of the bourgeois state, neutralization of the bourgeoisie and establishment of a dual power in favor of the Kremlin. This dual power is a deformation of the dual power between the bourgeoisie and the proletariat, and can appear in this form

only insofar as there is a broad radicalization of the worker and peasant layers.

Nevertheless, if we first compare the policy of the Stalinist parties in the countries allied to the Kremlin with the policy pursued in the non-allied countries, and then recall the various turns of every one of the Stalinist parties, we can see that no party in all history has been able to pay so little attention to the reaction of its base.

In June 1936 at the height of the revolutionary upsurge in France, the Communist Party, with a cynicism which would make the reformists look pale, dared to advance the slogan that one must know when to call off a strike: In 1938, in a period of full retreat, it dared to call for strikes and defeat (November). In 1939, following the Russo-German pact, it became defeatist, and then in 1941 patriotic. In 1945, in a period of upsurge, it dared proceed to dissolution of the patriotic guards and liquidation of the Committee of National Liberation and other committees (January). In 1946, it made a turn on the question of wages, but without abandoning the contradictory slogan of production. The constant in all these variations is the Soviet bureaucracy's interests and, thereby, the state of its international relations. But in the recent turns this constant reveals itself only with difficulty to the eyes of the working class.

The war unloosed in explosive form a series of contradictions which until then had been held in check by the capitalist regime. But Stalinism showed itself infinitely more capable than reformism of "corrupting" the revolutionary upsurge. The war was transformed, though at different levels and with varying extent, into civil war in Italy, Greece, France, the buffer countries, Germany itself and the colonies. The class struggle experienced a genuine renewal in the United States and England.

This revolutionary upsurge was manifested largely in the growth of the Stalinist parties, which were at no time inundated by the upsurge; and this problem of inundating Stalinism appears as an infinitely more complex problem than the inundating of reformism in 1918.

The opposition of the English and American imperialists rehabilitated Stalinism to some extent even in Germany, where, however, it had the least opportunity to regain its forces.

The savage opposition the Communist Parties meet from the national bourgeoisie—which sees them as a danger because the Stalinists, unlike the reformists, are not agents of the national bourgeoisie but of the Soviet bureaucracy—not only strengthens the prestige of the Communist Parties in the eyes of the masses but gives a false revolutionary stamp to even the most reactionary measures proposed by the Stalinist parties in the various capitalist countries.

The program of the Committee of National Resistance, which Stalinism basically contents itself with, cannot be distinguished from any reformist program. There is nothing progressive in the slogan of nationalizations. The shareholders, richly indemnified, can re-establish their private enterprises and, moreover, they still have their representatives in key posts of their former enterprises. The opposition of the bourgeoisie springs from the fact that Stalinism gets its people in key economic posts through these nationalizations which nevertheless are economically profitable for the capitalists. The slogan of "production," intended to bring liberation from the domination of foreign capital and its loans and investments, was joyfully welcomed by the capitalists; but of course it was unable to save the currency, or to guarantee the reappearance of a sufficient quantity of goods on the market, or in the end to prevent an appeal for foreign credits. The Stalinist theory of the "malthusianism" of the trusts (which scuttle certain enterprises because they are not profitable)—a theory offered by the trusts as an answer to the Stalinists' call for production—is an absurdity.

Outside the buffer countries, the Communist parties, in

their efforts to win the key positions in the bourgeois state, are clearly remaining faithful to the idea of first winning the largest part, if not all, of the working class; hence the policy of unity and of the single workers' party. Hence also the suppression, by every method, of all efforts toward regroupment of the revolutionary vanguard. For a revolutionary party, winning the working class means the opportunity to actually pose the question of power, since the revolution itself is a means (through immediate utilization of political power) by which the working class can attract its natural allies, the poorest layers of the petty bourgeoisie of city and country. For the Stalinist parties, on the contrary, winning over the working class is far from enough, since it does not make it possible for them, within the framework of bourgeois democracy, to pose the question of conquest of the state.

Hence the necessity of greatly enlarging this base, of winning over large layers of the petty bourgeoisie, even with a nationalist platform. (The Stalinist propaganda is propaganda for the Communist Parties—and no longer for any Communist doctrine). Hence also the concern for satisfying the capitalist interests of these middle classes.

The Dual Character of the USSR

Marxism Versus Phrasemongering By JOCK HASTON

The class nature of the USSR, its evolution and degeneration, is certainly the most difficult social phenomena that Marxists have had to explain for many years. Only our movement, the Trotskyist movement, has made a serious attempt to give that scientific explanation.

It was Trotsky who sounded the alarm when the degeneration which had already commenced under Lenin—when Stalin first took the helm—began to take a serious turn. It was Trotsky who explained the problem theoretically and charted the actual degeneration as it took place. Ours is the contemporary Marxist movement. We were trained above all, on an understanding of the problem of the Russian Revolution and the degeneration of the Russian state.

Most of the novel theories regarding new forms of class oppression and state functions were evolved by ex-Trotskyists turning away from the revolutionary movement. Outside the Trotskyist movement there has been no serious attempt to destroy these revisionist schools' with scientific criticism. Only the Trotskyist movement has seriously taken pains to refute the political and philosophical theories of these revisionist schools. We should not, therefore, be taken by surprise at novel interpretations of Russian society, its economics and evolution. Yet the movement still seems full of surprises.

The most recent "surprise" was dropped like a bombshell into the RCP in the form of the ideas expounded and defended by our Minority at the last Central Committee meeting held on July 7, and since repeated at a London aggregate on July 13. These debates revealed ideological divergencies from the Trotskyist position on the part of the Minority (Comrades Goffe, Healy, Lawrence, Finch and their supporters) which we have never heard before in the Trotskyist movement; at least not in the British Party. Ideas in relation to Russian society that we had heard expounded only by the most ignorant Stalinists, were put forward and hotly defended by our comrades.

The comrades of the Minority alleged that the Central Committee resolution on the Russian question was a deviation from the Trotskyist position. And what does this deviation consist of? It consists of the statement that Russia has both capitalistic and socialistic features and a description of some of these capitalistic features.

Hence also the apparent contradiction between the various Communist Parties, which have become, each in its own country, heralds of national chauvinism (Tito and Togliatti both demanding Trieste; the German Communist Party posing as champion of German unification while the French Communist Party demands separation of the Ruhr).

The possibility of half-turns to the left, as well as the possibility of a broad change in the present political line of the Stalinist parties, is inherent both in the very character of the Soviet bureaucracy and in the position of the degenerated Soviet state encircled by capitalism.

In the face of the growing strength of the bourgeois parties in the buffer countries as well as outside them, the Communist Parties may—on the basis of this policy of "conquest of the bourgeois state"—make half-turns to the left like the turn on the question of wages in France (which corresponds to its need not only of throwing a sop to the working class but also and especially of making a rejoinder to the Franco-American economic agreements).

The comrades don't mind Russia being called a "degenerated" or "deformed" workers' state, or even a "profoundly deformed" workers' state. There we still have agreement. They balk somewhat at the statement that there exist capitalistic as well as socialistic features. They most definitely refuse to allow the description "capitalistic" to go further than covering petty peasant and handicraft economy and their petty market exchange. To go further than this, our comrades allege, is to fall into a new deviation!

For us, all the various forms of petty capitalist enterprise and accumulation, which find their expression in peasant economy and the differentiation within and between the collective farms on the basis of trading, etc., or which arise from petty trading and black marketing—all these are taken for granted as part of the dual process. In the final analysis, these, as all other capitalistic relations in Russian society, flow from the backwardness of technique. But these primitive capitalist forms of production and exchange play a negligible role in the economy as a whole.

Breaking through the pores of planned economy, these primitive but persistent capitalist forms of production and distribution will only be eliminated with the higher level of technique and culture. For the purpose of our present discussion it is necessary only that their existence and characteristics be kept in mind. We are concerned with other aspects of the problem in which the degeneration toward capitalist relations finds expression in the social differentiation that has arisen on the basis of nationalized property.

To describe "goods" produced by the state in Russia as "commodities"; to describe labor employed by the Russian state and paid wages, as "wage labor"; to describe the wage differentiation as "capitalistic"; the circulation of money and the differentiation that arises from these social relations as "capitalistic" (or the state, insofar as it defends these relations, as a "capitalist" state), as in Paragraph 2 of the CC resolution—all these definitions are sacrilege, comrades, our Minority tell us, and constitute a deviation from Trotskyism!

Ideas and conceptions which we have propounded together with these comrades for years, they suddenly toss overboard and replace them with what turns out to be nothing but the

crudest Stalinist conceptions. All this in the name of Trotskyism, of defending our orthodox position!

We are faced apparently, not with a simple mistake on the part of these comrades, from which they will surreptitiously withdraw—as they have withdrawn from so many positions in the past! (although even such a fresh withdrawal is not excluded). We are faced with a whole new school of thought (?) for the Trotskyist movement which will have to be refuted and destroyed no less completely than the Burnham, Shachtman and other false schools of thought on the Russian question.

THE NUB OF THE CONTROVERSY

We list below some of the ideas put forward and defended by the Minority. Let us hope that they will stop in their tracks and retreat and not (as they must if they pursue their ideas to the end) produce a new *Das Kapital* on economic laws in socialist society!

The Minority state:

1. That the state products in Russia are not commodities but "goods"; which term, when elaborated by the comrades themselves, means that they are produced for use and not for exchange.

2. That the law of value, insofar as this relates to the exchange of "goods," does not apply in Russia.

3. They deny that the circulation of money in Russia is a capitalistic relation, i.e., that money is a measure of value, means of exchange, and medium of payment.

4. They deny that there is wage-labor in Russia.

5. They deny that the state in Russia occupies the same relation to the national economy as the individual capitalist occupies in relation to the single enterprise, and that it appropriates surplus value from the workers.

6. They deny that any of these economic relations referred to in Paragraph 2 of the CC resolution are capitalistic relations; and declare that it is false to say that insofar as the state protects these capitalistic relations, it is a "capitalist state."

7. They declare that to state that the Russian workers are wage slaves is to deny the existence of a workers' state, since the ruling class cannot be wage slaves.

8. They deny that the bureaucracy exploits the Russian workers and peasants economically.

To crown these absurdities they declare that if one insists that these relations do in fact exist, and do in fact have the class character designated to them by the CC resolution, then it is impossible to talk of a degenerated workers' state: what you have is "state capitalism."

What then is the class content of the degeneration in the Soviet Union? The Minority refuse to tell us. Bureaucratic deformation is followed by more bureaucratic deformation, or profound bureaucratic deformation. But the class content of this degeneration, we are not told.

It is not a question of the workers' state being saddled with a hump on its back that is growing bigger. Such an organic analogy is useful only if properly understood. But when it leads comrades to ignore and deny the necessary conclusions of a class character, then it must be replaced by a more precise organic or social picture.

Trotskyists have always held that in Russian society there are two class forces at work: socialist and capitalist. These two social systems express themselves in the state as a dual power, each struggling for mastery, each trying to devour the other.

The socialist relation, which for us is the decisive relation, and upon which we base our class characterization of the Russian state, is state property, with the planned system of production and the monopoly of foreign trade, which resulted from the Russian Revolution of 1917 and the expropriation of the ruling class.

All the other socialist relations—Soviets, workers' democracy, and proletarian accounting and control, proletarian equality, etc.—all have been destroyed by the Stalinist bureaucracy, which has substituted essentially capitalistic relations in place of these socialist relationships. The new constitution and the more recent "reforms" of that constitution prepare the political bases for the bourgeois counter-revolution.

Socialist relations are devoured and replaced by other kinds of relations in the process of degeneration. We call them capitalist relations. The Minority refuse to do so. And in this, whether they like it or not, they will find themselves in the company of Shachtman! Behind the terminological difference lies a theoretical appreciation of the class character of the Russian state and of its degeneration.

In this bulletin we can only touch on some of these issues. Nevertheless, what we say will be sufficient to indicate the magnitude of the Minority's revisionism.

THE CENTRAL COMMITTEE RESOLUTION

In the resolution of the Central Committee, we begin with a statement of our traditional position on the contradictory nature of the Russian state:

"The CC reaffirms the basic programmatic conceptions of the Fourth International as they relate to the Soviet Union, to the dual nature of the system of society in the USSR as a transitional regime between capitalism and socialism and which therefore has both capitalist and socialist forces at conflict with each other."

Having stated the class nature of the contradiction, we then proceed to describe important features (by no means all) of the Russian state which express the capitalistic germs, or that side of the contradiction. We do this in Paragraph 2 as follows:

"It declares that the payment of wage labor, the production of commodities, the circulation of money, and the differentiations which exist on the basis of these capitalistic social relations, gives a capitalist character to the state (which occupies the same position in relation to the national economy as the capitalist occupies in relation to a single enterprise) in the first stages of even a healthy proletarian revolution. In this sense, the capitalist state exists but without a capitalist class. Insofar as the state in Russia is bureaucratic, degenerated and totalitarian, which encourages the tendency toward capitalist differentiation, the capitalist characteristics of this state assume tremendous and growing proportions. . . ."

But these features, capitalistic as they are, are not decisive for us in determining the basic class nature of the Russian state. The concluding sentence of Paragraph 2 makes this absolutely clear:

"Nevertheless, on the basis of these features it is erroneous to draw the conclusion that Russian economy is a state capitalist economy."

The basic character of the Russian state is determined according to the method taught by Trotsky: according to the property forms and relations that resulted from the Russian revolution and which still exist. This is laid down in Paragraph 3 as follows:

"The fundamental class nature of the USSR as a workers' state that has degenerated in the direction of capitalism is established for us on the basis of the nationalization of land, of the basic means of production, transport and exchange, the planned system of economy, and monopoly of foreign trade centered in the hands of the state. These remain the fundamental gains of the October Revolution of 1917, and are the economic premise for our class characterization."

These three paragraphs are nothing more than a restatement of the traditional position of the Fourth International on the Russian question. Any attempt to abstract, subtract, or separate one from the other, is nothing less than a distortion.

Later we will elaborate on the other sections of the CC resolution, but in view of the opposition centered on the first three paragraphs, we here confine ourselves to an exposition of the ideas on which there exists a conflict.

IS IT A BRIDGE?

The comrades claim that Paragraphs 2 and 3 bridge two positions: capitalist and socialist. We can only reply that we have been doing this since the Trotskyist movement arose in opposition to Stalinism. Yes, comrades, there is a contradiction expressed in Paragraphs 2 and 3 of our resolution. This is expressed in its general form in Paragraph 1. But that contradiction was not cooked up in our minds overnight: it exists in real life in Russian society and has existed since 1917. If our critics have given lip service to the existence of this contradiction in the past, without understanding it; if they have converted a profoundly dialectical conception of Russian society into a vulgar sophism and mere phrasemongering, that is not the fault of our teachers. Nor is it our fault. We have done our best to explain the problem.

In *The Revolution Betrayed* Trotsky deals with the contradiction in a passage which we will introduce at this stage in the discussion—although we will return to it again, because it states the problem exactly as we understand it and state it. It answers the opponents of the Trotskyist conception exactly as we would answer them:

“The state assumes directly and from the very beginning a dual character: socialistic, insofar as it defends social property in the means of production; bourgeois, insofar as the distribution of life’s goods is carried out with a capitalistic measure of value. Such a contradiction may horrify the dogmatists and scholastics; we can only offer them our condolences. (Our emphasis).”

Trotsky may have been writing this (in 1936) for the benefit of the RCP Minority ten years later!

PRODUCTION FOR SALE . . . OR DISTRIBUTION!

The leading argument of our comrades is that all capitalist laws and categories are eliminated in Russia because of the plan. Comrade Finch, supported by the other Minority members of the CC, said that production of goods by the state in Russia was not commodity production, was not production for sale on the market, but on the contrary was production for use! He promised to write us a thesis on this within a few days, but we are still waiting.

Throughout *The Revolution Betrayed* Trotsky talks of the production and sale of commodities in Russia. Even Stalin understood this question, although only a little better than our Minority! Trotsky quotes Stalin (1933) in *The Revolution Betrayed* as follows:

“The stability of the Soviet valuta is guaranteed primarily by the immense quantity of commodities in the hands of the state put in circulation at stable prices.”

The only thing which is correct in this statement is that the state put an immense quantity of commodities into circulation. All that is mistaken in it (which is answered by Trotsky on page 70 of *The Revolution Betrayed*) is taken over lock, stock and barrel by our Minority!

Nor does the argument, developed by Comrade Goffe, that only during the NEP did you have widespread commodity production, help their case in any degree. In 1936 Trotsky pointed out:

“The growth of commodity circulation under the restored market has become very rapid!”

On page 115 of *The Revolution Betrayed* the Old Man wrote:

“In the year 1935 [note the dates well, comrades of the Minority, and note especially the economic definitions] the system of planned distribution gave way to trade. . .”

“The raising of the productivity of labor, in particular through piecework payment, promises in the future an increase in the mass of commodities. . .”

“A raising of the productivity of labor on the basis of commodity circulation, means at the same time a growth of inequality. . .”

One could go on quoting from the Old Man for pages, but for the present, enough. No wonder the promises of the comrades to rush into print have not been kept!

THE LAW OF VALUE AND THE PLAN

It is clear, or ought to be, from an earlier quotation from Trotsky, that the consequences ensuing from the distribution of life’s goods with a “capitalistic measure of value,” must be capitalistic consequences. Not only do our comrades of the Minority deny, however, that these consequences are capitalistic—they even deny that in Russia distribution takes place according to the law of value and thus with a capitalistic measure of value! This repeated denial that the law of value applies in Russia insofar as this is an exchange of commodity equivalents, is an innovation in the Trotskyist movement.

Comrades Goldberg and Healy expressed their conception of the problem at the London aggregate as follows:

Comrade Goldberg: In capitalist societies the law of value applies. Value exchanges in equal quantities. But in Russia the law of value does not apply, goods exchange not in equal quantities, but in unequal quantities.

Comrade Healy, arguing in favor of this case, and to demonstrate that goods exchange at unequal values, said that the coal mines in the Urals have lost money for years, but the Soviet government has made up the deficit . . . from central funds.

It did not occur to Comrade Healy that it is precisely because of the low level of technique that the Russians cannot escape the law of value, that the coal mines received the subsidy. The function of the government subsidy is to enable coal to be sold below its value. Comrade Healy apparently forgot that the British government subsidizes food to the tune of millions for the same purpose, and according to the same law of value. (And please don’t tell us about the capitalists’ rake-off—for this is another question.)

Perhaps it is as well to restate the elements of the Marxian law of value at this stage of the discussion, for our opposition have shown an amazing ignorance of that law.

THE LAW OF VALUE AND SURPLUS VALUE

The law of value expresses the fact that goods or commodities exchange according to the amount of labor used up in their production, or embodied in them. This law (as was the existence of that part of the product we now call surplus value) was known in its general form before Karl Marx, to the classical capitalist economists. But not completely. It had for them, many unsolved aspects, facets and contradictions. Marx subjected the classical theory to criticism and established what kind of labor produces value. Not the special labor of the miller, the spinner or the steel worker, that special concrete kind of labor produces use-value. **Human labor in the abstract:** it is this kind of labor that gives to a useful article its exchange value. And this labor must be socially necessary labor.

"The value of a commodity represents human labor in the abstract, the expenditure of human labor in general," says Marx in *Capital*. "Skilled labor counts only as simple labor intensified, or rather, as multiplied simple labor, a given quantity of skilled being considered equal to a greater quantity of simple labor."

"Just as a commodity is something two-fold, use-value and exchange value," wrote Frederick Engels, "so the labor embodied in it is two-fold determined: on the one hand, as definite productive labor; on the other, as the simple expenditure of human labor power, precipitated abstract labor. The former produces use-value, the latter exchange value; only the latter is quantitatively comparable (the differences between skilled and unskilled, composite and simple labor confirm this)." In this division, economics for the first time was given a scientific definition of the labor that creates value.

Classical bourgeois economy was helpless in face of the following contradiction: since it is claimed that only equal values are exchanged, how can the worker receive the full value of his product if it is admitted that this product is divided between worker and capitalist?

It was Karl Marx who solved this contradiction, and demonstrated that: despite the fact that the capitalist buys commodities at their value and sells them at their value, he gets more value out of the transaction than he puts into it. Marx did this by showing that the capitalist buys one commodity which has a property peculiar to itself, in that this commodity, in the process of its use, is a source of new value, is a creation of new value. This commodity is labor power. For the capitalist does not buy the labor of the worker, or his product, as had previously been held by classical bourgeois economists. The capitalist buys the power to labor, and for a definite time.

By substituting labor power for labor, Marx was able to reveal the process which led to the creation of surplus value by the worker, and its appropriation by the capitalist. Surplus value, over and above the amount of value which the capitalist gave the worker, or exchanged with him in the form of wages, for the use of his labor power.

The capitalist did not buy the labor, or the product of the worker, Marx explained. He bought the power to labor; and he bought this power to labor for a definite number of hours. After the worker had used his energy in productive labor for a definite portion of time (say a half) for which the employer had bought his labor power, he had created sufficient values to replace or exchange for the means of subsistence supplied to him by the capitalist in the shape of pay. Marx terms this portion of the labor, the necessary labor. The other portion of labor (the other half), Marx terms surplus labor. All new values created in the labor process after the necessary labor has been used up and during the period of surplus labor Marx termed surplus value, from which profit and capitalist accumulation arose.

This theory, the theory of surplus value, was the really great contribution of Karl Marx to political economy which, for the first time, raised economics from its blind groping and shed a scientific light on the economic process.

This aspect of Marxian economics (the theory of surplus value) need not concern us for the moment, in further discussing the law of value. Although the denial by our Minority that surplus value is extracted from the workers in Russia will be dealt with later. Nor will we concern ourselves here with the differentiation of surplus value into relative and absolute surplus value, because it has no importance for our present discussion.

In practice, the tendency of commodities is to exchange above or below their value. It is not in the given commodity transaction that the law finds exact confirmation and expression, but on the average exchange transaction in economy as a whole.

Commodity exchange, we know, dates back more than 6,000 years in Babylonia. To the extent that economic laws are at all valid, that is to say, from the beginning of exchange down to the present time, the Marxian law of value holds good.

In the first stages of communist society, it will not be possible to immediately abolish all capitalist rights, laws and methods. It will not be possible to abolish all capitalist relationships in production and distribution, and substitute socialist relationships immediately in their stead. This law of value, which has operated down through the ages wherever and whenever men exchange their labor in one form for labor in another, will still continue to operate in the first stages of socialist or communist society. The founder of scientific socialism was the first to explain that in the first stages of socialism the exchange of labor would still take place according to the law of value.

THE LAW OF VALUE AND THE FIRST STAGES OF SOCIALIST SOCIETY

The seizure of power by the working class and the statification of the means of production will abolish the capitalist appropriation of the surplus. At this point, production really begins for the first time to become social production; controlled socially and democratically by the working class. But capitalistic relations will still exist in the distribution of the social product. Capitalist right, capitalist principle—the law of value—will still exist in the first stage of socialist society. Karl Marx wrote in the *Critique of the Gotha Programme*:

"What we have to deal with here is a communist society, not as it developed on its own foundations, but, on the contrary, as it emerges from capitalist society; which is thus in every respect, economically, morally and intellectually, still stamped with the birthmarks of the old society from whose womb it emerges. Accordingly the individual producer receives back from society—after the deductions have been made—exactly what he gives to it. What he has given to it is his individual amount of labor: For example, the social working day consists of the sum of the individual labor hours; the individual labor time of the individual producer is the part of the social labor day contributed by him, his share in it. He receives a certificate from society that he has furnished such and such an amount of labor (after deducting his labor for the common fund), and with this certificate he draws from the social stock of means of consumption as much as costs the same amount of labor. The same amount of labor which he has given to society in one form, he receives back in another.

"Here obviously the same principle prevails as that which regulates the exchange of commodities, as far as this is exchange of equal values. Content and form are changed, because under the altered circumstances no one can give anything except his labor, and because, on the other hand, nothing can pass into the ownership of individuals except individual means of consumption. But, as far as the distribution of the latter among the individual producers is concerned, the same principle prevails as in the exchange of commodity-equivalents, so much labor in one form is exchanged for an equal amount of labor in another form.

"Hence equal right here is still in principle—bourgeois right, although principle and practice are no longer in conflict, while the exchange of equivalents in commodity exchange only exists on the average and not in the individual case.

"In spite of this advance, this equal right is still stigmatized by a bourgeois limitation. The right of the producers is proportional to the labor they supply; the equality consists in the fact that measurement is made with an equal standard, labor." (Emphasis in the original.)

Take note what we repeat, comrades of the Minority: "The same principle prevails as that which regulates the exchange of commodities, as far as this is exchange of equal value . . . so much labor in one form is exchanged for an equal amount of labor in another form." Is this not the law of value, operating in the first stages of socialism, no less than it operates under capitalism? Yes! The situation has been transformed: "Content and form are changed," "principle and practice no longer conflict." Why are they no longer in conflict? Because no one "can give anything except his labor." The capitalist as such (having been expropriated) no longer has the possibility to exploit the worker, he has no capital through which he can dominate production. He also can, and must, give his labor if he wants to live. **The class inequality in relation to means of production between worker and capitalist has been abolished.** Equal right prevails. But this equal right is still "stigmatised by a bourgeois limitation."

"The right of the producers is proportional to the labor they supply; the equality consists in the fact that measurement is made with an equal standard, labor."

Thus, the law of value applies to everyone in practice for the first time! Only in the higher stages of communist society will it be possible to abolish the bourgeois limitation of the exchange of labor according to the law of value and for society to inscribe on its banners the socialist law: "From each according to his ability, to each according to his needs."

Even the theoretical equality visualised by Marx, does not in fact exist in the Soviet Union. The whole tendency, on the contrary, is for the "old crap" to revive, including the practical violation of equal right. This is dealt with in the concluding section of this article. But let it be noted here that although the Minority comrades have consistently denied that the law of value operates in Russia, they have just as consistently failed to explain what laws do operate—if any—to regulate the exchange of "goods." Perhaps the comrades will tell us in writing: what laws operate in the exchange of "goods" between one government trust and another, between the trusts and the consumers, between the state as employer and the worker as producer? We would be very pleased to be informed of the economic laws of this process.

THE MEASURE OF VALUE

Money, Engels explained, is already contained in embryo in the concept of value, only in developed form. Only when products are no longer exchanged as values, said Trotsky, will money cease to have a function as measure of value, and wither away, together with the state.

Once the exchange of commodities became more diversified and evolved above the stage of simple barter, it became necessary to measure the value of commodities by a common standard. Money arose to fulfil that function of common standard: money became the "universal equivalent." All commodities expressed their relation to each other through money, as price. We are not concerned here with dealing with all the diversified functions of money in its various forms of capital or the laws of that movement. We are concerned only with money as measure of value, means of payment and exchange.

In *The Revolution Betrayed* Trotsky makes the following statement:

"The dynamic Soviet economy, passing as it does through continual technical revolutions and large-scale experiments, needs more than any other continual testing by means of a stable measure of value."

In Russia, as in capitalist Britain, labor is not yet measured by a direct and absolute measure, time, but by the old, indirect, relative fluctuating capitalistic measure: money. Thus arise wages and prices—or more precisely, wages and prices continue

with all their capitalistic implications. When the exchange of labor in one form for an equal quantity of labor in another form disappears, and is replaced by socialist distribution, only then, comrades of the Minority, will the law of value not apply in Russia, or anywhere else.

Let us ask our comrades once again: what law determines the ratio in which shoes exchange for socks, or motor cars or any other commodity or product exchanges for money? Let the comrades explain the economics of this process. If it is not the law of value that determines the ratio, let them explain what function money has in these transactions except as a measure of value.

Is the ratio of exchanges to be explained according to the subjective desires of the bureaucracy? Stalin, we know, at one time believed that it was; that value and its money measure could be exchanged and altered according to the will of the bureaucracy—and introduced the differential price, the elastic ruble! But the reality that underlies all exchanges and expresses itself as the law of value soon began to knock at the door, and corrected this stupid mistake. Stalin learned that "goods" could not be exchanged in an arbitrary manner, at unequal values. Stalin learned that if the economy of the country has to be stabilized while money continues to play a role, it can only be stabilized if money really functions as a stable measure of value.

WAGE LABOR IN RUSSIA

Our Minority comrades deny that the wage labor relation in Russia is a capitalistic relation, that it is part of the dual capitalistic-socialistic nature of the Russian society. Indeed, they strongly deny that wage-labor exists in Russia. They claim that if the Russian workers are wage slaves, they cannot at the same time be the ruling class; therefore Russia cannot be a workers' state. The restatement of this elementary proposition by us today, expounded and defended in our publications for more than 15 years, has now according to them, become the platform of a new petty bourgeois tendency. They deny that the Russian worker sells his labor power as a commodity.

The only economists who have put forward these conceptions are Stalinist economists. And they did so not because they believed them, but with the object of deceiving the working class. They appear to have succeeded in this even in the ranks of the Trotskyist movement!

The payment of wages, because it takes place in Russia, does not transform the worker receiving wages, into something other than a wage laborer, even though the transaction takes place on the basis of stified property. As we have seen above, the law of value continues to operate even in the first stages of a socialist society. The payment of wages is the price or money equivalent of the labor power of the workers. It still remains the price of labor power in Russia today—even though no capitalist class dominates the means of production.

In view of the tremendous amount of theoretical and agitational material written by the Bolsheviks on this question, with which our comrades have undoubtedly at least a reading acquaintance, how can they bog themselves down in the mess they are in? Lenin speaking on the immediate tasks of the Soviet Government, explaining how, why and by what methods the Soviet Government had to utilize the technical skill of the capitalist specialists, had this to say:

"The vast majority of the saboteurs are 'coming into our service' but the best organizers can be utilized by the state either in the old way, in the bourgeois way (i.e., for high salaries), or in the new way, in the proletarian way (i.e., by creating the conditions of national accounting and control from below, which would inevitably and automatically subordinate the specialists and enlist them for our work).

"Now we have to resort to the old bourgeois method and to agree to pay a very high price for the 'services' of the biggest bourgeois specialists. All who are familiar with this subject appreciate this, but not all ponder over the significance of the measure that has been adopted by the proletarian state. Clearly such a measure is a compromise, a departure from the principles of the Paris Commune and of every proletarian state, which call for the reduction of all salaries to the level of the wages of the average worker, which call for a struggle against careerism, not in words, but in deeds.

"Moreover, it is clear that such a measure not only implies the cessation—in a certain field and to a certain degree—of the offensive against capital (for capital is not a sum of money, but a definite social relation); it is also a step backward on the part of our socialist Soviet government, which from the very outset proclaimed and pursued the policy of reducing high salaries to the level of the wages of the average worker. . .

"To conceal from the masses the fact that the enlistment of bourgeois specialists by means of extremely high salaries is a retreat from the principles of the Paris Commune would be tantamount to sinking to the level of bourgeois politicians and to deceiving the masses. . ." (Our emphasis.) *Selected Works*, vol. 7, pp. 322-23.

"It is clear," we want to repeat this passage because of its importance in the present dispute, "that such a measure [paying high wages—J.H.] not only implies a cessation—in a certain field and to a certain degree—of the offensive against capital (for capital is not a sum of money but a definite social relation); IT IS ALSO A STEP BACKWARD [backward to what, comrades of the Minority? To formless degeneration or to bureaucratic collectivism? Or a step backward to capitalism?—J.H.] on the part of our Socialist government which from the outset proclaimed and pursued a policy of reducing high salaries to the level of the wages of the average worker."

Writing in *The Revolution Betrayed* Trotsky quotes from *Pravda*: "The worker in our country is not a wage slave and is not a seller of a commodity called labor power. He is a free workman." (*Pravda*.) And Trotsky comments:

"For the present period this unctuous formula is unpermissible bragging. The transfer of the factories to the state changed the situation of the worker only juridically. In reality, he is compelled to live in want and work a definite number of hours for a definite wage. . .

"In order to raise this level, the new state resorted to the old methods of pressure upon the muscles and nerves of the worker. There grew up a corps of slave drivers. The management of industry became superbureaucratic. The workers lost all influence whatever upon the management of the factory. With piecework payment, hard conditions of material existence, lack of free movement, with terrible police repression penetrating the life of every factory, it is hard indeed for the worker to feel himself a 'free workman.' In the bureaucracy he sees the manager, in the state, the employer. Free labor is incompatible with the existence of a bureaucratic state."

The task of slave drivers is to drive slaves. Juridically these slaves are also the controllers of the state and thereby the nationalized means of production. In reality they have access to the means of production only through the bureaucratic state. In reality, the fact that the workers are compelled to sell their labor power for wages in order to live, converts them into wage slaves.

". . . Wage labor does not cease even under the Soviet regime to wear the humiliating label of slavery. Payment 'according to work'—in reality, payment to the advantage of 'intellectual' at the expense of physical, and especially un-

skilled, work—is a source of injustice, oppression and compulsions for the majority, privileges and a 'happy life' for the few."

This statement of Trotsky's, that wage labor in Russia still bears the humiliating label of wage slavery, is of exceptional importance because of the horror of our Minority when we speak of wage slavery. Instead of frankly acknowledging that capitalist laws, and therefore capitalistic relations still exist in Russia, in fact, are increasing and menacing the remaining socialistic forms of property, the Stalinists distort and hide the truth. They miseducate the working class as to the real material, dialectical, transition, by the use of reactionary sophisms.

Again let us repeat: the nationalization of property transformed the situation for the worker only juridically. In reality—and we base ourselves on reality—the worker is compelled to sell his labor power and remains a wage slave. The revisionist conceptions of our Minority have nothing in common with Marxian economics. Ideologically it has its roots planted not in Trotskyism, but in the sophisms of Stalinism.

The capitalistic character of the wage relation is repeatedly argued by Trotsky in the same book:

"The ruble is the 'sole real means' for the realization of a capitalist principle of payment for labor, even though on the basis of socialist forms of property."

On the same page—81—Trotsky says:

"Although at first glance the return of the Soviet Government, after 'the final and irrevocable triumph of socialism,' to piecework payment might seem a retreat to capitalist relations, in reality it is necessary to repeat here what was said about the rehabilitation of the ruble: It was not a question of renouncing socialism, but merely of abandoning crude illusions. The form of wage payment is simply brought into better correspondence with the real resources of the country. 'Law can never be higher than the economic structure.'"

At first glance it may seem a retreat to capitalist relations, Comrade Lawrence; in reality, the capitalist relations were there all the time, and it was simply a question of abandoning crude illusions. In these arguments of both Lenin and Trotsky, the capitalistic nature of the wage relation (and especially the wage differential) is sufficiently clear to refute, in the most authoritative way, the false arguments of our comrades who deny the capitalistic nature of the wage relation. It is time for the Minority to abandon the crude illusions which are fitting to a miseducated Stalinist worker, but not to the cadre elements of the Fourth International.

THE STATE AS CAPITALIST — AND SURPLUS VALUE

Comrade Healy waved *The Revolution Betrayed* at the London aggregate to prove that the formulation in Paragraph 2 of the CC resolution, which reads as follows: "which (the state) occupies the same position in relation to the national economy as the capitalist occupies in relation to the single enterprise," was torn out of context, and thus a forgery. Read the whole section, said Comrade Healy, and you will see that this refers to the subjective factor: to the personal ability and qualities of the bureaucracy to direct the state industries. Phrasemongering is one of the worst ailments that can affect a revolutionist. Here is an example of how Comrade Healy swallowed the phrase but did not understand the content.

In the CC resolution we explain that the payment of wage labor, commodity production, and the circulation of money, are capitalistic relations and give the state that defends these relations, capitalist characteristics. All the modifications that it is theoretically and practically essential to make, are made in Paragraph 3. For the purpose of drawing conclusions from

these relationships, we are a hundred times correct to say that the state occupies the same relationship to the national economy as the capitalist occupies in relation to the single enterprise. Trotsky explains in *The Revolution Betrayed* that the functions of money as capital, usurious, commercial and industrial, are transferred to the state (the universal merchant, creditor, and industrialist) in a modified form.

The transfer of the means of production to the state, insofar as it does not lead immediately to socialist production and distribution, also transfers the functions of the capitalist to the state. The elimination of individual capitals and the competition and anarchy of individual production modify these functions to a considerable degree. But the state is the controller of capital; it is the controller of money; it is the controller of the mass of commodities—the products of the working class; the state pays the wages of the worker; it hires him, fires him, and tells him what to produce and how to produce it, and where to produce it. In all these functions it occupies the same relation to the national economy as the individual capitalist occupies in relation to the single enterprise. Modification of the capitalist function of the state in the sphere of both production and distribution, which the workers were still able to bring about at one time through the pressure of workers' control—even these modifications are no longer operative. The anti-socialistic nature of the state—its capitalistic nature—is therefore reinforced.

The worker must work to live. He has access to the means of production only through, and with the benevolence of, the state. The state pays the worker, not for 8 hours of labor, but say for 4 hours of labor (more or less, but certainly not the full value of his labor). In this way it pays the worker on outright capitalist lines and with an outright capitalist measure, less than the value he produces. On the other hand it sells the worker "goods" (!) which he can buy only from the state at their full value, or more precisely: above their value. Surplus value is piled up, therefore, just as in capitalist countries. State production and trading in Russia reveals itself to be much closer to a gigantic "truck shop" than to communist or socialist society. This is especially true because of the bureaucratic control.

The statements of the Minority comrades (Goldberg and Goffe in particular) that there is no appropriation of surplus value in Russia, is really too absurd for words. There is no confusion of terms here but a specific denial that surplus value is extracted from the labor of the workers as a social phenomenon. Not only does the Russian state appropriate surplus value, but it extracts a bigger proportion of surplus value than is extracted from the workers by the capitalists in capitalist countries. Proof? Look at the rate of capital accumulation in Russia and compare it to the rate of capital accumulation in any other part of the world. For years we have pointed to the fact that this is the most gigantic and rapid capital development in history. Apart from the elimination of all the waste and destruction of commodities which arises from capitalist competition, which is very important and a definite tremendous social advance, the accumulation takes place, not by accident, but on the basis of economic laws established by Karl Marx. This is a necessary accumulation, and with certain modifications—which would result from a democratically and not bureaucratically directed plan—would take place in a healthy workers' state.

But what of the enormous surplus devoured by the bureaucracy? This surplus is as great, if not greater, than the surplus consumed by the ruling class (and its bureaucracy) in capitalist society. To control and devour this surplus, the bureaucracy waged a ruthless war against the kulak and the small industrialists of the NEP. It continues to wage a ruthless war against the remnants of these elements at the present time. Even within the ranks of the bureaucracy itself, a struggle goes on for the division of this surplus. To ensure an ever growing

portion of this surplus, it oppresses the masses with ever greater brutality.

The bureaucracy is concerned with protecting and defending state property only for one reason: because on the basis of state property, with the state controlled in the bureaucratic vise, and the production and distribution relations that result from this situation, it is able to devour a growing portion of the surplus product of the national labor.

THE FORM OF EXPLOITATION CARRIED ON BY THE BUREAUCRACY

The denial by the Minority comrades that the bureaucracy, through their control of the state machine and thus their control of production, exploits the workers economically, is really ludicrous.

Lenin, when introducing the policy of paying the specialists high salaries, explained that these high salaries were a form of tribute. People who have the capacity to extract "tribute" from the mass of the producers are also, thereby, able to exploit.

This exploitation is not, however, exploitation which arises from the ownership of the means of production, and therefore cannot be defined scientifically as class exploitation, which is based upon the ownership of means of production and property. It is exploitation which exists on the basis of state ownership of the means of production, and arises from the backwardness of Russian technique and culture; upon the basis of the division of labor and bureaucratic control. No group that has control of the distribution of the articles of consumption ever forgets itself. Inherent in the very conception of bureaucratic control is the conception of inequality, and thus of exploitation.

The ability to extract "tribute," and to demand privileges because of their special position in the division of labor and control of the state machine, means that the bureaucracy has access to the best products designed to satisfy human needs and desires. All this is topped by the most degrading and revolting form of exploitation: the buying into personal service of the labor of the workers!

Frederick Engels once explained that political power is also an economic power. "Force," he wrote, "(that is, state power) is also an economic power." It is for this reason that the proletariat struggles for the political dictatorship of the proletariat.

Once the power has passed out of the hands of the proletariat—into the hands of the bureaucracy; once the workers no longer control the state, and the economy of the country is no longer subject to workers' control, without a new revolution, in the long run the triumph of capitalism is inevitable.

In addition to the bureaucratic exploitation that arises from the division of labor, however, a growing section of the bureaucracy is more and more occupying a place in Russian life that has an entirely capitalist relation: extracting surplus value from the labor of the producers through money investment. To deny the existence of this fact or to deny the class character of the function, is to desert Marxian economics altogether.

According to Marx, as we have noted previously: in the first stages of socialist society, bourgeois right still exists in relation to the distribution of the means of consumption, but, as the result of the social character of production, "nothing can pass into the ownership of individuals except individual means of consumption." It is clear in Russia, however, that if this situation existed theoretically in the war communist stages of the revolution, it certainly is not true today. Money in Russia is something more than a mere measure of value. It is something more than means of consumption. To perform the function of mere measure of labor contributed in one form to society, and thus a measure of the means of consumption that may be drawn to repay that contribution, a labor certificate would be sufficient. Money could be replaced by any other token.

Because of the backwardness of the technique, however, the

Bolsheviks were forced to retain the old capitalist relations on this score too. In his notes for the draft of the revised programme of the Bolshevik Party, Lenin speaks of "while (temporarily) not abolishing money. . . ." The Bolsheviks tried only to impose certain administrative measures to prevent money functioning in its most vicious form of private capital.

In the conditions of Russian society, therefore, money remains what it is in capitalist society: "the social incarnation of human labor, the real measure of labor, the general means of circulation." All the administrative regulations that have been introduced have already been—or are being—amended one after another so that money may find its expression as usurious capital. Money in Russia, not used up in exchange for means of consumption, is accumulated as savings. Savings in the state banks, which return an interest of 2½%, savings which are invested in state bonds at 4% or more, are something more than means of consumption: they are usurious capital, or "interest bearing" capital.

We are not referring to the few miserable rubles that the workers are compelled to save by state regulation or state pressure; such savings have similar social characteristics to the savings of workers in capitalist countries. We refer to the voluntary savings of the bureaucrats, the managers and technicians, the intellectuals and the scientists; to those elements in Soviet society who earn 30, 40 and 50 and more times the wage of the average worker. These savings, returning an interest which is extracted from the surplus value created by the workers, function as interest bearing capital and introduce a new social (class) relationship that did not exist in the past.

A complete analysis of the various forms of state loan is extremely interesting but not essential to this discussion. For the purpose of attracting or "catching up" as great an amount of "surplus" cash that exists in the hands of the workers and which cannot be exchanged for commodities, the state issues the lottery loan. As a rule these loans are not interest bearing. They operate like a sweepstake; but with this difference, that the ticket money is returnable after a certain number of years. The prizes in huge sums of money go to the lucky ticket holders, being drawn from the interest that would accrue from the invested ticket money as a whole.

The "middle class" or "upper middle class" (note the quotes, please comrades) type of investors are offered more favorable terms for the loan of their money. To them the various state loans pay, as a general rule, a higher interest than is paid in developed capitalist countries on state bonds. The Chairman of Lloyds Bank made a statement in his annual report some years before the outbreak of the war, that these Russian bonds were among the most stable and highest interest paying government bonds in the world. It is interesting to note in this connection, that the more stable the Russian regime became, the less Russian economy became an economy of crisis, the lower the interest paid out on money loaned—the rate of interest, dropped—as it drops in capitalist economy.

However, these questions, dealing as they do with the development of this aspect of the capitalistic relations need not be subjected to a complete investigation for the purpose of this discussion; nor, unfortunately, for that matter, are they capable of complete investigation in view of the almost total absence of figures for a number of years.

It is necessary only to draw the attention of the comrades to the fact that the "bourgeois state"—as distributor—now begins to assume additional bourgeois characteristics in other aspects of its functioning—as producer. For this policeman protects not only the capitalistic privileges and rights in distribution, but also protects the growing capitalist—directly exploitive—relation in production; and has introduced all the necessary laws—savings laws, investment laws, inheritance laws, etc.—to make this protection a perfectly legal function. The social

differentiation which arises from the growing differentiation in wage payment prepares the conditions for a class transformation even in relation to the last remaining conquests of 1917.

WHAT IS NEW

The bureaucrat, as bureaucrat, whose livelihood depends upon his position in the productive or distributive process and thus in the division of labor itself, performs a different social function from the bureaucrat as investor in state bonds. In the former case, bureaucrat as bureaucrat: his social function and access to products of consumption is essentially dependent upon the political control of the state machine and on his contribution of labor in one form or another to the social pool. In this case the parasitic function of the bureaucrat, his lack of a stable economic base is clear: he is hired and fired according to the shifts that take place within the ranks of the bureaucracy as a whole, and has no guarantee for the future—for himself or his family.

But with the growing development of bureaucrat as investor, a new (class) relation to the means of production has commenced. Part of his livelihood depends, no longer upon his privileged position in the state machine or the division of labor, but upon invested money, money as capital, and the interest that accrues from that invested capital.

In *The Revolution Betrayed* Trotsky wrote:

"One may argue that the big bureaucrat cares little what are the prevailing forms of property, provided only they guarantee him the necessary income. This ignores not only the instability of the bureaucrat's own rights, but also the question of his descendants. . . Privileges have only half their worth, if they cannot be transmitted to one's children. But the right of testament is inseparable from the right of property. It is not enough to be the director of a trust; it is necessary to be a stockholder. The victory of the bureaucracy in this decisive sphere would mean its conversion into a new possessing class." (Our emphasis—J.H.)

The bureaucracy, as such, has not transformed itself into a new possessing class. To say that it has is un-Marxist and scientifically unsound, insofar as Marxism bases itself on the division of labor and the ownership of property as the basis of classes. But it is clear that out of the ranks of the bureaucracy there is being exuded a new possessing class, which: 1) has gained a definitely new and more privileged position in relation to the means of production and the distribution of national wealth; and, 2) has consolidated these new privileges of a directly capitalist character, and can pass them down to their families through the bourgeois right of testament. This aspect of the degeneration has not been sufficiently investigated by us, and in view of the new laws that have been introduced legalising the inheritance of money investments, is clearly a subject to which our movement will have to devote more attention.

In drawing attention to this factor as a subject for serious scientific investigation and constant review, the Central Committee resolution is one hundred percent imbued with the spirit of the Marxist movement as it has existed for a century.

Merely to demonstrate the facts and subject them to Marxian economic analysis, is to refute the un-Marxian denial by our Minority that the Russian working class is economically exploited by the bureaucracy.

Let our Minority weep and wail that to poke our nose into this subject is to begin a new "revision." We are far from afraid that the Marxist method is so faulty that we cannot investigate such a new and fundamentally important phenomenon. But let them not deny the facts. Let them not revise all Marxist conceptions of economics because they fear such investigation. These questions are taboo for them only because they have swallowed the phrases without assimilating the ideas and

methods of Marxism, and above all, because they are afraid of the new phenomena.

This form of accumulation, of course, has been present since the early days of the Russian Revolution and was recognized as a peculiar form of state capitalism. But it undoubtedly had a different social weight and significance in the early days than it is gaining today. It appears to the writer that this form of accumulation has much greater dangers to the socialist future of Russia than the primitive accumulation that takes place in the countryside and in the free market.

If one takes into consideration the historical tendencies toward statification on a world scale, and the fact that Russian statification survived the test of a tremendous war, it seems theoretically correct to assume that there is no reason why a new capitalist class in Russia cannot arise and dominate the economic life of the country without destroying state property as such; but on the contrary, through investments in state bonds. If the present investment and inheritance trend continues, it is possible for state property to be transformed into a juridical function, while in reality, a new class of money capitalists, of rentiers who batten on the labor of the working class, have taken over the means of production.

Trotsky believed that failing a new proletarian political revolution, the bourgeois norms of distribution would lead to the break-up of the state trusts which would be converted into privately owned trusts. He did not believe that a class of "state capitalists" would arise on the basis of state property in Russia. Nevertheless, he formulated his ideas with sufficient elasticity so as not to exclude even this form of degeneration. In *The Revolution Betrayed* he wrote:

"To the extent that, for the benefit of an upper stratum, it [the state—J.H.] carries to more and more extreme expression bourgeois norms of distribution, it is preparing a capitalist restoration. This contrast between forms of property and norms of distribution cannot grow indefinitely. Either the bourgeois norm must in one form or another spread to the means of production, or the norms of distribution must be brought into correspondence with the socialist property system."

This idea is further elaborated in the section of *The Revolution Betrayed* under the subhead, "The Question of the Character of the Soviet Union Not Yet Decided by History." In opposing the theory that the Russian bureaucracy could be characterized in 1936 as a class of state capitalists, Trotsky argued that:

"The bureaucracy has not yet created social supports for its dominion in the form of special types of property. It is compelled to defend state property as the source of its power and its income. In this aspect of its activity it still remains a weapon of proletarian dictatorship.

"The attempt to represent the Soviet bureaucracy as a class of 'state capitalists' will obviously not withstand criticism. The bureaucracy has neither stocks nor bonds. It is recruited, supplemented and renewed in the manner of an administrative hierarchy, independently of any special property relations of its own. The individual bureaucrat cannot transmit to his heirs his rights in the exploitation of the state apparatus. . ."

The evolution of Russian society, however, shows that the "special form of property" evolved by the bureaucracy is precisely "state property." State stocks or bonds which bring an interest of 4% are undoubtedly property of a "special type." Moreover, the individual bureaucrat can now "transmit to his heirs" the rights "to the exploitation" of state property through these interest-bearing bonds.

History has not, however, had its final word to say on the question of whether a new capitalist class can stabilize itself

on the basis of this form of property. It has, nevertheless, clearly testified to the fact that the bureaucracy seeks every legal, as well as illegal means to enlarge its share of the surplus product; to consolidate its privileges for generations by incorporating these privileges into the legal structure of the country.

Meanwhile, the numerical growth and cultural development of the proletariat prepares the force which in the long run, is certain to come into revolutionary collision with the bureaucracy. It is not possible at the present stage, to give a final and conclusive answer as to how the social antagonisms between the two class forces will develop in the course of the next decade. The outcome depends upon the clash of living forces, not only in Russia, but on the arena of the international class struggle.

One thing is certain: the present situation will not remain static. If, in the next period, the workers of the advanced capitalist countries fail to achieve the proletarian revolution and are defeated by the ruling class and crushed under the heel of a new bloody dictatorship; and if, in the meantime, the Russian workers reveal themselves incapable of throwing the bureaucracy off their backs, then the restoration of capitalism is inevitable in one form or another.

The process of degeneration has enormously speeded up since *The Revolution Betrayed* was written 10 years ago. The transformations that have taken place during the war and as a result of its outcome must be thoroughly examined to be properly understood. As Trotsky urged, "at every new stage, therefore, a concrete analysis is necessary of actual relations and tendencies in their connection and continual interaction."

According to our present prognosis, the degeneration of the Soviet state has not resulted in a new form of class exploitation as the predominant form. Quantity has not been transformed into quality. The degenerated workers' state still exists on the basis of nationalized property relations. The investing group within the ranks of the bureaucracy has not seized the power from the bureaucracy as a whole. It has not replaced the workers' state by a system of state capitalism or capitalism in any other form.

In the past, while explaining the degeneration we laid the emphasis of our analysis on the proletarian character of the Russian state. In the present period and in the coming days, if the trends which we have outlined above, continue unabated, it will be more than ever necessary to stress the bourgeois class character of the degeneration. For only in this way will it be possible to educate our comrades as to the class dangers from within which threaten to overturn the last remaining conquests of 1917; to explain what we defend and why we defend it, not only from outside intervention but from the depredations of the Stalinist bureaucracy; and at the same time, on the basis of Marxian economic analysis, refute the various schools of revisionism which have sprung up on the nature of the USSR, including the crude illusions of a Stalinist or semi-Stalinist character.

It is not possible for our Minority, on the basis of "unctuous" sophisms which cover up their failure to grasp the real economic processes and their class relations, to answer the various revisionist schools of thought. Their entire arsenal consists of mere phrases. When forced to explain the economics of the transitional phase of the Russian Revolution, and especially its degeneration, they reveal that they themselves retain the illusions of the oldest school of revision on the Russian question.

For our part, we stand four-square on the principles and methods of Marxism. In our analysis of Russia, we base ourselves on the teachings of Trotsky, whose method is the only one that makes it possible to understand the revolution, and especially the class character of its degeneration.

In Defense of Revisionism

By R. ARMSTRONG and M. MERRIGAN, Ireland

Since the formation of the Workers Party the theories of Shachtmanite comrades have reached the average party member in the Fourth International only at second hand; and, even then, chiefly in the form of excerpts published with the aim of discrediting them. The majority of comrades interested in questions of theory are introduced to Shachtman's ideas through the pages of *In Defense of Marxism* or Cannon's book on the proletarian party. True, these contain material written by Shachtman and others (including Burnham), but no material outlining the developed position of the Workers Party. From a purely formal angle no party leadership is obliged to circulate the writings of the Workers Party among its membership. However, the British party in the recent past set the excellent example of publishing material submitted by the IKD which, though in flesh a part of the International, is nevertheless, in the eyes of the comrades, a heretical revisionist influence.

We feel that the British leadership should circulate the main programmatic documents of the Workers Party among its membership. This is especially incumbent upon them in view of their recent fusion resolution. As is known, Comrade Cannon postponed (actually rejected) a united front agreement with the Workers Party—proposed as a preliminary step toward fusion—on the grounds that first the theoretical points in dispute had to be sifted. The British leadership rejected this standpoint. It would have been logical if, at this stage, the British leadership had published the leading programmatic statements of the Workers Party with a view to showing the membership in Britain that Comrade Cannon had taken a wrong position; that, in fact, the theoretical divergences were not incompatible with fusion.

"International Catastrophe"

However, in the British fusion resolution there was inserted a queer remark contradicting the sense of the general statement; namely, that it would be an "international catastrophe" if the views of the Shachtmanites prevailed in the united organization. Now, if Trotskyist groupings merge to form a common party it surely means that there is sufficient solidarity on programmatic fundamentals to permit either tendency to become the majority without a fresh split being thereby precipitated. Yet, supposing the Shachtmanites obtained a clear and stable majority inside the fusion over a lengthy and critical period. How then, could Comrade Cannon and his followers react to this "international catastrophe" otherwise than by splitting?—unless, for a period, they remained inside in the manner that Trotsky remained within the C. I., hoping for a reversal in the balance of power. But if there is a serious possibility of the Shachtmanite tendency gaining adherents within a united party, and if the victory of this tendency would lead to an international calamity, then Cannon is right. It is correct to deny the Shachtmanites the possibility of expansion.

Otherwise, your support for fusion rests on the assumption that the Shachtmanite comrades will inevitably remain the minority within the united party: that the programmatic superiority of Comrade Cannon's tendency will finally exert its weight, disintegrating the followers of Shachtman and re-educating them along orthodox lines.

If this is your case for fusion then you are employing the same tactic which Cannon suspects Shachtman of employing. Comrade Cannon rejects your optimism, and with justification. For, while the SWP has the perspective of advance through the winning of fresh adherents, the WP, much weaker in influence among the T.U. masses, aims at growth largely through the winning of SWP militants. Toward this end the cadres

of the Workers Party arm themselves with a thorough knowledge of the SWP positions. It can be taken for granted that the SWP membership's knowledge of the Workers Party position is much more fragmentary. In fact, Comrade Cannon freely conceded this point when he called for a campaign of theoretical clarification. Consequently, there are no valid grounds for assuming that within a common party the ideas of the Shachtmanites would gradually wither away.

Still bearing in mind the British majority fusion resolution, it is astonishing to read in the resolution of the British CC majority on the Russian question that the theory of Bureaucratic Collectivism inevitably leads to a complete rejection of communism. Does the record of the Workers Party over six difficult years lend any credence to this surmise? True, many of the intellectual deserters—most notorious among them, Burnham—reject the idea that Russia is a degenerate Workers' State. It is axiomatic that out of false theoretical positions can come the degeneration of cadres. By adopting the position that a stable bureaucratically managed economy is possible, and even inevitable, both inside the USSR and internationally, Burnham decisively severed theoretical connections with Shachtman, and with all tendencies which hold that the next historic stage will be the stage of proletarian dictatorship ushering in the socialist system. What led Burnham to desert? Clearly, a complete loss of faith in the international socialist revolution. However, the onus is on the British CC majority to show generally in what way the Shachtmanite theory of Bureaucratic Collectivism leads to the abandonment of a communist perspective. Comrade Haston links Shachtman and Burnham together as though they hold a common theoretical position on Russia. But, apart from a use of the term bureaucratic collectivism, what is there in common?

Wrong Label for Healy

Thus far, we have mentioned only the British majority. However, the minority comrades are, if anything, even more vehement in their denunciation of Shachtmanism. According to Comrade Healy, the revisionist tendencies among some of the English comrades spring from the tension between British imperialism and Russia. As befits a representative of the "finished programme school" of theoreticians, Comrade Healy applies Trotsky's 1940 appraisal of Shachtman—a totally false appraisal as Shachtman's whole subsequent record has shown—to British comrades in 1946. The minority leader does not suspect that, among comrades of revolutionary thought and temperament, it was most probably the period of Anglo-Russian collaboration which supplied the thought germ leading to a reconsideration of the "Degenerated Workers' State" theory.

Comrade Healy must have writhed with mingled indignation and astonishment when he studied Haston's article, which attributed to him a common position with Shachtman on the question of the nature of Russian distribution. We must confess that we did some writhing ourselves. However, Comrade Healy deserves to be made to writhe; for while his theory leads nowhere to Shachtman, it does lead straight to Burnham's "Managerial Revolution."

Dictation of the Law of Value

Since the period of its inception, in 1917, the USSR has existed under the dictation of the law of value. In Lenin's day, following the termination of the extraordinary regime of War Communism, control over the bourgeois mode of distribution was exercised by the workers' committees and the Soviet Government.

In the period leading toward the consolidation of the Stalinist reaction the levers of control were altered. Control was slipping from the hands of the tired and bewildered masses. Heavily engaged in an offensive against the Left Opposition, preliminary to a showdown with the Rightists who reflected kulak capitalist pressure, the bureaucracy was still compelled to countenance at least the formal functioning of working-class control over production and distribution. As yet the bureaucracy lacked an independent point of support. This was the stage when Trotsky still held reform of the party and state machine to be possible. It was the stage—the Degenerate Workers' State stage—best answering the analogy with a degenerate trade union machine: the stage when, in magnitude and nature, the crimes of Stalin corresponded to the crimes of the Noske-Ebert regime.

It required forcible collectivization to justify before the proletarian masses the building of a civil armed force of sufficient size and strength to provide an independent base for the bureaucracy. It required the huge industrial expansion and the organization of the collective farm system to provide the bureaucracy with the necessary dimensions, cohesion, and economic power to smash decisively the remnants of working-class control.

The political expropriation accomplished during the five-year plan signified at the same time an end to all proletarian control over conditions of work, production plans, and over the mode of distribution. The Moscow Trials were the final act in this drama of expropriation; and, at the same time, police measures designed to stifle the emergence of a new layer of Bolshevik revolutionaries. Henceforward, the Red Directors and the Stalinist Party functionaries held exclusive command over the economy and the state in general; thus constituting a new ruling class. Henceforward the drive of the Stalinist rulers to augment their power, prestige and the revenue was the sole determining human factor involved in investment plans and commodity distribution.

Yet, while the Stalinist totalitarians established their rule over the bones of the dictatorship of the proletariat there was one dictatorship over which they could not triumph—the dictatorship of the law of value, supreme law-maker and law-breaker in any exploitative society.

The theories of the "stable, managed economy" school rest upon a lack of understanding of the law of value. Socialism permits a harmonious expansion of productive forces, and a constant increase in material well-being, precisely because the command of society as a whole over the economy annuls the law of the minimum wage—the cornerstone of capitalism and bureaucratic collectivism. A planned, nationalized economy is one of the basic attributes of socialism, but by no means the whole essence. It is when exploitation of man by man ends that socialism begins, and the crises inherent in previous rounds of accumulation disappear. In the Workers' State, transitional to socialism, wage labor still exists, but the dictatorship of the proletariat withers away precisely as wage labor withers away. The nationalized economy is a dying commodity economy.

Planning and nationalization cannot, therefore, absolve bureaucratic collectivism from crises and social revolution. Thus, the distinction between the Stalinist State and a hypothetical state capitalist regime relates not to the essence of the system but to the superstructure. Within a society of state capitalism the rentiers would possess the right to buy and sell shares and bonds within the limitations imposed by the planning commissions. Freedom from the interference of investors no doubt endows the bureaucratic collectivist administration with a greater resilience than the capitalist system, in whatever shape, possesses; but it provides neither the guarantee nor even the possibility of escaping crises and disintegration.

The expansion of Russian industry has taken place within

the framework of a potentially huge, and politically integrated, market. The planned, nationalized economy has undoubtedly exempted the Russian state from the cyclical crises of relative overproduction which were a marked feature of expanding capitalism and which continued to shake the capitalist system in its period of degeneration. Hitherto, the Russian economy has experienced its own peculiar type of crises, consequent upon the chronic shortage of producers' goods. It is this difference in production levels, in relation to their respective markets, which lies at the root of the opposing forms of imperialist plunder pursued by Stalinist imperialism and finance-capital imperialism. Those who consider the main distinction to be in opposing property forms overlook, or do not understand, that a chronic crisis of relative overproduction is ultimately inescapable within any social order resting upon the capitalist law of value. Assume, hypothetically, that history grants time enough to the Stalinist system to expand the production of producers' goods to the limits imposed on the market by the minimum wage law. What will happen then? An unsalable flood of consumers' goods and an unemployable surplus of producers goods will appear, forcing the bureaucratic collectivist state into the forms of expansion typical today of the finance-capital states. Those who, forgetting about the law of value, imagine that the managed, nationalized nature of the economy is a guarantee against this are Burnhamites, or Stalinists, but not Marxists.

Students of Trotsky are familiar with the social contradictions which prevented the emergence of the old Russian bourgeoisie as the successor of Czarism. A kulak seizure of state power at the end of the 1920's would undoubtedly have found the new bourgeoisie more favorably situated from the standpoint of expanding capitalist production, primarily because, thanks to the Revolution, the landlord class had disappeared permanently. Yet the foreign trade monopoly would have been broken, collectivization would never have been undertaken, and the level of production would have remained extremely low. Without the planned, nationalized economy no comparable expansion of industry would have taken place. This is the main proof advanced by most comrades that Russia is a "Degenerated Workers' State" resting upon a progressive form of economy. Yet, if tomorrow the Stalinist Red Directors were to arm themselves with stocks and bonds a regime of state capitalism would prevail. The planned, integrated form of economy would remain, and there are no valid economic grounds for assuming that the efficiency of production would be greatly lessened.

Towards Capitalism?

Trotsky held that the Stalinist bureaucracy was more than a dishonest plundering servant. He held it to be the undisputed master of Russian society. He considered it would be monstrous for comrades to break with one another over the concepts class or caste. He rejected the concept of class mainly on the grounds that it did not correspond to the "arbitrary, shut-in" character of the bureaucracy. It was against the defeatists who held that the bureaucracy could dominate over an epoch that Trotsky polemicized so bitterly.

In his article, "The USSR and War," Trotsky reviewed in passing the theoretical possibility of a world system of bureaucratic collectivism, arising out of a further prolonged series of failures on the part of the international working class. Trotsky was polemicizing against a former comrade, Bruno R., who had grown convinced of the coming triumph of the bureaucratic collectivist system on a world scale, owing to the congenital incapacity of the workers to determine their own fate. Moreover, Bruno R. seemed to regard the bureaucracy as a viable instrument of history answering the inner needs of the productive forces. Such a standpoint contains a double fallacy:

(1) a totally false theory relating to the weaknesses of the workers and their vanguard; (2) the untenable theory that bureaucratic collectivism can function over an epoch as a stable, workable alternative to either capitalism or socialism.

However, when Comrade Shachtman correctly seized upon this passage in Trotsky's article to show that Trotsky had theoretically conceded the possibility of a planned economy, which was no longer a Degenerate Workers' State, some witty polemicist made the reply that such a possibility about equals the possibility of the moon turning into green cheese. The sense of humor of this comrade is unquestionably superior to his logic: for, while there is nothing in the composition of the moon to give anyone but a madman the right to advance the hypothesis that it may turn into cheese, it is quite otherwise with planned, nationalized economy. Modern large-scale industry contains the inherent possibility of providing the material basis of various social formations—"free" monopoly capitalism, state monopoly capitalism, bureaucratic collectivism, dictatorship of the proletariat, socialism. "Free" monopoly capitalism, state capitalism and bureaucratic collectivism are social regimes of crises.

To predict the possibility, or even probability, of an extension of bureaucratic collectivism to territories outside of Russia betrays no greater degree of pessimism concerning the eventual triumph of the workers than, for instance, to warn against a recurrent fascist menace in the areas of "free" monopoly capitalism. Both would be temporary, although tragic, developments consequent upon further unfavorable turns in the class struggle. Comrade Haston believes that Czechoslovakia has become a state capitalist regime, which means that all major investment is in the hands of the government and civil service. If the new ranks of capitalist bondholders are expropriated, Czechoslovakia will have exactly the same social system as Stalinist Russia. Will it thereby have become a Degenerate Workers' State? To ask is to answer: No! And if, in the interim, United States imperialism vanquishes its Russian rival, then the Czech state will revert to "free" monopoly capitalism.

Whether changes will occur in the social superstructure inside Russia leading to a transformation into state capitalism, is, we hold, an open question. Here, no one can dogmatize. The new inheritance laws would seem to point in this direction. Trotsky cited earlier modifications of the inheritance laws as evidence of the proprietary yearnings of the individual bureaucrat. On the other hand, the social ambitions of the bureaucrats do not necessarily fit into the same psychological pattern as the bourgeoisie, notwithstanding their common position as exploiters. And, further, it must be borne in mind that while the transition from "free" monopoly to state monopoly capitalism may be accomplished almost painlessly, owing to the impotence of the bourgeoisie to resist, the Stalinist bureaucrats, on the contrary, feel themselves to be a strong, victorious class. A transition toward a system based on proprietary rights is therefore inevitably beset with dangers to the solidarity and cohesion of the exploiters. A direct transition to "free" monopoly would create unbearable tension among the bureaucrats, aside from the fact that the whole tendency of modern industry is toward state integration. In our view, a transformation toward capitalism would almost certainly be in the direction of state capitalism, but this would be accomplished slowly and cautiously, leaving open the possibility of backslidings at each stage. We repeat however, that the whole question of a transformation remains problematic.

Defensism or Defeatism?

Three main arguments are advanced to support the prevailing line of the Fourth International on the question of the defense of Stalinist Russia against the capitalist powers: (1) The struggle of the Red Army serves as an inspiration to the workers of the world to intensify the class struggle; (2) the

subjugation of Stalinist Russia would lead to the economic consolidation of finance-capitalism over a lengthy period; (3) the main defense of the USSR is the international class struggle; but the Red Army, and the Stalinist war effort in general, must be upheld as a major weapon in the defense of nationalized property.

(1) As is understood by all of us, war furnishes an impetus to the revolutionary struggle; especially when the weaker states begin to go to the wall. Thus, the disintegration of the traditional authorities in Eastern Europe led to the formation of the working-class committees. The advance of the Red Army, which the workers regarded as the defender of working-class interests, provided a further impetus to the struggle for control. We may, in this connection, regard the weakness of the established forces of coercion and ideological pressure as the "cause" of the formation of committees of control, and the Red Army as an "impetus."

In other words, the change in the balance of class power within the country is by far the more basic impetus. In Greece, where the class battle reached a higher pitch of intensity than anywhere else, the support furnished by the Red Army was purely platonic. In Italy, where it was the Allied capitalist armies which were advancing, the struggle was more advanced than in any of the territories fought over by the Red Army. Further, in the territories scheduled for Kremlin occupation the situation was complicated by the presence of the Stalinist parties, standing ready to react to the Red Army "impetus" in whatever manner they were ordered.

Nonetheless, it remains indisputable that the Red Army advances did serve to accelerate the socialist class struggle; whereas the advance of the Axis armies only served to darken hope. The partition of Poland in 1940 provided a laboratory proof of this. Hopes in the Allied capitalist armies, in turn, were confined to the belief that there would be a restoration of bourgeois liberties, and more food.

The capitalists live daily and hourly on the backs of the working class. Every worker knows that a foreign, conquering, capitalist power will preserve the basic relations of exploitation. On the other hand, Russia is as remote from the orbit of the workers of the world as is the fabled land of Tibet. And Russia is accepted generally as the land of socialism. The capitalists, of course, harbor no illusions concerning "socialism" in Russia. Roosevelt and Churchill preserved the alliance with Stalin throughout the period of the spectacular Red Army advances because their knowledge of the real nature of the Russian regime convinced them that Stalin would rivet fresh chains on the Balkan and German workers: that, in short, he would effectively destroy an emerging revolutionary situation, and later, owing to their material preparedness, they in turn would crush him in a purely military contest. On the other hand, the Balkan and German capitalists, faced with annihilation by Stalin, depicted the wretched reality of the Russian regime in their propaganda sheets—the Germans with some effect, but the Balkan bourgeoisie with more modest results. The bourgeoisie, reasons the worker, lie about every strike. Moreover, they lied about Lenin's government, so why not about Stalin's?

However, what capitalist propaganda could not accomplish is accomplished by the occupation regimes installed by the Kremlin. Russia is now seen to be a predatory, oppressive power. The myth of "socialist" Russia is destroyed. The Kremlin despotism is swift in liquidating every active movement, right-wing and left-wing alike, except those which may be utilized as bait to trap and crush the masses. Social Democrats and trade unionists, who follow the tactic of Zinoviev and Radek, by diplomatically capitulating to Stalin, will be sucked dry of influence and then sent to a similar fate. Non-conformists among class-conscious workers are stamped out by police measures. Following the footsteps of the Babylonian rulers—des-

cribed by Kautsky in his *Foundations of Christianity*—Stalin roots out not only the active elements of opposition but even the potentially active, sending them to rot in the Siberian wilds.

Under such circumstances it is incredibly naive to cite the existence of workers' committees as evidence of the relatively progressive character of Stalinist rule. Wherein lies the relatively progressive character of the regime when, on the one hand, a balance is drawn between the division of the land—frequently at the expense of nationalist minorities—and, on the other, the plundering of exchequers to pay the huge war damage indemnifications and costs of occupation?—between, on the one hand, the statification of industry, managed by a privileged layer of civil servants, and, on the other, the wholesale robbery of precious machinery and fixed capital, the restriction of industrial output to an unbearably low level under the Potsdam terms, the press-ganging of skilled labor into the Russian industries, and the deportation of all potential oppositionists to regions from which escape, or even long survival, is virtually impossible?

Logan and others have pointed out that whereas forcible collectivization, notwithstanding its trail of brutalities, advanced the level of production to new heights, the transformation of property forms in the occupied countries is carried through amidst a systematic destruction of productive forces. The political policy pursued in the overrun territories, however, follows the precise pattern of suppression practiced against the Soviet masses. How, then, explain the high "Soviet morale" in the war?

The limitless cannon-fodder, the huge expanses, the powerful Allies, the huge labor force, and the integrated production apparently do not sufficiently explain the survival of the Stalinist regime. It is necessary to attribute to the Soviet soldiers a morale higher than, for instance, the German troops possessed. However, accusations against the peoples of the Crimean Republic are lifting the veil on the real level of morale among sections of the Soviet people. But suppose it is conceded that the Russian resilience was due nine-tenths to the reasons we have enumerated and one-tenth to the especially high quality of the morale. The question remains, what sort of morale? And the answer is a nationalist morale; and among the Red Army soldier even a chauvinist morale, as the abundant evidence of journalists and British troops stationed in Austria and elsewhere confirms. Nor could it be otherwise among a people deprived for years of the right to think and act independently.

General Casado's *Last Days of Madrid* is worthy of study for the revealing light it sheds upon the political state of mind of the Spanish troops, so recently imbued with a revolutionary morale. When Casado was estimating how many regiments would join him, and how many oppose him, in abandoning the fight against Franco it was sufficient for him to think in terms of the probable reaction of the several commanders. "This commander was a communist, and therefore he would oppose me. This other would support me, for he was a follower of Azana." The rank and file soldiers, deprived of all Army democracy, could be treated as men without either the right, or the power, or even the inclination to influence the verdict.

Unquestionably it is imperative to cement bonds of solidarity between the Russian troops and the European workers. But toward what end? Toward the destruction of world imperialism, of course, but more urgently toward the destruction of the immediate oppressors of the occupied peoples and Russian peoples themselves. The Stalinist regime grew upon the Russian people like a painful cancer. On the other hand, Stalinist imperialism jumped upon the backs of the European workers. There is quite a difference there. An alien yoke is always harder to bear. The occupied territories will become the first focal points of revolutionary struggle against the regime.

The declaration of the Fourth International Executive that

it stands unambiguously for the withdrawal of the Russian troops can only be welcomed. This can only mean that the main policy of the Fourth International parties in Central and Eastern Europe must be orientated towards shaping unity between the workers and the troops of the Russian army around the programme of the revolutionary overthrow of the Stalinist regime. A defeatist policy in the event of war follows with inescapable logic from this position. An unambiguous declaration should be added that, in this event, no "shift in emphasis" is contemplated.

(2) The theory that the workers of the world should stand for the defense of colonial countries against imperialism, irrespective of the class nature of a native government or resistance movement, rests upon the following main propositions:

(a) Finance capitalism stabilizes the régime at home by utilizing a part of the super-profits derived from colonial exploitation to give concessions to restricted sections of the workers.

(b) Imperialism upholds the most reactionary elements of the native ruling classes; prevents the emergence of a clear-cut class struggle between the workers and the native bourgeoisie; holds the colony in a state of artificial backwardness by confining the development of the productive forces to complementary industries; supports the feudal relations in agriculture, etc., etc.

(c) Imperialist super-profits are derived from super-exploitation.

(d) The rule of imperialism violates the right of nations to self-determination.

Comparisons drawn between the position of Stalinist Russia and the position of the colonies in relation to capitalist imperialism overlook the essential difference that Stalinist Russia, occupying vaster territories and more highly developed economic areas than Czarist imperialism, is a main contender for the conquest of two continents. Stalinist Russia, owing to its cohesion, vast resources, and the mass movements it utilizes beyond the confines of its state authority, is a world power of the first magnitude. The conquest of Asia and Europe would lead to the consolidation of bureaucratic collectivism—though not, naturally, to consolidation in the Burnhamite sense! A war between Anglo-USA imperialism and Russia would inevitably be a war of plunder and conquest on both sides. A victory for Anglo-US imperialism would lead to the elimination of the nationalized property forms and would throw the production level a long way back. Victory for the Stalinist regime would lead to the enslavement of Europe and Asia, and to the uprooting of productive forces as a preventive measure aimed at frustrating the resurgence of the bourgeoisie, or the emergence of a proletarian power.

(3) The defense of the planned economy is unquestionably the leading argument advanced by the defensist majority in the ranks of the Fourth International. The British majority comrades believe, however, that Russia is evolving more or less rapidly toward state capitalism. But a transition to state capitalism would represent, we repeat, purely a superstructural shift in property relations. The state-centralized economy would remain; and, beyond question, would have a higher efficiency than the existing "free" monopoly capitalist forms of organization. Would our comrades then stand in favor of the defense of state capitalism, organized production and commerce? It cannot be argued that a basic property transformation would have taken place, for working-class ownership of the means of production in the USSR long ago became a mere legal fiction. It is the superiority of state centralized production and commerce, and not the fiction of working-class ownership, which provides the defensists with their most serious argument in favor of defending the USSR. In other words, the defense of the material bases of a future workers' state.

If a military front with Stalin is justified on these grounds, however, then equally justified would be a military agreement with German nationalists, who, irrespective of their political and social ends, were fighting for the economic and political re-unification of Germany. For today, under the Potsdam terms, the accumulated skill of the German people is running to seed, and the heavy industries—material prerequisite for socialism—are being destroyed. What, however, would be our attitude toward national liberation formations under a chauvinist leadership? If substantial sections of the masses were rallied behind them we would enter these organizations to wrest the masses away from them. We would strive for the formation of proletarian organs of struggle. Between the proletarian military organizations and the bourgeois, chauvinist formations, purely military agreements might conceivably be concluded without a break of socialist principles.

But supposing the formation of independent working-class organs of struggle proved a slow and difficult task. Would we then adopt the standpoint that since the victory of the bourgeois nationalists would lead to economic re-unification—socialism's material prerequisite—therefore, pending the emergence of socialist organs of struggle, we should strive to be the best soldiers within the existing formations? Of course we wouldn't. To fight within the nationalist military formations, while refraining from striving to disintegrate them with revolutionary socialist propaganda, would mean to hold back the emergence of a revolutionary movement, and would help make inevitable an ultimate renewal of German Imperialism's war of conquest.

Lenin advised the Bolshevik cadres entering the Czarist Army to become skilled in the trade of war:

(1) to prevent victimization on the grounds of alleged inefficiency;

(2) because military skill is a necessity in the proletarian struggle for power.

But was the Bolshevik the best soldier from the angle of the general war effort? Of course not. His revolutionary propaganda speeded the disintegration of the Czarist army.

To urge our comrades conscripted into the Russian army to acquire proficiency in the military arts is correct. To counsel

them to refrain, in wartime, from forms of activity calculated to speed the Red Army's disintegration would amount to giving political aid to Stalin. It would amount to turning away from the primary tasks of the revolution; for the soldier and worker masses will only begin to turn toward our programme when they are heading for revolution.

Our hypothetical military agreement between German workers and German chauvinists cannot be applied to the Stalinist regime. For while the underground chauvinist forces would be powerless to vent their hostility against the working-class units of the struggle, except in the form of sporadic murders, betrayals, etc., the Stalinist government, on the contrary, wields the strongest, most highly concentrated apparatus of repression in the world. Proletarian fighting units can come into being only amidst a life and death struggle with the Stalinist state machine. Without proletarian units of struggle the overthrow of Stalinism is impossible. Without pursuing the policy of undermining and disintegrating the Red Army by means of revolutionary propaganda no proletarian units can come into existence.

Naturally, only a few scattered adherents will be won to our programme until decisive shifts occur in the consciousness of the masses. The Bolshevik fighting formations will arise alongside the factory committees and the soviets. But whether the revolutionary events unfold in peace or during war, the policy must be the same: to disintegrate and smash the Stalinist state machine, irrespective of the military situation of the USSR.

Marx and Engels supported the Prussian war against France before it became a war of conquest. The stage of development of Prussian economy did not make a war of conquest inevitable. Today in the struggle waged between the major powers, wars of conquest, followed by the suppression of productive forces, are unavoidable. The victory of either Stalinist imperialism or finance-capital imperialism in a future war would lead to industrial suppression and political enslavement. Should the proletariat be too weak to prevent the outbreak of a third world war then the task of the workers on both sides of the military frontiers will be the revolutionary overthrow of their own immediate oppressors.

September 4, 1946.

Some Remarks on the Russian Question

By G. HEALY

This dispute is not about the dual character of the Soviet Union. It is alleged that the Minority denies that Russia has both capitalistic and socialist features. This is nonsense, and is refuted by even a cursory glance at the scrappy (and uncorrected) CC minutes:

Statement by Lawrence:

"We say that the plan is in great danger—there is undoubtedly the growth of capitalism" (p. 9), and again: "Here the danger of capitalist restoration rests, in that the bureaucracy in order to stabilize its position, turns toward the most reactionary elements in the Soviet Union" (p. 14).

So much for the dangers of capitalism. We might add that it is precisely because we consider it a real threat that we maintained that the Soviet Union has entered the most critical period of its existence. The Majority, on the other hand, conclude that the USSR is stronger than ever before, and that its defense has receded into the background. Apparently the growth of capitalist tendencies provides the comrades with great confidence that defense of the USSR is not an important issue now.

It is no use, either, for the CC Majority to say that the Minority ignores money as a measure of value in the Soviet Union. Lawrence's statement (p. 14, CC minutes) that "of course money exists" should clear away that point. He didn't

mean that the bureaucrats simply used it for playing poker, but as a measure of value, and for payment of wages: the main difference being that since the property relations were based upon the October Revolution, these transactions were fundamentally different from what takes place under capitalism.

To clear away the straw-men and get down to the real issues in dispute, we reproduce a quotation from Comrade Trotsky which excellently sums up the minority's position on the dual character of the USSR. In doing so we believe that the contradictions which it enumerates have been greatly accentuated by the war.

"The Soviet Union is a contradictory society halfway between capitalism and socialism, in which: (a) the productive forces are still far from adequate to give the state property a socialist character; (b) the tendency toward primitive accumulation created by want breaks out through innumerable pores of the planned economy; (c) norms of distribution preserving a bourgeois character lie at the basis of a new differentiation of society; (d) the economic growth, while slowly bettering the situation of the toilers, promotes a swift formation of privileged strata; (e) exploiting the social antagonisms, a bureaucracy has converted itself into an uncontrolled caste alien to socialism; (f) the social revolution, betrayed

by the ruling party, still exists in property relations and in the consciousness of the toiling masses; (g) a further development of the accumulating contradictions can as well lead to socialism as back to capitalism, (h) on the road to capitalism the counter-revolution would have to break the resistance of the workers; (i) on the road to socialism the workers would have to overthrow the bureaucracy. In the last analysis, the question will be decided by a struggle of living social forces, both on the national and the world arena." (*The Revolution Betrayed*, p. 255.)

The Property Relations are Decisive

The class nature of the Soviet Union is determined by the property relations established by the revolution. Comrade Haston produced no fresh evidence that these relations have been overthrown. On the last page of his document he concludes that it is still a degenerated workers' state. So far, so good, but it is necessary to draw certain conclusions. The property relations determine the content of the social relations, and this means the use of money, payment of wages and methods of production. If this is the same as in capitalist countries, then undoubtedly the property relations are capitalist. At the CC the comrades declared that the "function of money was the same as in capitalist society," that "wage labor was no different from capitalist states" (Tearce, p. 13, CC Minutes), and that "commodity production" predominated inside the Soviet Union (Haston, p. 9, *ibid.*). We can say without hesitation that if all this is true, then what you have is no longer a degenerated workers' state, but a capitalist state. Double book-keeping with such phrases educates no one. Our comrades must be consistent and draw conclusions.

Let us review the problem a little closer. Comrade Haston asserts (p. 28) that in the payment of wages and control over the workers "the state occupies the same relation to the national economy as the individual capitalist occupies in relation to the single enterprise." In a British factory this relation signifies that the capitalist is the owner and the propertyless workers own nothing except their labor power, for which they are paid wages. The property relations here are capitalist and we do not spend our time telling the workers that what you have to deal with is a "degenerated workers' factory." If our opponent is to be logical in his argument that the state in Russia has the same economic relation to the workers as the capitalist of a single enterprise, then labor power is a commodity and the workers have been economically expropriated by the state (i. e., property relations overthrown). What you have is some sort of Hastonian animal known as state capitalism, but certainly not a degenerated workers' state.

It is no use howling about the Minority being "phrasemongers." That does not help one little bit. It is true that Trotsky used a similar phrase, but in an entirely different connection:

"The objective superiority of the new social regime reveals itself, too, of course, in the methods of the leaders. But these methods reflect equally the economic and cultural backwardness of the country, and the petty-bourgeois provincial conditions in which the ruling cadres were formed.

"It would be the crudest mistake to infer from this that the policy of the Soviet leaders is of third-rate importance. There is no other government in the world in whose hands the fate of the whole country is concentrated to such a degree. The successes and failures of an individual capitalist depend, not wholly of course, but to a very considerable and sometimes decisive degree, upon his personal qualities. *Mutatis mutandis*, (changing what should be changed) the Soviet government occupies in relation to the whole economic system the position which a capitalist occupies in relation to a single enterprise." (*The Revolution Betrayed*, p. 43.)

Unlike Comrade Haston, Trotsky was referring not to the economic relations but to the subjective factor of administrative ability.

The Soviet state, we are told, "extracts a bigger portion of surplus value than is extracted from the workers by the capitalists in capitalist countries." "To ensure an evergrowing portion of this surplus, it oppresses the masses with ever greater brutality." (p. 29). In other words, the main fight in Russia is between the state and the workers for surplus value. But that is the class struggle; as Trotsky points out: "The class struggle is nothing else than the struggle for surplus-produce." (*The Living Thoughts of Karl Marx*, p. 8.) So in Russia there is a class struggle between the state (which plays the same role as a capitalist in a single enterprise) and the masses. But who controls the state? Why, the bureaucracy, therefore... therefore there is a class struggle going on between this bureaucracy and the workers over surplus value exactly the same as in capitalist countries. Please stop hedging around, Comrade Haston, and come into the open. If the major struggle in the USSR is between the state and the workers for a share of the surplus value, then it is a class struggle between capitalists (or some new class) and workers.

There is nothing new in our comrade's document. Long ago Lucien Laurat, the theoretician for Leon Blum, argued that since "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" (according to J. H. they devour more), "it represents an absolutely new type of class." Now we are treated to the same old hash. In his eagerness to say something new, Comrade Haston finishes up by saying something that is very old. This won't do; either you draw the same conclusion as Laurat, or explain how you arrive at the position of a degenerated workers' state from his premise.

Of course, as Trotsky puts it, the Stalinist bureaucracy "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." (*The Soviet Union and the Fourth International*, p. 19.)

Trotsky's conclusion, however, unlike Laurat, was:

"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 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." (*Ibid*, p. 20.)

We will take for granted that the ranks of the bureaucracy have swollen since then and that their capacity for guzzling is greater, but has this changed the property relations and transformed them into a class? Haston repeats Trotsky one minute and says that class exploitation in the scientific sense of the term does not exist in Russia, and in the next alleges that the State oppresses the masses in the fight for surplus value. In his usual benevolent way he upbraids the Minority for saying that exploitation is not carried out the same in

Russia as in capitalist countries, and then he proceeds to attack us with a remark of Trotsky which proves our case.

Let us repeat that it is necessary to quit sitting on the fence between the theories of State Capitalism and a degenerated workers' state. Our opponents argue for the former, and by some eclectic miracle conclude that the latter still exists... You have got some work to do, comrades of the CC Majority. If the economic relation between the Soviet State and the working class is the same as between a capitalist and the workers of a single enterprise, then Trotsky's thesis that "So long as the forms of property that have been created by the October Revolution are not overthrown, the proletariat remains the ruling class" is no longer valid. In your single enterprise the property forms are capitalist and the boss rules the roost. In the Soviet Union the bureaucracy (in our opinion) still rests on the soil of the property form established by October, something fundamentally different from the soil upon which your single capitalist has his foundations. As Comrade Morrow would say, "You cannot stop in your present position." Tell us how two basically different sets of property relations bear exactly the same economic relation to the working class?

Commodity Production

In his search for quotation in *The Revolution Betrayed* on the question of commodity production in Russia, Haston was sadly disappointed. He was trying to support his statement at the CC that "commodity production predominated" inside the Soviet Union (p. 9), but by no strange coincidence, Trotsky never claimed this was so. Commodity production as the dominant mode of production is historically related to capitalist property relations. (Commodities are produced in Russia, but certainly not in the decisive field of capital goods.) Under the capitalist system an unplanned production of goods predominates, which in the process of exchange on the market become commodities. Such a process essentially rests upon the private appropriation of the means of production, since the capitalists who own these means produce not according to plan but independently of each other. It has an unorganized, anarchical character; the only regulation being the movement of market prices in accordance with supply and demand. The market is the blind force which directs capitalist production. Is it necessary to remind the comrades that if commodity production predominated inside the Soviet Union you would have no basis for a planned economy, and one does exist in spite of Stalin—a bad one it is true, but nevertheless a plan, based upon the property forms of October.

The sole method of exchange in capitalist society is unorganized market distribution. In this process, as Trotsky points out, "the basic regulator of capitalist economy is the law of labor value," which decrees that "commodities are exchanged for each other according to the quantity of labor invested in them." It is the market, Trotsky remarks, "as the arena of exchange" which "decides whether they do or do not contain within themselves socially necessary labor," thereby determining "the ratios of the various kinds of commodities necessary for society, and consequently also the distribution of labor power according to the various trades." That is how the Law of Labor Value operates as a predominantly capitalist social relation.

Comrade Haston takes a quotation from the *Critique of the Gotha Programme* which he seems to consider proves his point that the Law of Labor Value operates in Russia the same as under capitalism. Our comrade jumps from the frying-pan into the fire. Let us look again at what Marx really meant.

"The individual working-time of the individual producer is that part of the social working-day contributed by him, his part thereof. He receives from society a voucher that

he has contributed such and such a quantity of work (after deductions from his work for the common fund) and draws through this voucher on the social storehouse as much of the means of consumption as the same quantity of work costs. The same amount of work which he has given to society in one form, he receives back in another.

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

Marx is here speaking about the distribution of the necessities of life for individual consumption and is outlining the principle of commodity exchange based upon equal values. It is really remarkable to watch Haston juggle with this perfectly straightforward deduction. Arrogantly he turns towards the Minority. "Is this not the law of value, operating in the first stages of socialism, no less than it operates under capitalism?" Obligingly he answers in the affirmative. As an afterthought he requotes Marx that "content and form have changed," but the conclusion completely escapes him. The fact that the workers would have seized power and overthrown the capitalist property relations makes no difference to Haston's conception of the Law of Value which, according to him, is the same under the first stages of socialism as under capitalism. This vulgarization of theory runs like a fine thread through the whole of his contributions on the Russian question. In his eagerness to deduce that "the laws of capitalism predominate," he consistently ignores the fundamental difference in the property relations which alter the class content and form of these laws.

It is not difficult to refute our opponent's misuse of this quotation, and his assertion that commodity production predominates inside the Soviet Union. Take the decisive field of capital industry: can anyone who likes march into a shop and purchase a lathe on the same principle as outlined by Marx in the quotation? Obviously not; (Marx makes it clear that this only applies to consumers goods). According to Comrade Haston, capital goods are commodities which apparently can be bought or sold by anyone having sufficient cash for investment. It is quite clear that such procedure does not yet dominate the economy of the USSR, simply because the basic property forms of October still exist. Haston's conception of commodity production and the Law of Labor Value is quite consistent with his personal opinion that state capitalism exists in Russia, which he strives to obscure with a passing reference to a degenerated workers' state.

State Capitalism

Trotsky once described the term "State Capitalism" as having the advantage that nobody knows exactly what it means. But that by no means daunts Comrade Haston. He proceeds to assure us that State Capitalism actually exists in Czechoslovakia, and then discloses to us that the present property relations in Russia could provide the basis for State Capitalism.

"If one takes into consideration the historical tendencies toward stratification on a world scale, and the fact that Russian stratification survived the test of a tremendous war, it seems theoretically correct to assume that there is no reason why a new capitalist class in Russia cannot arise and dominate the economic life of the country without destroying state property as such..." (Our emphasis.)

This is an entirely revisionist conception that a new class

can take power by evolution and not through the revolutionary overthrow of the property relations. It completely contradicts Trotsky's position in *The Revolution Betrayed* (p. 253):

"But a bourgeois restoration would probably have to clean out fewer people than a revolutionary party. The chief task of the new power would be to restore private property in the means of production. First of all, it would be necessary to create conditions for the development of strong farmers from the weak collective farms, and for converting the strong collectives into producers' cooperatives of the bourgeois type—into agricultural stock companies. In the sphere of industry, denationalization would begin with the light industries and those producing food. The planning principle would be converted for the transitional period into a series of compromises between state power and individual 'corporations'—potential proprietors, that is, among the Soviet captains of

industry, the émigré former proprietors and foreign capitalists. Notwithstanding that the Soviet bureaucracy has gone far toward preparing a bourgeois restoration, the new regime would have to introduce in the matter of forms of property and methods of industry not a reform, but a social revolution." (Our emphasis.)

The truth of the matter is that Haston, having already laid down that no change in the state property is needed in Russia for the introduction of state capitalism, secretly believes it exists and has in fact succeeded in projecting itself into Czechoslovakia.

Plain speaking is necessary on the Russian question. It is necessary either to return to the programmatic position of the Fourth International, or to develop further along the revisionist road. No middle course is possible. Get off that fence!

August 24, 1946.

Extracts from Draft Thesis on the USSR *

By LUCIEN MAGNEUX, R. GUERIN and M. DARBOUT

II. The Russian State

From the traditional concept of the Fourth International on the degenerated workers' state there flowed the perspective of the collapse of this state which is incapable of coping with great historical crises.

But in February 1944 the Conference of the European Secretariat stated:

"The war, sharpening intolerably the contradictions of Russian economy, has sounded the knell of the inevitable liquidation of the bonapartist Stalinist bureaucracy. The bureaucracy is destined to perish without fail, either under the blows of world imperialism or under those of the proletarian world revolution. . . . The bureaucracy, caught between imperialism and the revolutionary upsurge, will tend to become even more torn apart under the pressure of its internal contradictions."

These perspectives have shown themselves to be completely false. Instead of any attempt to see whether the error did not stem from a false estimate of the Russian state, the error has been justified by a complicated dialectic; and because it is making no progress on this theoretical question, the Fourth International lays itself open to, committing new and far more tragic errors. We must have a clear and precise position on the conflict between the Soviet Union and the U. S. Are we tomorrow to be the best soldiers in the camp of Stalin, in the name of "defense of the collective property in the USSR," or will we struggle for the proletarian revolution in every country?

During the period of preparation for the conflict between the Soviet Union and the U. S., as during the conflict itself, our position is derived from our analysis of the social character of Russia. We present here an outline of our analysis, which we will develop in fuller detail during the discussion in the party, assisted by all those who are not paralyzed by respect for tradition.

We do not lay emphasis on the working conditions or on the material and moral situation of the Russian workers; nor on the fact that they have been dispossessed of all real political power. On this point our "defensists" agree but they reply that "none of these facts directly (?) bring into question the

proletarian nature of the Soviet state," for "the dictatorship of a class is determined not by the political position of the class but by the dominant form of property, which determines the political apparatus as a whole." But is it the juridical form of property or the real relationship of classes in the economy that determines which is the ruling class? The Russian proletariat has been completely dispossessed of control of the economy. From 1929 to 1931 a series of important decrees legally abolished, in clear and precise terms, every vestige of workers' control.

September 7, 1939. — The Executive Committee of the Communist Party adopted a resolution which was to become the starting-point for all the legislation on the question of sole authority:

"The Central Committee of the Communist Party observes that despite considerable advances in the field of industrial development the necessary orderly organization of factory administration does not yet exist. The functions and duties of the three leading organs—director, workers' committee and Communist Party fraction—are not clearly enough demarcated. The trade union and Communist Party organs still take upon themselves operations which fall to the administration. The result is that economic and technical questions are often approached in a haphazard and sometimes incorrect way. . . .

"The Central Committee resolution points out that it is of utmost importance to put an end to such anomalous situations and to establish definitively the sole authority of the director, with a view to tightening the discipline of labor, raising the individual output and the productivity of labor, improving the organization of production and applying the principles of a healthy economy.

"Powers of the director. — Henceforth the director of an enterprise will be completely responsible for the production, plans and the budget. He alone will have the right to give orders in the field of production, to functionaries and clerical workers as well as to the industrial workers. The latter are held to strict obedience of all orders received, no matter what position they may hold within the Communist Party or the trade union organizations. In particular, the director has the exclusive right of hiring the administrative and technical personnel. In the hiring, transfer or dismissal of a worker, the decision of the director may not be overruled when the Communist fraction or the trade union organization (workers'

* This document was submitted at the Third Congress of the French P.C.I. The three comrades who signed the article stated that they were in agreement with Comrade G. Munis' document "The Position of Revolutionists on Russia and World Stalinism," and with Daniel Logan's article, "The Eruption of Bureaucratic Imperialism."

committee) has a contrary opinion. They may only call the attention of the higher bodies—Communist, trade union or economic—to this difference of opinion.

"Rights of workers' committees. — The trade union organizations, while defending the economic and cultural interests of the workers, must collaborate actively in increasing their output. In no case must they interfere with the work of the administration or put any obstacle in the way of its functioning.

"The role of the Communist fractions. — The Communist fractions, which are 'the party base in industrial enterprises,' must use all their influence to establish the principle of the sole directing authority of the director. They may not countermand the orders of the administration on technical matters, and in particular they must refrain from imposing on the leadership their nominations of specific persons to vacant posts in the administration of the enterprise.

"The Communist fractions, moreover, must be careful not to take the place of the workers' committee; in particular, they must scrupulously refrain from constituting themselves as organs of conciliation and arbitration, and from investigating complaints which may arise from the workers.

"The Communist Party attaches special importance to the fact that the Communist and trade union bodies must constantly remind the workers that all measures taken by the plant administration to tighten the discipline of labor, raise individual output, reduce general costs and rationalize production, come as orders from the Communist Party, the Soviet government and the trade union organs, and are designed to improve the situation of the working class and to strengthen the dictatorship of the proletariat."

Commenting on this resolution, *Izvestia* wrote:

"The importance of the resolution adopted by the Central Committee of the Communist Party lies in the categorical statement that the responsibility for the successful functioning of the enterprise rests entirely with the administration, that is, with the director, who must be prepared to use all the powers given him for developing production. All nominations, transfers, dismissals, etc., of administrative and technical personnel, may be discussed by the workers' organs in the enterprise, but are to be carried out without the necessary approval of these organs. Neither the Communist fraction nor the trade union organ nor any public organization has the power to suspend execution of the director's orders."

Thus Communist fractions, plant committees, trade unions, are no longer organs of control at the service of the working class, but auxiliaries of the administration.

Those who constitute the "cadres" of the plant administrations, whom Stalin calls the intellectual and technical elite of the Russian working class, thus have control of the entire political machinery as well as the administration of the entire economy. The workers have no other right than to sweat out surplus value for this new elite. To refuse to see in this the character of an independent and ruling class is to close one's eyes to reality.

What prevents many comrades from understanding that the Russian state is no longer a proletarian state, is their belief that a nationalized economy is anti-capitalist and therefore proletarian. Such a concept, which sees only the form and not the content of the economy, disregards reality. What determines the class character of an economy is not the state-ized form or the private form of property, but the question of surplus value. Who gets the surplus value, he who produces it or someone else? If, first of all, surplus value does not return to the producer and if, secondly, the sum total of surplus value is not less in a state-ized economy, then what we are dealing with is exploiters and exploited. An economy which is nationalized and

planned, but without workers' control, cannot give a proletarian character to the state.

When the new class of bureaucrats was formed, it drew largely on the best layers of the proletariat. Like every privileged class, it now tends to stabilize itself and to become more self-sufficient. In *The Yogi and the Commissar*, Koestler gives the following facts:

"The new Constitution of 1936 reestablished inequality from birth. Inheritance was made legal again and the right of unrestricted disposal of property by last will was guaranteed to each individual citizen. Death insurance was also reinstated. Well-to-do citizens are encouraged by advertisements of the State Insurance Trust to contract policies; the minimum premium is fixed at 5,000 rubles; it is paid out in case of death to the heirs.

"Complete equality at birth must of course have remained rather theoretical as long as inequality of income of the parents remained. This was unavoidable for the period of transition from the 'First Stage of Socialism' ('everybody to work according to his capacity and be rewarded according to his work') to the Second Stage ('everybody to work according to his capacity and be rewarded according to his needs,' i.e., number of children, preferred recreation, etc.). Not even the most purist critic could expect a sudden jump to total equalitarianism. But one was entitled to expect from a regime moving however slowly toward a socialist goal that it should make efforts to minimize the effects on the child of the unavoidable inequality among the parents, i.e., to prevent the emergence of privilege from the cradle. Soviet policy took exactly the opposite course. Inheritance was revived, death insurance encouraged; moreover, the children of prominent people are endowed with special money grants until their coming of age. I quote only one example:

[At the] death of the outstanding aircraft designer, Comrade N. M. Polikarpov, Hero of Socialist Labor, Deputy of the Supreme Soviet of the USSR, following a serious illness, the Soviet Government has decided to assign a grant of 100,000 rubles to Polikarpov's wife and daughter, and pensions of 1,000 rubles a month to his wife for life, 500 rubles a month to his daughter until she completes her education, and 400 rubles a month to his sister for life.'

"Young Miss Polikarpov will thus grow up in a family which between three members has an unearned monthly income of over 3,000 rubles plus a capital of 100,000 rubles to fall back upon. Assuming that she had been born in an ordinary Russian working class family and her father had been disabled by old age or accident, then she would grow up in a household with a monthly income of 30 to 75 rubles, instead of 3,000.

"Thus inequality is not restricted to grown-up wage-earners, but carried straight into the nursery by a deliberate policy of the regime. Children in Soviet Russia grow up rich and poor as in capitalist countries. The first bulwark against inherited privilege fell when the new constitution sanctioned the inheritance of property; the second and more important bulwark fell when free education was abolished by the introduction of tuition fees for higher education.

"The decree of October 2, 1940 fixed the tuition fee for secondary schools (technical, normal, agricultural, medical, etc.) at 150 to 200 rubles per year, for universities at 300 to 500 rubles. The fees for the first term had to be paid within one month from the promulgation of the new law; 600,000 students of poor parents who couldn't pay the fee, had to leave school.

"Thus higher education (from the fifteenth year onward) became a privilege of the children of parents who could afford it; i.e., bureaucracy, technocracy and the new intelligentsia. This development had started long before the

introduction of direct fees. Up to 1932 a minimum of 65 percent of the students in engineering colleges and technical schools had to be manual workers or their children."

This passage offers clear evidence that the bureaucracy is not only an excrescence, a cancer on the body of the workers' state, but an actual class deriving its income from exploitation of the proletariat.

There is no lack of other examples:

"In the Soviet Union you can have personal domestic servants—a chauffeur, for example, to drive your car, paid at a fixed salary; and this is quite a usual thing. Domestic servants are poorly paid and can't save anything.

"Savings accounts exist in the USSR. Savings banks have been opened everywhere, receiving money deposits and paying interest to depositors. Interest on such accounts is between 3 and 5 percent. Savings are transmissible to one's heirs." (Private Property in the USSR, Paul Augier, France-USSR—Committee of Nice, October 9, 1945.)

Nor has religion, the traditional method of the possessing classes for keeping others in subjection, been neglected, as witness this dispatch from *Le Monde* of April 23, 1946:

"USSR. Solemn Easter celebration.

"Easter was celebrated this year with a solemnity which has not been seen since the revolution.

"For the first time in thirty years church bells were tolled throughout the Soviet Union during holy week. Churches were filled with the faithful. In Moscow thousands attended midnight mass. When Bedell Smith, U. S. Ambassador, wanted to enter the cathedral where the patriarch Alexis was officiating, five gendarmes had to open up passage for him.

"Many young people and especially many men in uniform were to be seen among the worshippers." (AP)

We must not forget, moreover, that the orthodox church, like the Stalinist parties, plays an active role as agent of Russian foreign policy.

"There is no interference with religious believers in the Soviet Union. The church has plenty of resources and is even considering sending funds to the U. S. Orthodox Church, whose financial situation is precarious." (F. Fedorov, *Church and Worship in the USSR*, Popular Edition, 1945.)

Does this mean that the USSR has become a capitalist

country of the same kind as the great imperialisms? Not at all. The ruling and exploiting bureaucracy has established its domination on the economic bases established by the October Revolution. Its fate is tied to the fate of the collective property, and in self-defense it is obliged to defend this collective property. Comrade Leblanc lays emphasis, in his Zinovievist thesis, on the fact that the most reactionary layers in the USSR, if they overthrew Stalin, would call into question the economic system of the country. The Russian bureaucracy thus cannot be equated to the American or British bourgeoisie.

But the Russian state no longer constitutes a necessary stage of the revolution; it was born out of the rapid degeneration of the proletarian state, following upon the general retreat of the working class after 1920, and out of the backwardness of Russia. The working class, the only progressive class in our epoch, was unable to set itself up as the ruling class in Europe after the war. And thus the Russian Revolution ran into a blind alley. Insofar as the working class today is unable to take the fate of humanity into its own hands, humanity moves toward barbarism. The Russian state is a manifestation of this course toward barbarism, and not a historically necessary stage on the road to human emancipation.

We want to emphasize again the bankruptcy of the perspective of "Stalin's downfall, in case of victory or of defeat," which should have led to a serious study of the causes of this error, and not to a political merry-go-round.

This perspective, which flowed from the appraisal of the USSR as a "degenerated workers' state," assumed the existence in Russia of a certain instability of social relations, which the test of war would inevitably accentuate. But it is clear that the Russian state emerged from the war politically strengthened, and it is correct to assume the stability of its ruling layer and, consequently, a normalizing of social relations as they were before the war.

Moreover, we must not be hypnotized by:

a) The juridical forms of property. A class with the economic power can rest quite satisfied with this situation.

b) The planned economy, which has no significance outside of the question of power.

We also point out that the Soviet Union is not escaping the phenomenon of inflation.

Theses

1. Only the proletarian character of the state can guarantee the building of socialism.

2. This proletarian character is guaranteed by the direct participation of the proletariat in the leadership of the social, economic and political functioning of the state.

3. When it ceases to be an instrument of the masses, the state loses its proletarian character.

4. The transformation of the Party into the executive organ of a caste (withering away of its internal democracy) renders impossible the building of socialism in the transitional period.

5. Only the real possession of the means of production by the masses and their organs (Soviets, trade unions, Party) can alter the capitalist character of the means of production.

6. Wage differentiations do not call into question the class character of the state, so long as proletarian organs of control exist.

7. What determines the character of the economy, and therefore of the state, is not its form but its content, which is determined by the class relations within the economy (who really owns the means of production? Is surplus value controlled by the proletariat?).

8. The policy of expansion is determined by the state

structure and the need for internal accumulation of capital, i.e., by its imperialist character.

9. Every proletarian revolution which remains isolated and where the masses lose control of the organs, is doomed to degeneration.

10. In stabilizing its domination the ruling layer takes on the character of a ruling class, which differs only in appearance but not in essence from the ruling classes of the "old" capitalist countries.

11. The transformation of the productive forces into state property does not rob them of their capitalist character. The modern state is an essentially capitalist machine, it is the state of capitalists, it is the capitalist collective ideal. The more it takes over the productive forces and the more it becomes a true capitalist collective, the more it exploits the people; the workers remain wage earners, proletarians, and capitalism is not abolished but on the contrary is carried to its extreme. But when it arrives at this extreme point, a change of direction occurs. The state which owns the productive forces is not the solution of the conflict, but it does contain within itself the instrument for and the key to the solution, that is, the seizure of power by the proletariat. (Engels, *Anti-Duhring*, 1878.)

12. In case of war, revolutionary defeatism applies in the Soviet Union exactly as in the other imperialist countries.