2/-

ON STALIN'S

"Economic Problems"

(part one)

IRISH COMMUNIST ORGANISATION

CONTENTS

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I R I S H C O M M U N I S T

O R G A N I S A T I O N

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INTRODUCTION

On October 18th 1952, George Matthews (now editor of the Morning Star) wrote, concerning Stalin's "Economic Problems of Socialism in the U.S.S.R.":

> "As we write only short extracts from Stalin's articles are available in English... It is, however, already clear that it is an immensely important, fundamental work." ('Stalin's New Basic Work On Marxism'. World News and Views - forerunner of"Comment", 18-10-1952)

Matthews and his ilk did not need (in 1952) to know what Stalin had actually written in "Economic Problems" in order to know that (in 1952) the furtherance of their careers in the Communist Party of Great Britian required that they should hail it as a brilliant development of Marxist theory.

Stalin died in 1953. Within a few years of his death Matthews and his kind became convinced that the furtherance of their careers depended on the suppression of "Stalin's New Basic Work On Marxism". No attempts were made to actually refute the analysis made in "Economic Problems". That would have been far too dangerous a thing for opportunists (shallow, careerist opportunists of the most trivial kind) to attempt. But it was arranged that "Economic Problems" should no longer be generally available. Then it was hinted that it was a work full of errors. In this pamphlet we will subject some of "Stalin's errors", the situation in which they arose, and the effects of their "correction", to an examination.

The behaviour of Dutt, Klugmann, Matthews etc. (not to mention their Irish echoes) over the past 15 years amply bears out the truth of Stalin's remark in 1952:

> "Incidently, in view of the inadequate level of Marxist development of the majority of Communist parties abroad, such a textbook (i.e. of basic political economy) might also be of great use to the Communist cadres abroad who are no longer young."

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Shortage of resources has made it necessary for us to publish this pamphlet in two parts. The second part will be published in the course of the summer under the title of'Marxism and Market Socialism'. In this pamphlet we have limited ourselves to clarifying circumstances surrounding publication of "Economic Problems", and in particular to filling in the real history of two revisionist economists who have been prominent since the 1930's, Maurice Dobb and Oscar Lange. To do this it has been necessary to quote them at length.

Long quotations have further been made necessary by the fact that all of Lange's pre-1945 writing, and virtually all of Dobb's "serious" writing from the 1920s to the present day has been done in bourgeois publications. Though he was a member of the British Communist Party, and though the British Communist Party had ample publishing facilities, all of Dobb's main books have been published by Routledge & Kegan Paul. And most of his serious articles were published in such bourgeois journals as the Economic Journal, Review of Economic Studies, and Political Studies. Only "popular" pamphlets on economics were published by the C.P.G.B.

It is true to say that all serious economic discussion by the British C.P. intellectuals was done in these bourgeois economic journals. Now the British bourgeoisie is not a stupid bourgeoisie. As Connolly never tired of pointing out, the British bourgeoisie is the most politically developed and the cleverest bourgeois ruling class. It is safe to assume that they did not go against their own class interest when they gave the top layer of Marxist intellectuals free expression in their economic journals, or when they made Dobb a Professor of Economics (or a "Fellow", which apparantly is even more than a Professor) in Cambridge University.

In this first part it is demonstrated that Dobb and Lange are intellectual spivs. The fact that they are fundamentally dishonest, that they are without a shred of character or principle, is relatively easy to demonstrate. But it is another matter to refute the theories of "market socialism" that are being touted in the working class movement all over the earth by them and their fellow spivs, and that are being put into practice in the Soviet Union and Eastern Europe.

To refute a theory it is not enough to show that the man propounding it is a scoundrel. "True refutation", as Hegel said, "must penetrate the stronghold of the opponent, and invade the sphere of his power."

That is what is attempted in Part Two.

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British revisionism echoes Russian revisionism, but tries to give the appearance of reasoning things out for itself. Irish revisionism echoes the British echo, but gives no appearance of reasoning things out. Not one work on revisionist economics has been published in Ireland. The Irish revisionists depend entirely on the circulation of British and Russian revisionist publications in Ireland.

That is a very good thing. No deceptive appearance is created. The publication of the present pamphlet will, we hope, add to the factors which discourage the Irish revisionists from contributing to the development of economic thought.

Furthermore we have drawn attention in this pamphlet to a greatly

neglected work of Trotsky's (1932) in which he made his only known contribution to economic thought, and emerged as an advocate of "market socialism". This is yet another expression of the basic identity that exists between trotskyism and modern revisionism. Irish trotskyism is at present in disarray. The more that is known about Trotsky the greater will be that disarray.

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The history of the development of modern revisionism remains to be written. It must be written. And it must be written in terms of real history. It is not written in this pamphlet. But an attempt is made to clarify one aspect of it.

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SOME OTHER I.C.O. PUBLICATIONS

ON POLITICAL ECONOMY: REVISIONISM

BY STALIN: Economic Problems of Socialism in the USSR (1952) ...2/6
BY I.C.O.: On Stalin's "Economic Problems", part 2, (subtitled: Marxism and Market Socialism)...5/-
BY I.C.O.: Capital and Revisionism 1/6
BY I.C.O.: On the Economics of Revisionism (Formerly entitled "Revisionism and Imperialism" - recently republished) 1/-

ON THE POLITICS OF REVISIONISM

BY NEIL GOOLD: The Twentieth Congress and After (1956).1/6
BY I.C.O. : The Russian Revolution 1/-
BY I.C.O. : In Defence of Leninism (on Trotskyist and modern revisionist theory) 2/6

WORKS BY STALIN

On An Article by Engels (with introduction by I.C.O.)..1/-
On the Personality Cult (with introduction by I.C.O.)..1/-
Concerning Marxism in Linguistics (1950) 3/-
On Trotsky (articles written in 1924, 1931 and1932)....2/-

TO BE PUBLISHED SHORTLY : IN DEFENCE OF STALIN.

These publications, and a complete I.C.O. literature list, can be obtained from the addresses given at the end of this pamphlet.

BACKGROUND

In the English-speaking world Maurice Dobb has been looked upon as the Marxist economist. Here is how (looking backwards from the Khrushchev period) he describes the development of Soviet economic theory since the 1920s:

"...after a fairly long period of dormancy, there has been in the last few years quite a remarkable revival (one is tempted to say renaissance) of economic discussion and theoretical activity in the Soviet Union... and signs of a new and more creative approach to the problems of a socialist economy...

"After the animated debates of the 1920s, it seemed as though a pall had descended during the next two decades... When occasional ex cathedra pronouncements on matters of economic theory were made, the subsequent commentaries on them, alike in the USSR and other socialist countries, were surprisingly empty of content...

"One may instance the question of the law of value and its continuing "influence" under socialism; about which we were told little more than this law was used "consciously" in planning; that did not mean that price-relations coincided with value relations, but that in a manner unexplained they "deviated from values" in the interest of the objectives of the plan - though in such a way as to leave "total prices equal to total values". Such generalisations were apparantly accepted as the sufficient essence of wisdom.

"During the past quinquennium (the Dobbsian way of saying 5 years - I.C.O.) it has become fairly evident that there were several... factors in the situation to explain the grave lag in advancing towards a new Political Economy of Socialism. Firstly, there was, apparantly, a prevalent assumption that anything in the way of an original departure in theoretical generalisation could only come "from the top" (obviously a product of the "personality cult"). This was not an atmosphere in which the younger or lesser men were disposed to "stick their necks out" and risk a novel hypothesis...Secondly, there seems to have been something of a "Chinese wall" between political economy... and the problems and techniques of economic planning. A hint of this separation was contained in Stalin's surprising statement to the effect that political economy is concerned exclusively with "the laws of development of men's relations in production" and that "to foist upon political economy problems of economic policy is to kill it as a science" (E.P., p.31). Such a glaring divorce of theory and practice could hardly fail to breed scholasticism and dogmatism.... Thirdly, .., it now transpires that the dominant view was that

political economy was primarily (if not exclusively) concerned with the study of the qualitative aspects and differentia of the economic and social phenomena... Attention to the quantitative aspect of economic relations was liable to be denounced as 'formalism', and 'bourgeois formalism' to boot.

"...In December 1956... the sluice gates were opened." (From "The Revival of theoretical discussion among Soviet Economists", 1960. Included in "Papers on Capitalism, Development and Planning", 1967, p.140-143).

That is to say, the sluice gates holding back the tide of bourgeois ideology were thrown open, and a myriad of bourgeois microbes were let loose in Soviet society. As these microbes began to spread their plague it became clear how unerringly Stalin had singled out the enemy in 1952. There is scarcely an aspect of the revisionist economics which has flourished since 1956 which was not exposed by Stalin in 1952.

DOBB ON HIS PREDECESSORS

There are those in the anti-revisionist movement (in Britain and other countries) who say that, since revisionism triumphed so quickly after Stalin's death, Stalin must have become increasingly out of touch with the actual situation in his later years. Revisionism did not suddenly come from nowhere in 1953. It is certainly true that revisionism did not suddenly appear from nowhere in 1953. And it is necessary to understand the actual situation that existed before Stalin's death. It is no use substituting some subjective fantasy, which may appear to meet some need of the present moment, for an understanding of actual history. But neither is it any use trying to find some facile explanation for the seizure of power by revisionism in the mid-fifties by referring to "Stalin's errors", or to Stalin losing touch with the situation, unless Stalin's mistakes are demonstrated in terms of concrete history.

Here we will attempt to explain the situation in the field of Marxist political economy as it developed between the 1920s and the 1950s.

According to Dobb the 1920s was a period of vigorous economic theorising in the Soviet Union. Then in 1929 Stalin clamped down on free theoretical discussion. The "cult of the personality" period began. Decisions were not arrived at through free collective discussion. Stalin decided what was true or false on all theoretical questions. Stalin's decisions took on the form of infallible pronouncements.

Everybody else's function was to admire and wonder at Stalin's decisions, and to hail them as brilliant fundamental developments of Marxist theory, (often, no doubt, without even having readthem:

as was the case with George Matthews in 1952).

For any economist to hesitate in singing Stalin's praises was to risk denunciation as a "bourgeois agent" conducting "theoretical sabotage" against the Soviet people. Dobb even admits that certain of the economists who were denounced might have been a bit bourgeois: but he still disapproves of what happened to them:

> "A by-product of the campaign against the Bukharinite Right, which rose to a climax in the course of 1929, was a polemic against certain Gosplan economists, who had been associated with the advocacy of methods designed to impart realism into planning..., and who became incidental casualties of the larger battle. No doubt in the changed political climate, where innovation and high growth rates and the virtue of 'storming heaven' were the order of the day, their influence was a conservative one... The result was none the less unfortunate".

One of these "incidental casualties" was an economist named Bozarov who put forward the theory that Soviet economy would necessarily be subject to a decreasing rate of growth as it developed. This theory was refuted by "Stalinist" economists.

> "One of the articles (refuting it) was by a R. Boyarsky - an intelligent but unpleasant piece of work, spiced with charges of 'theoretical sabotage', and a curious foretaste of the degraded style of polemic of the period to come, when the tumbril so often marched with the public denunciation." (Dobb:"Papers on Planning" etc. p. 135-7.)

It is clear, even from Dobb's account, that what happened in this instance is that a socialist economist exposed the sham theories (designed to obstruct socialist economic development) of a bourgeois economist who held an influential position in the Soviet Union in the period of the New Economic Policy. Yet Dobb's sympathies are entirely with the bourgeois. (As for Boyarski's "unpleasantness": it doesn't deserve a mention beside Lenin's "unpleasant" descriptions of lackeys of the bourgeoisie.)

BRUTZKUS ON HIS COLLEAGUES

That is how the "Marxist" Dobb describes things. Here is a description by a bourgeois economist, Boris Brutzkus, who held the position of Chairman of the Agricultural Planning Commission in the Petrograd area in 1922. There was, he writes, a "lucid interval" when bourgeois specialists were given a certain degree of freedom at the beginning of the New Economic Policy (i.e. the partial freeing of capitalist production) in 1921-22. Then, at

> "the communist congress meeting in August (1922) Zinoviev proclaimed a spiritual war against bourgeois ideology. Act One of

this "spiritual war" consisted in mass arrests of intellectuals in Moscow and Petrograd. Early on the morning of August 17th 1922, a large portion of the editorial staff of The Economist, including the present writer, were lodged in the notorious prison of the former Cheka in Gorochovaya St. These prisoners had nothing to do with politics as such. They were professors - of philosophy, jurisprudence, economics, even higher mathematics - or well-known publicists and literary men who had hardly a chance of publishing anything for 4 years back.

"...the communist rulers behaved with unusual leniency on this occasion, for we were merely ordered to quit the country with all possible haste. Trotsky...described the Soviet Government's attitude towards us as 'preventive humanity'. He little knew that the same fate was to overtake him a few years later. 'Learned ideologists', he wrote in the Pravda, 'are not at present dangerous to the Republic, but external or internal complications might arise which would oblige us to have these ideologists shot. Better let them go abroad'...." (B. Brutzkus, "Economic Planning in Soviet Russia", English translation, 1935).

Brutzkus differs from Dobb mainly in dating the beginning of the intellectual ice age (which it undoubtedly was for the bourgeois intelligentsia) from a few years earlier. And here is what he says of the bourgeois economist who came to grief in the late twenties, and whose fate causes Dobb so much anguish a third of a century later:

"When the Soviet Government announced the N.E.P. the intelligentsia went into harness... They believed that they could thus serve the people best and they renounced all political ambition. Their relations with the communists were at that time unsatisfactory. But after the breakdown of the N.E.P. system (1929 - I.C.O.), it became increasingly difficult for them to work for the Soviet Government, and after the right wing had been routed in the year 1930, there set in a frightful period of persecution of the intellectuals. They were thrown into prison wholesale or sent to concentration camps, and not a few of them were shot outright. All the prominent economists, such as Kondratiev, Wainstein, Tschayanov, Makarov, Oganovsky, Groman, Bazarov and Ginsburg, fell victims to this persecution, which may be attributed partly to the government's need of a scapegoat to pacify the people, <u>but partly, also, to the fact that the intellectuals could not possibly give their approval to the government's economic policy of those days</u>. (i.e. to socialism - I.C.O.)

"If we ignore for a moment the self-accusations wrung from these morally or physically tortured intellectuals at their public trials, <u>we can see that there is some truth in the complaints that were made against them. They were undeniably hostile to the existing system</u>..." (ibid. p.234.)

This, from a bourgeois intellectual, one of a kind with the Bazarovs, who had gone into the open service of inperialism, is a clear admission that these intellectuals obstructed Soviet industrialisation in whatever way they could. The bourgeoisie correctly regard Bazarov, Groman etc. as having fallen in the line of duty - serving the bourgeois interest in the first socialist country. And it is only fitting that Dobb, having deserted to the enemy camp, should now pay tribute to them too, belated though that tribute may be. The traitor salutes his new flag.

AN "UNPLEASANT PIECE OF WORK"

Brutzkus remained openly bourgeois. In 1921 he published a book (Marxism and the Problems of Socialist Economies) "proving" that socialism was economically impossible. In 1922 he and his kind were exiled. They then became imperialist propagandists in the imperialist countries. Those who stayed behind to carry on the good work in Russia throughout the 1920s had to pay a certain lip-service to Marxism. In 1930 the philosophy they adopted as camouflage was exposed by the "unpleasant" A. Boyarski. In view of subsequent developments, we quote an extract from Boyarski's article.

> "We economists have a duty not only to point out the results and to refute on theoretical grounds the conclusions of the 'learned' saboteurs, but also to expose the way these conclusions were reached in order to preclude the repetition of such occurences in better camouflaged forms."

Concerning "mathematical economics", which began to develop in the 1920s, and with which so many questions are obscured today, Boyarski wrote:

> "Now, I ought to say a few words about the use of differential equations in general. Generally speaking, if we have in mind a process of variation and we wish to find the pattern of this variation, the use of differential calculus is no doubt very useful. It is not for nothing that Engels said that with the variable, mathematics has entered the domain of dialectics... therefore wherever we deal with variation of quantity, it can best be studied by the means of differential equations. But this equation, unlike Bazarov's, must be based on qualitative analysis."

Modern revisionism totally abandons qualitative analysis in its "econometrics". It concerns itself entirely with quantity.

> "Mach's philosophy had from him (Bazarov) the true process of development..." The saboteurs based themselves on "outright Machism - with its formula - 'apply a straight line to whatever comes into your hands' - and the more subtle variety of Machism involving differential equations." (From "On the Theory of

the Diminishing Growth Rates Of the Soviet Economy." - published in English in "Foundations of Soviet Strategy for Economic Growth" p. 294-298. Ed. N. Spulber).

"Machism" was a variety of idealist, bourgeois philosophy which Bogdanov, Lunacharsky and others tried to introduce into Bolshevism in 1908. It was exposed by Lenin in "Materialism and Empirio-Criticism". "Machism" was of a kind with positivism and pragmatism. Pragmatism, which has the capacity to parody Marxism, is the philosophical meeting ground of imperialism and modern revisionism. The economic theories of imperialism and modern revisionism are both pragmatist.

THE DEVELOPMENT OF OSCAR LANGE FROM A BOURGEOIS TO A BOURGEOIS

From the 1930s onwards the most prominent Marxist political economists outside the Soviet Union were Oscar Lange of Poland and the U.S.A. and Maurice Dobb of Britain. That is to say, they came to be regarded as the flower of Marxist political economy. Lange later became Vice-Chairman of the Polish Council of State and a member of the Central Committee of the Polish Workers Party. In the late 1930s he "creatively developed" Marxism as follows:

In "Marxian Economics and Modern Economic Theory" Lange comments on a statement by a Japanese economist that Marxism had shown itself to be superior to bourgeois economic theory in the analysis of capitalism:

> "This superiority of Marxian economics seems strange, indeed, in view of the fact that it works with concepts which are long since outdated and which ignore the whole development of economic theory since the time of Ricardo..."
>
> "This superiority of Marxian economics is only a partial one. There are some problems before which Marxian economics is quite powerless, while "bourgeois" economics solves them easily. What can Marxian economics say about monopoly prices? What has it to say on the fundamental problems of monetary and credit theory...
>
> "That Marxian economics fails is due to the labour theory of value."
>
> "...'bourgeois' economics is able to grasp the phenomena of the every-day life of capitalist economy in a manner that is far superior to anything the Marxists can produce."
>
> "Marxian economics would be a poor base for running a central bank or anticipating the effects of a change in the rate of discount."

Lange says in effect that Marxism is lagging behind bourgeois economics in providing answers to problems faced by the bourgeoisie in the developing of bourgeois economies. Lange was well ahead of his time in 1935 in thinking that it was the business of Marxist economists

to help to keep the bourgeois economies functioning. And he was also ahead of his time in the following:

> "...in providing a scientific basis for the current administration of the capitalist economy "bourgeois" economics has developed a theory ofequilibrium which can also serve as a basis for the current administration of a socialist economy. It is obvious that Marshallian economics offers more for the current administration of the economic system of Soviet Russia than Marxian economics does, though the latter is surely the more effective basis for anticipating the future of Capitalism. In so far, modern economic theory, in spite of its undoubted "bourgeois" origin, has a universal significance." ("Marxian Economics and Modern Economic Theory." Review of Economic Studies, June 1935).

That is to say that, while Marxist economics retains certain prophetic functions in capitalist society, modern bourgeois economics is vastly superior to it for the actual development of either capitalist or socialist economies. Lange made it his mission in life to acquaint socialism with the "universal significance" of modern bourgeois economics.

In 1936 he produced "On The Economic Theory of Socialism", (also published in the Review of Economic Studies.) His purpose in this article was to discard Marxism, and to base socialist economics on the subjectivist "mathematical" theories of Walras. Marxism was incapable of solving the problems of a socialist economy. "Marx... was aware of the problem, though he tried to solve it in a rather unsatisfactory way". Marx's proposed solution was inadequate because he "wanted to solve the problem by the labour theory of value".

Kautsky, "the great orthodox leader of Marxism in pre-war times", also tried his hand at the problem, but, "like all Marxists of the old school he uses the labour theory of value", so he got nowhere.

Then he quotes Trotsky, "the critic of Soviet economic policy", to demonstrate that the problem was not being solved under Stalin's leadership, and continues:

> "The Marxian socialists...saw and solved the problem only within the labour theory of value, being thus subject to all the limitations of classical theory. But it ought to be mentioned that in Italy, due to the influence of Pareto, the socialist writers are much more advanced in this field." (Pareto, who developed Walras's subjectivist mathematical economics, was a fascist. He was made a Senator by Mussolini.)
>
> "Only the technique provided by the modern method of marginal analysis enables us to solve the problem satisfactorily."

An account of Lange's career is given in the Editorial of Marxism Today, December 1965 (which declared that his death is "a grave loss ... to Marxian economics everywhere"). He joined the Polish Socialist Party in the 1920s. But, "in face of difficulties of an academic career for a left-wing socialist in pre-war Poland, he took advantage of a Rockefeller Fellowship in 1935 to visit first England and then the U.S.A.; in 1938 he was invited to lecture at the University of California, at Stanford and at Columbia, and the following year was appointed to a Chair at the University of Chicago..., a post he was to occupy until 1945."

In 1945 he returned to Poland. He played a prominent part in uniting the Communists and Socialists in 1947 into the United Workers Party of Poland. He became Chairman of the Party Parliamentary Group.

"He was at his death Vice-Chairman of the Polish Council of State and a member of the Central Committee of the Polish Workers Party: he had been Chairman of the State Economic Council in the late 1950s (and largely the author of what was known at the time as the Polish "new economic model"): in the years after the war he was successively Polish Ambassador to the U.S. and Polish permanent representative on the Security Council of the U.N."

In 1943, while he was a lecturer in Chicago University, Lange published "The Working Principles of the Soviet Economy".

> "The professed ideal of the Soviet government", he wrote in this work, "is the achievement of socialism", which is <u>unanimously conceived as a democratic welfare economy</u>."
>
> But: "The actual Soviet economy...is not a democratic welfare economy. It is an authoritarian economy." (p.6.)
>
> "Though the Bolsheviks were very high-handed towards political opponents from the very beginning (even before the seizure of power)" (p.22) the establishment of a one-party totalitarian dictatorship was not one of their objectivies, but was forced on them by circumstances - by the necessities of industrialisation and national defence. "The sacrifices demanded from the population were so tremendous that the Soviet government found it impossible to ask for its objectives the consent of the ... people... This consent... was obtained <u>ex post facto</u>, through the propaganda and educational activities of the State and the C.P. (p.7-8)
>
> "Many of us who sympathised with the aspirations of the Soviet people, often wondered whether these sacrifices, after all, had not been dissipated by bureaucratic inefficiency and whether the tensions of the period of industrialisation had not led to the growth of such strong vested interests in the dictatorial and

authoritarian methods of government, that realisation of the democratic socialist ideals officially professed had become an impossibility." (p.26)

The answer was given in the resistance to the Nazi invasion. "...the Soviet people have never given up the ideal of a free democratic society with equal opportunity for all and political, as well as economic and social democracy... They share this ideal with us (i.e. the U.S. imperialist bourgeoisie - I.C.O.) and derive it from the same heritage, namely the social philosophy of the 18th century Enlightenment." (p.27 - i.e. the intellectual movement of the 18th century bourgeoisie.)

If, after the war, the Soviet Union had to re-build its industry out of its own resources, if the task of reconstruction was not "shared in a friendly way with those nations whose economic resources have been much less exhausted in the war," (i.e. U.S. and British imperialism), "the chances of a relaxation of the authoritarian and totalitarian regime in the Soviet Union and of the development of Soviet economy in the direction of a democratic welfare economy are practically nil." (p.28).

And, if "the authoritarian and totalitarian regime" continues in the Soviet Union after the war, "we (i.e. U.S. imperialism - I.C.O) shall be obliged to devote permanently a major part of our resources to military ends,... In the long-run this means the loss of our American democratic institutions and way of life." (p.29)

U.S. imperialism and Soviet Communism had a common aim, said Lange: "The common bond is the ideal of a free democratic welfare society. Whether, to what extent, this ideal is better realised through private or through public enterprise and ownership of the means of production, or through a combination of the two, is a matter of technique, a matter of the most effective means of economic and social policy. It is not a matter of ultimate values. For a long time we were so very excited about the problems of means and techniques, that we forgot to realise that the ultimate values of liberal capitalism and democratic socialism are the same. The realisation of this community of values was brought back to us in very painful ways through the successes of Fascism." (p.30)

Lange concluded this document by stating that socialism would not be necessary in the U.S.A. Capitalism would do in the U.S.A. what socialism was required to do elsewhere: "We in this country will find our own way of fuller realisation of our democratic ideals, a way which will be inspired by the heritage of Jefferson, of Jackson, of Lincoln, of frontier individualism and of populism rather than by socialism of any of the European brands..." U.S. capitalism had secondary differences with Soviet Communism: "but through these differences we can, and we must, preserve a fundamental community of ultimate values." (p.30).

Thus spake Lange in 1943. He spoke in the interest of the liberal wing of U.S. imperialism; but he most definitely spoke in the interests of U.S. imperialism. In 1944 this pamphlet was published by the Research Bureau for Post-war Economics.

According to a biography of Lange in "On Political Economy...; Essays in Honour of Oscar Lange" (Poland 1965):

> "During the cold-war period in many libraries in the U.S.A. copies of this study...bore the following stamp: 'Please note: Lange is now a leader of the Polish Diet, highly sympathetic to communism.'" (p.7-8.)

The revisionist writer of the biography does not say what he thinks the meaning of this stamp was. To Senator MacCarthy the meaning may have been that for many years the University of Chicago had been infiltrated by a Bolshevik who worked at subverting America's intellectuals. But to the more cunning imperialist the meaning must clearly have been: "We've got one of our men in there".

Did Lange, the enthusiastic spokesman for "liberal capitalism" in 1943, the man who said that "liberal capitalism" and socialism had the same ultimate aim and only differed over questions of technique, suddenly become an ardent socialist in 1945, or an ardent champion of proletarian dictatorship in 1948? Did the man who ridiculed the Marxist theory of value in the 1930s, and preached the superiority of bourgeois over Marxist economics, suddenly become a convinced Marxist in political economy in the late forties? What did the Stalin-critic of 1956 do in 1952 when "Economic Problems" was published?

We are told by his biographer that he took part in the discussion of Stalin's book, but none of his writing in this period is available in English. We can be sure, however, that in 1952 he did not attack the "personality cult" in political economy, about which he was so concerned a couple of years later. We can be sure that he contributed to the "personality cult" in 1952, along with the rest of his breed. Of this period his biographer writes:

> "During the difficult - for the social sciences - years of 1949-1955 Professor Lange was... mainly occupied with statistics." (p.9)

In other words, Lange was biding his time. In 1956 the rat came out of his academic hole, and "engaged in very intensive public activity. He strongly engaged in the struggle for the new shape of socialism..." (i.e. the one which has the same "ultimate values" as capitalism - ICO) At a conference of Polish economists in June 1956

> "Professor Lange...gave a very strong closing speech in which he denounced the degeneration of social sciences due to the dogmatic approach to Marxism under Stalin's system of government and economic management." (p.12).

Thenceforward there could be no doubt about the meaning of the U.S. Sta Department stamp.

In the case of Lange one can see very clearly what Lenin meant in 1920 when he said: "It is not difficult to be a revolutionary when the revolution has already flared up and is raging, when everybody joins the revolution simply because he is carried away by it, because it is the fashion, and sometimes even because it might open the way for a career. After the victory the proletariat has to exert extreme effort, to suffe: pain and one might say martyrdom to "liberate" itself from such sorry revolutionaries."

"We are afraid of the excessive growth of our Party, as careerists and charlatans, who deserve only to be shot, inevitably strive to attach themselves to the ruling party."

"These gentlemen are absolutely incapable of thinking and reasoning like revolutionaries. They are snivelling philistine democrats, who are a thousand times more dangerous to the proletariat than ever when they proclaim themselves to be adherents of the Soviet power and of the dictatorship of the proletariat, because, in fact, in every difficult and dangerous situation they are sure to commit treachery." (Left Wing Communism, pp. 78, 30 & 89).

CONCLUSION

We can now form some idea of the situation in Marxist political economy when Stalin wrote "Economic Problems". In the capitalist world the leading "Marxist economists" (leading in the sense of being the most prominent and having the widest circulation for their views) were people like M. Dobb, O. Lange, and P. Sweezy (the latter having published a book in the 1940s, "Theory of Capitalist Development", in which he corrected "Marx's errors" on prices). They had failed utterly to develop Marxist political economy and, since nature abhors a vacuum, they were being taken over by bourgeois political economy.

In the People's Democracies (1945 onwards) there were many intellectuals like Lange in positions of influence. Their history was that of bourgeois liberals. They had played a certain progressive role in the democratic struggle against fascism. As to their future in the struggle for socialism, all that was certain was that many of them would serve the interests of the bourgeoisie in one way or another. There was an insufficient number of experienced and tested working class Marxist theorists. Only the class struggle itself would determine which of the liberal intelligentsia would abandon the bourgeois interest and honestly base themselves on the working class interest, and which would continue to serve the bourgeois interest under the cover of socialist phrases.

In the Soviet Union itself there were many tested and reliable social-

ist cadres among the intelligentsia. But there were also many wavering elements which, while under certain circumstances they would support socialism in a general way or agree with this or that aspect of socialism, could not be considered as Marxist. And, as was revealed by Stalin and Zhdanov in 1947/8, there were many elements, even in positions of authority, which were definitely bourgeois. They were spreading bourgeois ideas where they could get away with it, and were biding their time.

1948-50 had seen the destruction of proletarian dictatorship in Yugoslavia, the growth of "workers councils", the reintroduction of the profit system, and the development of a bourgeois political economy in Marxist guise.

"Economic Problems" grew out of this situation. It refuted Titoist political economy and the political economy of liberal Marxists like Lange, as well as those Russian economists which are specifically refuted in it. It refuted the view that the development of socialism is non-contradictory and clarified the main contradictions in socialism in the U.S.S.R. It cleared away the dead wood that had been heaped on Marxism by academic economists. And it opened the way for a further development of the political economy of socialism.

(It is not the purpose of this pamphlet to provide a general commentary on "Economic Problems", but to explain its historical context. It has now been made available again in English by the I.C.O. It is a very clearly written work. No commentary on it could explain what it says nearly as well as it does itself.)

WHAT IS POLITICAL ECONOMY ?

> "...the subject of political economy...is not by any means 'the production of material values', as is often claimed (that is the subject of technology), but the social relations between men in production." (LENIN - A Characterisation of Economic Romanticism.)

Marx showed how the bourgeoisie, during the period of the struggle against feudalism, laid the foundations of the science of political economy. The labour theory of value was developed by such bourgeois political economists as William Petty (author of 'The Political Anatomy of Ireland'), Adam Smith and David Ricardo. Ricardo died in 1827. This was the dividing line between science and obscurantism in bourgeois political economy. Petty, Smith and Ricardo worked in a period when the main enemy of the bourgeoisie was feudalism. Since capitalism was historically progressive as against feudalism (in that it developed the productive forces of society whose growth was being limited by feudalism), bourgeois political economists in this period could contribute to the development of a scientific understanding of the laws of human society.

But the development of capitalism brought about the intensification of the class struggle between the working class and the capitalists, and the capitalist system itself became a shackle on the development of the productive forces. From that point onwards the science of political economy could no longer develop on the basis of the bourgeois class interest. The basic fact of bourgeois production is the exploitation of the workers by the capitalists. At a time when the workers had begun to organise themselves to resist this exploitation, the scientific clarification of the process of exploitation necessarily contributed to the development of the class-consciousness of the workers. And in fact the writings of the last scientific bourgeois political economist, David Ricardo, were made the basis of a school of pre-Marxist socialism by the English workers early in the 19th century.

From that time onwards the bourgeois class interest required, not scientific investigation, but the spreading of confusion in the field of political economy. Bourgeois political economists became the "hired prize-fighters" of the bourgeoisie (Marx). One of the pioneers of vulgar political economy, Mountifort Longfield of Trinity College, Dublin, stated the position frankly. In the new situation, he wrote:

> "Opinions...exercise immense influence on a class of people formerly removed beyond the reach of such discussions... I allude to the labouring orders... It is no longer a question of whether these men shall think or not, or what degree of

influence their opinions ought to exert over their conduct; they will follow the path where they conceive their interests to point, and it only remains to be considered in what manner a true sense of their real interests may be most effectually brought home to them... It depends in some degree upon every person present (i.e. in the University lecture room) whether the labourer is taught that his interest will be best promoted by prudence and industry, or by a violent demolition of capital...

"Unhappily the moral sense of right and wrong is very feeble among those classes at the present period... If every man can be taught that the laws are framed for the common good of all, and not for the benefit of any single order... we may then hope to see no more open violations of the law committed by large bodies of men, under the notion that in doing so they are best consulting their own interests." (Longfield: 'Lectures in Political Economy', 1833, p. 16-20.)

Thenceforward bourgeois political economy ceased to be a science and became one of the branches of bourgeois morality.

"It was thenceforward no longer a question, whether this theorem or that was true, but whether it was useful to capital or harmful, expedient or inexpedient, politically dangerous or not. In place of disinterested enquirers there were hired prize-fighters; in place of genuine scientific research the bad conscience and the evil intent of apologetics." (Preface to 2nd Edition of Capital).

These hired prize-fighters first attacked the labour theory of value. By the end of the century they had established a subjectivist value theory according to which the value of a commodity was determined, not by the amount of labour needed for its production, but by the strength of the desires of the consumers for it. The purpose of this was to obscure the actual process of capitalist production and the exploitation of labour which is essential to it.

To the extent that bourgeois economists dealt with reality to any extent (as distinct from spinning metaphysical value theories) they merely studied price fluctuations in the market. In the course of generations an algebra of price fluctuations was established. Bourgeois economics split up. Technical economists came into being alongside the political economists. The latter continued to teach bourgeois morality in the bourgeois press, universities and workers' colleges. The former studied the market and played some part in the process of capitalist production.

Though there is considerable overlapping, and the former usually adhere to the value theories of the latter, specialisation has occurred. For the former, value theory is irrelevant. They deal merely with prices. They have nothing to do with political economy. But, being the most useful class of economists in economic terms, they have increasingly come to the fore.

As a result of these developments the usual definition of "political economy" or "economic science" now given by bourgeois economists is: the rational allocation of scarce resources; the study of how to make the best use of scarce resources. What was once done by the capitalist himself in the normal course of business has now become the main content of bourgeois "economic science" - (that, and bourgeois morality). Class relationships in production, which were dealt with by Smith and Ricardo, have been eliminated. There remains only bourgeois morality, prices (the most superficial phenomena of the system), and "rational" economic activity. Only Marxist political economy now makes a scientific investigation of class relations in production.

YAROSHENKO

> "In the domain of Political Economy, free scientific enquiry meets not merely the same enemies as in all other domains. The peculiar nature of the material it deals with, summons as foes into the field of battle the most violent, mean and malignant passions of the human breast, the Furies of private interest. The English Established Church, e.g. will more readily pardon an attack on 38 of its 39 articles than on 1/39 of its income. Nowadays atheism itself is culpa levis (a slight fault), compared to the criticism of property relations." (Preface to 1st Edition of Capital).

When Capital was published the ruling class and its hired professors of political economy first tried to kill it with silence, and, when that failed, with distortion. A concerted personal attack on Marx was launched with a view to discrediting his ideas. He was called a plagiarist, a dictator, a megalomaniac, etc. If that happened because of a literary exposure of the nature of capitalist property relations, and a clarification of the means by which these property relations could be overthrown, it is only to be expected that the leaders of a movement which is actually abolishing capitalist and developing socialist property relations should also become the object of the "most violent, mean and malignant passions" of the private property interest. And, in view of the background which we have described, it should be no surprise that agents of the private property interest should appear in the C.P.S.U., and should attempt to "free" Marxist political economy from the criticism of property relations, and to divert it to the study of classless "rational" economic activity of the bourgeois kind.

In "Economic Problems" Stalin deals with the arguments of Yaroshenko. Yaroshenko suggested that:

> "The chief problem of the Political Economy of Socialism...is not to investigate the relations of production of the members of socialist society; it is to elaborate and develop a scientific theory of the organisation of the productive forces in social production, a theory of the planning of economic devel-

opment."

In socialist society "men's production relations become part of the organisation of the productive forces, an element of their organisation."

"...under socialism, the basic struggle for the building of a communist society reduces itself to a struggle for the proper organisation of the productive forces and their rational utilisation in social production... Communism is the highest scientific organisation of the productive forces in social production."

In the Political Economy of socialism "disputes as to the role of any particular category of socialist political economy - value, commodity, money, credit, etc. - ...are replaced by a healthy discussion of the rational organisation of the productive forces in social production, by a scientific demonstration of the validity of such organisation."

Stalin remarks: "never before has any retrograde "Marxist" delivered himself of such unholy twaddle", and shows that Yaroshenko tries to "abolish the political economy of socialism". Instead of "full-blooded social production", with relations of production, classes and contradictions, he presents "a lopsided and scraggy technology of production - something in the nature of Bukharin's "technique of social organisation"." (E.P. p.27.)

> "Comrade Yaroshenko reduces the problems of political economy of socialism to problems of the rational organisation of the productive forces, to problems of planning, etc. But he is profoundly in error. The rational organisation of the productive forces, economic planning, etc., are not problems of political economy, but problems of the economic policy of the directing bodies. They are two different provinces which must not be confused. Cde. Yaroshenko has confused these two different things, and has made a terrible mess of it. Political economy investigates the laws of development of men's relations of production. Economic policy draws practical conclusions from this, gives them concrete shape, and builds its day to day work on them. To foist upon political economy problems of economic policy is to kill it as a science." (E.P. p.81.)

It is not recorded in the literature of the international communist movement that Lange or Dobb rushed to Yaroshenko's defence in 1952. In those days of old these knights were not nearly so bold as they became under Khrushchev's tutelage. But, as we have seen, in 1960 the bold Dobb expressed his disagreement with "Stalin's surprising statement to the effect that political economy is exclusively concerned with 'the laws of development of men's relations in production' and that 'to foist upon political economy problems of economic policy is to kill it as a science.' Such a glaring divorce of theory

and practice could hardly fail to lead to dogmatism."

But why didn't he say that in 1952? Why didn't he point out to the world Communist movement that Stalin was leading it astray in political economy? If Stalin was wrong on this fundamental question his mistake would necessarily have far-reaching effects. If Dobb thought Stalin was wrong (and, as we shall see, in 1937 he himself put forward Yaroshenko's views), it was his overriding duty as a communist to draw attention to Stalin's mistake and to demonstrate comprehensively why it was a mistake. If he failed to draw attention to Stalin's mistake for reasons of expediency, because he would have made himself unpopular in the communist movement, and lost his influence by doing so, then he was not a communist but a contemptible opportunist. On the other hand if he agreed with Stalin in 1952 but has since come to disagree with that point of view, he should have begun with a thorough criticism of himself: as a specialist in political economy for more than a quarter of a century before 1952 (while in the same period Stalin had many other things beside theoretical political economy to think about), how could he have failed to get his mind clear about such a basic thing as the subject matter of political economy, and the difference between political economy and economic techniques.

Either way, Dobb's behaviour works out as thorough opportunism. And in fact there is no doubt that he was a bourgeois intellectual biding his time; contributing to the "personality cult" in order to maintain his influence in the communist movement; disagreeing but saying nothing; waiting for a favourable opportunity to use his influence. When Khruschev opened the sluice-gates he and Lange were among the first and the slimiest things that came out.

A GANGSTER FROM CHICAGO

> "One expression of the genius of Marx and Engels was that they despised pedantic playing with new words, erudite terms and subtle 'isms'..." (Lenin: Materialism and Empirio-Criticism).
>
> "In no science is such a big fuss made with commonplace truisms as in political economy..." (Capital, Volume 1, page 114.)

After the Khruschev attack on Stalin Lange re-found himself. In 1958 he published the 'Political Economy of Socialism', wherein he described the "basic laws" of socialism. The first, and most fundamental category of laws he describes as follows:

> "1. There are economic laws which are general in the sense that they operate in every socio-economic system. These are the laws of production and reproduction. Namely, the laws which concern the general features of the organisation of the labour process, co-operation and division of labour (etc.)... All such laws apply to any mode of production whether socialist, capitalist,

feudal or any other. These laws (of political economy - ICO) establish certain technical balances between material objects. They show, for instance, that one cannot accumulate if one consumes the whole net product..." (A remarkable discovery!)

In "Political Economy" (a bulky volume published in 1959) Lange's creativity flourishes. He discovers a multiplicity of "laws of political economy" whose existence poor Marx never suspected. He tells us about causal laws, concomitance laws, structural laws, stochastic laws, the law of large numbers, technical and balance laws, laws of human behaviour, laws of the inter-operation or interplay of human actions, praxiological categories, praxiological principles of behaviour and a wealth of others. (This book is a prime example of what Boyarski in 1929 described as the principle of "applying a straight line to whatever comes into your hands" - and finding a new and learned name for it.)

Lange says that it is a fundamental and universal law of political economy that "one cannot accumulate if one consumes the whole net product." This "discovery" is nothing but a "learned" way of saying that you can't have your cake and eat it. To give such a childish tautology as a fundamental law of political economy is to reduce political economy to absurdity.

Engels pointed out that "Anyone who attempted to bring Patagonia's political economy under the same laws as are operative in present-day England would obviously produce only the most banal commonplaces." (Anti-Duhring, p. 165.). Lange shows how right he was. Lange's "universal laws" which are common to primitive societies and modern industrial capitalist societies, are certainly "the most banal commonplaces."

An American revisionist asserts that Stalin's refutation of Yaroshenko was superfluous: that Stalin refuted with great gusto a theory which was generally recognised to be wrong: "Stalin 'tore into' one of the correspondents, Yaroshenko, whose points were obviously foolish..." (V. Perlo, Political Affairs, June 1966).

It was a basic assumption of non-Communist "socialists" throughout the Stalin period that on all serious questions of politics and economics Stalin was dead ignorant; that while he could string a few dull Marxist cliches together he was incapable of serious analysis; and that all he was capable of refuting was a few aunt Sallies that he himself put up. It did not matter to them that Stalin's writings showed that nothing could be further from the truth than this. Stalin's writings were not read. There was no need to read them because everybody knew that they consisted of cliches strung together in a dull, hackneyed style.

This assumption was diligently circulated for thirty years by the trotskyist and openly imperialist press. It has now been taken over by the modern revisionists and sham Maoists and anti-revisionists. The

Stalin-critics are led by this assumption into innumerable absurdities, since "criticism" takes the form of flinging at Stalin any charge that happens to take their fancy. A Stalin-critic can in the course of one sentence accuse Stalin of being guilty of contradictory errors simultaneously (for example, he can allege that Stalin at one and the same time declared that classes and class struggle had been abolished in the Soviet Union and that it was necessary to intensify the class struggle in the Soviet Union.)

And nothing could be more absurd, in view of the actual facts, than Perlo's suggestion that Stalin's refutation of Yaroshenko was mere shadow-boxing. Yaroshenko's "obviously foolish" ideas on political economy were by no means peculiar to Yaroshenko. In one form or another they will be found in "An Outline of Political Economy" by I. Lapidus and K. Ostrovityanov (English edition, 1929); in Maurice Dobb's "Political Economy of Capitalism", 1937, (see next section of this pamphlet); in "The War Economy of the USSR", 1948, by Vosnesensky, Chairman of the State Planning Commission who was purged in 1949; and in a wide variety of writings on political economy by modern revisionists, including, as we have seen, Lange's "Political Economy".

THE QUESTION OF ECONOMIC CALCULATION

> "When the new has just been born the old remains stronger than it for some time; this is always the case in nature and in social life. Jeering at the feebleness of the young shoots of the new order, cheap scepticism of the intellectuals and the like - these are, essentially, methods of class struggle of the bourgeoisie against the proletariat, a defence of capitalism against socialism." (Lenin: A Great Beginning, 1918.)

In order to understand developments in the Communist movement, and in the field of political economy in particular, after the death of Stalin (developments which had gathered strength before Stalin's death, and against which "Economic Problems" was directed), it is necessary to understand developments in bourgeois economic theory and technique since the mid-19th century, and in particular since 1918; and to understand the analyses of the difficulties facing socialism which were carried out by bourgeois theorists. Socialism in the Soviet Union had to develop under continuous pressure from the world system of imperialism which was continually probing it for weaknesses, and carrying out attacks against it. Imperialism fought on all fronts. Its forms of attack included assassination, sabotage, military invasion, economic blockade, trade, political pressure, mass propaganda of the most vulgar and hysterical kind,

and theoretical analysis and intellectual propaganda of the most subtle kind. Here we will look at imperialist activity in the field of economic theory.

Since the beginning of the century one particular argument has played an ever-increasing part in the bourgeois struggle against socialism in the field of economic theory. This is the idea that efficient economic calculation is impossible unless it is based on the market; and that, since Marxist socialism has the aim of abolishing the market, it must lead to ever-increasing inefficiency and bureaucracy, and eventually must reach an insoluble crisis in which the market will reassert itself. The development of modern revisionism has given great weight to this argument. It has now become an urgent matter for Marxists to understand it thoroughly. Here we will examine its historical development.

VON MISES AND BRUTZKUS

In 1920, under the stimulus of the October Revolution, two works appeared (one in Russia, the other in Germany) making a comprehensive statement of the case against socialism from this angle. In "Economic Calculation in the Socialist Commonwealth", Ludwig von Mises wrote that, without the aid of the market:

> "the human mind cannot orientate itself properly among the bewildering mass of intermediate products and potentialities of production... It would stand perplexed before the problems of management and location... As soon as one gives up the conception of a freely established monetary price for goods of a higher order (i.e capital goods - ICO.) rational production becomes impossible. Every step that takes us away from private ownership of the means of production and from the use of money takes us away from rational economics...
>
> "Where there is no free market, there is no pricing mechanism; without a pricing mechanism, there is no economic calculation."

Von Mises considered the possibility of setting up workers' syndicates in each industry, which would sell goods to one another: that is to say, he viewed theoretically in 1920 what emerged in actuality in 1949 as Titoism. And, unlike some contemporary "socialists" he showed that he could tell the difference between capitalism and socialism by stating that "this would not be socialisation but workers' capitalism or syndicalism." And he recognised that "Lenin's ... ideal is socialist and not syndicalist", (though, he remarked, Lenin, "Like a real politician ... does not bother himself with issues beyond his nose". The Dobbs are in complete agreement with the last bit.)

"Marxism and the Problems of Socialist Economics", by Boris Brutzkus, was written in Russia in 1920. Brutzkus, being in the inferno, was stimulated to go deeper than von Mises, and to probe every weakness in

the new system. Dealing with the question of incentives for organisers of production, he writes:

> "...capitalism rewards no one so generously... as the skillful entrepreneur who is able to combine the elements of production successfully; and this though the need which he satisfies be of the most prosaic order. Thus, in the capitalist society, the entrepreneur's condition is one of sustained exertion, and this he seeks to communicate to all who take part in production. Some he will endeavour to interest directly in the goods he has produced, others he will spur on by means of increased wages, others he will hold in check by threats of dismissal. Thus in capitalist society, divided as it is into classes and separate groups of owners, the economic principle finds realisation." (p. 10-11).

> In the socialist system of society, "unlike the capitalist, there is no great body of entrepreneurs whose economic standing gives them an interest in bringing about successful production. On the contrary, the managers of socialist enterprises gain nothing in material profit if the efforts of the management are successful, any more than they suffer if the results of such efforts are unfavourable." (p. 11).

> "If the work of socialist construction meets with difficulties of a subjective order these difficulties in no way arise from the psychology of the working class but rather from the mentality of the organisers. For the motives with which society is able to provide them do not correspond to the responsibility they have to bear or the problems they have to solve. Yet this responsibility... is even greate under socialism than under capitalism." (p. 83).

Brutzkus was a relatively honest bourgeois intellectual. He was not a pseudo-socialist. He did not pretend to agree with Marxism, but he acknowledged that "in the famous dispute between Lenin and Kautsky we must give the verdict to Lenin", and that in the controversy between Bolshevi and Menshevism as to whether Russia was ripe for a socialist revolution was Bolshevism which took up the Marxist position.

A distinction can be made between two kinds of bourgeois intellectuals: those whose primary function is to spread confusion in the working class movement (social-democrats, modern revisionists, trotskyists, etc., etc. and those whose primary function is to provide information for the bourgoisie. Brutzkus belonged to the latter category. In his books he subjects socialism to a bourgeois analysis with a view to discovering its economic weak points.

(It is a serious mistake to imagine that the bourgeoisie reacts quite blindly to socialist revolution. The bourgeoisie of this or that count may: the international bourgeoisie as a whole does not. It tries to analyse the enemy position and to develop a strategy out of that analysi And in the period of its general crisis and historical decline it does this not less but much more than it did before 1914.)

Brutzkus reckoned that there were two main weaknesses in the economic position of socialism in 1920: it could not make efficient economic calculations without prices determined in the market, and it could not provide the organisers of industry with an incentive as effective as the profit motive. The modern revisionists have made great use of these two aspects of the question in their efforts to destroy socialist production since the mid-fifties.

The work of Brutzkus and Von Mises was developed in various ways during the 1930s by such bourgeois economists as F.A. von Hayek, G.Halm, A.P. Lerner, H.D. Dickinson, T. Hoff and others. Very little in the way of refutation of these bourgeois attacks was done by the "Marxist" intellectuals of the West - Dobb and his kind. And, as we have seen, Lange made it his mission to base socialism on bourgeois economics.

TROTSKY

This was the period in which Trotsky, who viewed himself as at least the equal of Lenin as a Marxist theorist, was hysterically attacking the socialist construction in the Soviet Union. It is worth noting that, while he produced feverish denunciations of every revolutionary development in the Soviet Union (and published them in such progressive newspapers as the Daily Express and the New York Herald Tribune), he did not utter one word in criticism of the opportunist tendency within the Communist movement represented by such intellectuals as Dobb.

Trotsky's contribution to economic thought has never been acknowledged. Here we give extracts from his pamphlet, "Soviet Economy in Danger" (1933):

> "The impending crisis of Soviet economy will inevitably, and within the rather near future, crumple the sugary legend.... The Soviet crisis will catch the European workers, and chiefly the communists, utterly unprepared... I have deemed it necessary to present in all their acuteness the contradictions of the Soviet economy."

Trotsky's "criticism" of the Five Year Plan in 1933 shows just what a charlatan he was. For example, he cannot deny that 100,000 Soviet-produced tractors were delivered to the collectives, though a few years earlier such a thing had seemed so incredible that Trotsky had been howling that the only future for socialism in Russia was degeneration. His "criticism" : "But...the effectiveness of the tractors far from corresponds to their number." They are not of the very highest quality! But such quibbles, while they may have served imperialist propaganda, can have offered very little comfort to the imperialists concerning the future of socialist production.

His theoretical contribution to economic thought (a parroting of bourgeois economics) immediately made him the darling of the bourgeois critics of socialism. For Trotsky the market was sacrosanct: the

Soviet attempt to free production from the control of the market and so overcome productive backwardness was... "Stalinism", (which, of course, it was).

In 1929 the Soviet working class ended the capitalist production of the New Economic Policy by revolutionary methods and began the drive to overcome Soviet economic backwardness through rapid industrialisation and collectivisation. Trotsky opposed the revolutionary methods of overcoming capitalist production and declared that:

> "correct and economically sound, collectivisation, at a given stage, should not lead to the elimination of the N.E.P., but to the gradual reorganisation of its methods. (p. 32).

In other words - Fabianism was what Russia needed.

Trotsky had, of course, to pretend to stand for some control of the market. But, he declared: "The regulation of the market itself must depend upon the tendencies that are brought out through it medium." (p. 30). The market must be regulated by the forces of the market!

> "By eliminating the market and by installing instead Asiatic bazaars the bureaucracy has created... the conditions for the most barbaric gyrations of prices, and consequently has placed a mine under commercial calculation. As a result the economic chaos has been redoubled". (p. 34).

The gigantic, revolutionary, controlled leap forward of the Soviet economy in the 1930s becomes "economic chaos" in the head of this bourgeois intellectual, to whom everything outside the market order appears as disorder.

> "Commodities must be adapted to human needs..." (p. 44 - our emphasis

The commodity, the cell of capitalism, the basic unit of the sacred market, "must be adapted to human needs." The market must regulate the market and commodities must serve human needs instead of serving profit. Miracles must happen, declares this true apostle of bourgeois mystification.

> "Economic accounting is unthinkable without market relations".

We've heard that before. That was what Prof. von Mises wrote in 1920. And it was for publishing an article to that effect that Brutzkus was sent into exile in 1922, and was informed by Trotsky (who was then more or less a Bolshevik) that if he were not exiled it might become necessary to shoot him. Now, only ten years later, Trotsky parrots Brutzkus and von Mises and declares that human society can never free itself from the market, since "economic accounting is unthinkable without market relatio

Trotsky opposed the policy of liquidating the kulaks as a class, and declared that it was only necessary "to establish a policy of severely res-

tricting the exploiting tendencies of the kulak" (p. 47). Again, capitalism must not be abolished. But three years later when Mao Tse-tung put forward the policy of moderating the agrarian class struggle in order to maintain the unity of the forces opposed to Japanese imperialism, Trotsky denounced this as total capitulation to the bourgeoisie. So, according to Trotsky, it was not permissable to intensify the struggle for the liquidation of the powerful, and growing, class of capitalist farmers in Russia twelve years after the establishment of the proletarian dictatorship, and it was not permissable to moderate the agrarian class struggle in China before the socialist revolution in the period of national struggle against Japanese fascism! But that should not surprise us. Charlatanism knows no logic and no reality beyond its own fantasies.

The conclusion of course was

> "It is necessary to put off the second Five Year Plan. Away with shrieking enthusiasm! " (p. 41.)

It is no wonder then that Trotsky's "Soviet Economy in Danger" was quoted extensively in the learned economic journals of the bourgeoisie, and was looked upon with great favour by bourgeois socialists like Lange. It was not that bourgeois economics learned anything from Trotsky, who did no more than repeat what had been said a decade earlier by Brutzkus, von Mises and Kautsky. In this respect Trotsky's service to the bourgeoisie was that it enabled bourgeois critics of Stalin's economic policies to point out that their "impartial" criticisms, and their dogma that society was irretrievably chained to the market, were acknowledged to be correct by this wise, experienced, and cultured "Bolshevik".

(It is worth noting here that the views of the "revolutionary" Trotsky were made up of deposits of various bourgeois prejudices mixed with a dash of bourgeois utopianism. In the same years that Trotsky was attacking the Five Year Plans as "light-minded adventurism", another "left" social-democrat, Philip Snowden, was Chancellor of the Exchequer in Britain. Snowden's "socialism" too was no more than solid 19th century bourgeois opinion. He was, for example, horrified at the idea of deficit financing. In these and many other instances the economic theory of "left" social democracy is a concentration of views which have been discarded as out of date by bourgeois economics proper.)

DOBB - A PRECURSOR OF YAROSHENKO

Dobb's only attempt at a comprehensive refutation of Mises, Brutzkus, etc. was made in Chapter 8 of "Political Economy and Capitalism", (Routledge, 1937), called "The Question of Economic Law In a Socialist Economy". Here, he wrote:

> "...there is a more subtle implication which... has been adopted apparantly without interest by most of those who have taken up the

challenge which Prof. Mises threw down. It is the implication that in essentials the same economic laws must rule in a socialist economy as rule in a capitalist economy, so that the economic problem must have the same general shape and be handled by similar mechanisms in the two systems." In their view, "as a system of production and exchange a socialist economy must not seek to behave in too dissimilar a manner from a capitalist economy... Consistently with this view, most of the socialist critics of Prof. Mises have argued.... that a socialist economy can escape the irrationality that is predicted of it if, but only if, it closely imitates the mechanism of the competitive market and consents to be ruled by the values which this market affirms. What this view seems to overlook is the full significance of the gulf between socialism and capitalism.

...Those who dream of marrying collectivism to economic anarchy must, at any rate, not pretend that the progeny of this strange match will inherit only the virtues of both." (p. 272-6).

Twenty years later Dobb himself became one of the clergy officiating at the "strange match" between the market system and socialism, and he now tries to delude the working class into believing that the progeny will "inherit only the virtues of both".

Even in 1937 he produced nothing resembling a refutation of Mises. The main difference between Dobb in 1937 and Dobb today is that in 1937 he paid more lip-service to Marxist political economy while remaining a bourgeois at heart, and today the lips are as bourgeois as the heart.

Wherever Dobb did not simply repeat Marx he introduced bourgeois concept even in 1937. Dealing with the "Political Economy of Socialism", he wrote:

"In an individualist economy, economic laws have the form of stating that, given certain conditions of nature and technique, and certain consumers preferences, human beings as producers will behave in a certain way, the behaviour finding expression in certain value-relations. In socialist economy they will have the form, rather of stating that, given a certain purpose, a determinate course of action will achieve it, in view of the nature of the relationships which exist between material objects and between these objects and human organisation. While the Political Economy that we know is concerned with postulating the determinate manner in which human beings behave ..., economic laws in a socialist economy will presumably be concerned with the manner in which these materials which man handles behave. It is, in this sense, I think, that one can say that the determining relations which will control economic activity will be predominantly technical in character." (p. 316).

"If it is asked what part Political Economy as we know it as a theory of value would play, I would say that its role would be small or non-existent..." (p. 319. Our emphasis.)

It will be seen that this is precisely the view that Stalin refuted in "Economic Problems". It is the abolition of Marxist political economy, of the analysis of the social relation of men in production, and the substitution for it of a "scraggy technology of production". It is the abolition of class analysis. It is an extreme expression of Bukharinism.

Dobb's views are in complete contradiction with the views expressed by Stalin in "Economic Problems". Dobb holds that Stalin's views are erroneous, and that "Marxist" (Dobbsian) criticism of Stalin's erroneous views was not permitted in Russia in the Stalin period, (although the "Economic Problems" itself shows this to be untrue). But, however that might be, criticism of "Stalin's errors" has never been suppressed in the imperialist countries. We don't think Messrs Routledge and Kegan Paul would have censored Dobb if he had attempted to expose "Stalin's errors" in 1952. It is a sign of his fundamental intellectual and political dishonesty, of his treachery, that he kept qiet and contributed to the "personality cult" in 1952, only beginning his Stalin-criticism when Khruschev gave the green light in 1956. Like Solomon Dobb knew that "For everything there is a season, and a time for every matter under heaven: ... a time to keep silence and a time to speak".

LABOUR AND SOCIALISM

It was the view of Marx and Engels, and it has always been the view of orthodox Marxism, that the market would be abolished under socialism, and that this abolition of the market, far from leading to economic inefficiency and wastage, would enable society to achieve greater economic efficiency and would free it from the wastage which is inevitable in the market system. While, in a capitalist system, only a small section of society (the private property owners and their hangers-on) had an interest in achieving greater efficiency in production - the workers having no interest in more efficient exploitation of labour - the socialist system, by changing the relations of production and abolishing class exploitation, would give the mass of the workers a direct interest in more efficient production.

The place in production of the capitalist entrepreneur and his agents would be taken by the mass of the workers. Whereas under capitalism only a few exploiters had an interest in greater economic efficiency, (and these few had to force through this greater efficiency against the hostility of the great majority of the very people who were to bring about this greater efficiency, the workers themselves), socialism, by abolishing class exploitation and making the means of production the collective property of the working class, would give the workers a direct interest in more efficient production. It was assumed that this change in the attitude of workers from one of hostility*to one of an interest in more efficient production under socialism, would make socialist production incomparably more efficient than capitalist production.

(* to the development of the productive forces under capitalism)

Furthermore, socialist production, because it was not production for the market, would not be periodically disrupted by the crises which inevitably occur in the market.

Was not this the meaning of the statement that socialism is a product of the contradiction between the relations of production and the forces of production within capitalist production, which makes capitalist relations of production a shackle on the development of the productive forces?

Marx wrote that, under the conditions of capitalist production:

> "...the labourer looks at the social nature of his labour...at his own combination with the labour of others for a common purpose, as he would at an alien power; the condition of realising this combination is alien property, whose dissipation would be totally indifferent to him if he were not compelled to economise with it...Insofar as the means of production in capitalist production processes are at the same time means of exploiting labour, the labourer is no more concerned with their cheapness or dearness than a horse is concerned with the cheapness or dearness of its bit and bridle. The situation is quite different in factories owned by the labourers.
>
> (Capital,Vol.3,p.85)

In 1940, Kalinin, the Soviet President, said:

> "Formerly, before the Soviet system was established, a person who worked well thereby objectively assisted capitalism, rivetted the chains of slavery still more firmly on himself and on the working class as a whole. But now, in socialist society, a person who works well sides with Socialism and by his achievements not only clears the way to Communism, but also shatters the chains of slavery shackling the world proletariat. He is an active fighter for Communism." ('On Communist Education', p.138)

It is not surprising, therefore, that Marxists, while they could not explain in advance the precise methods of calculation and distribution that would come into existence under socialism, did not pay much heed to the arguments of Von Mises, Hayek etc. to the effect that prices established in the market were the basis of all rational economic calculation, that the abolition of the market system would lead to the mushrooming of bureaucracy and to great economic waste, and that socialism, therefore, would inevitably get bogged down in its own contradictions.

Only renegades from Marxism, imperialist agents like Kautsky and Trotsky, took up the arguments of Von Mises in their campaign against the socialist system which was being built in Russia. But today the Von Mises position has been adopted and developed throughout the whole modern revisionist camp. And the orthodox Marxist position developed by the great Marxist political economists, Marx, Engels, Lenin and Stalin, has been given the name of Stalinism (or, latterly, Maoism) and rejected as dogmatic metaphysics.

OTA SIK: THE NEW ECCLESIASTES

> "Vanity of vanities, says the Preacher...all is vanity...What does man gain by all the toil under the sun? A generation goes and a generation comes, but the earth remains for ever...All things are full of weariness; a man cannot utter it...What has been is what will be, and what has been done is what will be done; and there is no new thing under the sun...I have seen everything that is done under the sun; and behold, all is vanity and a striving after wind." (Bible: Book of Ecclesiastes)

*

During the past 12 years the lead in developing revisionist economics has been taken by the Russian and Polish revisionists.

Today it is held by the Czechloslovak revisionists, whose priest is Ota Sik. The Czech revisionists "carefully analyse the work of Soviet economists of the twenties (Brutzkus's colleagues, the saboteurs.ICO) and of western economists of the thirties (Von Mises, Hayek), the late Polish economist Oskar Lange, and others..." (O.Turek: World Marxist Review, April 1968). For the Czechs Lange is no longer the daring innovator in the development of the theory of "market socialism". In fact "Lange borrowed from the critics of socialism" (not from Marx!) "the idea that socialisation of the means of production precludes a functioning market. There is nothing to substantiate that..."

Lange, in other words, was dangerously close to "Stalinism".

*

A comprehensive statement on the question of the workers' attitude to labour under socialism will be found in Ota Sik's "Socialist Market Relations and Planning"(included in "Socialism, Capitalism, and Economic Growth: Essays Presented to M.Dobb". 1967), in which Sik sets out to correct "views hitherto current...under the influence of Stalin's interpretation."

> "Under socialism, to, with its highly developed division of labour there is production of specific products in separate relatively independent producing and deciding groups, in which people are associated to produce for each other and to meet social needs.... Nevertheless, labour cannot yet be man's prime want.
>
> "...as a general rule people expend their labour for others primarily because labour is the condition for aquiring from others the use values needed for themselves.
>
> "In my opinion, errors in theory have been made in the past on this question. The fact that the attitude to work changes with the ending of capitalist exploitation has often been equated with the birth of a communist attitude to labour...The very simplified general conclusions drawn so far have not been founded on detailed

psychological and sociological research, and have been strongly coloured by the subjective ideas and wishful thinking. Little attention has been devoted to how this economic change has penetrated into people's consciousness and what is its real impact on thinking, feelings and actions." (p.139-40)

"Labour at the socialist stage...can be performed with a degree of public awareness and enthusiasm. In the immediate post-revolutionary years people undoubtedly did work with enthusiasm, without being fully aware of the changes that had taken place. Enthusiasm was generated... by the most obvious external aspects. People did not know, and to this day do not know, the changes that had been made in distributing the national income, or how the surplus product was distributed and expended. Yet they were capable of genuine enthusiasm. Then in the course of time the obvious change in the nature of work, in its control and management and in various other factors were the most readily forgotten, people got used to them and work became a matter of routine. The younger generation, who did not experience the change-over and who now tend to compare their work and its results...with the situation in the developed capitalist countries, are unable to conjure up the post - revolutionary enthusiasm for occupations which fail to satisfy them". (p.141)

"For a thorough understanding of the changed nature of work under socialism as compared with capitalism, we need profound theoretical training; it involves a grasp of the substance of Marxist political economy, not to mention other social sciences. Such an understanding, naturally, is still attainable by only a relatively small section of the community...

"Even a deep understanding of the transformation of the social character of labour under socialism does not, however, signify anything of optimumperformance on behalf of society... Labour itself, however, is not changed in the sense that monotonous and uninteresting or highly intensive work would even for socially conscious people become their prime want and concern. Such people have simply grasped its superiority to labour under capitalism and they will, therefore, be ready to defend the socialist economy against any attempt to restore capitalist conditions; but they will not be motivated in their everyday work by considerations other than those motivating the majority of their fellows...

"The majority are motivated by the desire to make sure of the highest possible level of material consumption.

"Enthusiasm, in some cases without fuller understanding, is manifested ...in work for which personal reward is not expected. But such work... can only be a short-lived, exceptional occurrence at the socialist stage of development and cannot rule out the vital role of consumption which, operating through the medium of material reward, is the general incentive under socialism." (p.142)

Here we have the opposite of the orthodox Marxist view: and a few minutes thought will show the correctness of the orthodox Marxist view and the absurdity of Sik's position.

Socialism is the transitional period between capitalism and Communism; it is a period of struggle between the social forces of Communism which are coming into existence and the social forces of capitalism which are striving to maintain themselves in existence, and to suppress or pervert the new Communist forces.

On the day after the socialist revolution (the change in state power) the economy is more or less a bourgeois economy. Society is "in every respect, economically, morally and intellectually, still stamped with the birth marks of the old society from whose womb it emerges." (Marx, Gotha Programme)

It is the task of socialism, of the proletarian dictatorship to lead the transformation of society from bourgeois to Communist. It has always been assumed by Marxists that the Communist forces, relatively weak on the day after the revolution, became stronger and more extensive with every victory gained in the building of socialism. The revolutionary Communist forces built themselves up in the course of development of the continuous revolution that lies between capitalism and Communism. And it was assumed in particular that the Communist attitude to labour grew stronger as the socialist revolution progressed.

Sik's view is the opposite of this. (We take Sik as an example - but his view is that which is generally put forward by revisionist intellectuals). He suggests that the Communist attitude to labour shows itself for a brief period in the early stage of socialism, but soon wears off. The development of socialism eradicates these early manifestations of Communist enthusiasm. The attitude to labour which is proper to socialism, according to Sik's description of it, is not distinguishable from that which exists in a capitalist factory paying piece rates or bonuses.

The enthusiasm of the mass of the workers in the early days of socialism can be put down to the general excitement of the period, and to certain changes of a superficial kind. But this enthusiasm of the ignorant mass is not true socialist consciousness, and soon dies away. To arrive at true socialist consciousness one needs "profound theoretical training" (in the obscurantism of revisionist theory). Socialist consciousness is therefore limited to a "relatively small section of the community" - the intelligentsia and the managers.

But it should not be thought that the "socialist consciousness" of this elite causes them to work for society without thought of personal reward. Not in the least. Their "socialist consciousness" is of an entirely passive, reflective nature: it involves merely an occasional meditation on "the changes that had been made in distributing

the national income", and on a few pious platitudes about Communism. These "socially conscious people", we can be sure, know one thing better than anything else: how to feather their own nests.

The enthusiasm of the mass of the workers, found itself frustrated, thwarted and exploited on every side by these parasites and hypocrites of bourgeois intellectuals and personally ambitious creatures of every description who wangled their way into positions of influence. And when after years of scheming and plotting, manoeuvring and sabotage they finally brought the revolution to a halt the labour enthusiasm of the mass of the workers naturally died away. Today the Czechloslovak workers have no more of an objective interest in raising productivity than the Irish workers.

* * * *

James Connolly wrote "Whilst the knowledge of theoretical socialism is but meagrely distributed among the workers, that feeling which the socialists call class-consciousness is deep-seated, wide-spread and potent in its influence." (The Workers Republic,p.87)

This point would seem to be indisputable. The worker is conscious in a capitalist system that his labour is being exploited: that the only result of better work on his part will be better profits for the capitalist, and that perhaps some fellow workers will be done out of a job and he himself will reach the dole queue quicker. Even where the physical side of labour is not in itself oppressive, this consciousness makes work an oppression.

Work as such is far from being oppressive. It is made oppressive sometimes by the physical, but always by the social conditions in which it must be done. Work which in other social conditions would give satisfaction to the worker becomes an oppression when done under the social conditions of class exploitation.

The worker in a capitalist system of society does not have to be able to make a theoretical analysis of capitalist production in order to arrive at the consciousness that work is an oppression. The materially existing social circumstances in which he has to work <u>force</u> this consciousness on him. If he is to change these social circumstances he must become politically conscious and must develop a theoretical understanding of the historical laws of society. But the basic consciousness of the oppression of work under conditions of class exploitation is brought home to him directly by those conditions themselves.

If there is a socialist revolution, if the political power of the capitalist class is broken, if the means of production are taken away from the capitalists and become the property of the collective political power of the workers, then the actual social conditions under which work is done are changed radically. The consciousness of the worker that he is no longer working for an alien class, combined with the natural attractiveness of work which can re-assert itself after class ex-

ploitation has been abolished, will bring about radical changes in the attitude to work.

It might be that in the early period of socialism a worker will on average expend twice as much energy in a week's work as he did under capitalism. But contrary to the bourgeois belief that effort is pain, this will engender feelings of satisfaction, not of misery and oppression. This idea might appear hopelessly Utopian to bourgeois intellectuals who haven't got an atom of real class consciousness and who have never done a stroke of work beyond circulating bourgeois ideology. It is, however, perfectly in accordance with reality, (and if it was not in accordance with reality socialism could be written of as a Utopia).

All that Sik has demonstrated by denying this is that he looks at life from a bourgeois viewpoint and sees as true only what is acceptable to the bourgeoisie. Like Proudhon he "cannot imagine a society in which men have ceased to be bourgeois". (Marx, Selected Correspondence,p.56)

LENIN ON COMMUNIST LABOUR

The notion that the actual social conditions of labour are equal under capitalism and socialism, and that a class conscious approach to labour under socialism involved nothing more than a theoretical appreciation of chages in the statistics of income distribution, is completely alien to Marxism. Lenin described the Communist approach to labour as follows:

> "Communist labour in the narrower and stricter sense of the term is labour performed, not as a definite duty, not for the purpose of obtaining a right to certain products, not according to previously established and legally fixed quotas, but voluntary labour, irrespective of quotas, labour performed because it has become a habit to work for the common good, and because of a conscious realisation(become a habit) of the necessity of working for the common good - - labour as the requirement of a healthy organism." ('From the Destruction of the Ancient Social Systsem to the Creation of the New': April,1920)

And he said that the development of Communist labour was "the paramount problem in the building of socialism." (ibid.)

If the socialist system does not establish the social conditions in which Communist labour can develop, it can never lead to Communism. And a socialist system which is not transitional to Communism, which is not continuously strengthening the Communist forces, can be nothing more than a modified form of capitalism, a means enabling capitalism to surmount an extreme crisis.

In 1919, in the midst of the ruin, the poverty, the hunger brought

about by the imperialist invasion of Soviet Russia, a Communist labour movement began to develop spontaneously among the Russian workers. It was called the Subbotnik (Saturday) movement because it took the form of working on Saturday for no pay. Lenin immediately hailed the Subbotnik movement as being of enormous social significance:

> "The bourgeois gentlemen and their hangers-on...sneer at the insignificance of the number of subbotniks compared with the vast number of cases of theiving, idleness, decline of productivity, spoilage of raw materials and finished goods,etc." (A Great Beginning,June 1919).

But the bourgeois intelligentsia jeered at the Subbotniks precisely because they were the shoots of the new social system coming up through the rubble of the old.

> "...these starving workers, surrounded by the malicious counter - revolutionary agitation of the bourgeoisie, the Mensheviks and the Socialist-Revolutionaries, are organising"Communist subbotniks", working <u>without any pay</u>, and achieveing an enormous increase in the productivity of labour in spite of the fact that they were weary, tormented and exhausted from malnutrition. Is this not the beginning of a change of momentous importance?" (A Great Beginning)

"Not in the least!" answer Sik and his kind. The Communist subbotniks were not in the least the shoots of the new society, shoots which would grow stronger with the growth of socialism until eventually they included the whole of society. On the contrary, they were merely phenomena of immature socialism: they were an expression of passing and historically meaningless enthusiasm caused by the impression which the superficial side-effects of the revolution made upon the ignorant mass of workers. The growth of socialism far from strengthening these shoots would destroy them, and a proper system of material incentives would take their place. But let us return to Lenin:

> "We must carefully study the new shoots, we must devote the greatest attention to them, doing everything to promote their growth and "nurse" these feeble shoots. Some of them will inevitably perish...But that is not the point. The point is to foster each and every shoot of the new; and life will select the most virile."(ibid)

> Socialism" is a matter of transforming the very habits of the people, habits that have for a very long time been defiled and debased by the accursed private ownership of the means of production, and also by the atmosphere of bickering, distrust, emnity, disunity and mutual intrigue that is inevitably generated - and constantly regenerated - by small individual economy...
>
> We shall work to eradicate the accursed rule 'every man for himself and God alone for us all', to eradicate the habit of regarding work only as a duty, and of regarding as legitimate only such work as is paid for at certain rates. We shall work...gradually but steadily to introduce communist discipline and communist labour." ('From The

First Subbotnik To The All-Russian May Day Subbotnik', May 1920)

All of this is now regarded as day-dreaming, building castles in the air, by the revisionists. But if it is, Communism is a day-dream.

* * * *

In 1921, there was a general retreat on the economic front. The New Economic Policy was introduced. Commodity production and exchange were freed. Capitalist production was restored under state control. The conditions making this retreat necessary have been fairly well described by a bourgeois economist:

> "...a peasantry with no incentive to produce the vitally necessary agricultural surplus; and industry without experienced managers; undisciplined, syndicalist, and badly fed labour force;" (this latter was true in a sense different from that meant by the writer: the workers had thrown off bourgeois discipline, and while one section had developed their own labour discipline another section remained under the influence of bourgeois ideas and behaved as if they were in a bourgeois society in which capitalist control was very lax) "an inexperienced bureaucracy; a market system without commodities to trade; a breakdown of the price system without the substitution of a central plan..." (G.N.Halm, Economic Systems p230)

Trade was freed. Capitalist production revived. But there was no pretence that "market socialism" was being introduced. Lenin wrote at this time: "Commodity exchange and free trade inevitably imply the appearence of capitalists and capitalist relationships". (Introduction to Local Bodies, May 1921).

Searching from quotations from Lenin which seem to support their wholesale reversion to material incentives and the profit motive after 1956, the modern revisionists take statements made by Lenin in 1921 at the introduction of N.E.P. about the need for freeing trade and commodity relationships and intensifying the use of material incentives, divorce them from their context, and represent them as Lenin's "mature" view of socialism.

But Lenin stated clearly and with ruthless honesty that the N.E.P. was a compromise with capitalism forced on socialism by material circumstances. This economic compromise with capitalism necessitated a strengthening of the political dictatorship of the proletariat: otherwise all would be lost. But if the political power of the workers was maintained the N.E.P. could be viewed as a temporary retreat on the economic front in order to gather forces for a new and more powerful assault.

This retreat is now represented as true socialism by the revisionists. And the second frontal assault by the socialist forces, led this time by Stalin, which brought the N.E.P. to an end in 1929, is represented as a major deviation from "true socialism". Stalin, who upheld the

Marxist view of socialism in the 30 years after the death of Lenin, 30 years of exceptional difficulty and of exceptional achievement by the workers of the Soviet Union, and Mao who is today carrying on the work of Lenin and Stalin and leading the revolutionary forces in conditions of socialism, are attacked as "dogmatists" etc, by the revisionists, and Sik and his kind are represented as the heirs of Lenin. If it was Leninism that produced Sik, Lange and their kind, then indeed the mountain of labour would have brought forth a mouse.

* * *

Since this pamphlet has been mainly concerned with exposing the treacherous behaviour of certain "socialist" intellectuals over the past 30 years we will end with a few words on the "historic role of the intelligentsia". The Marxist view is that the intellectuals have no independent historic role; that they must serve either the capitalist or the working class interest; and that in order to serve the workers they must subordinate themselves entirely to the working class interest.

In the view of Sik and his kind the intellectuals have a great historic role to play. It is they and not the workers who are the bearers of socialist consciousness. Lange was again foremost in "creatively developing" the new view of the intelligentsia:

> "I have the highest respect for the intelligentsia. What is more, I will say that traditional Marxist theory probably attaches too little importance to the intelligentsia, especially its role in relation to production. All the great revolutions in technology...bring to the forefront the exceptional role of the intelligentsia in the prod - uction process. A Marxist analysis of this phenomenon is undoubtedly necessary.
>
> "...a technical intelligentsia is needed for production purposes and, as far as the humanistic intelligentsia is concerned, in every historic situation they are usually the specialists in shaping public opinion. The changes in October(1956) were to a large degree prepared in our country by the intelligentsia and the press. The intelligentsia made no small contribution to the Russian revolution. This is the normal function of the social intelligentsia."

The working class is needed by the intelligentsia because

> "The progressive intelligentsia which has understood the social needs, is not itself a social force. Understanding alone is not enough; to this must be added the organisational ability of a mass movement and that is possessed only by the working class." (O.Lange. Some Problems Relating to the Polish Road to Socialism, 1957,p.27/29)

Here, shortly after the "sluice gates were opened" a prime specimen of the liberal intelligentsia frankly reveals the world outlook of the liberal intellectual who calls himself a socialist. The leading force, the theoretical, political and cultural vanguard is the liberal intelligentsia which "understands social needs". The working class merely provides "organisational ability" for the intelligentsia. This view has nothing in common with the Marxist view of the intelligentsia: it is the intelligentsia's view of itself.

The actual history of the socialist revolution in Russia shows that the intelligentsia is a wavering force. Only a small section of it became throughly imbued with proletarian class consciousness. A very substantial number of intellectuals, when faced with a straight choice between supporting Whiteguard fascism or Bolshevism, sided with the latter. This does not mean that they became Bolsheviks. In their day to day activity they continuously tried to modify Bolshevism and to bring it closer to their own view of life.

But it would be wrong to end on such a "dogmatic" and Stalinist tone. We will therefore conclude with some words of Lenin, who Lange and Sik claim as their precursor:

> "...if the bourgeois intellectuals had dedicated their knowledge to assisting the working people instead of giving it to the Russian and foreign capitalists in order to restore their power, the revolution would have proceeded more rapidly and more peacefully. But this is Utopian, for the issue is decided by the class struggle, and the majority of the intellectuals will gravitate towards the bourgeoisie. Not with the assistance of the intellectuals will the proletariat achieve victory, but in spite of their opposition (at least in the majority of cases)..." (A Great Beginning)

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