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# The Relations of Production in Russia

The question of the class nature of economic and hence social relations in Russia has a political importance that cannot be exaggerated. The great mystification that prevails around the allegedly “socialist” character of the Russian economy is one of the principal obstacles to the proletariat’s ideological emancipation, an emancipation that is the fundamental condition for the struggle toward its social emancipation. Militants who are beginning to become aware of the counterrevolutionary character of the policies of these Communist parties in bourgeois countries are slowed down in their political development by their illusions about Russia. The policy of these Communist parties appears to them to be oriented toward the defense of Russia—which unquestionably is true—therefore as being already decided upon and, in a word, agreed to in terms of Russia’s defense requirements. Even for the most highly conscious among them, the case of Stalinism always boils down to that of Russia, and in judging the latter, even if they accept a host of individual criticisms, the minds of the great majority of these militants remain clouded by the idea that the Russian economy is something essentially different than an economy of exploitation, that even if it does not represent socialism, in comparison with capitalism at least, it is progressive.

We also should point out that everything in present-day society seems to conspire to maintain them in this grand illusion. It is instructive to see the representatives of Stalinism and those of “Western” capitalism—who disagree on all other questions, who are capable even of disagreeing on whether two plus two equals four—concurring with astonishing unanimity that Russia has realized “socialism.” Obviously, in their respective techniques of mystification, this axiom plays different roles: For the Stalinists, identifying Russia with socialism

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serves to prove the preeminence of the Russian regime, whereas for the capitalists it demonstrates the execrable character of socialism. For the Stalinists, a “socialist” label serves to camouflage and to justify the bureaucracy’s abominable exploitation of the Russian proletariat, an exploitation that bourgeois ideologues, mellowed by a sudden attack of philanthropy, highlight in order to discredit the idea of socialism and of revolution. Now, without this identification, their respective tasks would be much more difficult. Nevertheless, in this work of mystification, Stalinists as well as the bourgeoisie have been aided by the Marxist or allegedly Marxist currents and ideologues who have defended and helped popularize the mythology of the “socialist bases of the Russian economy.”<sup>1</sup> This has been done for twenty years with the aid of apparently scientific arguments that boil down essentially to two ideas:

1. Whatever is not “socialist” in the Russia economy is—in whole or in part—the process of income distribution. By way of compensation, production (as the foundation of the economy and of society) is socialist. That this distribution process is not socialist is after all normal, since in the “lower phase of communism,” bourgeois right still prevails.

2. The socialist—or in any case, as Trotsky would say, “transitional”—character of production (and consequently the socialist character of the economy and the proletarian character of the State as a whole) is expressed in the State ownership of the means of production, in planning, and in the monopoly over foreign trade.

One can only be astonished when one discovers that all the empty talk of the defenders of the Russian regime reduces in the end to ideas so superficial and so foreign to Marxism, to socialism, and even to scientific analysis in general. By radically separating the realm of the production of wealth from that of its distribution, by trying to subject the latter to criticism and by trying to modify it while keeping the former intact, one descends to a level of imbecility worthy of Proudhon and Herr Eugen Dühring.<sup>2</sup> Likewise, to tacitly identify ownership and production, to willfully confound State ownership as such with the “socialist” character of the relations of production is merely an elaborate form of sociological cretinism.<sup>3</sup> This highly foreign phenomenon can only be accounted for in terms of the enormous social pressure exerted by the Stalinist bureaucracy during this whole period and to the present day. The force of these arguments lies not in their scientific value, which is nil, but in the fact that behind them is to be found the powerful social current of the worldwide Stalinist bureaucracy. In truth, these ideas hardly merit a separate refutation. An analysis of the bureaucratic economy as a whole ought to show their profoundly false character and their mystificatory signification. If, nonetheless, we examine them in themselves by way of an introduction, it is, on the one hand, because they have taken on at the present time the force of prejudices that must be uprooted before we can grapple with the real problem in a useful manner and, on the other hand, because we have wanted to profit from this examination in order to get to the bottom of certain important notions such as those of distribution, ownership, and the exact signification of the relations of production.

## Production—Distribution and Ownership

### *Production and Distribution*

Both under their vulgar form (“There are in Russia some abuses and some privileges, but on the whole it’s socialism”) and under their “scientific”<sup>4</sup> form, arguments that attempt to separate and oppose the relations of production and the relations of distribution revert to the days even before the creation of classical bourgeois economics.

The economic process forms a whole whose phases cannot be artificially separated, either in reality or in theory. Production, distribution, exchange, and consumption are integral and inseparable parts of a single process; they are moments that are mutually implied in the production and reproduction of capital. Thus, if production, in the narrow sense of the term, is the center of the economic process, it should not be forgotten that in capitalist production exchange is an integral part of the productive relation—on the one hand, because this relation is in the first place the buying and selling of labor power and because it involves the capitalist’s purchase of the necessary means of production, and on the other hand because the laws of capitalist production take effect as coercive laws through the intermediaries of the market, competition, circulation—in a word, through exchange.<sup>5</sup> Thus, consumption itself either is an integral part of production (productive consumption) or it is, in the case of consumption that is called “unproductive,” a prerequisite for all production, the inverse being equally true.<sup>6</sup> Thus in the end, distribution is only the reverse side of the production process, one of its subjective sides and in any case a direct resultant of the latter.

Here a longer explanation is indispensable. “Distribution” has two significations. In its current meaning, distribution is the distribution of the social product. Marx says of the latter that its forms are moments of production itself.

If labor were not specified as wage labor, then the manner in which it shares in the [distribution of the] products [*participe à la répartition des produits*] would not appear as wages; as, for example, under slavery. . . . The relations and modes of distribution thus appear merely as the obverse of the agents of production. An individual who participates in production in the form of wage labor shares in the [distribution of the] products, in the results of production, in the form of wages. The structure of distribution is completely determined by the structure of production. Distribution is itself a product of production, not only in its object, in that only the results of production can be distributed, but also in its form, in that the specific kind of distribution in production determines the specific forms of distribution, i.e. the pattern of participation in distribution. . . .

Thus, economists such as Ricardo, who are the most frequently accused of focusing on production alone, have defined distribution as the exclusive object of economics, because they instinctively

conceived the forms of distribution as the most specific expression into which the agents of production of a given society are cast.<sup>7</sup>

Distribution has another meaning. It is the distribution of the conditions of production.

In the shallowest conception, distribution appears as the distribution of products, and hence as further removed from and quasi-independent of production. But before distribution can be the distribution of products, it is: (1) the distribution of the instruments of production, and (2), which is a further specification of the same relation, the distribution of the members of the society among the different kinds of production. (Subsumption of the individuals under specific relations of production.) The distribution of products is evidently only a result of this distribution, which is comprised within the process of production itself and determines the structure of production. To examine production while disregarding this internal distribution within it is obviously only an empty abstraction; while conversely, the distribution of products follows by itself from this distribution which forms an original moment of production. Ricardo, whose concern was to grasp the specific social structure of modern production, and who is the economist of production *par excellence*, declares for precisely that reason that *not* production but distribution is the proper study of modern economics. This again shows the ineptitude of those economists who portray production as an eternal truth while banishing history to the realm of distribution.

The question of the relation between this production-determining distribution, and production, belongs evidently within production itself. If it is said that, since production must begin with a certain distribution of the instruments of production, it follows that distribution at least in this sense precedes and forms the presupposition of production, then the reply must be that production does indeed have its determinants and preconditions, which form its moments. At the very beginning these may appear as spontaneous, natural. But by the process of production itself they are transformed from natural into historical determinants, and if they appear to one epoch as natural presuppositions of production, they were its historic product for another. Within production itself they are constantly being changed. The application of machinery, for example, changed the distribution of instruments of production as well as of products. Modern large-scale landed property is itself the product of modern commerce and of modern industry, as well as the application of the latter to agriculture.<sup>8</sup>

Nevertheless, these two meanings of the word "distribution" are intimately connected with each other and obviously also with the mode of production. Capitalist distribution of the social product, which is derived from the mode of production, only serves to consolidate, enlarge, and develop the capitalist mode of distributing the conditions of production. It is the distribution of the net prod-

uct among wages and surplus value that forms the basis of capitalist accumulation, which constantly reproduces at a higher and further developed stage the capitalist distribution of the conditions of production and this mode of production itself. This connection could not, at the same time, be better summed up and generalized than by Marx himself.

The conclusion we reach is not that production, distribution, exchange and consumption are identical, but that they all form the members of a totality, distinctions within a unity. Production predominates not only over itself, in the antithetical definition of production, but over the other moments as well. The process always returns to production to begin anew. That exchange and consumption cannot be predominant is self-evident. Likewise, distribution as distribution of products; while as distribution of agents of production it is itself a moment of production. A definite production thus determines a definite consumption, distribution and exchange as well as *definite relations between these different moments*. Admittedly, however, *in its one-sided form*, production is itself determined by the other moments. For example if the market, i.e. the sphere of exchange, expands, then production grows in quantity and the divisions between its different branches become deeper. A change in distribution changes production, e.g. concentration of capital, different distribution of the population between town and country, etc. Finally, the needs of consumption determine production. Mutual interaction takes place between the different moments. This is the case with every organic whole.<sup>9</sup>

Consequently, when Trotsky—to say nothing of his epigones—speaks of the “bourgeois” character of distribution of the social product in Russia by contrasting it with the “socialist” character of the productive relations or of state property (!), it is just a silly little joke: The mode of distributing the social product is inseparable from the mode of production. As Marx says, it is only its reverse side: “The organization of distribution is determined entirely by the organization of production.” If it is true that “an individual, who participates in production in the form of wage labor, shares in the products, in the results of production in the form of wages,” it must be true conversely as well that an individual who shares in the products in the form of wages *participates in production in the form of wage labor*. And wage labor implies capital.<sup>10</sup> To imagine that a mode of bourgeois distribution can be grafted onto socialist relations of production is no less absurd than to imagine a feudal mode of distribution being grafted onto bourgeois relations of production (not *next* to, but *onto* these relations and *resulting* from these relations). As this example shows, this is not just an “error,” it is an absurd notion, as devoid of scientific meaning as “horse-drawn airplane,” for example, or “mammalian theorem.”

Neither the distribution of the conditions of production nor the mode of production can be in contradiction with the distribution of the social product. If the latter has a character opposed to the first two, which are its conditions, it would burst apart immediately—as every attempt to instaurate a “socialist” method of

distribution upon the basis of capitalist relations of production would immediately and unerringly burst apart.

If, therefore, the relations of distribution in Russia are not socialist, the relations of production cannot be either. This is so precisely because distribution is not autonomous but rather subordinated to production. Trotsky's epigones, in their desperate efforts to conceal the absurdity of their position, often have distorted this idea in the following manner: To try to draw conclusions about the Russian regime on the basis of the relations of distribution means to replace the analysis of the mode of production with an analysis of the mode of distribution. This deplorable sophism is worth as much as this other one: To look at one's watch to see if it is noon means to believe that its hands show the sun at its zenith. It is easy to understand that precisely because the relations of distribution are determined unambiguously by the relations of production, a society's relations of production can be defined unmistakably as long as the prevailing mode of distribution is known. Just as one can follow unerringly the sailing of a ship as long as one keeps an eye on the masts, so too can one deduce the fundamental (but supposedly unknown) structure of a regime from its mode of distributing the social product.

But here one very often hears talk of how "bourgeois right must continue to exist in the lower phase of communism" as far as distribution is concerned. This question will be treated later to the extent necessary. Nevertheless, let us say right away that no one before Trotsky had imagined that the expression "bourgeois right," employed metaphorically by Marx, could signify that the social product would be distributed according to capitalist economic laws. By the "survival of bourgeois right," Marx and the Marxists always understood the temporary survival of an inequality, not at all the maintenance and exacerbation of labor *exploitation*.

To these sophisms concerning distribution is tied another of Trotsky's ideas,<sup>11</sup> according to which the Russian bureaucracy has its roots not in the relations of production but solely in distribution. Although this idea will be discussed in depth when we deal with the class nature of the bureaucracy, it is necessary to say a few words right away on account of its connection with the preceding discussion. This idea could avoid appearing absurd to the extent that the Russian bureaucracy was thought to have the same amount of economic significance (or rather the same level of insignificance) as the bureaucracy of bourgeois States in the mid-nineteenth-century liberal era. At that time, it was a body that played a limited role in economic life, that could be characterized as parasitic for the same reason that prostitutes or the clergy would be; it was a body whose revenues came from levies on the income of classes that had their roots in production—the bourgeoisie, landowners, or the proletariat; it was a body that had nothing to do with production. But obviously, such a conception is no longer appropriate for the present-day capitalist bureaucracy, the State having become decades ago a vital instrument in the class-based economy and now playing an indispensable role in the coordination of production. If the present-day bureaucracy of the minister of the national economy in France is parasitic, it is so for the same reason and in the same sense as the bureaucracy of

the Bank of France, of the national railroad, or of a trust is parasitic: I.e., this bureaucracy is indispensable within the framework of present-day capitalist economic relations. Obviously, any attempt to compare the Russian bureaucracy, which directs Russian production from beginning to end, to some honorable functionaries from the Victorian era can only provoke laughter, no matter how you look at it, but especially when viewed from the standpoint of their economic role. Trotsky himself refutes what he says elsewhere when he writes that “the bureaucracy has become an uncontrolled force dominating the masses,”<sup>12</sup> that it is “lord . . . of society,”<sup>13</sup> that

the very fact of its appropriation of political power in a country where the principal means of production are in the hands of the State, creates a new and hitherto unknown relation between the bureaucracy and the riches of the nation. The means of production belong to the State. But the State, so to speak, “belongs” to the bureaucracy.<sup>14</sup>

How else could one group play a dominant role in the distribution of the social product, decide in absolute mastery how the net product, in part accumulable, in part consumable, is to be distributed, and regulate the division of the consumable portion between workers’ wages and bureaucratic income if it did not predominate over the whole breadth of production itself? To distribute the product among an accumulable portion and a consumable portion means before all else to earmark [*orienter*] some specified portion of production for the production of the means of production and some other specified portion for the production of consumer objects; to divide consumable income into workers’ wages and bureaucratic income means to earmark a portion of the production of consumer objects for the production of objects of mass consumption and another portion for the production of high-quality or luxury items. The idea that one can predominate over distribution without predominating over production is pure childishness. And how would one predominate over production if one did not predominate over the material as well as the personal conditions of production, if one did not have at one’s disposal both capital and labor, the capital goods as well as the consumption fund of society?

### *Production and Ownership*

In the “Marxist” literature concerning Russia, one encounters a double confusion. In general, forms of ownership [*propriété*] are identified with the relations of production. In particular, state or “nationalized” property [*propriété*] is thought to automatically confer a “socialist” character upon production. We need to briefly analyze these two aspects of the problem.

1. Already in Marx the obvious distinction between the “forms of ownership” and the relations of production is clearly established. Here is how he expressed himself on this subject in his famous preface to the *Critique of Political Economy*.

In the social production of their life, men enter into definite relations

that are indispensable and independent of their will. . . . The sum total of these relations of production constitutes the *economic structure of society, the real foundation*, on which rises a *legal and political superstructure*. . . . At a certain stage of their development, the material productive forces of society come into conflict with the existing relations of production, or—*what is but a legal expression for the same thing*—with the property relations within which they have been at work hitherto. . . . In considering such transformations, a distinction should always be made between the material transformation of the economic conditions of production, which can be determined with the precision of natural science, and the legal, political, religious, aesthetic or philosophic—in short, *ideological forms*.<sup>15</sup>

The lesson of this text is clear. The relations of production are concrete social relations, relations of man with man and of class with class, as they are realized in the constant, daily production and reproduction of material life. Such is the relation between master and slave, between lord and serf. Such also is the relation between boss and worker as it is shaped in the course of capitalist production, whose immediate empirical form is the exchange of the worker's labor power for the wage paid by the capitalist, itself based upon the presupposition that the employer possesses his capital (both under its material form as well as under the form of money) and the worker possesses his labor power. In a "civilized" society, the law gives an abstract form, a juridical form to this productive relation.

In our example concerning capitalist society, the juridical form is expressed as follows. As far as the presuppositions of the productive relation are concerned, ownership of the means of production and of money is granted to the capitalist and the free disposition of his labor power is granted to the worker (i.e., slavery and serfage are abolished). As far as juridical relations themselves are concerned, they take the form of the labor-hiring contract. Ownership of capital, free disposition of the worker's own labor power, and the labor-hiring contract are the juridical form of the economic relations of capitalism.

This juridical expression covers not only the relations of production in the narrow sense of this term but also economic activity as a whole. Production, distribution, exchange, disposition of the conditions of production, appropriation of the product, and even consumption find themselves placed under the form of ownership and of bourgeois contractual law. We therefore have, on the one hand, economic reality, the relations of production, distribution, exchange, etc., and, on the other hand, the juridical form that expresses this reality in an abstract manner. Production is to ownership as economics is to law, as the actual base is to the superstructure, as reality is to ideology [see (a) in the Postface]. Forms of ownership belong to the juridical superstructure, or as Marx said, to the "ideological forms."

2. But what exactly is the function of this juridical expression? Can it be supposed that we have here a true mirror of economic realities? Only a vulgar lib-

eral, as Lenin would say—and as he actually said in a quite similar case<sup>16</sup>—or a hopeless mechanist could accept that they were identical. We cannot enter into an analysis here of the relations between the economic base and the juridical, political, and, in general, ideological superstructure of a society. But as concerns law itself, a few explanations are indispensable. Marx and Engels were fully aware of the distortion that economic reality undergoes when it is expressed in juridical terms. In his evaluation of Proudhon, Marx insisted that it is impossible to respond to the question “What is property?” without an analysis of the real, overall economic relations of bourgeois society.<sup>17</sup> Here, on the other hand, is how Engels expressed himself on this subject.

In a modern state, law must not only correspond to the general economic condition and be its expression, but must also be an *internally coherent* expression which does not, owing to inner contradictions, reduce itself to nought. And in order to achieve this, *the faithful reflection of economic conditions suffers increasingly*.<sup>18</sup>

But the reason that Engels provides in order to express the more and more noticeable clash between economic reality and its juridical forms, however valuable it may be, is neither the sole nor the most important reason. The root of this problem is to be sought in what can be called the double function of law and of every superstructure. Law, like every ideological form in an exploitative society, simultaneously plays the role of the adequate form of reality as well as its mystified form. Although it is the adequate form of reality for the dominant class, for whom it expresses its historical and social interests, it is only an instrument for mystifying the rest of society. It is important to note that the flowering of these two functions of law is the fruit of just one historical development. We can say that, initially, the essential function of law was to express economic reality, as was done in the first civilized societies with a brutal frankness. The Romans did not bother to declare through the mouths of their jurists that their slaves were for them “things” and not persons. But the more the economy developed and civilization got the entire society to take an active part in social life, the more the essential function of law became not to reflect but precisely to mask economic and social reality. Let us recall the hypocrisy of bourgeois constitutions compared to the sincerity of Louis XIV proclaiming, “I am the State.” Let us recall also the overt form that surplus labor had in the feudal economy (where the amount of labor the serf devoted to himself and that which he gave to his lord were two distinct matters) and the veiled form of surplus labor in capitalist production. Contemporary history offers us examples every day not only of the reality but also of the effectiveness of this camouflage; Stalinism and nazism especially are proven masters of the art of mystifying the masses both through their propagandistic slogans as well as through their legal formulas.<sup>19</sup>

The instance where this double function of law most easily can be detected is the domain of political law, especially constitutional law. It is well known that all modern bourgeois constitutions are based upon the “sovereignty of the people,” “civil equality,” etc. Both Marx and Lenin have shown too often and too fully what this signifies for us to return to it here.<sup>20</sup>

Nevertheless, a point present-day “Marxists” forget too easily is that Marx’s analysis of the capitalist economy is based upon a similar unveiling of the mystificatory character of bourgeois civil law. Marx never would have gotten at the economic substance of capitalism if he had not cracked the forms of the bourgeois legal code. Neither “capital” nor the “proletarian” have any significance or any existence for the bourgeois jurist; there is not a single individual in capitalist society of whom it can be said juridically that he possesses only his labor power. And Marx is not simply being ironic when he remarks that by giving to the worker merely the price of his labor power and by appropriating the entire product of labor—whose value far exceeds the value of this labor power itself—the capitalist gives to the worker that which is due to him and does not steal a penny.<sup>21</sup> Exploitation in capitalist society will certainly remain unknown to those who limit themselves to contemplating the forms of bourgeois property ownership.

3. All these statements can be boiled down to the idea stated earlier, according to which law is the abstract expression of social reality. It is its expression—which signifies that, even under its most mystificatory forms, it preserves a connection with reality, at least in the sense that it must make possible the operation of society in the interests of the ruling class. But, inasmuch as it is its abstract expression, it is inevitably a false expression, for on the social plane every abstraction that is not known as an abstraction is a mystification.<sup>22</sup>

Marxism was, rightly, considered as the demolisher of abstraction in the domain of the social sciences. In this sense, its critique of juridical and economic mystifications has always been particularly violent. Thus, it is all the more astonishing that the tendency represented by Trotsky has defended for many years a particularly elaborate form of abstract juridicism in its analysis of the Russian economy. This retreat from the model of concrete economic analysis proposed by Marx and toward a formalism fascinated with “State ownership” has objectively aided the mystificatory work of the Stalinist bureaucracy and has merely given expression, on the theoretical plane, to the real crisis from which the revolutionary movement still has not extricated itself.

4. We must now give concrete form to these thoughts in the case of total statification of production.

Marx already has said that just as a man is not to be judged by what he thinks of himself, so a society is not to be judged by what it says about itself in its constitution and its laws. But this comparison can be extended still further. Just as, once one is acquainted with a man, the idea he has of himself is one essential element of his psychology that must be analyzed and connected to the rest in order to increase one’s understanding of him, so also, once the actual state of a society has been analyzed, the image this society gives itself in its laws, etc., becomes an important element in achieving a more fully developed understanding of it. To use more precise language, if we have said that law is both an adequate form and a mystified form of economic reality, we must examine its two functions in the case of Russia and see how universal State ownership serves as a mask for the real relations of production as well as a convenient framework for the operation of these relations. This analysis will be taken up again at several different points,

and it is really only this essay as a whole that will provide an answer to this question. But a few of the essential road markers should be set down at this time.

Until 1930, no one, in the Marxist movement at least, had ever thought that State ownership formed, as such, a basis for socialist relations of production or even was tending to become so. No one had ever thought that the “nationalization” of the means of production was equivalent to the abolition of exploitation. On the contrary, the emphasis had always been that

neither the conversion into joint-stock companies, nor into state property deprives the productive forces of their character as capital. . . . The modern state, whatever its form, is an essentially capitalist machine; it is the state of the capitalists, the ideal collective body of all capitalists.<sup>23</sup>

The texts where Lenin explains that monopoly capitalism already was transformed into State capitalism during the First World War can be counted by the dozens.<sup>24</sup> If there is something in these formulations of Lenin’s that can be reproached, it would be rather their overestimation of how fast the process of concentrating the means of production in the hands of the State would take place. For Trotsky, in 1936, State capitalism was an ideal tendency that never could be realized in capitalist society.<sup>25</sup> For Lenin, in 1917, it was already the reality of capitalism in his epoch.<sup>26</sup> Lenin certainly was mistaken about his own epoch, but these citations suffice to put an end to the stupid stories of Trotsky’s epigones according to which it was a heresy from the Marxist point of view to believe in the possibility of a statification of production beyond the confines of socialism. In any case, this heresy was canonized by the First Congress of the Communist International, which proclaimed in its “Manifesto”:

The statification of economic life . . . has become an accomplished fact. There is no turning back from this fact—it is impossible to return not only to free competition, but even to the domination of trusts, syndicates, and other economic octopuses. Today the one and only issue is: Who shall henceforth be the bearer of statified production—the imperialist state or the state of the victorious proletariat?<sup>27</sup>

But what throws the clearest light on the question are the comparisons Lenin drew, from 1917 to 1921, between Germany, a State capitalist country according to him, and Soviet Russia, which had nationalized the principal means of production. Here is a characteristic passage.

To make things even clearer, let us first take the most concrete example of State capitalism. Everybody knows what this example is. It is Germany. Here we have “the last word” in modern large-scale capitalist engineering and planned organization, *subordinated to Junker-bourgeois imperialism*. Cross out the words in italics, and in place of the militarist, Junker, bourgeois, imperialist *State* put *also a State*, but of a different social type, of a different class content—a

*Soviet* State, that is, a proletarian State, and you will have the *sum total* of the conditions necessary for socialism. . . .

At the same time socialism is inconceivable unless the proletariat is the ruler of the state. This also is A B C. And history took such an original course that it “brought forth” in 1918 two unconnected halves of socialism existing side by side like two future chickens in the single shell of international imperialism. In 1918 Germany and Russia were the embodiment of the most striking material realization of the economic, the productive, the social-economic conditions of socialism, on the one hand, and the political conditions, on the other.<sup>28</sup>

It becomes obvious to the reader of these texts, concerning which the Trotskyist tendency retains a curious silence, that for Lenin:

First, neither the “form of State ownership” nor statification in the profoundest sense of this term, i.e., the complete unification of the economy and its management under a single framework (“planning”), in any way settles the question of the class content of this type of economy, or consequently that of the abolition of exploitation. For Lenin, not only is statification as such not necessarily “socialist,” but *nonsocialist statification represents the most crushing and the most highly perfected form of exploitation in the interest of the dominant class.*

Second, what confers upon State (or nationalized) property a socialist content, according to Lenin, is the character of its political power. Statification plus Soviet power, for Lenin, provided the basis for socialism. Statification without this power was the most perfected form of capitalist domination.

An explanation concerning this last point is necessary. Lenin’s conception, which makes the character of State ownership depend upon the character of its political power, is correct but ought to be considered today, after the experience of the Russian Revolution, partial and insufficient. The character of political power is an infallible indication of the true content of “nationalized” property, but it is not its true foundation. What confers a socialist character or not upon “nationalized” property is the structure of the *relations of production*. It is from these relations that the character of political power itself—which is not the sole or even the determining factor—is derived after the revolution. Only if the revolution leads to a radical transformation of the relations of production in the factory (i.e., if it can achieve *workers’ management*) will it be able to confer upon nationalized property a socialist content as well as create an *objective* and *subjective* basis for proletarian power. Soviet power, inasmuch as it is working-class power, does not live off itself; by itself it tends to degenerate, as does all State power. It can survive and consolidate itself while moving in a socialist direction only by starting off with a fundamental modification in the relations of production, i.e., by starting off with the mass of producers taking over the direction of the economy. This is precisely what did not take place in Russia.<sup>29</sup> The power of the soviets progressively atrophied because its root, the working-class management of production, did not exist. Thus, the Soviet State rapidly lost its proletarian character. With the economy and the State falling in this way under the absolute

domination of the bureaucracy, State ownership simply became the most convenient form of universal power for this bureaucracy.

This said, let us simply recall that up until 1930 Marxists unanimously thought that the nationalization of production signified nothing by itself and that it received its true content from the character of political power. At this time, only the Stalinists had a different position. It was Trotsky who undertook to answer them, by writing:

The socialist character of industry is determined and secured in a decisive measure by the role of the party, the voluntary internal cohesion of the proletarian vanguard, the conscious discipline of the administrators, trade-union functionaries, members of the shop nuclei, etc. If we allow that this web is weakening, disintegrating, and ripping, then it becomes absolutely self-evident that within a brief period nothing will remain of the socialist character of state industry, transport, etc.<sup>30</sup>

This was written in July 1928. A few months later, Trotsky wrote again:

Is the proletarian kernel of the party, assisted by the working class, capable of triumphing over the autocracy of the party apparatus which is fusing with the state apparatus? Whoever replies in advance that it is *incapable*, thereby speaks not only of the necessity of a new party on a new foundation, but also of the necessity of a second and new proletarian revolution.<sup>31</sup>

As is well known, during this period Trotsky not only ruled out the possibility of a revolution in Russia—believing that a mere “reform” of the regime would be sufficient to remove the bureaucracy from power—but was resolutely against the idea of a new party, instead setting as his objective the rectification of the Russian CP.<sup>32</sup>

Finally, yet again in 1931, Trotsky said that the political features of power are what determines the working-class character of the Russian State.

The recognition of the present Soviet state as a workers’ state not only signifies that the bourgeoisie can conquer power only by means of an armed uprising but also that the proletariat of the USSR has not forfeited the possibility of subordinating the bureaucracy to it, of reviving the party again, and of regenerating the regime of the dictatorship—without a new revolution, with the methods and on the road of *reform*.<sup>33</sup>

We have provided numerous quotations at the risk of boring the reader because they reveal something carefully hidden by Trotsky’s epigones. For Trotsky himself, up until 1931, the character of the Russian economy was to be defined according to the character of its State. The Russian question boiled down to the question of the character of its political power.<sup>34</sup> For Trotsky at this time, it was the proletarian character of political power that gave a socialist character to statified industry. Despite its bureaucratic degeneration, the proletarian character of this political power was for him guaranteed by the fact that the pro-

letariat still could retake power and expel the bureaucracy through mere reform and without violent revolution. This criterion, we have said, is insufficient—or rather it is derivative and secondary. Nevertheless, it should be remembered that, at this time, Trotsky did not tie the question of the regime’s character at all to “State ownership.”<sup>35</sup>

It was only three years later<sup>36</sup> that Trotsky made an abrupt about-face, proclaiming both that (1) all reform in Russia henceforth is impossible, that only a new revolution will be able to chase the bureaucracy out and instaurate the masses in power, and that a new revolutionary party must be built, and that (2) the Russian regime continues to retain its proletarian character, as guaranteed by the nationalized ownership of the means of production. It was this position, jotted down amid innumerable contradictions in *The Revolution Betrayed*, that was from that time on the unassailable dogma of the Trotskyist tendency [see (b) in the Postface].

The hopeless absurdity of this position becomes glaringly apparent when one reflects for a moment upon the very term “nationalization.” “Nationalization” and “nationalized property” are anti-Marxist and antiscientific expressions. To nationalize means to give to the nation. But what is the “nation”? The “nation” is an abstraction; in reality, the nation is torn by class antagonisms. To give to the nation really means to give to the dominant class in this nation. Consequently, explaining that property in Russia has a “socialist” or proletarian character because it is nationalized is quite simply a vicious circle, a begging of the question: Nationalized property can have a socialist content only if the dominant class is the proletariat. The Trotskyists respond to this by saying that it is a priori certain that the proletariat is the dominant class in Russia since property is nationalized. It is deplorable, but it is so. They also respond by saying that the proletariat inevitably is the dominant class in Russia, since there are no private capitalists there and since there can be no other class, save the proletariat and the capitalists, in the present epoch. Marx, it seems, said something along these lines. He died in 1883 and lies in Highgate Cemetery in London.

We have seen that the form of State ownership does not determine the relations of production but is determined by them, and that it can express very well the relations of exploitation. It remains for us now to understand why this form appears at just this precise moment in history and under just these concrete conditions. In other words, after having understood the way in which the form of State ownership is a mystified form of economic reality, we must examine why it also is its adequate form. We will deal with this problem elsewhere, when we try to define the relationship between the Russian economy and the development of world capitalism. For the moment it suffices for us to say that this form of ownership as well as the class-based “planning” it renders possible are only the supreme and ultimate expressions of modern capitalism’s fundamental process—the concentration of the forces of production—a process they carry out in two ways: concentration of formal property ownership and concentration of the actual management of production.

5. We have seen that statification in no way is incompatible either with class domination over the proletariat or with exploitation, here in its most perfected

form. We can understand too—it will be shown in detail later on—that Russian “planning” has no less the same function: It expresses in a coordinated fashion the interests of the bureaucracy. This appears on the level of accumulation as well as on that of consumption, these two being, moreover, absolutely interdependent. With respect to its general orientation, the concrete development of the Russian economy under the domination of the bureaucracy differs in no way from that of a capitalist country: In place of the blind mechanism of value, it is the mechanism of the bureaucratic plan that assigns some specified portion of the forces of production to the production of the means of production and some other specified portion to the production of consumer goods. What guides the action of the bureaucracy in this domain obviously is not the “general interest” of the economy—a notion with no concrete or precise meaning—but rather its own interests. This is shown by the fact that heavy industry is oriented essentially toward the fulfillment of military needs—and, under present conditions and especially for a relatively backward country, this signifies that the entire productive sector needs to be developed; that the consumer-goods industries are oriented by the bureaucrats’ consumer needs; and that, in carrying out these objectives, laborers have to produce the maximum amount and cost the minimum amount. We see therefore that in Russia, stratification and planning only serve to advance the class interests of the bureaucracy and to aid in the exploitation of the proletariat, and that the essential objectives as well as the fundamental means (the exploitation of laborers) are identical to those of capitalist economies. In what respect, then, can this economy be characterized as “progressive”?

For Trotsky, the basic answer lies in a reference to the growth of Russian production. Russian production has quadrupled and quintupled in a few years, and this increase, says Trotsky, would have been impossible if private capitalism had been retained in the country. But if the progressive character of the bureaucracy follows from the fact that the latter develops the forces of production, then the following dilemma poses itself: Either the development of the forces of production, driven along by the bureaucracy, is, all things considered, a phenomenon of short duration and of limited extent, and therefore without historical importance; or, the bureaucracy is capable, in Russia (and in this case, also everywhere else), of assuring a new historical phase in the development of the forces of production.

For Trotsky, the second option of this alternative is to be categorically rejected. Not only is he convinced that the bureaucracy has no historical future, but he also states that in the case where a prolonged setback for the revolution would permit the bureaucracy to install itself in power for an enduring period of time, it “would be . . . a regime of decline, signaling the eclipse of civilization.”<sup>37</sup>

As for us, we agree completely with the essential content of this conception. There remains, therefore, the first option of the alternative: The development of the forces of production in Russia under the impetus of its bureaucracy is a phenomenon of short duration, limited extent, and, in short, without historical importance [see (c) in the Postface]. Indeed, this is the clear position of Trotsky, who does not stop here but instead points out—in a summary manner, to be

sure—a few of the factors that already make the bureaucracy “the worst brake upon the development of the forces of production.”<sup>38</sup>

But in this case it is obvious that every attempt to characterize the Russian economy as “progressive” automatically loses its basis. That the bureaucracy increased production between 1928 and 1940 by four or five times, while Japanese imperialism only doubled production during the same period, or the United States doubled production between 1939 and 1944, that it accomplished in twenty years what the bourgeoisie of other countries accomplished in forty or sixty certainly becomes from this moment on an extremely important phenomenon, meriting a specific analysis and explanation, but in the last analysis it does not differ qualitatively from the development of the forces of production that guaranteed capitalist exploitation for centuries and that it continues to guarantee during its period of decline.

### *The Relations of Production*

The result of twenty years of discussion on the “Russian question” has been to throw a thickly woven veil of mystery around the notion of the relations of production in general. Those who tried to combat this conception, which makes Russia into a “workers’ State” and turns its economy into a more or less socialist economy, generally have done so by starting with superstructural manifestations: counterrevolutionary character of Stalinist policy, police-state totalitarianism of the regime. On the economic level, one usually cites only the monstrous inequalities in income. All these points, which could have led to a radical revision of the current conception of the Russian regime if they had been developed appropriately, were considered in themselves, independently of all else, or erected as autonomous and ultimate criteria. This is what permitted Trotsky to triumph in these interminable discussions. He granted everything that one might desire. He just did not allow the following question to be posed: And what about the relations of production? Have they become capitalistic again? When? Are there private capitalists in Russia? His adversaries’ inability to pursue the discussion on this terrain through an analysis of the class character of the relations of production in Russia permitted Trotsky to remain master of the terrain after each confrontation [see (d) in the Postface].

Trotsky easily could have been dislodged from this apparently dominant position by asking him the following question: So then, these relations of production, what are they in general? What are they in the case of Russia? For it is obvious to those who know Trotsky’s work not only that he was always happy to brandish the magic weapon of the “relations of production” but also that he never went any further. Marx did not *talk about* capitalist relations of production: He analyzed them in depth for three thousand pages of *Capital*. One would seek in vain, in Trotsky’s writings, for just the beginning of a similar analysis. His most extensive work in this regard, *The Revolution Betrayed*, contains, in the guise of economic analysis, only a description of the material volume of Russian production, of income inequalities, and of the struggle for productivity in Russia. The rest is sociological and political literature, very often good literature,

but undermined by the lack of economic foundations, *by the lack, as a matter of fact, of an analysis of the relations of production in Russia.*

All that can be learned from Trotsky about the relations of production in general is this: (1) The relations of production are *not* the relations of distributing the social product, and (2) the relations of production have something to do with property forms. The first proposition is completely false, for the relations of production are also relations of distribution; more exactly, the distribution of the social product is a moment in the production process. The second is only partially true, for the whole question is precisely this: What is the connection between the relations of production and property forms? What is the relation between production and property, between economics and law? We have made our positions on these preliminary questions clear. We now must examine in a positive way what the relations of production are.

Several aspects of the relations of production must be logically distinguished.

Every relation of production is, in the first place and in an immediate way, an *organization* of the forces of production with a view toward the outcome of production. The forces of production are, on the one hand, labor itself, and, on the other hand, the conditions of labor, which can be reduced in the last analysis to past labor. The organization of the forces of production determines the goal of production at the same time as it is determined by it. Whether this organization of the forces of production occurs, so to speak, spontaneously and even blindly, as is the case in primitive societies, or whether it requires separate economic and social organs as is the case in advanced societies, it remains the first moment of economic life, the foundation without which there would be no production.

Likewise, however, every relation of production contains, both as presupposition and as consequence, a *distribution* of the outcome of productive activity, of the product. This distribution is necessarily determined by past and present as well as future production: At the start, there is distribution only of the product of production, and only under the form that production has given to this product; then, all distribution necessarily takes into account future production, for which it is the condition. On the other hand, the conservation, diminution, or extension of the community's existing wealth follows from the concrete ways in which products are distributed, from the fact that this distribution does or does not take into account the need to replace social reserves and worn-out tools or the need to increase them. Thus it can be said not only that all subsequent production is determined by the production that preceded it but also that future distribution is the factor determining the organization of current production.

Finally, production *qua* organization as well as production *qua* distribution are both based upon the appropriation of the conditions of production, i.e., upon the appropriation of nature, of nature as far as it is external to man's own body. This appropriation appears in a dynamic way in the power to have these conditions of production at one's disposal, whether the subject of this disposition is the community as an indistinct whole or it is the object of a monopoly run by a group, a category of people, or a social class.

Consequently, both the *organization (management)* of production itself and the *distribution* of the product are founded upon the *disposition* of the conditions of

production, and there we have the general content of the relations of production. The relations of production in a given period are manifested in the *organization (management)* of cooperation between individuals with a view toward the outcome of production and in the *distribution* of this product, starting from a given mode of *disposing* of the conditions of production.<sup>39</sup>

But in the relations of production, what is important is not the general notion, which follows from the simple analysis of the concept of social life, and which, in this sense, is a tautology, but rather the concrete evolution of the modes of production through the history of humanity.

Thus in primitive societies, where class division usually is absent, where the methods and the objective of production as well as the rules for distribution undergo only an extremely slow process of evolution, where people are ruled much more by the things they do not work on, the organization of production and distribution seems to result blindly from tradition and to reflect passively the legacy of the social past, the decisive influence of natural surroundings, and the peculiarities of the already acquired means of production. The organization of production still is not, in reality, distinct from material productive activity itself; cooperation is regulated much more by immediate spontaneity and habits than by objective economic laws or by the conscious action of society's members. The disposition of the conditions of production, man's appropriation of his own body and of the immediately surrounding natural world seem to happen by themselves; the tribe only becomes aware of these when it is faced with external conflicts with another tribe.

The first moment in the economic process, which seems to arise as an autonomous entity and of which the primitive society attains a distinct awareness, is the moment of *distributing* the product. This moment becomes, in general terms, the subject of a specific customary regulatory process.

With the division of society into classes a fundamental reversal takes place. In slave society, the disposition of the conditions of production, of the earth, of tools, and of people becomes the monopoly of a social class, of the dominant class of slave owners. This disposition becomes the subject of an explicit social regulatory process and quickly obtains the protection afforded by social coercion as organized by the State of slave owners. Simultaneously, the organization of production, the management of the forces of production, becomes a social function exercised by the dominant class in a natural way based upon its disposition of these forces of production. If slave society makes the disposition of the conditions of production and the management of production appear as moments separated from economic life—by making the first a directly social phenomenon, by showing that even this disposition that man has over his own body as a force of production cannot be taken for granted but rather is a product of a given form of historical life, and by erecting the organization and the management of production as a social function of a specific class—in compensation, it abolishes distribution as a specific moment since, in the slave economy, distribution, *qua* distribution of the product between the dominant class and the dominated class, is buried within production itself. The distribution of the product is completely hidden within the immediate and possessive productive relationship between

the master and the slave: to reserve a portion of the harvest for the seeds and another for the slaves is not a distribution of production, but rather immediately pertains to the organization of production itself. The preservation of the slave for the master does not have any economic meaning different than the preservation of livestock. As to the distribution of the product among the members of the dominant class themselves, this results, for the most part, from the initial distribution of the conditions of production, which is slowly transformed by the mechanism of exchange and by the embryonic appearance of a law of value.

In feudal society, which, in Western Europe at least, marks a period of historical regression in comparison to Greco-Roman slave society, the autonomous character of the disposition of the conditions of production is maintained. But here the function of the organization of production registers a setback. The lord acts as a manager only in an extremely vague and general sense: Once the division of labor in the estate and among the serfs is fixed, he is limited to commanding respect for himself. Likewise, the distribution of the product between lords and serfs is done, it could be said, once and for all: The serf owes some specified portion of the product, or some specified number of workdays to the lord. The static character of both the organization of production and of its distribution is only the consequence of the stationary position of the forces of production themselves during the feudal era.

In capitalist society, the different moments of the economic process reach full blossom and achieve an independent material existence. Here the disposition of the conditions of production, management and distribution, accompanied by exchange and consumption, emerge as entities capable of leading an autonomous existence, with each one becoming a specific object, a particular matter suitable for being reflected upon, a social force. But what makes the capitalists the dominant class in modern society is that, having the conditions of production at their disposal, they organize and manage production and appear as the personal and conscious agents of the distribution of the social product.

Generally, the following can be said.

1. The relations of production, in general, are defined by the mode of *managing* production (organization and cooperation of the material and personal conditions of production, definition of the goals and the methods of production), and by the mode of *distributing* the social product (which is intimately connected with management from several standpoints, and particularly from the standpoint of the distribution that results from the monopolization over the *capacity* to direct and earmark accumulation, which is interdependent with distribution). (We may add here that the relations of production are based upon *the initial distribution of the conditions of production*, the latter manifesting itself in the *exclusive disposition* over the means of production and over consumer objects. Such an exclusive right of disposition often manifests itself in juridical property forms, but it would be absurd to say that it coincides at every moment with these forms or that it is expressed there adequately and univocally (see the preceding section, point 2). One must never lose sight of the fact that this “initial” distribution of the conditions of production is constantly being reproduced, ex-

tended, and developed by the relations of production up until the moment these relations are revolutionized.)

2. *The class content* of the relations of production, founded upon the initial distribution of the conditions of production (monopolization of the means of production by a social class, constant reproduction of this monopolization), is manifested in the dominant class's management of production, and in the distribution of the social product in the dominant class's favor. The existence of surplus value or of surplus production defines neither the dominant class's character in the workings of the economy nor even the fact that the economy is based upon exploitation. But the appropriation of this surplus value by a social class by virtue of its monopoly over the material conditions of production suffices to define an economy as a class economy based upon exploitation; the ultimate destination of this surplus value, its distribution between accumulation and the dominant class's unproductive consumption, the earmarking of this accumulation itself, and the concrete mode of appropriating surplus value and distributing it among the members of the dominant class determine the specific character of the class-based economy and mark the historical differences among various dominant classes.

3. From the point of view of the exploited class, the class character of the economy is manifested in production in the narrow sense, through this class's reduction to the narrow role of executant and more generally through its human alienation, through its total subordination to the needs of the dominant class; and in distribution, through the dominant class's appropriation of the difference between the cost of the exploited class's labor power and the product of its labor.

### **Proletariat and Production**

Before grappling with the problem of the relations of production in Russia, we must begin with a summary analysis of the relations of production in capitalist and socialist economies.

We begin first with an analysis of production in the capitalist economy in order to facilitate understanding. Indeed, to begin this analysis with an analysis of capitalism signifies, on the one hand, to begin with the known, and, on the other hand, to allow ourselves to profit directly from the analysis of the capitalist economy presented by Marx, an analysis that approached as much as was possible the ideal of a dialectical analysis of a historical phenomenon. But to these reasons pertaining to method must be added one pertaining to substance, which is by far the most important: As will be seen, bureaucratic capitalism signifies only the extreme development of the most deep-seated laws of capitalism, which leads toward the internal negation of these very laws. It therefore is impossible to grasp the essence of Russian bureaucratic capitalism without connecting our examination of the essence of this system to that of the laws that regulate traditional capitalism.

Before tackling our subject we also must briefly sketch the structure of the relations of production in a socialist society. This is necessary not only in order to dissipate the effects of Stalinist mystifications on this subject and in order to

recall that socialism always has been understood in the workers' movement as something that has no connection either with Russian reality or with the idea of socialism as it is propagated by Stalinists. It is particularly indispensable because the apparent identity of certain economic forms—the absence of private property, the existence of planning, etc.—in socialism and bureaucratic capitalism makes it extremely instructive to compare these two regimes.

### *Capitalist Production*

We have seen that the relations of production express themselves in the *management* of production and in the *distribution* of the product and that their class content follows from the fact that the *disposition* of the material conditions of production is monopolized by a social group. We must now give concrete form to this idea in the case of capitalist production.

1. In capitalist society, the fundamental relation of production is the relation between employer and worker. In what way is this relation a class-based relation? In the following way: The economic and social position of these two categories of persons who participate in production is absolutely different. This difference is a function of their different relation to the means of production. The capitalist possesses the means of production (either directly or indirectly); the worker possesses only his labor power. Unless the means of production and labor power (i.e., dead labor and living labor) are brought together, production is not possible, and neither can the capitalist do without the worker nor the worker without the capitalist so long as the latter has at his disposal the means of production. From the point of view of exchange among “independent economic units,”<sup>40</sup> this coming together, the cooperation of dead labor and living labor,<sup>41</sup> takes the economic form of the worker's sale of his labor power to the capitalist. For the worker, it makes no difference that the buyer of his labor power is an individual employer, an anonymous company, or the State. What matters to the worker is the predominant position such buyers have because they have at their disposal social capital or a portion of it, i.e., not only the means of production in the narrow sense, but even society's consumption fund and also, in the end, the power of coercion—the State. It is the possession of social capital and State power that makes the capitalist class the dominant class in bourgeois society.

Let us see in what way this domination of capital over labor is expressed in the organization of production and in the distribution of the product.

2. We know that every relation of production is, in the first place and immediately, an organization of the forces of production with a view toward the results of production. In modern society, the productive relation presents itself, therefore, as an organization of cooperation among the forces of production, capital, and labor (dead or already completed labor and living or actual, current labor), of the conditions of labor itself, or, as Marx says, of the material conditions and the personal conditions of production. Living labor is immediately represented in its human form in the proletariat. Dead labor is represented in its human form in the class of capitalists only by virtue of its having been appropriated by this class.<sup>42</sup> What on the technical level appears as the cooperation

of actual, current labor and matter endowed with value by already completed labor takes the form on the economic level of a relation between labor power and capital, and on the social level it takes the form of the relation between the proletariat and the capitalist class. The organization of the forces of production with a view toward the results of production, both from the standpoint of the order imposed upon living labor and upon dead labor in their unchanging relations and from the standpoint of the coordination of efforts of a multitude of proletarians engaged in production (relations among the producers themselves and relations between the producers and the instruments of production)—this organization, inasmuch as it does not result blindly from the physical or technical conditions of production, is guaranteed not by the producers themselves but by the individuals who socially personify capital, by the capitalists.<sup>43</sup> In this organization it makes no difference, from the point of view we are adopting here, that a series of tasks is accomplished, at lower echelons, by a specific personnel staff not belonging (formally or in reality) to the capitalist class. Likewise, it makes no difference to us at the moment that these tasks are delegated more and more to this specific personnel staff and that we have here a deep-seated tendency of capitalist production. It suffices for us to state that, at the top echelon, either the capitalists or their directly delegated representatives make these fundamental decisions, give an orientation to this organization of the forces of production, and determine for this organization its concrete goal (nature and quantity of the product) as well as the overall means of attaining this goal (relation of constant capital to variable capital, rate of accumulation). It is obvious that these ultimate decisions are not made “freely” (and this is true in many senses: the objective laws of technique, economics, and social life are imposed upon the will of the capitalist, whose choice is buffeted back and forth between narrow limits, and even within these limits it is determined in the end by the profit motive). But insofar as human activity in general plays a role in history, these ultimate decisions are the level on which is manifested the economic activity of the capitalist class. This class’s economic activity can be defined as the relatively conscious expression of capital’s tendency toward unlimited self-expansion.

That these relations of production are class relations is therefore expressed in a concrete and immediate way by the fact that a group—or a social class—monopolizes the organization and the management of productive activity, the others being mere executants, at various echelons, of its decisions. This signifies that the management of production will be accomplished by capitalists or by their representatives according to their interests. From the point of view of the productive relation properly called, i.e., of the relation between living labor and dead labor with a view toward the results of production, this relation is regulated by the immanent laws of capitalist production, which the individual capitalist and his “directors” give expression to on the level of consciousness. These immanent laws are the expression of the absolute domination of dead labor over living labor, of capital over the worker. They manifest themselves insofar as they tend to treat living labor itself as dead labor, as they tend to make the worker merely a material appendage of the equipment, and as they tend to erect the point of view of dead labor as the unrivaled viewpoint dominating production.

On an individual scale, this is manifested through the complete subordination of the worker to the machine vis-à-vis the movements involved as well as the pace of work. Likewise, cooperation among workers occurs by starting out from the “needs” of the mechanical complex they serve. Finally, on the social scale, the principal manifestation of this subordination is the regulation of the recruitment and employment (and unemployment) of workers according to the needs of the mechanical universe.

3. But these relations of production exhibit a second and equally important feature: They are in a mediated way relations of exchange and hence relations of distribution.

Indeed, the result of separating the producers from the instruments of production (a fundamental fact of the capitalist era) is that the producers can participate in production—and hence can share in the distribution of the results of this type of production—only on the basis of the sale of the sole productive force they have in their possession, i.e., their labor power (which is completely subordinated to dead labor, due merely to the consequences of technical developments), and therefore only on the basis of the exchange of their labor power for a portion of the results of production. The monopoly exercised by those who purchase labor power over both the means of production and society’s consumption fund tends to ensure that the conditions for this exchange will be dictated by capitalists as concerns both the price of labor power as a commodity (wages) and the determinations of this commodity (length and intensity of the workday, etc.).<sup>44</sup>

Capitalist domination therefore is exerted equally in the domain of distribution. We must understand, though, exactly what this domination signifies and how the economic laws of capitalist society express themselves through the relationship between this society’s two fundamental classes [see (e) in the Postface].

The economic laws of capitalism require the sale of labor power “based on its value.” Being in effect a commodity in capitalist society, labor power has to be sold at cost. But what is its cost? Obviously, it is equivalent to the value of the products the worker consumes in order to live and to reproduce. But the value of these products is just as obviously the resultant of two factors: the value of each product taken separately and the total quantity of the products the worker consumes. The value of the labor power expended during a day can be one dollar, if the worker eats only a pound of bread, and if a pound of bread costs only a dollar. It can just as well be one dollar if the worker eats two pounds of bread, if each pound costs fifty cents. It also can be two dollars if the worker consumes two pounds of bread, with a pound costing a dollar. Under the rubric of the law of value, the economic analysis of capitalism lets us know the value of each product unit entering into the consumption pattern of the worker. It also lets us know the variations in this value. But the law of value in itself, in its immediate form, does not tell us anything, and cannot tell us anything, about the factors determining the greater or lesser quantity of products the working class consumes—what is usually called the working class’s “standard of living.” It is

clear, however, that without an exact definition of these factors, the application of the law of value to the sale of labor power becomes completely problematic.

This question did not escape Marx's attention. He provided three responses that, while they differ, are not incompatible. The working class's standard of living, he says in the first volume of *Capital*, is determined by historical, moral, and social factors.<sup>45</sup> It is determined, he says in *Wages, Price, and Profit*, by the relation of forces between the proletariat and the bourgeoisie.<sup>46</sup> It is, he says finally in the third volume of *Capital*, determined by the internal needs of capitalist accumulation and by the inexorable tendency of the capitalist economy to reduce the paid part of the working day to the very minimum under pressure from the falling rate of profit and from the growing crisis of the capitalist system.

Among these three factors there exists, on the one hand, a logical connection and, on the other hand, a historical order. All three factors operate constantly and simultaneously during the capitalist era and are in no way external to each other. Thus, these "historical, moral, etc., factors" can be boiled down to the combined results of past class struggle and of the action of capitalism's intrinsic tendency toward an ever greater exploitation of the proletariat. The severity of the class struggle itself is determined, among other things, by the degree of society's capitalist development and so on.

It is also true, however, that the relative importance of these factors varies through the development of history. Roughly speaking, the first factor represents to some extent the legacy of the past, which tends, in an ideal schema of capitalist development, to even out everywhere due to the combined effects of the expansion of the class struggle and of the universal concentration of capital. The class struggle itself does not operate in the same way at the beginning and at the end of the capitalist era. During capitalism's "ascendant period," i.e., so long as the effects of the falling rate of profit still do not make themselves felt in a pressing manner and so long as capitalism has not yet entered its phase of organic crisis, the relation of forces between the proletariat and the bourgeoisie can have a considerable influence upon the distribution of the social product; this is the period during which the success of "minimal" struggles can have a relatively considerable and long-lasting importance. In contrast, during the period of capitalism's death agony, not only does it become impossible for the dominant class to grant any new "concessions" to the proletariat, but this dominant class is obliged by the organic crisis in its economy to take back from the working class everything it allowed to be wrung from it during the preceding period. "Reforms" of all sorts become objectively impossible; society finds itself face-to-face with the dilemma of revolution or counterrevolution, whose economic expression, from the point of view of interest to us here, is the following: domination of production by the producers or absolute determination of their standard of living according to capital's need for maximum profits. It is fascism or Stalinism that undertakes (under different frameworks, as will be seen later) to accomplish this task during the period of the exploitative society's death agony. During this period, the class struggle has much less effect upon the distri-

bution of the social product between workers and bosses; its fundamental signification is to be found thereafter in the possibility of a complete overthrow of the system of exploitation. Its minimum outcome happens by force of circumstances to coincide with its maximum outcome; the struggle for the elementary necessities of life becomes directly the struggle for revolution and power. But as long as this revolution does not take place, it is capital's growing thirst for surplus value that determines more and more the working class's standard of living and hence the value of its labor power.

Nevertheless, these factors, taken as a whole, and the fluctuations in the value of labor power that result therefrom are of essential importance for determining historical tendencies, the lines of force of the development of living standards in a relatively long-term perspective. In a given period and for a given country, one can, as Marx says, consider the working class's standard of living, and hence the value of its labor power, as fixed.

This value, considered stable on the whole, is realized in the capitalist economy, like every other value, only through the necessary mediation of the market, of a relatively "free" market—which implies a supply and a demand for the commodity "labor power." This market not only is the necessary condition for adjusting the price of labor power to its value, it is above all the necessary condition for the notion of the "working class's standard of living" to have any signification whatsoever; otherwise, the capitalists would have the unlimited opportunity of determining this standard of living solely in accordance with the internal needs of the apparatus that produces surplus value. This limitation, moreover, is founded not so much on individual competition between sellers and buyers of labor power as on the possibility of the workers' limiting, overall and en masse, the supply of labor power at any given moment by a strike. In other words, it is the fact that the working class is not completely reduced to slavery that, as it gives an objective consistency to the notion of the "working class's standard of living," and thereby to the value of labor power, allows the law of value to be applied to the fundamental commodity in capitalist society, labor power. Just as the universal concentration and monopolization of the forces of production would render the law of value meaningless, so the complete reduction of the working class to slavery would empty the notion of "the value of labor power" of all content.

4. In conclusion, the inherent exploitation of the capitalist system is based on the fact that the producers do not have the means of production at their disposal, either individually (artisans) or collectively (socialism), and that living labor, instead of dominating dead labor, is dominated by it through the intermediary of the individuals who personify it (the capitalists). The relations of production are relations of exploitation under both their aspects: i.e., *qua* the organization of production properly called as well as *qua* the organization of distribution. Living labor is exploited by dead labor in production proper since its viewpoint is subordinated to that of dead labor and is completely dominated by the latter. In the organization of production, the proletarian is entirely dominated by capital and exists only for the latter. He is also exploited in the process of distribution, since his sharing [*participation*] in the social product is regulated

by economic laws (expressed by the employer on the level of consciousness) that define this participation, not on the basis of the value created through the power of labor, but according to the value of this labor power. These laws, which express the profound tendency of capitalist accumulation, bring the cost of producing labor power more and more down toward a “physical minimum.”<sup>47</sup> By lowering the price of commodities necessary for the subsistence of the worker, increases in labor productivity already tend to reduce the portion of the social product distributed to the proletariat. But the expression “physical minimum” ought not to be taken in a literal sense; a “physical minimum” is, properly speaking, indefinable.<sup>48</sup> What should be understood by this phrase is the tendency toward reducing the relative real wages of the working class.

### *Socialist Production*

We must now understand briefly how the fundamental productive relation takes shape in a socialist society [see (f) in the Postface].

1. In a socialist society, the relations of production are not class relations, for each individual finds himself related to the entire society—of which he is himself an active agent—and not with a specific category of individuals or social groupings endowed with economic powers of their own or having, in whole or in part, the means of production at their disposal. The differentiation of these individuals, due to the persistence of the division of labor, does not entail a class differentiation, for it does not entail different relations to the productive apparatus. If, as an individual, the laborer still is obliged to work in order to live, as a member of the commune he participates in determining the conditions of work, the orientation of production, and the compensation of labor. It goes without saying that this is possible only through the complete realization of the workers’ management of production, i. e., by the abolition of the fixed and stable distinction between directors and executants in the production process.

2. The distribution of the consumable social product retains the form of exchange between labor power and a part of the product of labor. But this form has a completely inverted content, and thereby the “law of value completely changes with respect to its form and its substance,” as Marx says.<sup>49</sup> We would say rather that this law is now completely abolished.

As Marx made clear long ago, the remuneration of labor in a socialist society can only be equal to the quantity of labor the laborer supplies to society, less a portion intended to cover society’s “overhead expenses” and another portion intended for accumulation. But this already prevents us from speaking any longer in this case about the “law of value” as applied to labor power, for this law would require that the *cost* of labor power be given in exchange for this labor power, and not the value added to the product by living labor. That the relation between labor supplied to society and labor recovered by the worker in the form of consumable products is neither arbitrary nor spontaneously determined by the scope of individual needs (as in the higher phase of communism), but is rather a regulated relation, does not signify in the least that we encounter here a “different law of value.”

First of all, let us inquire as to its form. We no longer have a necessary and blindly realized social law that cannot be transgressed even by the very nature of things. It is a “conscious law,” i.e., a norm regulating the distribution of products that the producers impose upon themselves and upon those who are recalcitrant, a norm whose application must be supervised and whose transgression—which is always a possibility—must be punished. In capitalist society, the law of value expresses an objective economic order. In socialist society, it will be a juridical norm, a rule of law.

As to its substance, the following may be said: If the laborer is not paid the “value of his labor power” but rather in due proportion to the value he added to the product, i.e., if “the same amount of labor he has given to society in one form he receives back in another,”<sup>50</sup> we have here the complete reversal, the absolute negation of the law of labor value. For in this case, what is taken as the criterion for this exchange no longer is the objective cost of the exchanged product measured in labor time; what is paid to the laborer no longer is the “value of his labor power” at all but rather the value produced by his labor power. Instead of being determined by its cause (if we may call the cost of producing labor power its cause), the compensation of labor power is determined by the latter’s effect. Instead of having no immediate relation to the value it produces, labor power is compensated on the basis of this value. After the fact, the compensation of labor power can appear as the exact equivalent of the “value of labor power” since, if the latter is determined by the “standard of living” of the laborer in the socialist society, the “standard of living” is determined by “wages.” The laborer not being able to consume more than he receives from society, an equivalence between what he receives from society and the “cost of producing” his labor power can be established after the fact. But it is obvious that we find ourselves in this case in a vicious circle: “The application of the law of value” is reduced in this case to a simple tautology consisting of an explanation of the standard of living by “wages” and “wages” by the standard of living. Once rid of this absurdity, it becomes clear that the value produced by labor now determines “wages” and hence the standard of living itself. In other words, labor power no longer takes the form of an independent exchange value but solely the form of a use value. Its exchange is now regulated on the basis not of its cost but of its utility, expressed by its productivity.

3. One last explanation is necessary. It concerns the celebrated question of “bourgeois right in socialist society.”

The principle according to which each individual in socialist society receives back from this society “in another form . . . the same amount of labor he has given to society in one form,” this “equal right” was characterized by Marx as “unequal right . . . therefore as bourgeois right.” Around this phrase, a system of mystifications has been built up by the Trotskyists, as well as by the advocates of the Stalinist bureaucracy, in order to prove that socialist society is founded upon inequality and *therefore* that the “inequality” existing in Russia does not demolish the “socialist” character of the relations of production in that country. We have already said that “inequality” in no way signifies “exploitation” and that in Russia, it is not the “inequality” in the compensation of labor but rather

the *appropriation* of the proletarians' labor by the bureaucracy, therefore the *exploitation* of the former by the latter, that is in question. This simple remark ends the discussion on the substance of the question. Nevertheless, a more extensive examination of the problem would be profitable.

In what way, according to Marx, is socialist society's mode of compensating labor "bourgeois"? Obviously, it is so only metaphorically. If it were so literally, socialist society would be nothing more and nothing less than a society of exploitation. If society paid laborers only the "value of their labor power," and if a specific social category appropriated the difference between this value and the value of the product of labor—it is in this, as has been seen, that bourgeois distribution consists—we would find ourselves faced with a reproduction of the capitalist system. How far Marx was from such an absurdity is proved by the sentence with which he closes his exposition of "bourgeois right." In capitalist society, he says,

the elements of production are so distributed . . . [that] the present-day distribution of the means of production results automatically. If the material conditions of production are the cooperative property of the workers themselves, then there likewise results a distribution of the means of consumption different from the present one. Vulgar socialism (and from it in turn a section of the democracy) has taken over from the bourgeois economists the consideration and treatment of distribution as independent of the mode of production and hence the presentation of socialism as turning principally on distribution.<sup>51</sup>

But this metaphorical expression has a deep significance. This right is a "bourgeois right" because it is an "unequal" right. It is unequal because the compensation of workers is unequal; indeed, this compensation is proportional to each person's contribution to production. This contribution is unequal because individuals are unequal, that is to say, different; if they were not unequal, they would not be distinct individuals. They are unequal both from the point of view of their capacities as well as from the point of view of their needs. Consequently, by rendering to each "the same amount of labor as society received from him," society exploits no one; but it no less allows the "natural" inequality of individuals to continue, as this results from the inequality of capacities and needs of each person. If to the unequal numbers four, six, and eight, I add equal amounts, I maintain inequality. I maintain it still more if I add to these same numbers unequal amounts proportional to their magnitude. I can achieve equality only by adding unequal amounts so that the result of their addition would be everywhere the same. But in order to do this, on the social plane, I no longer can use as my basis the value produced by labor. On this basis I never would be able to make individuals equal. There is but one basis upon which the "equalization" of individuals would be possible: It is the complete satisfaction of the needs of each person. The only point at which two individuals can become equal is the point at which both are fully satisfied. Then it can be said that "the result of the addition is everywhere the same," since we have achieved the same result everywhere: the complete satisfaction of needs. Only in the higher stage of commu-

nist society can this satisfaction of needs be obtained for its members. Till then, the inequality of individuals will continue, all the while growing progressively less marked.

Marx also expresses this idea in another, equally characteristic way: This right is bourgeois because “in its content, it is founded upon inequality, like every right.”<sup>52</sup> By its nature, right can be exercised only when one uses an identical equivalent. Such an equivalent can be applied to individuals only through the use of an abstraction, which itself does violence to what is the particular essence of each individual, i.e., to what gives him his specific and unique characteristics.

It therefore may be easily understood that the “inequality” of which Marx speaks has nothing to do with the crass apologia the bureaucracy has tried to make with these ideas as their point of departure. Between this “inequality” and bureaucratic exploitation there is the same relation as there is between socialism and concentration camps.

### **Proletariat and Bureaucracy**

#### *General Characteristics*

Let us now examine the fundamental relation of production in the Russian economy. This relation exhibits itself, juridically and formally, as a relation between the worker and the “State.” As we know from sociology, however, the juridical “State” is an abstraction. In its social reality, the “State” is first of all the set of persons that makes up the State apparatus in all its political, administrative, military, technical, economic, and other branches. Before all else, therefore, the “State” is a bureaucracy, and the relations of the worker with the “State” are in reality relations with this bureaucracy. We have limited ourselves here to recording a fact: the stable and irremovable character of this bureaucracy as a whole. It has this character, not from an internal point of view (i.e., not from the standpoint of real or possible “purges” or of other such dangers facing the individual bureaucrat), but from the standpoint of its opposition to the whole of society, i.e., from the fact that there is straightaway a division of Russian society into two groups: those who are bureaucrats and those who are not and never will become bureaucrats. This fact, which goes hand and hand with the totalitarian structure of the State, deprives the mass of laborers of any possibility of exerting even the most minimal amount of influence over the direction of the economy and of society in general. As a result, the bureaucracy as a whole has the means of production completely at its disposal. We will have to return later to the sociological signification of this power and to the class character of the bureaucracy.

By the mere fact that a part of the population, the bureaucracy, has the means of production at its disposal, a class structure is immediately conferred upon the relations of production. In this connection, the absence of capitalistic “private property” plays no part. Having the means of production at its collective disposal, having the right to use, enjoy, and abuse these means (being able to build

factories, tear them down, contract them out to foreign capitalists, having their product at its disposal, and determining how production will proceed therein), the bureaucracy plays vis-à-vis Russia's social capital the same role that the major stockholders of a joint-stock company play vis-à-vis the capital of this company.

Two social groups therefore find themselves face-to-face: the proletariat and the bureaucracy. These two groups enter into determinate economic relations as regards production. These relations are class relations insofar as the two groups' relationship to the means of production is totally different: The bureaucracy has the means of production at its disposal, the proletariat has nothing at its disposal. The bureaucracy has at its disposal not only machinery and raw materials but also the society's consumption fund. The worker consequently is obliged to "sell" his labor power to the "State," i.e., to the bureaucracy, but this sale assumes a special character, to which we will return soon. In any case, through this "sale" the indispensable coming together of the workers' living labor with dead labor (the market for which has been cornered by the bureaucracy) is achieved.

Let us examine more closely this "sale" of labor power. It is immediately evident that the possession of the means of production and the means of coercion, the factories and the State, confers upon the bureaucracy a predominant position in this "exchange" process. Just like the capitalist class, the bureaucracy dictates its conditions in the "labor contract." But the capitalists hold sway economically within very precise limits defined by the economic laws regulating the market, on the one hand, and the class struggle, on the other. Is it the same for the bureaucracy?

It clearly is not. No objective obstacle limits the bureaucracy's possibilities for exploiting the Russian proletariat. In capitalist society, Marx says, the worker is free in a juridical sense, and he adds, not without irony, in every sense of the term. This freedom is first of all the freedom of the man who is not shackled by a fortune, and as such it is equivalent, from a social point of view, to slavery, for the worker is obliged to labor to avoid starvation, to labor wherever work is given to him and under conditions imposed upon him. However, his juridical "freedom," while serving all along as an enticement into the system, is not devoid of significance, either socially or economically. It is this "freedom" that makes labor power a commodity that can, in principle, be sold or withheld (by striking), here or elsewhere (by availing oneself of the possibility of changing firms, towns, countries, etc.). This "freedom" and its consequence, the intervention of the laws of supply and demand, allow labor power to be sold under conditions not dictated exclusively by the individual capitalist or his class as a whole, but rather under conditions that are also determined to an important degree, on the one hand, by the laws and the state of the market, and, on the other hand, by the relation of forces between the classes. We have seen that during capitalism's period of decadence and organic crisis this state of things changes and that, in particular, the victory of fascism allows capital to dictate imperatively to the workers their working conditions. We will return to this question later, but it suffices for us to remark here that a large-scale, lasting victory for

fascism would certainly lead not only to the transformation of the proletariat into a class of modern-day industrial slaves but also to profound structural transformations of the economy as a whole.

In any case, it can be stated that the Russian economy finds itself infinitely closer to this model than to the one of the competitive capitalist economy when it comes to the conditions for “selling” labor power. These conditions are dictated exclusively by the bureaucracy; in other words, they are determined solely by the internal need to increase the surplus value of the productive apparatus. The expression “sale” of labor power has no real content here: Without mentioning what is actually called “forced labor” in Russia, we can say that the “normal,” “free” Russian laborer does not have his own labor power at his disposal in the sense that the worker in the classical capitalist economy has his labor power at his disposal. In the overwhelming majority of cases, the worker can leave neither the enterprise where he works, nor his town, nor his country. As for strikes, it is well known that the least grave consequence is deportation to a forced-labor camp. Domestic passports, labor passes, and the MVD<sup>53</sup> make all job transfers and changes of work impossible without the consent of the bureaucracy. The worker becomes an integral part, a piece of the equipment of the factory in which he works. He is attached to the enterprise more rigidly than is a serf to the land; he is attached to it as a screw nut is to a piece of machinery. Henceforth, the working class’s standard of living can be determined—along with the value of its labor power—solely as a function of the dominant class’s accumulation and unproductive consumption.

Consequently, in the “sale” of labor power, the bureaucracy unilaterally and without any possible discussion imposes its conditions. The worker cannot even formally refuse to work; he has to work under the conditions imposed upon him. Apart from this, he is sometimes “free” to starve and always “free” to choose a more interesting method of suicide.

There is therefore a class relationship in the production process, and there is exploitation as well. Moreover, this specific type of exploitation knows no objective limits. Perhaps this is what Trotsky meant when he said that “bureaucratic parasitism is not exploitation in the scientific sense of the term.” For our part, we thought we knew that exploitation in the scientific sense of the term lies in the fact that a social group, by reason of its relation to the production apparatus, is in a position both to manage productive social activity and to monopolize a portion of the social product even though it does not directly participate in productive labor or else it takes a share of this product beyond the degree of its actual participation. Such was slave-based and feudal exploitation, such is capitalist exploitation. Such also is bureaucratic exploitation. Not only is it a type of exploitation in the scientific sense of the term, it is still quite simply a scientific kind of exploitation, the most scientific and the best organized kind of exploitation in history.

To note the existence of “surplus value” in general certainly does not suffice to prove the existence of exploitation, nor does it help us understand how the economic system functions. It was pointed out a long time ago that, to the extent that there will be accumulation in socialist society, there also will be “surplus

value,” or in any case a gap of some sort between the product of labor and the income of the laborer. What is characteristic of a system of exploitation is the use of this surplus value and the laws that regulate it. The basic problem to be studied in the Russian economy or in any class-based economy is to be found in how this surplus value is distributed into funds for accumulation and funds for the dominant class’s unproductive consumption as well as in the character and orientation of this accumulation and its internal laws. But before we grapple with this problem, we ought to examine the limits of exploitation, the real rate of surplus value, and the evolution of this exploitation in Russia as well as begin to examine the laws regulating the rate of surplus value and its evolution, understanding that the definitive analysis of these laws can only be made in terms of the laws of accumulation.

### *The Limits of Exploitation*

In formal terms it can be said that the determination of the rate of “surplus value” in Russia rests upon the arbitrary will, or rather the discretionary power, of the bureaucracy. In the classical capitalist regime, the sale of labor power is formally a contract, whether it is arrived at by individual or by collective bargaining. Behind this formal appearance we discover that neither the capitalist nor the worker is free to discuss and to set on their own the conditions for this labor contract. In fact, through this juridical formula the worker and the capitalist only give expression to economic necessities and express the law of value in a concrete way. In the bureaucratic economy, this “free” contractual form disappears: Wages are set unilaterally by the “State,” i.e., by the bureaucracy. We will see that the will of the bureaucracy obviously is not “free” in this case, as nowhere else. Nevertheless, the very fact that the setting of wages and working conditions depends upon a unilateral act of the bureaucracy on the one hand enables this act to express the bureaucracy’s interests in an infinitely more advantageous way, and on the other hand ensures that the objective laws regulating the determination of the rate of “surplus value” will be fundamentally altered by it.

The extent to which the bureaucracy has discretionary power over the overall determination of wages and working conditions immediately raises an important question. If we assume it tends to pursue maximum exploitation, to what extent does the bureaucracy encounter obstacles in its efforts to extort surplus value? To what extent are there limits to its activity as an exploiter?

As we have shown, the limits resulting from the application of the “law of value” in a competitive capitalist economy cannot exist in a bureaucratic economy. Within this economic framework (where there is no labor market and no opportunity for the proletariat to resist), the “value of labor power”—in short, the Russian working class’s standard of living—becomes an infinitely elastic notion subject almost to the whims of the bureaucracy. This has been demonstrated in a striking manner since the inception of the “five-year plans,” i.e., ever since the economy became completely bureaucratized. Despite the enormous increase in national income following the onset of industrialization, a huge drop in the masses’ standard of living has come to light. This drop in working-

class income obviously goes hand in hand with an increase both in accumulation and in bureaucratic income.<sup>54</sup>

One might suppose that there would be some inevitable “natural” limitation imposed upon bureaucratic exploitation, as dictated by a laborer’s “minimum physiological” standard of living, i.e., the elementary needs of the human organism. Actually, notwithstanding its unlimited willingness to go on exploiting, the bureaucracy is constrained to allow the Russian worker two square yards of living space, a few pounds of black bread a month, and some rags of clothing as needed for the Russian climate. But this restriction does not signify much. First, this physiological limit itself is surpassed often enough, as is shown by such manifestations as prostitution among the workers, systematic stealing from the factories and everywhere else, etc. On the other hand, having at its disposal about twenty million workers in concentration camps on whom it spends practically nothing, the bureaucracy controls a considerable mass of manpower free of charge. Finally, what is most important, nothing is more elastic than the “physiological limit” of the human organism—as has been demonstrated by the recent war, even to those who might have doubted it. Experience has shown (both in the concentration camps as well as in the countries that suffered most under the occupation) how thick a man’s skin is. In another connection, the high productivity of human labor does not always require recourse to a physiologically taxing reduction in the standard of living.

Another apparent limitation on the bureaucracy’s efforts at exploitation seems to result from the “relative scarcity” of certain types of skilled labor. If such a limitation were real, it certainly would be obliged to take the problem of skilled labor shortages into account. Consequently, so the argument goes, it would have to regulate wages in these branches of work according to the relative shortage of these types of skilled labor. But this problem, which affects only certain types of work, will be examined later, for it directly concerns the creation of semiprivileged or privileged strata and as such it touches much more upon the question of bureaucratic income than on that of the working class’s income.

### *The Struggle over Surplus Value*

We have said that the class struggle cannot interfere directly with the setting of wages in Russia, given that the proletariat as a class has been bound from head to foot, that it is impossible to strike, etc. Nevertheless, this in no way means either that the class struggle does not exist in bureaucratic society or, in particular, that it does not have any effect upon production. But its effects here are completely different from the effects it can have in classical capitalist society.

We will limit ourselves here to two of its manifestations, which are tied, more or less indirectly, to the distribution of the social product. The first of these is theft— theft of objects directly pertaining to productive activity, theft of finished or semifinished goods, theft of raw materials or machine parts—insofar as it assumes massive proportions and insofar as a relatively large proportion of the working class has made up for their terribly inadequate wages with proceeds from the sale of such stolen objects. Unfortunately, a lack of information pre-

vents us at this time from detailing the extent of this phenomenon and consequently its social character. However, to the degree that this phenomenon has grown to any significant extent, it obviously expresses a class reaction—subjectively justified but objectively a dead end—that tends to alter the distribution of the social product to a certain extent. It appears that this was especially the case between 1930 and 1937.<sup>55</sup>

The second manifestation we might mention here is an “active indifference” toward the results of production, an indifference manifested on both quantitative and qualitative levels. Production slowdowns, even when they do not take a collective, conscious, and organized form (a “work slowdown” strike), but rather retain an individual, semiconscious, sporadic, and chronic character, already are, in capitalist production, a manifestation of working-class reaction against capitalist overexploitation, a manifestation that becomes increasingly important as capitalism can react to the crisis resulting from the falling rate of profit only by increasing relative surplus value, i.e., by intensifying more and more the pace of production. For reasons to be examined later that are in part analogous and in part different, the bureaucracy is obliged to push this tendency of capitalism to the maximum in the area of production. It is therefore understandable how the overexploited proletariat’s spontaneous reaction would be to slow the pace of production to the extent that police-state coercion and economic constraints (piece-rate wages) allows them to do so. The same goes for product quality. The bewildering amount of bad workmanship in Russian production, and particularly its chronic character, cannot be explained merely by the “backwardness” of the country (which might have played a role in this connection at the start, but which already before the war no longer could be seriously taken into consideration) or by bureaucratic disorder, notwithstanding the increasing scope and character of this latter phenomenon. Conscious or unconscious bad workmanship—the incidental fraud, if it may be called that, committed when it comes to the results of production—only gives material expression to the attitude of the worker who faces a form of economic production and a type of economic system he considers completely foreign and, even more than this, fundamentally hostile to his most basic interests.

It is impossible, though, to end this section without saying a few words about the more general significance of these manifestations from the historical and revolutionary point of view. While these are subjectively sound class reactions that cannot be criticized, their objectively retrograde point of view nevertheless ought to be understood in the same light as, for example, we view desperate workers in the early capitalist era smashing machines. In the long run, if the class struggle of the Soviet proletariat is not afforded a different way out, these reactions can only bring with them this class’s political and social degradation and decomposition. Under the conditions of the Russian totalitarian regime, however, this different outcome obviously cannot be built upon battles that are partial with respect either to their subject or to their object (like strikes for wage demands, which have been rendered impossible under such conditions), but only upon revolutionary struggle. We will return later at great length to this ob-

jective coincidence of minimal and maximal goals, which also has become a fundamental characteristic of the proletarian struggle in capitalist countries.

These reactions lead us to raise another problem, one that is fundamental for the bureaucratic economy: the problem of the contradiction found in the very term “complete exploitation.” The tendency to reduce the proletariat to a simple gear in the productive apparatus, as dictated by the falling rate of profit, can only bring along with it a terrible crisis in the productivity of human labor. The only possible result is a reduction in the volume, and a lowering of the quality, of production itself, i.e., the accentuation, to the point of paroxysm, of the crisis factors of an exploitative economy. We will merely indicate this problem here, and will examine it at great length later [see (g) in the Postface].

### *The Distribution of Consumable National Income*

It is clearly impossible to undertake a rigorous analysis of the rate of exploitation and the rate of surplus value in the Russian economy today. Statistics concerning the income makeup and the living standards of various social groups, or statistics from which these figures could be deduced, ceased being published for the most part immediately after the five-year plans began to be written, and the bureaucracy systematically hides all the relevant data both from the Russian proletariat and from world opinion. From this fact alone we may infer on a moral basis that this exploitation is at least as grievous as it is in capitalist countries. But we can arrive at a more exact calculation of these figures based upon general data known to us that the bureaucracy cannot hide.

Indeed, we can arrive at some sure results based upon the following data: the bureaucracy’s percentage of the population and the ratio of the average bureaucrat’s income to that of the average laborer’s income. Obviously, such a calculation can only be approximate, but as such it is indisputable. There is also another way in which the challenges and protests of Stalinists and crypto-Stalinists are inadmissible: Let them ask the Russian bureaucracy first for the publication of verified statistics on this matter. The matter can be discussed with them afterward.

Concerning first of all the bureaucracy’s percentage of the population, we refer to Trotsky’s calculation in *The Revolution Betrayed*.<sup>56</sup> Trotsky gives figures ranging between 12 and 15 percent and up to 20 percent of the whole population for the bureaucracy (state functionaries and upper-level administrators, managerial strata in firms, technicians and specialists, managerial personnel for the kolkhozy, Party personnel, Stakhanovites, non-Party activists, etc.). Trotsky’s figures have never yet been contested. As Trotsky pointed out, they were calculated giving the bureaucracy the benefit of the doubt (i.e., by reducing its size) in order to avoid arguments about secondary points. We will retain the average result of these calculations, granting that the bureaucracy constitutes approximately 15 percent of the total population.

What is the average income of the laboring population? According to official Russian statistics, “the ‘average’ wage per person, if you join together the director of the trust and the charwoman, was,” as Trotsky observes,<sup>57</sup>

about 2,300 rubles in 1935, and was to be in 1936 about 2,500 rubles. . . . This figure, very modest in itself, goes still lower if you take into consideration that the rise of wages in 1936 is only a partial compensation for the abolition of special prices on objects of consumption, and the abolition of a series of free services. But the principal thing is that 2,500 rubles a year, or 208 a month, is, as we said, the *average* payment—that is, an arithmetic fiction whose function is to mask the real and cruel inequality in the payment of labor.

Let us pass over this repugnant hypocrisy of publishing “average wage” statistics (imagine if, in a capitalist country, the *only* statistics published concerned average individual income and then one tried to make judgments about the social situation in this country based upon this average income!) and let us retain this figure of 200 rubles a month. In reality, the minimum wage is only 110 to 115 rubles a month.<sup>58</sup>

What now of bureaucratic income? According to Bettelheim, “Many technicians, engineers, and factory directors are paid 2,000 to 3,000 rubles per month.”<sup>59</sup> Speaking later on of even “higher salaries” that are, however, “less common,” he cites income figures ranging from 7,000 to 16,000 rubles a month (160 times the base wage), which movie stars and popular writers can easily earn. Without going to the heights of the political bureaucracy (president and vice-presidents of the Council of the Union and the Council of Nationalities receive 25,000 rubles a month, 250 times the base wage: This would be equivalent in France to 45 million francs a year for either the president of the Republic or the president of the Chamber, if the minimum salary is 15,000 francs<sup>60</sup> a month; in the United States, if the minimum wage is 150 dollars a month, it would be equivalent to 450,000 dollars a year for the president. The latter, who only receives \$75,000 a year, ought to envy his Russian colleague, who has an income comparatively six times higher than his. As for Mr. Vincent Auriol,<sup>61</sup> who receives only 6 million francs a year, i.e., 13 percent of what he would receive if the French economy were “collectivized,” “planned,” and “rationalized,” in a word, truly progressive, he appears to be a poor relation indeed), we will confine ourselves just to deputies’ pay, “which is 1,000 rubles a month, plus 150 rubles a day when meetings are held.”<sup>62</sup> If it is assumed that there are ten days of meetings in a month, these figures yield a sum of 2,500 rubles a month, i.e., twenty-five times the lowest wage and twelve times the “theoretically average wage.” According to Trotsky, average Stakhanovites earn at least 1,000 rubles a month (this is precisely why they are called “the thousands”), and some of them earn even more than 2,000 rubles a month, i.e., ten to twenty times the minimum wage.<sup>63</sup> Taken as a whole, these estimates are more than confirmed by the data in Kravchenko;<sup>64</sup> his information establishes that the highest figures given here are extremely modest and should be doubled or tripled to arrive at the truth concerning money wages. Let us emphasize, on the other hand, that we are not taking into account perquisites and indirect or “in kind” benefits granted to bureaucrats, which as such (in the form of houses, cars, services, special health

care, well-stocked and even better-priced buying cooperatives) are at least as important a part of the bureaucracy's income as its cash income.

Therefore, a ratio between average working-class and bureaucratic incomes of 1 to 10 may be used as the basis of our calculations. Doing this, we really will be acting on the bureaucracy's behalf, since we will take the "average wage," as provided by Russian statistics, of 200 rubles, which includes a significant proportion of the bureaucracy's income in this index of *working-class* wage levels for 1936, and since we also will take 2,000 rubles a month (the least high figure cited by Bettelheim) as the *average* income for the bureaucracy. Indeed, we would be justified in taking 150 rubles a month as the average worker's wage (i.e., the arithmetic mean of the minimum salary of 100 rubles and the "average wage," which includes the bureaucracy's salaries as well) and at least 4,500 rubles a month as the average salary for the bureaucracy, which we arrive at if the "standard" salary of engineers, factory managers, and technicians—which Bettelheim indicates to be 2,000 to 3,000 rubles a month—is added to an equal amount of services from which the bureaucracy benefits as a result of their position, but which are not contained in their salaried income. This would yield a ratio of 1 to 30 between the average worker's wage and the average bureaucrat's salary. The ratio is almost certainly even greater. Nevertheless, we will base the calculations we make in the remainder of this essay upon these two bases, retaining only those figures that are the least damning for the bureaucracy, i.e., those based upon a ratio of 1 to 10.

If we suppose, therefore, that 15 percent of the population has an income ten times higher than the rest of the population, the ratio between the total incomes of these two strata of the population will be  $15 \times 10 : 85 \times 1$ , or  $150 : 85$ . The consumable social product is therefore distributed in this case in the following manner: 63 percent for the bureaucracy, 37 percent for the laboring population. This means that if the value of consumer products annually is some 100 billion rubles, 63 billion is consumed by the bureaucracy (which makes up 15 percent of the population), leaving 37 billion rubles worth of products for the other 85 percent.

If we now want to take as a more realistic basis for our calculations the ratio of 1 to 30 between the average worker's income and the average bureaucrat's income we arrive at some startling figures. The ratio between the total incomes of the population's two strata will be in this case  $15 \times 30 : 85 \times 1$ , or  $450 : 85$ . In this case, the consumable social product therefore will be distributed in a ratio of 84 percent for the bureaucracy and 16 percent for the laboring population. Based upon an annual production valued at 100 billion rubles, 84 billion will be consumed by the bureaucracy and 16 billion by the laboring population. Fifteen percent of the population will consume 85 percent of the consumable product, and 85 percent of the population will have the other 15 percent of this product at their disposal. We can understand therefore why Trotsky himself ended up writing, "In scope of inequality in the payment of labor, the Soviet Union has not only caught up to, but far surpassed, the capitalist countries!"<sup>65</sup> Still we should point out that it is not a matter of the "payment of labor"—but we will return to this.

*Simple Labor and Skilled Labor*

For all of Stalinism's apologists, and even for those who, like Trotsky, persisted in seeing in the structure of the bureaucratic economy a solution, perhaps an erroneous one but imposed by historical circumstances, to the problems of "the transitional economy," the distinction between simple and skilled labor, as well as the "scarcity" of the latter, serves as a convenient basis for explaining and (in the case of avowed Stalinists) justifying bureaucratic exploitation. This is also the case with Mr. Bettelheim, this discreet advocate of the bureaucracy whose arguments we will often have to check up on in the course of this chapter [see (h) in the Postface].

At the beginning of his book, *Les Problèmes théoriques et pratiques de la planification* (*The Theoretical and Practical Problems of Planning*, throughout which this honorable economist constantly—and consciously—oscillates between the exposition of the problems of a "purely planned economy" and those of the Russian economy), Mr. Bettelheim tells us his methodological hypothesis concerning the remuneration of labor.

To simplify our exposition, we have hypothesized the existence of a "free market" for labor with a wage differential designed to help orient workers toward the various branches of industry and toward various skills in conformity with the exigencies of the plan.

"But nothing," he adds,

prevents one from thinking that, at a certain stage in the development of planning, there might be a tendency toward equalization of wages, substituting vocational guidance and nonpecuniary stimulants (greater or lesser duration of the workday) for the effects of wage differentials.<sup>66</sup>

Thus, *in the absence of another explanation*, the reader will see in this "purely" economic goal (guiding the worker toward the various branches of production in conformity with the exigencies of the plan) *the essential cause* of the monstrous differentiation of incomes in Russia. In noting the rather unrefined subtlety of this method, we should point out what Mr. Bettelheim does not tell us. He does not say, "Here is the cause of such a differentiation in incomes." Indeed, he prefers to say nothing about the concrete causes and character of the present differentiation of incomes in Russia. This "Marxist" is delighted to talk on and on for 334 pages about all aspects of "Soviet planning" except those social aspects that relate to its class character. But as he says on the other hand, in a "purely" planned economy one should assume "a wage differential designed to help orient the workers," and, incidentally, "nothing prevents one from thinking that, at a certain stage in the development of planning," this differential might be replaced by vocational guidance, a longer or shorter workday, etc. A "scientific" foundation thus is offered straightaway to the careless reader as well as the malicious propagandist. Mr. Bettelheim has displayed to us such maliciousness himself in articles written in the *Revue Internationale* when he explained to us

that the Russian bureaucracy's "privileges" resulted from the backward character of the country and, more generally, from the irrepressible economic laws governing the transitional economy.

We who, as sordid materialists, not only have this terrible deformity that keeps us from being interested in the ethereal problems of "pure planning" and "the transitional economy *überhaupt*," but also want to know about concrete social reality in Russia, have tried to deduce from Mr. Bettelheim's transcendental principles a concrete explanation for income differentiation in Russia. We may conclude that wage differentials are necessary to guide workers toward branches of production with respect to which they show themselves to be especially recalcitrant or toward skills they show themselves to be little disposed to acquire, that such manifestations are frequent and natural in a "transitional economy that has inherited a low level of productive forces," and that they can be surmounted later on with the aid of this policy of wage differentials.

Nevertheless, at first sight this picturesque description hardly appears persuasive to us and we begin to suspect in this instance too the decisive influence of "special historical reasons" (perhaps analogous to those that have guided Russian planning, as Mr. Bettelheim confesses, to set as its goal not "the attainment of maximum economic satisfaction" but "to a certain extent (?) the realization of maximum military potential"). Special historical reasons, no doubt, and, who knows, the Slavic soul might play an important part. For, after all, what can be observed in Russia is that the jobs toward which no one, in the rest of the world, would feel a particular aversion are compensated at a much higher rate: a factory manager, for example, or a president of a kolkhoz, a colonel or a general, an engineer or a director of a ministry, a State minister or a glorious deputy peoples' commissar, etc. Therefore, it remains for us only to suppose that the Russians, with their well-known masochism and their Dostoyevskian self-punishment complex, loathe pleasant, comfortable, showy (and well-paid) "travails" and are irresistibly attracted by the smell of peat, the collecting of garbage, the heat of blast furnaces and that, in order to succeed, after great difficulties, in persuading a few of them to be factory managers, for example, they had to be promised exorbitant salaries. Why not, after all? Tolstoy, was he not a pure-blooded Great Russian who himself fled his princely mansion to go die as a down-and-out character in some monastery?

But if these little jokes are not to your liking, we will be obliged to point out, at the very least:

1. That income differentiation in Russia has nothing to do with the pleasant or disagreeable character of work (to which Mr. Bettelheim clearly alludes when he speaks about "the greater or lesser duration of the work-day"), but rather with the fact that jobs are paid in inverse proportion to their level of disagreeableness and arduousness;
2. That, as concerns the "shortage of skilled labor," we do not accept being referred, twenty years after planning has begun, to the "low level of productive forces inherited from the past" and that we ask at least to see how this shortage itself and the income differentiation supposedly resulting therefrom have developed over the years;

3. That we ought also to examine the general effect of wage differentials upon this shortage. In short, we refuse to be brought back from Marx to Jean-Baptiste Say, Bastiat, and the other “harmonists” and to believe that the mere existence of a given income finds its natural and necessary justification in the play of supply and demand.

The problem of the objective basis for differentiating incomes owed to labor, based upon the specific character of the work in question (i.e., the problem of variations in the price and value of labor power concretized in a specific productive activity) on the one hand, and that of the stable and permanent “recruitment” of a labor force in the various branches of production on the other hand, is raised not only in a planned economy but in every economy that presupposes an extensive social division of labor (i.e., one that has surpassed the stage of being a natural economy). We will now grapple with the general features of these two problems, beginning with their resolution in the capitalist economy, in order to examine them afterward in a socialist economy and in its antipodes, the Russian bureaucratic economy.

According to Marx, and as is well known, the law of value is applicable to the commodity “labor power” itself. Everything else being equal (for a given country, a historical period, a standard of living, etc.), the difference between the value of two specific, concrete labor powers boils down to the different “production costs” of each specific labor power. Roughly speaking, this “production cost” includes actual training expenses, which are its least important part, and *training time*, or, more exactly, the nonproductive period of time used up by the laborer in question before entering the production process. This time has to be “amortized” over the productive life of the laborer: In capitalist society, this occurs not under the rubric of “reimbursement” for educational and training expenses by the worker to his parents but rather under the rubric of reproducing the same (or another similar) type of labor power, i.e., by the fact that the laborer in turn raises children and, assuming mere reproduction, by the fact that they are raised in the same number and at the same level of skills.

Therefore, if we suppose that the price of labor power coincides with its value, we easily discover that wage differences in capitalist society vary within quite narrow limits. Indeed, let us take the two extreme cases, that of a manual laborer whose job requires no training and who begins work at age thirteen, who consequently has to amortize over the remainder of his life twelve years of unproductive living, and that of a doctor, who completes his studies at age thirty and who must amortize over the remainder of his life thirty years of unproductive living. Let us suppose that the two workers in question have to stop working at age sixty, and let us leave aside the problem of their support during the last years of their lives. If we grant, more arbitrarily, that the cost of supporting an individual during childhood and old age is the same, and taking as a unit price the cost of production of the labor power spent during a year of old age, the value of one year of labor power for the manual laborer will be  $1 + 12/48$ , whereas for the doctor it will go up to  $1 + 30/30$ . Therefore, if the law of value operates in full here, the difference in wages between the manual worker with no skills and the worker with the highest degree of skills possible will be  $60/48$  to

60/30, or less than double (1.25 to 2). In reality it ought to be less, for the arbitrary assumption we made in setting the “production cost” of a year of childhood as equal to a year of old age favors the skilled worker. If a smaller cost for childhood years is taken as our basis, we arrive, as can easily be seen, at an even narrower spread.

But we are leaving this factor aside in order to compensate for not having taken into account actual training expenses (education costs, books or personal tools, etc.). As we have already said, the importance of these expenses is minimal, for even in the case of the most costly training (university education) they never exceed 20 percent of the individual’s total expenses.<sup>67</sup>

In fact, in the actual workings of capitalist society, things happen in a quite different manner: Various factors, all of them tied in point of fact to the *class structure* of this society, come into play, which here, as everywhere else, overdetermine the “pure” economy. Among the most important of these factors are:

1. The different “historically given” standards of living of diverse groups;
2. The ruling strata’s conscious predilection for a pyramidal income structure arising out of work, for reasons we will analyze later;
3. Above all, the “well-to-do” classes’ monopoly over education, a monopoly that expresses itself in a great number of ways, but already in its truest and most crass form it is expressed through the insurmountable difficulty of laying out an initial “capital investment” for educating or training the child of a working-class family.

Nevertheless, even within this class framework, the main trends of economic development have in the long run predominated. Wage differences between the manual proletariat and the intellectual proletariat, for example, have been considerably reduced, and, in certain cases, they even have fallen short of the differences imposed by the law of value (cf. teachers, and clerical workers in general in France). In so-called civilized countries, the general tendency is expressed through the relative superabundance of intellectual workers.

Concerning the second point, i.e., the stable recruitment of specific types of workers in different branches of production, there is no need at all to refer to a separate economic principle in order to provide an explanation: In general, we may say that the law of numbers explains as well as guarantees stable recruitment. A philistine might be surprised that there are always a sufficient number of people who “agree” to be garbage collectors, despite the distasteful character of this occupation and its lower-than-average pay; the convergence of an infinity of individual exploitative processes and alienation in capitalist society normally suffices to assure this result, which otherwise would be miraculous.

Let us assume nevertheless that an “irregularity” crops up. In principle, price mechanisms will intervene to reestablish the “normal” state of affairs: A moderate increase in wages for underpopulated branches of work will bring back the required labor power, which in turn brings about a similar drop in pay in the branch or branches that are relatively saturated. These variations will affect only the price of labor power and in no way its value because, in themselves, they in no way will modify the cost of producing this labor power. This even ex-

plains the limited character, as concerns the amount and the duration, of such price variations of labor power.

On the other hand, much more complex mechanisms come into play where the "shortage" in a specific type of labor power affects a labor force in need of greater skills, one requiring, in a word, a partial new "production" of its labor power. Additional production of such a labor force encounters other obstacles, essentially that of a preliminary expenditure of resources by people who have at their disposal neither capital nor the possibility of borrowing any. First, a larger increase in the prices of these types of labor power will see to it that a part of the demand for this type of work is eliminated and that the balance existing between supply and demand is assured. Second, considering that it is impossible for the working class to have at its own disposal the initial capital needed to achieve an additional production of skilled labor power, capitalist society will be obliged to devote an (obviously minimal) part of its surplus value to the production of this additional labor power (vocational schools, scholarships, etc.). The extremely small amount of money the bourgeoisie spends for this purpose shows the narrow character and very limited scope of such cases in a relatively developed capitalist society.

This is what is involved in the case of capitalist production. Now we must look at the problem within the framework of a socialist economy. Let us assume—as Mr. Bettelheim wants us to—that this society consciously applies the law of value and that, moreover, it does so with *its capitalist form and content* (an assumption that, as concerns the comparison with the case of Russia, favors its bureaucracy). That is to say, it gives to laborers not, as Marx said in "Critique of the Gotha Programme," an equivalent amount in another form of the labor that these laborers furnished to society less the necessary deductions (i.e., less, basically, the amounts intended for accumulation) but rather an amount equivalent to the value of their labor power, that is, as a "pure" capitalist enterprise pays them. (We will see later the internal contradictions involved in this solution, which, nevertheless, is Mr. Bettelheim's self-acknowledged theoretical premise.) As we saw earlier, in this instance the maximum "economically necessary" differences between salaries would be at the most 1 : 2 (in reality, as we have seen, it would be less). No factors affecting the functioning of this law would come into play: The monopoly over education would be abolished, society would have no reason to heighten the differentiation of incomes, but every reason to diminish this differentiation, and, finally, the "specific standard of living handed down from the past" among the various branches of production would not be taken into consideration (as will be seen, this did not play a role in the case of Russia, where one proceeded to create anew an elevated standard of living for privileged strata).

Now, what about the possibility of a "shortage" of labor power in certain branches of production? As we have already indicated, *it is not* a differentiation in pay that assures in capitalist society the stable recruitment of labor power in different branches in the proportions necessary for each branch. We shall review the three principal cases in which such a "shortage" can arise.

The first case concerns jobs that are particularly arduous, disagreeable, or

unsafe. It does not seem to us that this case will pose a particularly difficult problem to resolve in the socialist economy. On the one hand, it is of a limited extent, and, on the other hand, the socialist economy will inherit this situation from capitalist production, in which the problem is already as a general rule resolved. In any case, society will have to offer to the laborers in these branches some sort of compensation, basically in the form of a shorter workday, and subsidiarily in the form of higher-than-average pay. Already today—in any case, in France and the United States—miners' wages are raised above the average wage for branches requiring a similar level of skills. This excess amount does not, however, surpass 50 percent of the average wage.

The second case concerns a temporary shortage that certain branches might experience on occasion, taking the form of a shortage in nonskilled labor power or, generally speaking, a shortage that can be overcome by a simple transfer of laborers without requiring a retraining of the existing labor force. Here a pecuniary "stimulant" would be indispensable for a certain period of time in order to restore balance; a reduction in the duration of work would be inconsistent in this case with the goal to be attained. But this increase would remain within narrow enough limits—variations of 10 to 20 percent being amply sufficient, as the example from the capitalist economy shows—to lead to the desired result.

There remains the third case, which is of a relatively different order, of a much more general import, and of a particular interest for the Russian example. This is the case of types of work requiring a more or less significant amount of skill. It is a problem of a different order, for we no longer are talking about the distribution of the existing labor force among various branches of production but rather of the very production of its labor power. It is a problem of a much more general import because it is closely related to the political, cultural, and human problems of transitional society. It is, finally, a problem of a particular interest for the discussion of the Russian case itself, since the most explicit justifications of the Stalinist bureaucracy its apologists offer us rest upon the celebrated "shortage of trained staff [*cadres*]" in Russia and in the transitional society in general.

First of all, it is more than improbable that a postrevolutionary society could find itself facing a shortage of skilled workers *for a lengthy period of time* and affecting production as a whole or a significant part of it: The least that can be said is that it is a matter here of achieving a production objective (the production of a labor force with concretely specified duties and qualifications) similar to other such objectives (production of the means of production or of subsistence, improvement of the soil, etc.). We have here a *derivative* as opposed to originary factor in production, the production of which boils down merely to an expenditure of simple, interchangeable [*fongible*] labor. We reject categorically and in their entirety bourgeois and fascist "arguments" (which are readily taken up again today by Stalinists) concerning the original and irreducible scarcity of advanced forms of labor, which would thus supposedly justify higher pay. We are in full accord with Marx and Lenin in saying that in present-day society there exists in profusion the raw material required for the production of all advanced forms of labor, in the form of a superabundance of individuals equipped with

the necessary inclination and capacities. Starting from this base, socialist society will view the treatment of this raw material as an objective of production to be attained within the framework of its overall plan, requiring of course production expenses to be charged to society. To this objective a socialist society will have to pay particular attention and, if it can be said, give an absolute priority, once the general social, political, and cultural implications of the problem have been taken into consideration.

As concerns recruitment in these branches, the fact that the jobs in question have an increased value consequently ensures that compensation will be up to double the base wage, and the fact that, on the other hand, such jobs are much more attractive by their very nature—to say nothing of the revolution's presumed capacity to detect in the proletariat a host of capable individuals previously stifled by capitalist exploitation—amply suffices to guarantee the success of such recruitment efforts. But if we suppose that, despite everything, there is a persistent shortage in certain—or in all—professional branches, it would be completely absurd to suppose that a socialist society would be able or be willing to resolve this problem by boosting wages even higher in these branches. Such excessive pay raises would bring about no immediate results. For, as opposed to what occurs when a similar problem crops up among various branches of production—thus necessitating the transfer of all available interchangeable labor power (this transfer can be brought about, as we said, merely by varying the price of labor)—a simple labor force cannot be transformed into a skilled labor force overnight, nor even in one or two years, by the mere fact that it is offered higher pay (which indeed, in any case, it already would have been offered). Later on, we will be able to ask whether “the adjustment of supply and demand,” which might bring about such an increase, is real and above all whether it is rational from the point of view of a socialist economy.

But could such overcompensation bring about the desired result in the long term? Would it not lead to a host of individuals acquiring the requisite qualifications, encouraged by the prospect of a higher income? It clearly would not. We have indicated first of all that the motives capable of encouraging individuals to acquire the skills in question exist independently of a pay increase above the standard level. It is even clearer that this—fundamentally bourgeois—procedure can only result in a skewed selection from the standpoint of qualifications: It would not be the most apt who would be directed toward the specialized branches in question but rather those who would be able to cover the initial expense.

And this leads us to the heart of the problem. The absurdity of this method, as it concerns the production of a skilled labor force, lies in the following fact: Increasing the pay of this labor force does not alter the fundamental factors involved in this problem, which remains posed in the same terms as before. This is so because for the son of the manual laborer who has the ability and the desire to become an engineer, but lacks the means, the problem is changed in no respect by the fact that he is told, “Once you are an engineer, you will have a magnificent salary.” Before the infinite reservoir of human possibilities stands the

dam of the lack of economic means, an impassable barrier for nine-tenths of all individuals.

It is obvious, consequently, that just as the socialist society does not rely upon the “spontaneity of the market” to take care of its other needs, this society no longer can rely on such “spontaneity” for the production of a skilled labor force. It will administer a rational plan, based upon vocational guidance and a systematic policy of selecting and developing the most apt individuals. To carry out such a policy it will require substantially fewer resources than the social expenditures that would be involved in boosting skilled worker’s salaries, as can easily be ascertained.

Let us now see how the problem occurs within the framework of Russian bureaucratic society. Let us say straight off that in drawing up this antithetical parallel, our intention is not in the least to oppose Russian reality to the mirage of a “pure” society, however socialist it may be, or to provide recipes for a future socialist kitchen, but rather to lay down a barrage against the bare-faced lies of those who, positively or through a subtle combination of affirmations and omissions, of empty talk and periods of silence, try cynically and shamefully to justify bureaucratic exploitation through “Marxist” economic arguments.

First of all, what are the facts? According to the figures Mr. Bettelheim himself cites (figures that are well known from other sources and can be confirmed by a host of data from the most varied authorities), “the range of salaries” in Russia runs from 100 rubles a month at the base for the simple manual worker to 25,000 rubles for the summits of the state bureaucracy. This was so in 1936. The latter amount, indeed, absolutely is not an exception or unrelated to other incomes, since, according to Mr. Bettelheim, “many technicians, engineers and factory directors get 2,000 to 3,000 rubles per month, this being twenty to thirty times more than the poorest paid workers”;<sup>68</sup> he also says here that other groups occupy intermediary echelons, with incomes of 7,000, 10,000, or 15,000 rubles a month.

We therefore find ourselves standing before a pyramid of incomes running from 1 to 250, if only monetary wages are taken into account. If “social” wages—which, “far from compensating for them (these inequalities), increase them, for these (“social wages”) mostly benefit those who receive the highest salaries”<sup>69</sup>—are taken into account, the distance between the base and the summit of this income pyramid would easily double. Let us nevertheless make a present to the bureaucracy of its “social wage” and retain the *official* figure of 1 to 250, which is amply sufficient for what we are trying to prove.

What are the “objective” arguments aimed at “justifying” or “explaining” this enormous disparity?

First, the value of labor power ought to differ according to the degree of specialization. We will not belabor this point: We have just shown that a differentiation based upon the difference in value of labor power can only range within limits going at most from a single amount to double that amount. That is to say, from the point of view of the law of value as it was conceived by Marx, the higher strata of Russian society benefit from incomes of 10, 15, and up to 125 times higher than those the value of their labor power would necessitate.

Second, the incomes of “skilled workers” (from now on, we will have to put this entirely theoretical expression in quotation marks) had to be raised above their value in order to attract into these professions the workers lacking there.

But why the devil is there a dearth of these kinds of workers? On account of the arduous, unsafe, or disagreeable character of the types of jobs in question? Not at all. We have never heard anyone say that in Russia there was a lack of hands for this kind of work. If that indeed is what was lacking, the “labor camps and reeducation camps” (read: concentration camps) would be (and actually are) there to remedy the situation. In fact, the best paid jobs obviously are the least arduous, the most comfortable, and (the possibility of purges excepted) the least dangerous that can be found. No, these jobs on the whole are jobs for “trained staff,” and the problem is promptly reduced by the bureaucracy and its advocates to the “shortage of trained staff.” But we have shown already that faced with the possibility of a similar shortage, raising the pay of categories experiencing “scarcity” is no help at all, for it alters in no way the particulars of the problem. How else, indeed, can one explain the fact that after twenty-five years of bureaucratic power this “shortage of trained staff” persists and is becoming more marked, unless it is looked at in terms of the constant widening of income ranges and the permanent accentuation of privileges? Here is an amply sufficient illustration of what we have said about the absurdity of this procedure that supposedly is intended to mitigate the dearth of trained staff. In particular, how else can one explain the fact that, since 1940, the bureaucracy has brought back heavy tuition expenses for secondary education [see (i) in the Postface]? Even though it has adopted this policy of exorbitant income differentiation in order to “resolve the problem of a dearth of trained staff”—one knows not why this policy has been adopted (or rather one knows only too well why)—it clearly has not precluded itself (or rather it has not at all absolved itself) in the least from trying to increase, through centralized means, the production of the kinds of skilled labor power in question here. Beyond this, the bureaucracy (which by itself alone consumes at least 60 percent of Russia’s national consumable income under the pretext of “mitigating the dearth of trained staff”) prevents those who are the sole concrete hope for overcoming this dearth (i.e., all those who are not children of bureaucrats) from acquiring those skills about whose scarcity the bureaucracy is always bitterly complaining! Just one-tenth of the income swallowed up by the bureaucratic parasites would suffice in five years to bring forth a historically unprecedented superabundance of trained staff, *if* it were earmarked for the education of the people.

Far from remedying the dearth of trained staff, as we have said, this differentiation of incomes in reality only increases it. We encounter here the same sophism found in the problem of accumulation: The historical justification of the bureaucracy supposedly is to be found in Russia’s low level of accumulation, whereas in fact the bureaucracy’s unproductive consumption and its very existence are the principal brakes put on the process of accumulation. Likewise, the bureaucracy’s existence and its privileges supposedly are justified by the “dearth of trained staff,” when in fact this bureaucracy consciously acts to maintain this dearth! Thus the bourgeois go around all the time talking about

how the capitalist regime is necessary because the workers are incapable of managing society, without adding at any point that there is no other reason for this alleged "incapacity" other than the conditions to which this system itself condemns the workers.<sup>70</sup>

During the first postrevolutionary years, when higher pay was offered to "specialists" and technicians, it was a matter first of all of retaining a large number of trained staff who otherwise would have tried to flee, basically for political reasons. Later on, it was a matter of a purely temporary measure intended to allow workers to learn from them<sup>71</sup> and to win time in order for the training of new staff to yield results. But that was thirty years ago. What we have seen since is the "self-creation" of privileges by and for the bureaucracy, the accentuation of the former, the crystallization of the latter, and the "castification" of its strata, i.e., the preservation of the socially dominant position of these strata through a de facto monopoly over education. This monopoly over education goes hand in hand with the complete concentration of political and economic power in the hands of the bureaucracy and is connected with a conscious policy oriented toward selecting a stratum of privileged people in every field. Such a stratum is economically, politically, and socially dependent upon the bureaucracy proper (a phenomenon of which the most astonishing example is the creation ex nihilo of a monstrous kolkhoz bureaucracy, once agriculture was "collectivized"). This policy was topped off with a trend toward intense stratification in every field, presented under the ideological mask of the "struggle against egalitarian cretinism."

In summary, we find ourselves faced with a differentiation of incomes absolutely without any relation either to the value of labor power furnished or to a policy "designed to orient workers toward the various branches of industry and toward various skills in conformity with the exigencies of the plan." How then can we characterize those who have recourse to economic arguments in order to justify this state of affairs? Let us say simply that with respect to bureaucratic exploitation they are playing the same role of shabby apologists as Bastiat had been able to play opposite capitalist exploitation.

It will perhaps be said that this is their right. Most incontestably so, we would respond. But in doing so, it is not their right to present themselves as "Marxists." For after all, it cannot be forgotten that arguments that justify the incomes of exploiting strata by the "scarcity" of a factor of production that these strata have at their disposal (interest by the "scarcity" of capital, ground rent by the "scarcity" of land, etc. — bureaucratic incomes by the "scarcity" of skilled labor) have always been the basis of bourgeois economists' arguments aimed at justifying exploitation.

For a revolutionary Marxist, however, these kinds of reasons do not justify anything. They do not even explain anything, for their own premises themselves demand an explanation. In allowing, for example, the "scarcity" (or the supply and demand) of cultivatable land to "explain" ground rent and its fluctuations, one wonders: (1) upon what general foundations does this system regulated by supply and demand rest; what are its social and historical presuppositions; and (2), above all, why must this rent, which plays this allegedly objective role, be

transformed, be “subjectivized” into the income of a social class, of the landowners? Marx and Lenin have already observed that the “nationalization of the land,” i.e., the suppression not of ground rent but of its transformation into income of a social group, is the ideal capitalist claim; indeed, it is obvious that the bourgeoisie, even if it admits in principle that ground rent acts as a means “of balancing supply and demand in the use of nature” and of eliminating from the market “nonsolvent needs,” does not understand why this charge ought to benefit landowners exclusively, seeing that, for the bourgeoisie, no monopoly is justified save for the one it itself has over capital. Obviously, this ideal bourgeois claim is never lodged, for general political reasons first of all, and in particular on account of the rapid merger of the capitalist classes and landowners. All the same, this theoretical example proves that even if this “scarcity” is admitted in principle as a regulating principle of the economy—in reality, it is merely a reactionary mystification—the distribution of the revenue resulting from this “scarcity” to certain social categories in no way can be deduced therefrom. This was understood even by the “neosocialist” school, which tried to uphold both the regulative character of the “scarcity” of goods and services and, at the same time, the allotment to society of the resulting revenues.

In the case before us, none of these “explanations” concerning the “scarcity of skilled labor in Russia” either justifies or explains the bureaucracy’s appropriation of the revenues allegedly resulting from it, *except if one refers to the class character of the Russian economy*, i.e., to the monopoly the bureaucracy has over the conditions of production in general, and over the production of skilled labor in particular. When the class structure of Russian society has been understood, everything is explained and everything even is “justified” in one stroke. But this justification—similar to the one that can be given historically to the capitalist regime and, in a word, even to fascism—does not go very far. It ends where the exploited class’s possibility of overthrowing the exploitative regime begins—whether this regime calls itself the “French Republic” or the “Union of Soviet Socialist Republics”—a possibility whose only test is revolutionary action itself.

### Notes

1. In connection with this, Trotsky has contributed the most—with no one else being his equal on account of the immense authority he enjoyed in anti-Stalinist revolutionary circles—toward maintaining this confusion within the vanguard of the working class. His erroneous analysis of Russian society continues to exert an influence that has become positively pernicious to the extent that it continues to be maintained with infinitely less seriousness and semblance of scientific underpinnings by his epigones. Let us note again the influence that certain free-lance Stalinists like Mr. Bettelheim—usually considered “Marxist,” for the great amusement of future generations—exert due to the fact that they dress up their apologia for the bureaucracy in a “socialist” jargon.

2. For the reformers of the bureaucratic regime, it is a matter quite frankly of preserving the “good side” (the relations of production, which are “at bottom socialist”) and of eliminating the “bad side” (unequal distribution, bureaucratic parasitism). (Cf. K. Marx, “The Poverty of Philosophy,” in *MECW*, vol. 6, pp. 167ff.) Here is how Engels criticized the similar efforts of the late Herr Dühring: “. . . production wealth, the good side; . . . distribution wealth . . . the bad side, away with it! Applied to the conditions of today, this runs: The capitalist mode of production is quite good and can remain, but the capitalist mode of distribution is no good and must be abolished. Such is the nonsense which comes of writing on economics without even having grasped the con-

nection between production and distribution” (F. Engels, *Anti-Dühring. Herr Eugen Dühring’s Revolution in Science*, trans. Emile Burns, ed. C. P. Dutt [New York: International Publishers, 1939], p. 206).

3. “The question of what this is could have been answered only by a critical analysis of ‘*political economy*,’ embracing the totality of those property relationships, not in their juridical expression as relations of volition but in their *real form, that is, as relations of production*. . . . (Proudhon) entangled the totality of these economic relationships in the general notion of ‘property’ ” (K. Marx, Letter to Johann Baptist von Schweitzer [in Berlin], London, January 24, 1865, in *The Letters of Karl Marx*, selected and trans. with explanatory notes and an intro. by Saul K. Padover [Englewood Cliffs, N.J.: Prentice-Hall, 1979], p. 192; our emphasis).

4. Trotsky, *The Revolution Betrayed*, ch. 9 (New York: Pathfinder Press, 1972).

5. “It is clear, firstly, that the exchange of activities and abilities which takes place within production itself belongs directly to production and essentially constitutes it. The same holds, secondly, for the exchange of products, insofar as that exchange is the means of finishing the product, and making it fit for direct consumption. To that extent, exchange is an act comprised within production itself. Thirdly, the so-called exchange between dealers and dealers is by its very organization entirely determined by production, as well as being itself a producing activity. . . . Exchange in all its moments thus appears as either directly comprised in production or determined by it” (K. Marx, “Introduction to the Critique of Political Economy,” in *Grundrisse: Foundations of the Critique of Political Economy*, trans. Martin Nicolaus [New York: Vintage, 1973], p. 99).

6. *Ibid.*, pp. 90-94.

7. *Ibid.*, p. 95. (See also *Capital* [New York: International Publishers, 1967], vol. 3, pt. 7, ch. 51, pp. 878-83.)

8. Marx, *Grundrisse*, pp. 96-97.

9. *Ibid.*, pp. 99-100.

10. K. Marx, *Capital*, vol. 2, pt. 1, ch. 1, p. 31; pt. 3, ch. 19, p. 389; vol. 3, pt. 7, ch. 48, pp. 824ff.; F. Engels, *Anti-Dühring*, pp. 294ff.

11. L. Trotsky, *In Defense of Marxism*, 2nd ed. (New York: Pathfinder Press, 1973), p. 6.

12. *The Revolution Betrayed*, p. 51.

13. *Ibid.*, p. 113.

14. *Ibid.*, p. 249.

15. Marx, Preface to *A Contribution to the Critique of Political Economy*, in *MESW*, pp. 182-83 (our emphasis).

16. See “The Proletarian Revolution and the Renegade Kautsky,” *LSWONE*.

17. See Marx, Letter to Johann Baptist von Schweitzer, pp. 192ff.

18. Engels, “Engels to Schmidt . . .,” in *MESW*, p. 697 (our emphasis).

19. Trotsky had pointed out that the Hitlerian regime had changed nothing formally in the Weimar Constitution and that “juridically” Hitler could be overthrown at any moment by a vote of the Reichstag. See *The Revolution Betrayed*, p. 270.

20. See *State and Revolution*, in *LSWONE*, “The Proletarian Revolution and the Renegade Kautsky,” etc.

21. *Capital*, vol. 1, pt. 2, ch. 6, p. 193-95.

22. Cf. K. Marx, “Critique of the Gotha Programme,” *MESW*, p. 325.

23. Engels, *Anti-Dühring*, p. 304.

24. Lenin, “Resolutions of the Sixth Congress of the R.S.-D.L.P.,” in *LCW* (New York: International Publishers, 1932), vol. 20-1, p. 302.

25. *The Revolution Betrayed*, pp. 245-48.

26. Lenin, *ibid.*, p. 88. See also *LCW* (Moscow: Progress Publishers, 1980), vol. 24, p. 305.

27. *Theses, Resolutions and Manifestos of the First Four Congresses of the Third International* (New York: Humanities Press, 1980), p. 30. [T/E: This paragraph, which we have altered slightly for purposes of standardization, comes from the “Manifesto of the Communist International to the Workers of the World” (written by Trotsky), March 6, 1919.]

28. Lenin, “‘Left-Wing’ Childishness and the Petty Bourgeois Mentality,” *LSWONE*, p. 443-44. [T/E: Castoriadis’s quotation omits a parenthetical swipe Lenin made against “Menshevik blockheads.”]

29. See the article, "Socialisme ou Barbarie," in the first issue of this review, pp. 34-37 [T/E: i.e., the beginning of the preceding essay].

30. L. Trotsky, *The Third International after Lenin* (New York: Pathfinder Press, 1970), p. 300.

31. L. Trotsky, Letter to Borodai, published in *New International*, 1943, p. 124 [reprinted since then as "Our Differences with the Democratic Centralists," in Max Shachtman, *The Bureaucratic Revolution: The Rise of the Stalinist State* (New York: Donald Press, 1962), p. 97].

32. See Trotsky's letter to Borodai and all his writings of this period.

33. L. Trotsky, "The Problems of Development of the USSR," in *Writings, 1930-31* (New York: Pathfinder Press, 1973), p. 225.

34. It was Max Shachtman who first showed that Trotsky had advanced his theory concerning the "socialist" character of nationalized property only after 1932 (see *New International*, 1943). It should be noted that Shachtman incorrectly characterizes the conception that Trotsky had defended till then as "Trotsky's first theory": This conception was just the Marxist movement's general conception, as we have shown, and not at all a theory of Trotsky's. But Shachtman cannot say this, for, in this case, he would have to give his own account of the problem of State capitalism.

35. Let us recall that most of Russian industry was nationalized by 1918, as were the land, the mines, transportation, the banks, etc.

36. The first signs of this switch are formulated in "The Workers' State, Thermidor and Bonapartism," *Writings, 1934-35* (New York: Pathfinder Press, 1974), pp. 166-84.

37. *In Defense of Marxism*, p. 9.

38. *Ibid.*, p. 6. [T/E: The English text actually says ". . . on the technical and cultural development of the country."] (See *The Revolution Betrayed*.)

39. See Marx, *Capital*, vol. 3, pt. 7, ch. 48, pp. 822 and 827; ch. 51, p. 881.

40. From a formal point of view, the worker and the capitalist are included among such "independent units."

41. The expression "dead labor" must be taken in its full meaning, which concerns not only machines and raw materials but also the means of consumption that have to be put, during the period of production, at the disposal of the workers, i.e., ultimately all the conditions of production other than actual, current labor, capital without further qualifications.

42. Marx, *Capital*, vol. 3, pt. 7, ch. 48, p. 819.

43. *Ibid.*, p. 827.

44. *Ibid.*, p. 822.

45. *Capital*, vol. 1, pt. 2, ch. 6, pp. 170-71.

46. See also "The Poverty of Philosophy," in *MECW*, vol. 6, pp. 206ff.

47. Marx, *Capital*, vol. 3, pt. 7, ch. 50, p. 859.

48. See "The Limits of Exploitation," in "Proletariat and Bureaucracy," the second section of this essay.

49. Marx, "Critique of the Gotha Programme," in *MESW*, p. 323. [T/E: We have followed the French here. The English translation merely states that "content and form are changed."]

50. *Ibid.*

51. *Ibid.*, p. 325.

52. T/E: See *ibid.*, p. 324. We have changed the translation to fit more closely with the French, which expresses the idea that "bourgeois right" is *founded* upon inequality.

53. T/E: The MVD is the Soviet Ministry of Information, or secret police.

54. A study of the evolution of exploitation through the five-year plans will be made in another article. [T/E: The text was never published.]

55. On theft during this period, see the works of Ciliga, Victor Serge, etc.

56. *The Revolution Betrayed*, pp. 135-43.

57. *Ibid.*, p. 124.

58. Bettelheim, *La Planification sovietique*, p. 62.

59. *Ibid.*

60. T/E: These are old francs, worth roughly 1 percent of a new franc.

61. T/E: Vincent Auriol (1884-1966) was president of the Fourth Republic at this time.

62. Bettelheim, *ibid.*, p. 62.

63. *The Revolution Betrayed*, p. 125.

64. T/E: Kravchenko was a Russian bureaucrat who left the USSR and became known for his book, *I Chose Freedom* (New York: Scribner's, 1946).

65. *The Revolution Betrayed*, p. 125.

66. *Les Problèmes théoriques*, p. 3n. [T/E: The abridged English translation of this work (trans. Brian Pierce [New York: Asia Publishing House, 1959]) does not include any of the passages cited by Castoriadis in this article.]

67. We are not speaking here of occupations that have the character of an "absolute monopoly" (artists, inventors, geniuses of all kinds, etc.). We consider it to be generally accepted that in present-day society—to say nothing of a socialist society—there are a sufficient number of individuals capable of successfully performing all existing types of work.

68. *La Planification soviétique*, p. 62.

69. *Ibid.*, p. 63.

70. We would need all the richly violent language of a Lenin responding to Kautsky in order to characterize with a minimum of justice the ventures of people like Mr. Bettelheim, who purposely gets lost in all the technical details of Russian "planning" and who cites a wealth of charts and figures in order to make himself forget and to make others forget what is, from the revolutionary Marxist point of view, the crux of the matter: What is the class significance of the monstrous disparity of incomes in Russia? But we have decided once and for all to ignore the very person of Mr. Bettelheim—we think this is the best thing that could happen to him—in order to lay hold of the thing itself.

71. Lenin, *LSW* (New York: International Publishers, 1943), vol. 7, pp. 372-76.

## Postface

It is not without value to indicate a few of the ways in which the content of this article has been surpassed.

a) The idea that "production is to property . . . as reality is to ideology" obviously belongs to classical Marxism and is almost completely meaningless. See *MTR/MRT*.

b) What is said here concerning the idea of "State capitalism" in traditional Marxism, although correct, does not sufficiently accentuate the ambiguity that has always dominated the movement on this point and that has, in fact, made people think of "private property" when they were talking about "capitalism." It is on this ground that Trotskyist confusions can flourish.

c) Contrary to what was said in the essay, the Russian bureaucracy quite obviously is developing the forces of production—just as traditional capitalism as a whole also has done. This criterion, inherited from traditional Marxism, strictly has no value.

d) Trotsky's arguments will be found in "The Defense of the Soviet Republic and the Opposition" (against Louzon and Urbahns), in L. Trotsky, *Writings, 1929* (New York: Pathfinder Press, 1975), pp. 262-303; *The Soviet Union and the Fourth International* (against Urbahns, Laurat, Souvarine, and Weil; New York: Pioneer Press, 1934); "Once Again: The USSR and Its Defense" (against Craipeau and Yvon), in *Writings, 1937-38*, pp. 86-90; "Not a Workers' and Not a Bourgeois State?" (against Burnham), *ibid.*, pp. 60-71; "Learn to Think" (against Ciliga), *ibid.*, pp. 330-35; and, obviously, *In Defense of Marxism* (against Rizzi, Burnham, and Shachtman).

e) The theory of wages developed here is basically one that can be drawn from Marx, and as such it is false. See *DC I* and *MRCM/MCR I*.

f) Concerning the compensation of labor in a socialist society, see *CS I* and *II*.

g) Data concerning the exploitation of the proletariat in Russia obviously are those available at the time. The substance of the argument remains true, but the description of the historical trend, which still reflects the idea of growing exploitation and neglects the fundamental importance of class struggle in the determination of wages, even under totalitarian conditions, is erroneous. I will return to this at length in *La Russie après l'industrialisation* [T/E: this volume has not yet been published]. See also *RPB/PRAB*.

h) Mr. Bettelheim was at the time nearly the only advocate of the Stalinist bureaucracy to do anything other than merely repeat Stalin's speeches. Whence comes the importance that (circumstantially) was given to him in this article. Since then he has changed patrons: He now pleads for the Chinese bureaucracy, and he has even discovered that "juridical property" and "the real relations of

production” must not be confounded, a discovery he attributes, moreover, to his friend Paul Sweezy (people are generous with that which does not belong to them). At the same time he has invented the existence of a “bourgeois State” (?) in Russia—which allows him, once more, to duck the problem of bureaucracy. See P. Sweezy and C. Bettelheim, *On the Transition to Socialism* (New York: Monthly Review Press, 1971), pp. 15 and 46.

i) The policy abolishing free secondary education in Russia has itself been abolished since then. This changes nothing at the core of the problem. And at the periphery, it should be pointed out that completely free education at all levels is the best way for a bureaucracy to co-opt the “best” members of the exploited strata.