

## Issue Number and Date Oddity

in Inprecor (International Press Correspondence), English edition,  
for the year 1925, issues 5 and 6, bearing dates January 15 and January 20

**There are two issues of Inprecor numbered "5". The second one, dated January 20, should be No. 6.**

Inprecor's issues bear a month and a day of month date. Also the page numbers for a given year's run of all issues of Inprecor is sequentially numbered.

There are two issues that say they are Vol. 5 No. 5 in 1925 Inprecor.

The first is "Vol. 5. No. 5" and dated "15 January 1925", with pages numbered 39-50.

The second is "Vol 5. No. 5" and dated "20 January 1925", with pages numbered 39-48.

These are followed by "Vol. 5 No. 7" dated "23 January 1925, with pages numbered 61-76.

Additionally, in the bound volume of all of Inprecor 1925 that I unbound, rendering it into individual issues free of their staples prior to scanning the pages, someone had on the front page of the 20 January issue lightly in pencil crossed out the "5" and written in "6".

Given the above, I've elected to designate the 20 January 1925 issue as "No. 6" [not No. 5, as printed] and assume the page numbering of that issue was yet another mistake [that the pages should have been numbered 51 - 60]

---marty

Martin H. Goodman MD  
Director, Riazanov Library digital archive projects  
September 2021 San Pablo CA

This is actually Issue No. 6.  
Its pages should be numbered  
51-60. NOT as they are, 39-48

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# **A new Revelation as to Soviet Economics, or How the Workers' and Peasants' Bloc can be Destroyed.**

**(A Discussion on the Economic Substantiation of Trotzkyism.)**

**By N. Bucharin.**

It frequently happens that some historical turning point calls forth ideological conflicts which are at first brought to the surface by some purely "accidental" cause, develop along "accidental" lines, and appear perfectly incomprehensible at the first glance. It is only after a certain lapse of time that certain definite fixed points crystallize, after which the resultant analysis will, without any particular trouble, disclose certain definite social classes or groups possessing a certain definite social significance, and playing a definite social role.

At the present time we have again arrived at a turning point in the development of our revolution. The blockade is at an end, a number of countries have recognised us; but at the same time there is a certain retardation in the development of international revolution. We are at the commencement of a period of fairly rapid economic development, and are faced at the same time with new relations between the working class and the peasantry. It is only natural for the Party to react in some manner to this **new situation**, and it is equally natural that we cannot arrive all at once, so to speak, at our "self-knowledge".

Comrade Trotzky states his view in the "Lessons of October". At first it seemed as if the contention were merely a literary one. This literary conflict has developed into an extensive Party political campaign. It is perfectly evident that there have been certain **objective factors** underlying the conflict, and that these first rose to the surface in the form of a "literary" controversy.

It is fairly obvious by now that **important questions of principle** have been raised, which are of decisive significance for the whole Party. These questions have coincided with the objective situation in the country. They "correspond" with this situation, they **arise out of it**. For this reason the whole Party is worrying itself with such apparently "non-practical" problems as that of the question of "permanent revolution". The new situation calls for well thought out conclusions. And since the new situation takes the main line of development, it is not to be wondered at that the Party raises some general questions; it signifies that our path forward is being generally thought out and generally deliberated upon.

This circumstance finds expression in the fact that **separate** problems and **separate** differences are now being amalgamated into fundamental "theoretical" points, to whole systems of thought, to more or less harmonious "theories". The points which were separated into their components in former discussions: financial reform and the question of the generations in the Party, the question of prices and of the Party "bosses", the question of the disparity between the prices of industrial and agricultural products, of "inner Party democracy", of the "plan", and of the "goods intervention" — all this is now combined into a few main lines, and comes under the heading of such general problems as the theory of "permanent revolution", the estimate of the driving forces of our revolution, the general estimate of its prospects, etc. And all these questions, great though they may be in themselves, again turn on the axis of the problem of the workers' and peasants' bloc.

The most essential and original feature of Leninism is its teaching regarding the workers' and peasants' bloc. There is no use whatever in trying to evade the question as to whether Lenin's teaching, and the line pursued by the Bolshevik Party, are right or wrong. Here we have to **choose**. This is the reason why the Party has been so roused by comrade Trotzky's book. It has seen — and quite rightly — that here an attempt is being made to revise the **fundamental principles** of Lenin's teachings.

This attempt has been made before. But up to now these attempts have passed over without leaving a trace behind them. We were in this midst of war, and all our tasks were once immediately connected with the war. Now, precisely now, these attempts are much more complicated to deal with.

We are still in the midst of a certain **temporary** standstill in the revolutionary movement. Lenin did not consider such a standstill to be a deadly disease; we are proceeding onwards, if slowly, and are drawing the peasantry along with us. Lenin did not judge according to the fixed proposition that: it is a proletarian revolution when there is much industry, and it is death to proletarian revolution when the country is petty bourgeois. More than once he pointed out to us the uniqueness of our revolution, the special combination of historical conditions which rendered our victory possible.

And comrade **Trotsky**? Trotsky saw nothing but **ruin** before us if the world revolution did not come speedily. Why?

Because of a fundamental difference in the estimate of the motive forces.

In the year 1922 comrade Trotsky still **maintained the correctness of his theory** of "permanent revolution". He wrote that after the seizure of power the proletariat would-

"come into conflict, not only with all the bourgeois groups which had supported it during the first period of its revolutionary struggle, but with the broad masses of the peasantry who had helped it to seize power. The inconsistencies of the situation of a workers' government in a country with a preponderant peasant population can only find their solution... on the battle field of proletarian world revolution." ("1905", preface, Russian edition, pp. 4/5.)

Lenin taught: The conflict between working class and peasantry is **by no means inevitable**. Trotsky teaches: This conflict is **unavoidable**. Lenin taught: Our salvation lies in our coming to an understanding with the peasantry, and it is possible for us to do this, and to maintain and secure our position, even if we have to wait a long time for victory in the West. Comrade Trotsky holds the reverse opinion. The ruin of the proletariat is **inevitable** if the international victory does not come soon; the proletariat will be **annihilated** beneath the blows of those "broad masses of peasantry" which once helped in on to victory. **Leninism** contends that the peasantry is to be the **ally** of the working class during the whole transition period, even if an **unwilling ally**. The adherents of "permanent revolution" consider that the peasantry is bound to become an immediate enemy. Lenin's idea results in the special theory of an "agrarian co-operative" socialism. Among the adherents of the other standpoint we find an entirely **different** conception of the line of our further development. Is it not perfectly obvious that so fundamental a difference is bound to become apparent in a number of multifarious questions? This need not be emphasised. But now attempts are being made at uniting these "special" ideas, these deviations from the Leninist line. Here we must subject the **economic** aspect of the anti-Leninist view to an analysis. This view we find stated in comrade **Preobrachensky's** work on "**The fundamental law of socialist accumulation**". ("Reports of the Communist Academy", vol. 8.)

This work, interesting in intention and attitude, is based theoretically upon premises akin to those of comrade Trotsky. Consequently, it is based upon theoretically incorrect premises. At the same time it draws a number of conclusions in practical politics which are extremely dangerous for our Party, for the working class, and for the whole country. We shall here criticise this theoretical work as an **example** of an entirely wrong and unproletarian ideology, completely trade unionist and guild-like in character.

### 1. Communism or "the Realm of the Proletariat".

The law of socialist accumulation discovered by comrade Preobrachensky is as follows:

"The more backward economically, petty bourgeois, and agrarian a country is at the time when it goes over to a socialist organisation of production, the smaller is the heritage taken over by the proletariat at the moment of social revolution for the funds of its socialist accumulation, and the more necessary will it be for the socialist accumulation of such a country to draw support from the **exploitation** of pre-socialist forms of economic, so that the centre of gravity of the accumulation rests less upon the production basis of the country itself, that is, accumulation is promoted less by the surplus production of the workers in the socialised industries. Vice versa, the more advanced the economic and industrial development of a country in which social revolution is victorious and the greater the material legacy bequeathed — in the form of highly developed industries and an agriculture organised on capitalist lines — to the proletariat of the country in question by the deposed bourgeoisie and nationalised, the less will the centre of gravity lie in the pre-capitalist

forms of production, and the more will the proletariat be obliged to lessen **inequality of value when exchanging its products for the products of the colonies, that is, it will be obliged to lessen its exploitation of the colonies**, so that the centre of gravity of socialist accumulation will be transferred to the basis of socialist forms of production, that is, socialist accumulation will be fed from the surplus production of its own nationalised industry and **agriculture**." (All accentuations are mine. N. B.)

This is the exact wording of comrade Preobrachensky's formulation of his "fundamental law". We must now draw the attention of our readers to the following two propositions of comrade Preobrachensky's, in which a first glance finds little beyond vague terminology or a peculiar literary coquetry.

**The first proposition** is: Socialist accumulation proceeds more or less at the expense of the exploitation of the small producers.

The second proposition is: These small producers (that is, the totality of their economics) represent nothing more nor less than a **colony** for proletarian industry\*).

We must devote special attention to the examination of these assertions of comrade Preobrachensky's. We must see what is concealed behind them, and why their essential character is, in reality, **the expression of an entire system of peculiar views on the significance and destiny of the workers' and peasants' bloc**.

In another part of his work comrade Preobrachensky writes as follows:

"Nothing but complete theoretical carelessness can induce anyone to see in socialist protectionism a perfect analogy to capitalist protectionism." (page 90.)

This observation is perfectly right. But comrade Preobrachensky himself is guilty of the utmost "theoretical carelessness" when he employs an atrociously inaccurate terminology without a thought of criticism or reservation, and plays with analogies.

Let us first deal with the question of the exploitation of the small producers by the proletariat. Comrade Preobrachensky imagines the matter as follows: The working class is at the top, above the small producers. The relations between the main classes of the two class workers' and peasants' society are thus relations of **exploitation**. The exploiting class is the proletariat, the exploited class is the class of the small producers. And the more backward a country is when it undertakes its socialist revolution, the more visible will be the exploiting character of the proletariat, and, in consequence, the greater the exploitation of the small producer.

The picture is drawn with a certain amount of audacity, is it not? And yet this picture is the sole result which we arrive at if we take comrade Preobrachensky's formulations seriously.

Does socialised industry receive a surplus value for its accumulation funds from the small producers? Yes. There is no doubt about that. Is this then a part of the transference of values from the hands of one class into the hands of another, the ruling class? Yes. Of this there is again no doubt. But is it permissible to make the crudest possible use of analogy, and to draw any comparison between these peculiar conditions and the exploitation practised by a capitalist state of society? Is it permissible to make this a reason for designating the proletariat as an **exploiting** class?

No, a thousand times no! And by no means because it "sounds badly", or because we are too cowardly to look facts in the face, but because such a designation is inconsistent with objective actuality and with our historical tasks.

\*) Comrade Preobrachensky does not state clearly whether only the former colonies are to be understood here, or all petty bourgeois economic categories. This does not, however, make much difference to the essentials of the matter, since in our case a great number of the peasantry, with the exception of White Russia, would come under the classification. There is no doubt but that comrade Preobrachensky speaks of the **colonies** of a workers' state.

Let us take a real and incontestable example of exploitation: **capitalist exploitation**. This consists of certain relations of production, expressed by a certain method of production. The capitalist class receives a surplus value. Production is on a surplus value basis. The whole process constantly reproduces — and **on an extended basis** — these relations of exploitation. **The transference of values from one class to another thus constantly increases the class antagonism, and constantly reproduces the relations between the capitalist master and his wage slaves.** This we see in every state of society based on exploitation.

But what tendency is induced by the transference of values from the small producers to proletarian industry? A tendency which is the **exact antithesis** of the above — the tendency to **overcome** the antagonism between town and country, between the proletariat and the peasantry, between the socialist and the petty bourgeois spheres of economics. And the more rapid the accumulation in the socialist sphere of economics, and among the elements becoming socialised, the more rapid the abolition of the antagonism.

Is it possible to name **this** process a process of exploitation of the small producers? No. To do so is to lose sight of the peculiar character of the process, that is, to fail to comprehend its **historical significance**.

Such a lack of comprehension is a very great sin, one of the "mortal sins" of theory, a sin which is bound to find expression in the practical superstructure of the "sinner".

Let us now pass on to the question of the "**Colonies**". Comrade Preobrachensky appears to be using the conception of colony as expressing the totality of the "third persons" (a designation customary among the Narodniki and Luxemburgians for the non-capitalist producers in a capitalist system). It can, of course, be made a matter of discussion whether the application of this designation to the capitalist system is right or wrong. This is a question for itself. And it is not of any very great importance whether comrade Preobrachensky understands, under "colonies", the totality of those petty bourgeois economic units in the real colonies, or **all** petty bourgeois economics. The essence of the matter lies in the fact that comrade Preobrachensky employs this terminology to the epoch of **proletarian dictatorship**, without the slightest scruple.

In other words, comrade Preobrachensky considers that during the present epoch, viewed from the economic standpoint, our socialist economics form a proletarian "metropolis", whilst the peasantry (if not entirely) form the petty bourgeois "colony" of this proletarian metropolis. The relations between working class and peasantry are here represented as analogous to the relations between the owners of plantations and their exploited workers in the colonies. As we shall see further on, this "standpoint" is **entirely in harmony** with comrade Preobrachensky's utterances on "exploitation". Comrade Preobrachensky possesses a consistent logic of his own, but this "logic" and "consistency" are the logic and consistency of a systematically developed **error**.

What is the actual essence of the conception "colony"? It lies in the conception of the colony as an object of exploitation, as something whose development is systematically **hindered** in the interests of the "metropolis", something representing under every circumstance an object of economic and political enslavement. The colony never takes its place as an ally of the "metropolis"; the "metropolis" never sets itself the task of raising the colony to its own level, etc.

If this is so — and most undoubtedly it is — then it is simply ridiculous to speak of agricultural economics, and of the petty bourgeois economic periphery, as a colony of proletarian industry.

There is only **one** possible case in which comrade Preobrachensky's formulation could be correct, and that would be if the process were not one of development towards a classless communist state of society, but a process aiming at the conservation of the proletarian dictatorship, at the maintenance of the rule of the proletariat, and at its **degeneration** into a real exploiting class. In this case the conception of exploitation might be applied without reservation to such a system. And it would then be possible to designate the petty bourgeois agrarian economy as a "proletarian" colony.

It is a frightful dream, but it is only a — dream. The peculiar, guildlike, trade unionist system of thought permea-

ting comrade Preobrachensky's article is happily not based upon actual practice.

## 2. "Ingulment" or reformation of petty bourgeois economics.

With reference to the relations between socialist industry and private (that is, mainly petty bourgeois) industry, comrade Preobrachensky writes that it is nonsense to believe:

"the socialist system and the system of private production of goods both of which are comprised in a system of national economics, can exist in juxtaposition to one another on the basis of a perfect economic balance. Such a balance cannot be maintained permanently, for **one system is bound to engulf the other**. Here there are two alternatives: either a degradation (retrogression) or a forward development; it is, however, not possible to remain at a standstill". (p. 78.)

If we compare this passage with the end of the formula on the "fundamental law", we gain a sufficiently clear idea of the conception held by the author of this law of a socialist regime in economics. The state industry destroys and supplants ("ingulfs") the petty economy of the village by "its own agriculture" of the proletariat. Petty economics are destroyed by the systematic exploitation (inequality of exchange values, taxation, and various media of non-economic pressure), and the proletariat saves and appropriates the original accumulation.

Were these our actual prospects, then our anxiety for agrarian economics would be somewhat out of place. But let us go directly to the point. Is it true that our road leads us inevitably through the destruction (the "ingulment") of agricultural small production?

We believe this assumption to be **entirely** false. We believe that this entirely un-Leninist viewpoint is not in the least in accordance with the actual course of development in the direction of socialism.

What do we now place in the foreground, and what is our main line of advance? State trade and the co-operatives. What was Lenin's plan, what was the general political line laid down by him for the transformation of the small producer into a member of the future socialist community?

The cooperative alliance of the peasantry, not under the leadership of the bourgeoisie, but under the leadership of the proletarian state with its banks, with its credit, with its industry, with its transport possibilities, etc. Is comrade Preobrachensky agreed with this plan or not?

If he is **not** agreed with it, then he should have brought up a number of arguments against the "Utopianism" of this plan. If he is agreed with it, then the whole structure of his train of thought has no sense.

For it is perfectly obvious that in this case there is no thought of an extermination, or of an ingulment, but that what is going forward is the **gradual reforming** of agrarian economics on the basis of their economic **growth**.

Here comrade Preobrachensky repeats the same jugglery of analogy with capitalist development. Here again comrade Preobrachensky does not in the least comprehend the main peculiarity of the process precisely in the agrarian countries of which he chiefly speaks. We are not going to arrive at socialist agricultural production by means of supplanting the present economics of the farmers by soviet economics, and by destroying the present economics on our road. We shall attain our aim in a very different manner by inducing the peasantry to enter into co-operatives allied with us, and economically dependent on the state and its institutions. By this we shall arrive at socialism through the process of circulation, and not immediately through the process of production. We shall reach socialism through the co-operatives.

As already mentioned, comrade Preobrachensky does not even touch upon this question, although Lenin's articles on this point were especially convincing.

Comrade Preobrachensky says neither "yes" nor "no" openly. But in reality he says "no".

Let us read what he says on the subject:

"With.... reference to the immediate relations between state economics and petty bourgeois methods of production, such relations are perfectly possible, and must bring a new factor into the economic history of human society, just as all socialist economics are new. After state economics have submitted to neocapitalism, they then submit to its vassals, that is, to those elements of simple goods production upon the basis of which this second edition of capitalism has originated. This implies a complete system of immediate relations between small production and state economics. The nature of these relations will be determined as follows: Small production falls under three headings. One section remains small production, the second section is cooperated on capitalist lines, the third section will evade this last process on the basis of some new system of cooperation representing a special type of transition from small production to socialism, a cooperation not on capitalist methods, and not brought about simply by the engulfment of small producers by state economics.

This new form of cooperation under the dictatorship of the proletariat, to which the peasants' communes and the artels are probably to be counted, has still to be developed. We can therefore give no theoretical analysis of something which does not yet exist, and is yet to come". (pp. 100/101.)

What is most amazing about this is the majestic modesty of comrade Preobrachensky. He does not argue with Lenin, who drew up a gigantic plan simultaneously representing a theoretical pre-calculation; he "simply" declares that it is impossible to give a theoretical analysis of "something which does not yet exist, and is yet to come". In our opinion this is an evasion. In our country we have just arrived at socialist accumulation, in other countries it is "yet to come". But nevertheless comrade Preobrachensky hastens to draw up the "fundamental law" of this socialist accumulation. And this fundamental law deals with the process of accumulation, with accumulation in various countries, and so forth. Comrade Preobrachensky has thus no reason to assume such a modest air.

According to comrade Preobrachensky, the evolution of agricultural economics actually proceeds in three directions:

1. Small production "remains" small production.
2. Small production becomes capitalised by capitalist cooperation.
3. Small production will be cooperated on some socialist lines not known at present, the germs of this process being present in the agrarian communes and agricultural artels.

We observe with surprise that no room has been left here for that Leninist cooperation which leads the peasantry to socialism. Here we read nothing of that cooperation in circulation which will enable us to draw the masses of the peasantry into the collective system of socialist economics. Comrade Preobrachensky substitutes this by the agricultural commune, which is only of secondary importance, and is expressly a productive alliance.

Further. Whom are state economics going to "ingulf"?

Obviously not the communes.

Perhaps the peasantry cooperating on capitalist lines?

But this will only form a small section.

Consequently the main method of actual economic "socialisation" is the method of "ingulfment", applied to the main mass of small producers.

Is it necessary to observe that this is the purest Utopianism? Again comrade Preobrachensky fails to observe the peculiarity of the methods involved in the proletarian dictatorship. Comrade Preobrachensky believes that the laws of development in agriculture have remained the same under the rule of the proletariat as they were under capitalism. But in reality the "non-capitalist evolution", prophesied by some writers for the period of capitalism ("agrarian co-operative socialism"), becomes a reality during the dictatorship of the proletariat.

If the co-operative organisations of the masses of the peasantry are inevitably bound to "grow into" capitalism under the conditions imposed by bourgeois power, capitalist banks, capitalist credit, capitalist organisers, and the hegemony of capitalist ideology in the country, it is quite a different matter, and these organisations grow into very different institutions (it is an actual fact that they are doing so) under the conditions imposed by proletarian leadership, proletarian power, proletarian banks, proletarian credit, proletarian industry, proletarian organisers, the predominance of proletarian ideology, etc.

Comrade Preobrachensky has not grasped this. And here his logic is equally peculiar: the "exploitation" of the colonies, etc. is completely in accordance with the idea of "ingulfment".

### 3. Class Enslavement or Class Alliance and Class Leadership?

If we regard the proportions of forces in such a country as the Soviet Union, we are bound to see that the dictatorship of the proletariat signifies **entirely** different relations between the proletariat and the bourgeoisie to those between the proletariat and the peasantry. The proletariat rules over the bourgeoisie, but the proletariat **leads** the peasantry and at the same time utilises its concentrated power. The working class relies upon the peasantry, and therefore its relations to the peasantry cannot be judged in the same manner as the dictatorship of the bourgeoisie over the proletariat is to be judged. And at bottom, comrade Preobrachensky recognises this fact.

If the words are taken in their exact sense, our state is not a workers' and peasants' state, but a workers' state supported by the peasantry; this is an extremely peculiar relation, and its peculiarity has to be "theoretically grasped".

But it is just this peculiarity which comrade Preobrachensky does not grasp.

His whole analysis is built upon an analogy with the period of original accumulation. During this period the peasantry were pillaged and now they are being "exploited". Formerly, the prerequisites for the prosperity of a new order of things were established more firmly by this pillaging process, and now the law of socialist accumulation demands analogous prerequisites.

But in reality the matter is not so simple as comrade Preobrachensky imagines.

Up to now we have dealt with the question from the standpoint of the analysis of various forms of economics. We shall now take the question strictly from the viewpoint of class relations.

Comrade Preobrachensky's starting point is, that he draws an analogy between the relations between the instigators of the original accumulation and the small producers, and the relations between the proletariat and the small producer.

But is this not a perfectly monstrous analogy in every respect?

We have been discoursing in every key on an alliance, a bloc, between workers and peasants. Up to now nobody has set up any opposition to this bloc. This is an axiom in our ranks.

But when and where do we find an alliance between the instigators of the original accumulation of capital and their victims during the period of this accumulation? Can anyone point out anything remotely resembling such an alliance?

Nobody can do this, for it is an utter impossibility. The very idea of such a bloc would be absurd.

But in our state the workers' and peasants' bloc was, is, and, we trust, will continue to be **an actual** fact.

How can anyone undertake to, build up whole theories on the basis of these analogies, and then — as we shall see later on — even attempt to determine the political line to be pursued by the proletarian state, from the viewpoint consequent on these analogies?

And again, we must repeat that this "analogy" of comrade Preobrachensky accords with the above expositions. (It is not difficult to see that the Party, should it adopt the Preobrachensky ideology, would destroy the foundations of its own power: the workers' and peasants' bloc.)

If we are going to seek for analogies in a bourgeois state of society, analogies for the relations between workers and peasants, then we must look for these in quite a different direction to comrade Preobrachensky.

To-day the working class has the power and industry whilst the peasantry — in actual fact — have the land and agriculture in their hands"); the peasant sells agricultural products and buys industrial products; the reverse is the case, as a rule, among the workers. The immediate interests of the two classes meet along this line. The peasant, in addition is a relic of ancient times.

The relations thus formed do not possess the slightest similarity to the relations between the instigators of the original accumulation and the peasantry. It much more resembles the relations existing between the industrial bourgeoisie and the landowners during a certain period of development of these relations. It need not be said that this analogy is extremely conditional, and cannot by any means be applied in every direction.

The bourgeoisie has the power and the factories, the landowners have the land. The point of antagonism is the prices. This alone is the cause of the severe conflicts taking place between the two, under some circumstances. But at the same time (we are speaking of the period of bourgeois power) a bloc exists, an alliance between the capitalists and landowners against the working class. The bourgeoisie leads this bloc, the bourgeoisie leans on the landowners, and receives their support.

What advance has been made in the evolution of these classes of late? It has consisted of the fact that owing to the process of circulation, to the banks, to joint stock combinations, etc., the two classes (the industrial capitalists and the landowners) have become transformed to a wide extent into a united body of dividend recipients. The dividend, so to speak, has become the synthesis of the former multifarious forms of income. This has been, and still is, the fundamental tendency of the evolution of these classes.

If we regard the matter on a broad historical scale, there will be something formally similar in the evolution of the workers' and peasants' bloc. The more the peasants undertakings are drawn into the socialist sphere by the process of circulation, the more the frontiers of class will be wiped out, and will finally merge into a state of society without classes.

This is, of course, the music of the future. At the present moment we have very different problems on our agenda. If we are to judge whither our future course is to lead us, we must have a clear idea of its prospects. Here again comrade Preobrachensky is completely in error.

#### 4. The Workers' and Peasants' Bloc and the Economic "Policy" of Comrade Preobrachensky.

Comrade Preobrachensky draws the corresponding practical political conclusions from the above theoretical propositions. After "ascertaining" the necessity of the ingulfment of the unfortunate "third persons", that is, of the inhabitants of the "colonies at home and abroad", comrade Preobrachensky writes:

No. 1. "In this manner we arrive at the third point, which is not only possible, but under our conditions inevitable, that is, at the price policy which, consciously or unconsciously, is calculated upon the exploitation of every description of private economics." (p. 79.)

No. 2. (p. 59.) "In any case the idea that socialist economics can develop out of its own forces, without touching the sources of petty-bourgeois and peasant undertakings, is a reactionary and petty-bourgeois utopia. It is not the task of the socialist state to deprive the petty-bourgeois producers of less than capitalism has deprived them, but to take away more of the greater income secured to the small producers by the rationalisation of the whole economics of the country, including small production."

\*) It must, however, be mentioned that the fact that the land belongs legally to the workers' state plays a very important role.

No. 3. (pp. 69/70.) "That which is taken away from private trade — all other conditions remaining the same — will be at the disposal of the state economic funds. I make the proviso of "all other conditions remaining the same" because it is possible to imagine a commercial policy not defending the interests of socialist accumulation, but the interests of the petty-bourgeois small producers, and aiming at diminishing the deductions from the incomes of the small producers. It is another question whether such a policy is adapted to its object (!!). There can be no doubt that such a policy would imply the diminution of the funds of socialist accumulation and a present given to the private producer, a present burdening state economics in proportion to its lack of capital, and in proportion to the degree in which it is disadvantageous for state economics to employ a part of the capital of which its own production is in need, for the purposes of trade which is philanthropic (!) as far as its proceeds are concerned."

No. 4. (p. 99.) "The power of the proletarian state, extending to the surplus production of private economics (naturally within the limits of the economically possible and technically attainable), is not only the instrument of the original accumulation itself, but at the same time a reserve of this accumulation, so to speak a potential fund for state economics."

With regard to 1., a policy of high prices has to be pursued for the purpose of the exploitation of peasant undertakings, and is to be regarded as correct from the standpoint of socialist accumulation.

2. Here everything must be taken away in so far as this is economically possible and technically attainable. (No. 4.)

3. Under "economically possible" we are however to understand a policy which by no means aims at taking away less than capitalism has taken away.

4. Such a policy would be petty-bourgeois, would be a present to the peasantry, injurious to industry and at the same time to the cause of socialism.

This is comrade Preobrachensky's conception of "price policy". "Take more" — that is the whole of the super-sagacity based upon comrade Preobrachensky's "fundamental law".

Let us first take quotation No. 2, on the petty-bourgeois policy of our Party. Here comrade Preobrachensky's idea consists of two assertions: in the first place we must not let ourselves be misled into taking away less than capitalism has taken away, and in the second place we should take more, since the income of the peasantry would be larger, and that for the reason that its economics would be more rational and thus more profitable.

Comrade Preobrachensky's second assertion contains some excellent common sense, in the best sense of the term. But this second assertion is inconsistent with all the rest, and is an involuntary tribute to the teachings of Leninism, a tribute which has strayed into this wilderness of anti-Leninist assertions.

If comrade Preobrachensky is of the opinion that we shall take more, since the income earned in peasant undertakings will increase (rationalisation, etc.), then how can he reconcile this assertion with the theory of "engulfment"? This is a flat contradiction.

Only one of the two alternatives is possible: either the "colonial" line of exploitation, of deprivation as far as this is "technically attainable", is adhered to, resulting in peasant undertakings being sucked dry, and in the lessening of the income of the peasants, followed by the destruction and disappearance of the present peasant undertakings — the "engulfment". But in this case where are the "increased incomes" coming from, the "rationalisation" and all the rest of the good things promised to the petty-bourgeois producers by the aimable comrade Preobrachensky?

Or, the increased rationalisation and increased profitability of peasant undertakings renders it possible for the proletarian state to obtain more from this source. This is a really correct policy. But it demands that the whole, or nearly the whole, of comrade Preobrachensky's assertion are turned upside down. For in this case there is no "engulfment" of petty-bourgeois undertakings. (It goes without saying that we here

refer to the main mass of medium undertakings, and is not affected at all by the partial disappearance of small producers resultant upon the influx of superfluous population into the towns, and continuing with the process of proletarianising, even under a proletarian dictatorship.) These medium forms of production will then undergo a transformation, a reforming on cooperative basis. The growing profitability, the increasing rationalisation, etc. . . . will imply at the same time the inclusion of these producers, by means of the cooperatives, in the collective system of social economics.

We must not direct our efforts towards the extermination of peasant undertakings, but towards drawing them into the system of state economics.

But if we "take away more" in proportion to the increased profitability, then it is clear that the question of "accumulation" in agrarian production cannot be, by any means, of indifference to us. But if we are taking an interest in **this** accumulation, then we cannot confine ourselves to the slogan of: "Take as much as possible"; then we must not speak of the technically attainable as the limit of our "pumping out" process. Then we must not speak of a "present" to the petty bourgeoisie, a burden upon socialism. Then we must not formulate the problem with the simplicity which satisfies comrade Preobrachensky.

In No. 3 comrade Preobrachensky reduces the whole problem to a problem of arithmetical subtraction and division. The division of what there is, in order to give more to proletarian industry. The subtraction is to be made from agrarian production. We must not subtract less from agrarian production, as this would mean subtracting from socialist industry and adding to agrarian production.

This is really a piece of "wisdom" for children, but it is not proletarian wisdom.

The matter is not by any means confined to the problem of the division of the already existing "national income" between the working class and the peasantry. The root of the problem lies in the increase of this "national income" (that is, in the increase of productive forces) in a form securing the expansion of socialist conditions of production.

The question of "accumulation" in socialist industry thus inevitably becomes a question closely bound up with the problem of "accumulation" in agrarian production and with those agrarian economics which are important for industry as representing its market and at the same time the totality of those economic units which are to be gradually changed in character and included in state economics.

Comrade Preobrachensky does not touch at all on the question of the buying powers of the home market. And yet this is the central question of our collective economics. Comrade Preobrachensky only makes mention of this point in one passage:

"The obstacles encountered by state economics when pursuing this course are not those engendered by lack of economic power, but are the result of the weak purchasing powers of private economy."

And does this "obstacle" exist? If it does, then how can it be so ignored? Let us assume that we accede to comrade Preobrachensky's wish and "deduct nothing from socialist industry"; that we do not devote ourselves to "philanthropy", and that despite the "obstacle" we pursue the "line" laid down by comrade Preobrachensky "to its victorious end". What is the inevitable result? A diminution of demand, a selling crisis hampering the process of social reproduction, the decay of industry, etc. In other words: The logical result of comrade Preobrachensky's "socialist proletarian", "anti-philanthropic", and other standpoints is the complete undermining and destruction of socialist industry and of the whole of the people's economics.

The methodological root of comrade Preobrachensky's error is extremely obvious: In the first place he deals with the question statically and not dynamically (division of the existing and not of the changing), and in the second place, he deals separately with socialist industry instead of taking it in its connection with agrarian economics.

Roughly speaking, what comrade Preobrachensky proposes is that we kill the goose which lays the golden eggs. And he arrives at this conclusion because it would be philanthropy to feed the goose.

But for the proletariat, agrarian economics are a goose which is to be transformed into a human being. And the proletariat must further this object in its own interests. Those who lose sight of this object must be peculiar opportunists, incapable of holding in view the main revolutionary tasks of the working class.

It is not true that goods should be sold at the highest possible price. The price fixed must secure the growing profitability of socialist industry for more than one economic year; it must be our endeavour to reduce prices more and more.

In one passage comrade Preobrachensky shows himself conscious of the weakness of his standpoint:

("I deliberately avoid saying "on the basis of increased prices", since taxation in combination with sinking prices is not only possible, but would in our case certainly attend sinking or unaltered prices. This is possible for the reason that when the cost price of products is reduced, the selling price is not reduced by the whole amount of the reduction of the cost price, but by a less amount, the remainder being added to the funds of socialist accumulation.") (p. 80.)

But this sole isolated passage in comrade Preobrachensky's article, languishing in an orphaned state in its parentheses, though it "tones down" the "industrial" zeal of the writer, does not save the situation.

Is this not a tremendous admission: "I deliberately avoid saying on the basis of increased prices."? This is almost too much. We are scarcely likely to find anyone reckless enough to undertake the task of raising prices from year to year and from month to month. And nobody would venture to inscribe such an aim openly upon his banner, and defend such a magnificent state of affairs!

Comrade Preobrachensky describes what may happen in the case of sinking or unaltered prices. We, however, maintain that it must be our constant endeavour to reduce prices, and to ensure the impossibility of economic stagnation. And we maintain that this signifies a gain to socialism in the end, for it signifies the possibility of much greater rapidity of accumulation all over the country, and especially of accumulation in socialised industry, which really possesses the possibility of making surplus earnings and of relying upon the gigantic concentrated power of the whole state apparatus.

Two words upon the roads to socialism and upon "philanthropy". Lenin said:

"Strictly speaking, there is **"only"** one thing left: To make our population so "civilised", that it is capable of grasping the whole of the advantages gained by the participation of every individual in co-operation, and to show the way to this participation. **"Only"** this. We do not now need any other super-cleverness to enable us to go over to socialism . . . It must therefore be our rule to avoid as far as possible all subtilising and fads." ("On the Co-operative".)

And somewhat earlier:

"Every social Order originates solely with the financial support of a definite class . . . We must now recognise — and put this recognition into active execution — that the social order to be supported by us to an unusual degree at the present juncture is a co-operative order." (Ibid.)

It is superfluous to adduce extracts in which Lenin speaks of the necessity of our endeavour, to prove to the peasantry that we can produce cheaper than capitalist production.

Every impartial reader will observe that a mighty chasm yawns between the train of thought developed by comrade

Preobrachensky and Lenin's teaching on the economic bloc between workers and peasants.

### 5. Monopolist Parasitism or Socialist Advance?

The question of price policy is of the greatest significance in another respect as well, for every monopoly bears within it certain conservative germs. Comrade Preobrachensky very rightly observes that we must not ignore the fundamental fact that socialist industry is to be built upon the ruins of monopolist capitalism. Comrade Preobrachensky is equally right in maintaining that this monopolist structure will be further developed under the rule of the proletariat, so that a gigantic economic power is thus concentrated in the hands of the proletariat.

All this is perfectly correct. But comrade Preobrachensky forgets one thing: Monopolist capitalism bore within it, and still bears, germs hampering the development of proletarian forces. The driving force of capitalism is profit. In a capitalist state of society the development of productive forces has been brought about by the mechanism of competition. Every capitalist introducing technical improvements, etc. received an extra profit ("differential profit"). Competition forced others to follow, the struggle was continued on these new lines: the "progressive" capitalists introduced still more innovations, extended mass production, etc.

The main weapon in the struggle was the cheap price, and this has at the same time been the expression of the growth of productive forces. This has been one of the most important and historically progressive aspects of capitalism as compared with all pre-capitalist methods of production. After capitalist evolution has closed its above described historical circle, it leads to monopolist capitalist forms. The spur of competition vanishes to a great extent. Profit is secured by the monopolist form. There is no need to strive forwards at breakneck speed. The surplus profit, the surplus profit gained by cartels, is secure.

International competition prevents a state of complete tranquillity but its effects are paralysed within the country by means of high protective duties. Elements of the so called "process of decay" are thus prevalent.

Let us now consider our situation. Comrade Preobrachensky writes as follows on this. After stating that we must pursue a policy "consciously calculated on the basis of the exploitation of every description of private economics", Preobrachensky continues:

"Such a policy is possible, for the state economics of the proletariat originate historically on the foundation of monopolist capitalism. The latter however leads, in consequence of the cessation of free competition, to the creation of monopolist prices for the products of the monopolised industry in the home markets, gains a surplus profit in consequence of the exploitation of the small producers, and thus prepares the ground for the price policy of the period of original socialist accumulation. But the concentration of the whole of the big industries of the country in the hands of a single trust, that is, in the hands of the workers' state, increases to an extraordinary extent the possibility of carrying out such a price policy on the basis of monopoly, a price policy simply signifying another form of taxation of private production."

Very good. But what has been the result in our case? The monopolist tendency has been strengthened.

The possibility of gaining "easy" surplus profits has increased.

These are facts. And do they imply an increased danger of parasitic decay or stagnation? What is the guarantee against this stagnation?

Comrade Preobrachensky should have devoted attention to this most important of problems. And if he had thought about this problem, he would have entirely rebuilt his whole theory of original socialist accumulation.

There is no competition among us. The guaranteed profit is not at the disposal of private persons. The economists form

a cadre of proletarian fighters, but they too are subject to the weaknesses common to humanity, and they too may slip unconsciously into a state of rest, instead of maintaining a state of unrest, of alarm, and of anxiety for the movement towards communism. What is then the motor force of our production? What composes the peculiar mechanism of economics in our period of transition?

We maintain that this guarantee lies in the pressure exercised by the broad masses, above all by the workers, and then by the masses of the peasantry. Although the capitalist form of "profit" has been maintained among us up to now, although all our calculations are still made within the confines of these forms, still every lever employed by us for our advance movement is entirely different to the levers in capitalist economics. We ourselves, that is, the leading strata in the country, in the first place the Party, express and mirror this growth of the needs of the masses. In other words: Despite the existence of the market, and of the capitalist forms of our state economics, we are beginning to pass from the type of economics whose driving power is profit, to that type of economics whose driving power is the satisfaction of the needs of the masses (and this is a sign of socialist economics).

This must not by any means be taken to mean that this type of conditions is bound to lessen the speed of accumulation. On the contrary. (This must be expressly emphasised.) Precisely for the reason that we have to regard the satisfaction of these needs as our task, precisely for this reason the leading circles of our industry and our state will be obliged to improve production by every possible means, to extend and cheapen it. This is the guarantee of our growth. The objection may of course be raised, especially under the impression of the number of difficulties lying in our path, that we are proceeding on lines "opposed to the economists". This objection would, however, be nonsense. We have already made mention of the necessity of "regulating" and "controlling", and otherwise influencing the needs. But when we keep the collective process in view from an objectively historical standpoint, we cannot but recognise that it is precisely here that we have the main lever of our economic progress.

If we now return, in this connection, to the various problems of price policy, we arrive at the following:

1. **We pursue a policy of price raising**, utilising our position as monopolists to do this. Viewed from the given standpoint, it is clear that this is the intensest expression of a parasitic decay of monopolist economics.

2. **We adapt ourselves to steady prices**. This would be a "normal" process of decay, an economic standstill, an extremely slow accumulation in the country, an economic vegetation.

3. **We aim at a constant lowering of prices**. This will be the expression of the growth of productive forces, of the extension of production, etc. It will become the expression of a progressive movement, that is, under our conditions, a movement towards socialism, and at the same time a movement possessing the highest possible speed of accumulation.

**Firstly:** we must keep in view that we, as comrade Preobrachensky rightly points out, could gain a surplus profit at the expense of petty bourgeois economics, even should the prices of the products of our state industry be sinking. The whole question is, are we going to content ourselves with pocketing a guaranteed monopolist profit, or are we going to go forward; but we cannot go forward at a high speed unless we reduce prices, unless we develop productive forces, etc.

**Secondly:** It would be nonsense on our part to renounce the advantages of our monopolist position. But while utilising these advantages we must take care not to diminish the powers of absorption of the home market, but to increase these powers. This is the most important point. The next is: We must utilise every advantage gained in such a manner that it leads to the extension of the field of production, to the cheapening of production, to the reduction of cost prices, and consequently, to ever cheaper prices in each successive cycle of production.

Preobrachensky regards this as follows:

We must secure for ourselves the possibility, "of carrying out a price policy, on the basis of monopoly,

which signifies merely another form of taxation". (At the same time the taxes would be retained, for comrade Preobrachensky is not thinking of a substitution of open taxation by veiled taxation, N. B.) "The obstacles... lie mainly in the weak purchasing powers", etc.

In our opinion the matter is quite different, as follows: We must aim at the lowest possible prices, prices which satisfy the masses. The high costs of our production are, however, an obstacle to this. Thus our first aim is the reduction of cost prices.

The fundamental difference between comrade Preobrachensky's standpoint and ours may be easily recognised. And it is equally easy to recognise that comrade Preobrachensky's policy, carried to its logical conclusion, leads to the standpoint of monopolist parasitism.

If we now recall to our minds all that has been said above on "exploitation", on the "colonies", on "engulfment", etc., then it is again easy to observe that all these theoretical assertions of comrade Preobrachensky's harmonise perfectly with the theory — for so we must designate it — of "monopolist self-satisfaction", with that theory which threatens to change into a theory of "monopolist parasitism". The "analogy" with "decaying" capitalism would then be perfect, but this "analogy" would scarcely be of use for socialist accumulation).

#### 6. The Workers' and Peasant' Bloc, viewed from the Bolshevik Viewpoint and from the Standpoint of Comrade Preobrachensky.

It will have been seen from the above that comrade Preobrachensky's standpoint threatens the workers' and peasants' bloc, the bloc upon which the whole standpoint of orthodox Bolshevism is built up. It is not difficult to comprehend that, during a period in which the working class is in possession of power, its political hegemony and political leadership cannot rest on a firm foundation unless the substructure is an economic hegemony. And it is not possible to realise this economic hegemony except by the gradual adaptation of industry to the needs of the peasant market, by the gradual dominance of this market, by the introduction of new methods of agricultural production with the aid of industry, by the gradual inclusion of the peasantry in the network of the co-operatives, and finally by the laying of a new technical foundation (electrification) in proportion to the increase of socialist accumulation.

The policy proposed by comrade Preobrachensky signifies the breaking up of the workers' and peasants' bloc, or at least a considerable undermining of this bloc.

\*) Here we cannot make a detailed analysis of one of comrade Preobrachensky's general theoretical assertions, in which he represents the process of socialist accumulation as a struggle between two laws: the law of socialist accumulation and the law of value. According to comrade Preobrachensky's opinion, the law of socialist accumulation is partially paralysing in effect on the law of values (which falls completely into the background during the given period) and partially "uplifting" for this law.

To this we merely observe: the "surplus" gains of highly developed economics are due to: 1. the fact that here the individual cost price is less than the social, that is, on the basis of the law of values; 2. the fact of the monopoly.

If we take a long period of time, it is easy for us to recognise that the first law expresses the development of productive forces and leans upon this, whilst the second is more or less bound up with conservative tendencies in the sense of the above article. On the other hand, the monopoly is limited by the law of values, which in a non-organised state of society represents simultaneously the law of distribution of social work. In the distribution of productive forces there is an objective limit; should this limit be exceeded, a severe crisis is inevitable. Finally, the universal "monopoly", that is, the general state of organisation of society, transforms the elementary law of values into a systematic and conscious "law" of political economy, into the law of rational distribution of productive forces. The matter is thus much more complicated than comrade Preobrachensky imagines.

And it is extremely characteristic that comrade Preobrachensky adheres to the ideas of the old "economists" in drawing a strict dividing line between economics and politics, that his policy is not "concentrated economics", but some "thing in itself", which can be dealt with abstractly, and without which it is still possible to proceed with the matter in the spirit of socialist accumulation.

We recollect that comrade Preobrachensky devoted but slight attention to the consideration of the main "obstacle" in the way of his policy, to the question of the purchasing powers of the home market. We must now add that we find the following passage immediately after his mention of this question:

"Here I am of course not speaking of difficulties of a political character, originating in the reciprocal relations between working class and peasantry..." (p. 80.)

In another passage of comrade Preobrachensky's articles we find a passage giving a faithful reflection of the eclectic character of comrade Preobrachensky's superficial train of thought.

After "playing" with his analogies, comrade Preobrachensky writes as follows:

"With reference to the colonies, the socialist state, pursuing the policy of equal rights for the nationalities and of voluntary adherence of these nationalities to this or that national union, rejects every use of force in this regard. This source of original accumulation is closed to it once and for all.

"The exploitation of all pre-socialist forms of economics, to the advantage of socialism, is quite a different matter. Taxation (of these forms of economics, N. B.)... must play an important and even a decisive role in such agrarian countries as the Soviet Union." (p. 58.)

We shall not deal, here in detail with a number of small inconsistencies perpetrated by the writer on this question, but go straight to the main point. We ask comrade Preobrachensky why the political motif ("the policy of equal rights") forces the author, in this case (in the nationality question) to correct his "fundamental law", whilst in the case of the workers' and peasants' bloc he confines himself to the declaration:

"I do not speak... of difficulties of a political character." What is this but an entire lack of principle, an inconsistency, an incapacity to think a matter really out.

This is all the more strange that the question of political economy, and of politics in general, is identical in the one-time colonies, though in a more complicated and somewhat different form, with the question of the relations between the working class and the peasantry. We should imagine that this truth had been sufficiently rubbed in by the literature dealing with the decisions of the congresses. But only look! Even such comrades as comrade Preobrachensky stumble at this spot, though it has truly been sufficiently smoothed.

We only need to take his assertion about the unallowableness of "colonial robbery" (in the case of the national question for instance). But are such things as the law of "fencing in", naturally in the real sense of the words, "allowable" where there is no "national" question? And if not, why not?

This is a line inconsistent with the principles of the workers' and peasants' bloc. But the endeavour towards the establishment of this bloc is the essential of the whole policy of the transitional period. At bottom, the two class state of society is characteristic of the transition period, and the problem of town and country, of industry and agriculture, of large and small undertakings, of rational plan and anarchist market, etc., are the expression of an extremely important class problem: the problem of the relations between the working class and the peasantry. To separate economics from politics is to retreat all along the line before this policy, to fail to recognise its historical import, to lose sight of **essentials** which cannot be avoided or evaded.

Either we make it our aim, during the transition period, to further the workers' and peasants' bloc under the leader-

ship of the proletariat, and make this endeavour the leading principle of our activity, everywhere and at every time.

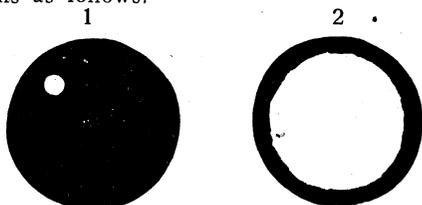
Or these are merely "fine words" to us, and we must openly admit that what is being undertaken is in reality **against** the workers' and peasants' bloc. That here we have another non-Leninist estimate of the driving powers of revolution, a fundamentally different conception of the course taken by the whole revolutionary process.

It need not be said in which direction our choice must fall. Leninism does not rest upon arguments only — though here it possesses the most perfectly logical basis — but upon the experience of at least three revolutions.

### 7. Comrade Preobrachensky's "Law", Taken as a Whole.

We should like to say a few words on the collective formulation of the "law".

Let us imagine two types of countries: an industrial country with an insignificant agrarian appendage, and an agrarian country with weak industry. For the sake of clearness we illustrate this as follows:



The white portion signifies peasant undertakings.

The black signifies industry and the large agricultural undertakings which are passing into the hands of the proletariat.

After the social upheaval the black portion (industry and large agricultural undertakings) goes into the hands of the proletariat. When the process of accumulation begins, it is not to be wondered at that the "preponderance" of the greater part of industry will be in the former case of great importance for socialist accumulation and in the second case of incomparably lesser significance. But truly this proposition is a platitude, for it is only another mode of expressing the fact that in the former case the "preponderance" of industry is much greater than in the latter.

But comrade Preobrachensky advances still another proposition and combines it with this platitude. He speaks of the equality of value, or rather of the lack of equality of value, of the exchange between town and country, and arrives at the conclusion that exchange values are bound to be less equal in proportion to the preponderance of the peasantry, and vice versa. But, as already mentioned above, this is not invariably the case.

Let us for instance, take a highly developed system of economics. Peasants economics are only, represented in a very small degree (large agricultural undertakings and concentrated industry predominating). Does this inevitably imply that the surplus values flowing from the hands of the peasantry into the funds of socialist accumulation are bound to be great? On the contrary, they are small. But does it then imply that the exchanges made are bound to be equal in value? Not in the least. Precisely in such a case it is possible for the lack of equality in values to be particularly conspicuous, in consequence of the great difference in the technical economic structure. Even if industrial products are exceedingly low in price, the peasant will receive an inadequate equivalent, since his individual cost price per unit, of grain will be considerably higher than the cost price for the same amount of grain produced by the large agricultural enterprises. Thus a difference between the labour values exchanged is inevitable, if we calculate according to "two systems" as comrade Preobrachensky does.

The question is therefore not so simple as it appears to be in comrade Preobrachensky's writings.

If we are to understand the "Law", it is of first importance to gain a clear idea of what comrade Preobrachensky really understands under "socialist accumulation". Let us accord him a hearing:

"Under socialist accumulation we understand the increase of the basic capital of production by means of

surplus production, a surplus not employed for distribution among the agents of socialist production, but for the expansion of reproduction. But under **original** socialist accumulation we understand the accumulation, in the hands of the state, of material means obtained chiefly from sources lying outside of the state economic system. In a backward agrarian country this accumulation is bound to play a very great role, since it accelerates the approach of the moment when... these economics (that is, state economics. N. B.) will finally preponderate economically over capitalism.

"Original accumulation, that is, accumulation at the expense of spheres lying outside of the state, predominates conspicuously during this period. We must therefore designate this whole stage as the period of original or preparatory socialist accumulation... The main law of our Soviet economics is thus precisely this law of original or preparatory socialist accumulation. All economic details of the basis processes in the sphere of state economics are subordinate to this law. On the other hand this law alters and partially cancels the law of values... Consequently we cannot speak of an original socialist accumulation, nor can we comprehend anything of the essentials of socialist economics, if we do not grasp what part is played in these economics by the law of socialist accumulation."

We must first of all draw attention to a number of trifles. In the first place we cannot add the product to capital; in the second place it is not only the addition of excess basic capital which is designated as accumulation (what about the transformation of raw material into capital?); in the third place it is not possible to oppose the "surplus employed for distribution among the agents of socialist production" by the "expansion of reproduction". If new workers are employed in the process of production, for instance, this is in itself an expansion of production.

The matter becomes considerably more serious when we turn to comrade Preobrachensky's fundamental "definitions":

We must above all draw the attention of our readers to the following:

Comrade Preobrachensky draws a sharp dividing line between the conception of socialist accumulation and the conception of **original** socialist accumulation. Thus he speaks of the law of "original socialist accumulation". But how great is our astonishment when we find, a few lines further on, that the word "original" actually drops completely out. And greater still is our astonishment when we become aware that this word is equally omitted in the main formulation of the fundamental law (given above). Here we read:

"The fundamental law of socialist accumulation is the central driving power of the whole of Soviet economics. It is probable that this law possesses a universal significance." (p. 92.)

If this law is so important as all that, then tell us at once, for Heavens's sake, **what** law is referred to? And **which** accumulation?

The reader may perhaps think that this is merely a literary "slip", and not worth so much attention. But we take the opportunity of revealing some of the roots of this obvious inconsistency.

As we have seen, the period of original accumulation is defined mainly as a period of exploitation of private economics. And comrade Preobrachensky emphasises that this period will last until state economics "considerably preponderate over capitalism with reference to economics".

Here we are given: 1. The material economic import of the process; 2. its historical limits.

What capitalism is meant here, when the gaining of a preponderance of capitalism is spoken of?

It might be assumed that, since comrade Preobrachensky is speaking of fundamental laws, he is dealing with the capitalism of that country in which the proletariat has seized power.

The "preponderance" is then secured with special rapidity. This is an "economic preponderance over capital" which may be lost by an incorrect policy. But this preponderance exists,

for the law of the large undertakings is in the hands of the proletariat in an upward curve.

If this is so, and it is perfectly evident that it is, then that formulation of the fundamental law given us by comrade Preobrachensky is not valid. This formulation is calculated for a much longer period.

But let us assume the case of the capitalism of other, technically more advanced countries.

It then becomes perfectly clear that the "original accumulation" merges into one with accumulation as such. For instance, much time will pass before we in the Soviet Union reach the American level. And all this is "original accumulation". This "original accumulation" thus actually becomes a permanency.

This is the real essence of the matter. Comrade Preobrachensky unintentionally transforms the **original** socialist accumulation into plain socialist accumulation. Parallell with this we find the transformation of the law from an "original" law into a **simple** law. And all this is necessary in order to continue the policy of the period in which industry lives at the expense of the peasantry until electrification has been accomplished.

These remarkable transformations are based on that same logic which we encountered in the preceding stages of our analysis. It is the logic result on the miscomprehension of the reciprocal relations to be entered into between the proletari-

at and the working class, as between politically allied classes on the hand and as between the class representatives of certain economic forms on the other. Here lies the root of comrade Preobrachensky's statements. The pity is that the root is rotten.

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The reader who is accustomed to deal with the analysis of different ideological shades will here at once recognise the guildlike ideology which does not "want to have anything to do" with other classes, and does not concern itself about the fundamental problem of proletarian policy, the problem of the workers' and peasants' bloc and of the proletarian hegemony in this bloc. One more short step in this direction, and we arrive at the semi-Menshevist ideology of the perfect Trade Unionist of the Russian pattern; let us push aside the peasantry, give more concessions to foreign capital, but not a penny to the fancies of the cooperatives and agrarian hobby riders, let us exercise an increased pressure upon the peasantry to the advantage of the "proletariat", etc. This is the trend of "development" of this ideology.

It is easily comprehensible that the overwhelming majority of the Party members reject such or similar "theories" in a very decided manner. This "theory" (if it had any prospect of "seizing" upon the masses, which it has happily not) **could** annihilate the workers' and peasants' bloc, the granite foundation upon which our workers' state of our Soviet Union is built.

## Declaration of the Central Committee of the Communist youth of Germany regarding the Trotzky Debate.

The Central of the CY of Germany, like the CC and the Leningrad and Moscow Committee of the Russian Youth League, sees in the attitude adopted by comrade Trotzky in the preface of his book "The Lessons of October" nothing more nor less than the attempt, made in a roundabout way and under the cloak of historical representation, to again raise the tactical questions finally decided by the decision of the 13th Party Conference of the Russian CP and of the V. World Congress of the Comintern.

The Central Committee of the CY of Germany considers it especially necessary to state its standpoint on this matter, for the reason that comrade Trotzky again raises, in this preface, the question of the October events in Germany in 1923. We must decidedly reject comrade Trotzky's comparison between the German and the Russian Octobers. He completely overlooks the main cause of the victory of the revolution in the Russian October, and its defeat in the German October: the fact that in October 1917 the Russian proletariat already possessed a powerful Communist Party, whilst in October 1923 a similar really Bolshevik Party did **not** exist.

The attempt to prove, from certain errors committed in October 1917 by individual comrades belonging to the present CC of the Russian CP, and holding at the same time leading positions in the International (errors long since recognised by the comrades in question, and made good a thousand times) were followed in October 1923 by like errors on the part of the same comrades, resulting in the opportunity for the German revolution being "missed", not only ignores the decisive role played by the Party, but has at the same time a profounder personal import, the import of a fresh attack upon the Bolshevik CC, upon the old guard of the Bolsheviks. For this reason it is not only false, but politically harmful, to speak of this question as if it were solely one of "choosing such leaders as do not fail us at the decisive moment". This means at bottom nothing more nor less than the resumption of the Rosa Luxemburg spontaneity theory, as last represented

by comrade Clara Zetkin, clearly and unequivocally, at the V. World Congress of the CI.

In view of the aggravated offensive being carried on by the world bourgeoisie against the international proletariat, and especially against Soviet Russia, this fresh attempt on the part of comrade Trotzky to interpret and falsify the lessons of the October revolution in an entirely un-Bolshevist sense, and to make this interpretation into a fresh basis of struggle against the leaders of the Executive Committee of the Comintern and of the Russian Party, represents today objectively a support of the adversaries of the Comintern. This proceeding is the more difficult to understand that it originates with comrade Trotzky, who, as one of the best known leaders of the Russian revolution, enjoys the highest political prestige in the eyes of the international proletariat.

The Central Committee of the German CY rejects this attempt with the utmost decision, the more that it is likely to give rise to dangerous lack of clearness on the fundamental lessons of the Russian revolution among the working youth of all countries, who did not share the experiences of October 1917. The Central Committee of the CY of Germany declares that it, and with it the whole of the German Youth League, hold firmly to the lines laid down by the decisions of the V. Congress of the Comintern and by Leninism, and that its full support is given to the Bolshevik Central Committee of the Russian CP.

The Central Committee of the CY of Germany welcomes the clear and unequivocal reply given by the Central Committee of the Russian Youth League and the Leningrad and Moscow Committee, and undertakes to join the whole of its forces to those of the Russian League and of the whole Communist Youth International, against any falsification of the lessons of the October revolution, and of the teachings of Lenin.

**The Central Committee of the CY of Germany.**