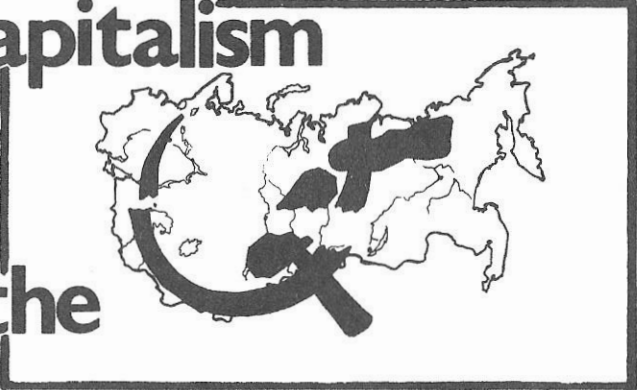


The Restoration of Capitalism in the Soviet Union



A Socialist society represents a natural and inevitable progression in the historical development of human society towards a classless system. It is a necessary transition between capitalism and communism and is immeasurably superior to capitalism. Only by going through socialism will the world's people be able to establish a classless, communist society. Socialist society's chief political feature is that the state is a dictatorship of the proletariat. The chief economic feature of socialism is that the means of production are owned publicly under the dictatorship of the proletariat. This includes state ownership of industries and collective ownership of agriculture. If a socialist society is preceded by an advanced industrialized capitalist society, it may be that socialist ownership of that particular society will include only state ownership.

B Socialist society develops from the foundations of capitalism and continues to bear the birthmarks of its predecessor. Under socialism neither the bourgeoisie nor the existence of capitalist tendencies disappear. These tendencies and their proponents persist within all areas of the society including the working class government organization and the communist party itself. The struggle to overcome these capitalist tendencies is essentially a continuation of the class struggle between the proletariat and the bourgeoisie. Throughout the entire stage of socialist society, which may last many decades and even centuries, this class struggle continues in the political, economic, ideological and cultural spheres. "Whether a socialist society will advance to communism or revert to capitalism depends upon the outcome of this protracted struggle."* The principal form of this antagonism under socialism is the struggle between Marxism-Leninism and revisionism.

C The Soviet Union was at one time a great socialist country. Under the leadership of Lenin and then Stalin, the Soviet people waged a successful socialist revolution, established and upheld the dictatorship of the proletariat and began the difficult task of socialist reconstruction of the society. However, the overthrown bourgeoisie and other reactionary forces continued to exist, and new capitalist forces continued to arise. These forces exerted influence on Soviet socialist society. Unfortunately, Stalin made serious errors in his assessment of the continued existence of the struggle between these forces and

*"On Khrushchov's Phoney Communism and Its Historical Lessons for the World", pp. 8-9. Editorial by the People's Daily and Red Flag, available also in pamphlet form, July 14, 1964, Peking.

the proletariat in power. He "...departed from Marxist-Leninist dialectics in his understanding of the laws of class struggle in socialist society, he prematurely declared after agriculture was basically collectivized that there were 'no longer antagonistic classes' in the Soviet Union and that it was 'free of class conflicts', onesidedly stressed the internal homogeneity of socialist society and overlooked its contradictions, failed to rely upon the working class and the masses in the struggle against the forces of capitalism and regarded the possibility of the restoration of capitalism as associated with armed attack by international imperialism. These conceptions were wrong both in theory and in practice. Nevertheless, Stalin remained a great Marxist-Leninist. As long as he led the Soviet Party and State, he held fast to the dictatorship of the proletariat and the socialist course, pursued a Marxist-Leninist line and ensured the Soviet Union's victorious advance along the road of socialism."*

D After Stalin's death, a new bourgeois stratum led by Khrushchov seized power, winning control of both the Communist Party and the Soviet government. Gradually, through a series of political and economic maneuvers, the dictatorship of the proletariat was converted to a dictatorship of the bourgeoisie. Politically, the bourgeoisie consolidated their power at the 22nd Congress of the Communist Party of the Soviet Union when Khrushchov declared that the dictatorship of the proletariat was no longer necessary in the Soviet Union. Khrushchov further revised Marxism-Leninism by substituting the "state of the whole people" for the state of the dictatorship of the proletariat and the "party of the entire people" for the vanguard party of the proletariat. To the new bourgeoisie in power, the dictatorship of the pro-

Ibid. p. 15.

letariat, the main political aspect of socialist society, was indeed no longer necessary. Khrushchov further betrayed proletarian revolution by changing Soviet foreign policy from proletarian internationalism to that of "peaceful coexistence," "peaceful competition" and "peaceful transition from capitalism to socialism." The revolutionary struggles for nationalism and socialism were abandoned.

The economic policies of Khrushchov and then Brezhnev also served the interests of the new Soviet bourgeoisie. The socialist principle "from each according to his ability, to each according to his work" was done away with in favor of an increase in material incentives and a widening of the difference between the incomes of the ruling strata and the workers. Labor intensive methods were introduced first in 1967 and were then spread to the majority of industries. These labor intensive methods reduced the labor force by increasing labor productivity. The increased profits gained by these methods largely benefit the privileged class within the industries and the state. Trusts developed rapidly in the Soviet Union between 1961 and 1971 and became the chief form of monopoly capital organization. Since 1971, trusts have become the official economic accounting unit of social production, possessing all rights over subordinate enterprises and dominating the Soviet Union's manufacturing and mining sectors.

There are many such examples of individual and state monopoly capitalist appropriation of profits and personal gain in the Soviet Union. It is not a matter of the Soviet leadership making one or several errors. Errors will always be committed to a greater or lesser degree by everyone. It is the totality of the theories, policies and practices of Khrushchov, and Brezhnev after him, that proves the existence of a new ruling class in the Soviet Union.

The rise of a new capitalist ruling class was not inevitable. If the party leadership under Stalin had correctly understood the class nature of the socialist system and the intensity of the class struggle within it, they could have developed correct policies to carry out the class struggle. Khrushchov would not have been able to seize and consolidate state power for a new bourgeois ruling class. However, it was precisely the "peaceful" overthrow of proletarian state power within the Soviet Union that teaches us the main lesson about both the intensity and permanence of the class struggle under socialism. Therefore, before the example of the Soviet Union's degeneration had occurred, it is not likely that a correct understanding could have existed.

Establishment of the dictatorship of the bourgeoisie by its nature transforms socialist economy into capitalist economy. We know this because the nature of the society's economy is determined by which class owns the means of production. The central feature of a capitalist economy is that the capitalist owns the means of production, enabling it to exploit labor and carry on production for its own profit rather than for the needs of society. The central feature of socialist economy is that society as a whole owns the industrial means of production and there is collective ownership in agriculture. The key question in evaluating a society is: "which class rules, the proletariat or the bourgeoisie?" Lenin said that economics itself follows politics or "...politics is a concentrated expression of economics; ...politics must take precedence over economics; to argue otherwise is to forget the ABC of Marxism."* Later, Lenin said "...without a cor-

*"Once Again on the Trade Unions . . .",
Collected Works of Lenin, Vol. 32, pp. 83-85,
Moscow, 1965

rect political approach to the matter, the given class (i.e., the proletariat - our addition) will be unable to stay on top."* With the establishment of a bourgeois dictatorship in the Soviet Union, a bureaucratic monopoly capitalist class was able to gain control of the whole state machinery and social wealth. Thus the restoration of capitalism in the USSR in essence took place simultaneously with the capture of state power by the bourgeoisie and its consequent control of the means of production.

Once in control of the means of production, the new bourgeoisie began to establish one policy after another, one method after another to benefit itself as a special, privileged class and to create a structure and method of functioning of the entire production apparatus suited to this new capitalist purpose. Such general economic measures have been noted in section 4 above and include "putting profits in command", increasing material incentives, increasing the power of plant administrators and managers over workers, etc. This is what has been referred to as the "restoration of capitalism", and in a direct, practical sense, of course, it is. However, in essence, the basic relations of production of capitalism had already been restored when a new bourgeoisie took state power.

F From the point of view of the extent of commodity production and exchange in society, Lenin has described capitalism as "...commodity production at its highest level of development, when labor power itself becomes a commodity."** This definition is significant primarily in tracing the

**ibid*

**Imperialism, the Highest Stage of Capitalism, Lenin, p. 72, Peking 1970

development of capitalism from previous economic systems (slavery, fuedalism, etc.) or, even more so, in comparing capitalism to future communism. In socialist society, commodity exchange, as well as value and the law of value continue to a certain extent. Only communism obliterates all aspects of commodity exchange, value, money, etc. However, one commodity does disappear under socialism: labor-power. Workers control (own) the means of production and run them in their own interests, which are now the general interests of society. Workers pool their labor for the general interest. Of course, workers still receive a wage under socialism. The money form of payment remains as the method of distributing part of the product of production in accordance with the quantity and quality of labor. Under communism, when all distribution is in accordance with need and not based on quantity or quality of labor, wages and money will disappear.

Therefore, the question of whether labor-power is a commodity in the Soviet Union, and thus, whether the Soviet Union is socialist or capitalist, does not rest on whether labor-power is paid a wage. The question of whether labor-power is a commodity in the Soviet Union reduces itself to the question of who owns the means of production. In the Soviet Union today, labor-power has reverted to a commodity status, because a new bourgeoisie owns the means of production.

G The idea that state ownership of the means of production, by itself, constitutes socialism is wrong. It is the nature of the state which determines whether capitalism or socialism exists. As Engels pointed out long ago in Socialism, Utopian and Scientific, "...the transformation, either into joint-stock companies or trusts, or into state ownership, does not do away with the capitalist nature of the productive forces. In

the joint-stock companies and trusts, this is obvious and the modern state, again, is only the organization that bourgeois society takes in order to support the external conditions of the capitalist mode of production against the encroachments as well of the workers as of the individual capitalists. The modern state, no matter what its form, is essentially a capitalist machine, the state of the capitalists, the ideal personification of the total national capital. The more it proceeds to the taking over of the productive forces, the more does it actually become the national capitalist, the more citizens does it exploit....State ownership of the productive forces is not the solution to the conflict..."*

It is instructive to note what Engels did consider as "the solution to the conflict" (i.e. the conflict between the working class and the capitalist class). In the same work, he says the solution occurs when "the proletariat seizes political power and turns the means of production into state property."**

HThe particular type of capitalism that results from the capture of political power by the bourgeoisie in the Soviet Union can only be a highly developed state monopoly capitalism. When the socialist state ownership was changed into ownership by a monopoly capitalist class, socialist state-owned economy became state monopoly capitalist economy. In other capitalist countries, monopoly capitalism is partly state and mostly private with an intimate connection between the two. Moreover, in these countries, monopoly capitalism exists with and alongside of competitive

**Socialism, Utopian and Scientific*, Engels, pp. 67-68. International Publishers, New York 1935.

***Ibid.*, p. 69

capitalism. While there is some private competitive capitalism in the Soviet Union, even in agriculture capitalism is almost entirely a state monopoly capitalism.

I Along with state monopoly capitalism established by the bourgeois dictatorship in the Soviet Union, necessarily comes imperialism. The form of imperialism characteristic to the Soviet Union is social-imperialism, that is, "socialism in words, imperialism in deeds." It is no different fundamentally than imperialism, its central feature being a most highly developed and concentrated monopoly capitalism. When the means of production are in the hands of a self-serving capitalist class, then, along with monopoly and the concentration of production comes the domination of all society by a financial oligarchy. In addition, there is a need for and practice of the export of capital, as well as the export of commodities. There is a frantic search for more and cheaper raw materials and a drive for the maximum rate of profit that is required for accumulation and extended reproduction when production is on a large scale and the market tends to shrink. All of these factors lead an imperialist power to attempt to grab as much of the world as possible in proportion to its economic, political, military and financial strengths. In so doing, it must contend for supremacy and hegemony with other imperialist powers and it must face resistance of those people and countries it attempts to dominate, exploit and enslave.

J The Soviet Union, as a social-imperialist country, exhibits all of the fundamental features of imperialism both in theory and in practice. This is most obvious in the third world where the Soviet Union not only competes with the United States for domination but also tries to impose a new-colonialist rule on the rising oppressed nations. It does so by offering "assis-

tance" to third world countries under the guise of "socialist aid" that begins with outdated machinery and military hardware and ends with interference and control of these countries, militarily, politically, and economically. It attempts to establish its own military bases in many countries and tries to monopolize purchases of key raw materials by demanding that Soviet "aid" be repaid in kind. Under the guise of "socialism" the Soviet Union is able to gain even more of an imperialist foothold in the third world. It is the guise of "socialism" that makes Soviet social-imperialism even more deceptive and dangerous to the world's people.

K The political tendency of monopoly capital is an anti-democratic tendency. Lenin said, "imperialism is, in general, a striving towards violence and reaction."* In addition, he said, "...the specific political features of imperialism are reaction all along the line and increased national oppression resulting from the oppression of the financial oligarchy and elimination of free competition..."** In many imperialist countries, however, bourgeois democracy characteristic of the earlier stages of capitalism remains as a result of the people's resistance to oppression and struggle for democratic rights. Under imperialism, however, democratic rights are never secure. Within this political form of bourgeois democracy, monopoly strives for political reaction, even for fascism and the masses of people strive for democracy.

In the social-imperialist Soviet Union, how-

**Imperialism, the Highest Stage of Capitalism, Lenin, p. 108, Peking, 1970.*

***Ibid., p. 108*

ever, the political form of the state is fascism. There is no bourgeois democracy whatsoever. The Communist Party of the Soviet Union, which Brezhnev calls the "party of the entire people" is not a communist party, but a party of capitalist dictatorship, a fascist party. All opposition to the party and the state is illegal, and any expression of opposition is met with repression, imprisonment or incarceration in so-called mental institutions. While not as intense or oppressive as German fascism (the so-called German National Socialism) under Hitler, Soviet social-fascism is in content and principle exactly the same thing.