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Russia – A Fascist State

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society can therefore be clearly posed, fascist barbarism or socialism.

Many comrades accept “in the main” Trotsky’s method of analyzing the U.S.S.R. but wish to change his conclusions. They are pursuing a false path. Trotsky’s basis was the state property form. If he was wrong, it is there, at the start. To break with that will not be as easy as might appear at first. The whole method of political economy is involved.

Every generation inherits productive forces at a certain stage of development, hand-plows, spinning-wheels. Ford assembly plants. Each level of productive forces demands a corresponding method of exchange and consumption. Within these given conditions men form social relations, relations with each other, fundamentally, classes. The class which rules production forms its own state and its own property forms or property relations. Property is the right to appropriate, which has sprung from the duty of organizing production or, in simpler ages, of regulating society. Production determines property, property does not determine production. The property relations are but the legal expression of the social relations of production. They have no validity apart from the social relations. Suppose you had asked a Southern slave-owner to analyze slave production. He would say that the first necessity was to own some property in slaves, and if he were a man of books, he would say that slave society rested on the juridical detail, the title which he had obtained when he handed over his money. It was Marx who exploded this bubble. The legal title, the juridical detail, was transferred from one owner to another by the sale, but not created by it; “it was created in the first place by the conditions of production. As soon as these have arrived at a point where they must shed their skin, the material source of the title, justified economically and historically and arising from the process which creates the material requirements of life, falls to the ground, and with it all transactions based upon it”.¹ “As soon as” in this connection does not mean the morning after.

¹ Capital, I, p. 886.

Particularly, though by no means always, in periods of revolution and counter-revolution, there is often a discrepancy or re-shuffling between the juridical or legal relations (property) and the actual productive relations. The greatest example of this is capitalism itself, which transformed the productive relations in which a laborer appropriated his own product into productive relations in which his labor was appropriated by others. But while accomplishing this, the greatest economic transformation in history, capitalism prudently maintained the old juridical relation, the form of private property. Marx therefore always insisted on the distinction between “self-earned property” and “capitalistic private property” and in a famous passage he demonstrated how “the separation of property from labor has become the necessary consequence of a law that originated in their identity.”² A very important conclusion can be drawn from this. The same property relations can be the legal expression of a revolutionary (or counter-revolutionary) transformation in the social relations of production. This is not the same as the process of one class substituting itself for another class in the same type of society. It is the substitution of one method of production for another method of production within the same formal juridical relations.

So fundamental to Marx’s method was this distinction between property relations and the social relations of production that he refused to recognize property forms or property relations at all, unless they included the total relations of production; “outside of these relations bourgeois property is nothing but a metaphysical or juristic illusion.”³ For Marx, “to define bourgeois property is nothing other than to explain all the social relations of bourgeois production”.⁴ He wrote of the “various forms of private property, as, for example, wages, trade value, price, money, etc.”⁵ Bourgeois

² Capital, I, p. 640.

³ Correspondence, p. 11., I, p. 640.

⁴ Poverty of Philosophy, Kerr, p. 108.

⁵ Selected Essays, p. 172.

theorizing, however “profound,” are useless unless they deal with these apparently very elementary but in reality decisive questions.

The Russian question is no isolated question but is the question of our economic epoch today. Marx and Engels taught that without the proletarian revolution the state would be compelled to take over capitalist property and make it state-owned (Shachtman will never be able to accept this. He cannot, without ripping his position on Russia to pieces or by confusing still further capital as property with capital as function.) The German capitalist, with every social relation of production, wages, trade, profit, all controlled by the state, is little more than a state-functionary. This was accomplished by one agency in one way. How it will be done elsewhere, and by what stages, we do not and cannot know. There will be advances and retreats, even in Germany, but the whole moves inevitably towards state-ownership. Stalin, contrary to Trotsky’s persistent premonitions, strengthens state property, but if private property were restored in Russia tomorrow, it would inevitably be statified again. Socialization of the labor process proceeds apace in every country, with consequent socialization of exchange, and rigid regulation of every commodity, of which labor power is the chief. Today these conditions, or sheer chaos, demand statification, and they will have it. If the proletariat does not statify, – the bourgeoisie will. But by so doing, it intensifies every contradiction of capitalism and drives society on the road to ruin. Of capitalist barbarism Stalinist Russia is a fore-runner. Under no circumstances is it to be defended.

The above is the bare but basic outline. That is all there is space for. Specific differences in economic and social conditions, and the historical origin of Hitlerite and Stalinist society are very great, and will later be the subject of careful differentiation. But it was necessary first to establish the fundamental identity of a wage-laboring working class and a state controlling all aspects of economic, political and social life. This is the general fo8221 of capitalist decline and determines the steady progress to greater and greater barbarism and nothing else, until the socialist revolution. The future of

tion of an abstract property relation, ownership. We must get rid of this method of thinking. It is bourgeois, and will lead us straight into the camp of the bourgeoisie. However calmly and educationally we wish to discuss the Russian question we must bear this tremendous fact always in mind. After nearly twenty-five years of work and thought on the Russian question, the successor of Marx, Engels and Lenin, pursuing a consistent line, invited us to enter one of the war-camps and we refused. But for the accident of circumstance we would have been on one side of the barricades and the leader of the October revolution on the other. It is to do Trotsky ; and ourselves a great injustice not to realize that fundamental concepts of thought, bourgeois on the one hand and Marxist on the other (there are no others), are here involved. Of that, more later.

Today the bureaucracy, like any other capitalist class, in proportion to its political solidarity, plans in order to get as much surplus value as possible from the workers, it plans to preserve itself against other capitalist classes. An individual capitalist who is unable to extract surplus value goes bankrupt, gets a government subsidy, or allows his capital to lie fallow. The state, as national capitalist, produces in certain branches at a loss, which is atoned for by gain in others. Why is the total national capital any the less capital because it exploits the workers under unified control instead of in separate conflicting parts? The proof of this will be long in coming. It will involve a new Capital. The competition between capitalist and capitalist is a distinctly subordinate relation, a conflict over the distribution of the surplus value. Marx said so often. The decisive social relation is the antagonism between workers and capitalists over the production of the surplus value – the class struggle. It is not merely a more important relation than the rest. It determines the rest. Why else do we lay all our stress on the class struggle? Profit is only a “peculiar form” of surplus value. Surplus value can take the form of capitalist wages, “for quantity and quality of work performed” (in Russia today its distribution takes very unusual forms). But it can be produced in only one way. All analysis, research and

property relations could only be denned “by a critical analysis of political economy, embracing the whole of the relations of property, not in their juridical expression as relations of will, but in their real form as relations of material production. As Proudhon subordinated the whole of these economic relations to the juridical notion of property, he could not go beyond the response which had been already given by Brissot before 1789 and in the same terms ‘Property is Robbery.’”⁶

Trotsky committed a similar error. With irrevocable emphasis he declared that his basis was the property form. His initial and overwhelming mistake was to identify state property indivisibly with the proletariat as ruling class. As late as October 1933 he declared that a “real civil war” between the proletariat and the bureaucracy was impossible.⁷ The history of his theory is the record of his retreat step by step from his initial position until in the U.S.S.R. in War he abandoned it.

Thus Trotsky and we who followed him failed to distinguish between first, means of production in the hands of the state where the state is merely an economic form like a trust, a bank, or a cartel; second, state ownership as a purely juridical relation, which tells us no more than that it is the duty of the state to organize production and distribute the product; and third, a workers’ state, i.e., a state transitional to socialism; this last is not a juridical question at all but a question of the economic conditions and social relations of production, which can be summed up in one phrase: is the working class master or not? The third category includes the other two. But neither singly nor together do the first two necessarily include the third. We have made a colossal error here in the past. We must recognize it frankly, abandon the method decisively, trace its historical and theoretical roots and consequences, and start afresh.

⁶ Poverty of Philosophy, p. 105.

⁷ The Soviet Union and the Fourth International.

Lucky for us that we have not to do it in the heat of action as the Bolsheviks in 1917.

Within the state property form the working class can be master as in 1921 or enslaved as in 1941. Two such antithetical social relationships alter the entire character and movement of production, that is to say, the very type of economy.

Capital Is Conditioned on Wage-Labor

We must begin with productive relations, and not in Russia, but with the productive relations of the capitalist epoch as analyzed by Marx. Implicit with many is the idea that Marx did not “foresee” fascism or Stalinist Russia. Certainly Marx did not “foresee” anything. He was an economist, not a rabbi. (How these primitive habits of thought persist!) But he certainly thought he had discovered the essential characteristics of all modern society. Let us see what he meant.

For Marx, means of production and laborers are the basis of all societies, and the special way these are united distinguish the various economic epochs from each other. In earlier epochs, means of production were united with the slave or the serf. Though owned, they were not capital. Wage-labor is the specific condition of the means of production assuming the form of capital. And this one historical condition, says Marx, comprises a world’s history. The wage-laborer sells his labor-power for a fixed time. The wage-laborer is entirely divorced from the means of production. In these respects capitalist society is unique. Neither the communal laborer, the ancient slave, nor the serf were divorced from the means of production. All produced mainly their own subsistence and the subsistence of their masters. They did not predominantly produce commodities for exchange. Hence the stagnant character of their production. Marx saw that society, after four hundred years of capitalist development and the creation of the world market, could never

this. Yes. Then why may we not call the bureaucracy a capitalist class of the same economic type as the German bourgeoisie? Says Shachtman: “the juridical detail” of ownership is of the “profoundest importance.” This is indeed the magnification of a juridical relation into the basis of society. Shachtman does not see that his article proves the economic identity of Germany and Russia. The intellectual reason for his failure to recognize this is that he has not made the break with Trotsky’s approach. What is worse, he carries it over from Russia to Germany. For example: “[Hitler’s] boldness and ‘radicalism’ in all spheres is directed toward maintaining that ‘juridical detail’, that is, capitalist society, to the extent to which it is at all possible to maintain it in the period of its decay.” So capitalist society depends on Hitler’s not changing that juridical detail, in fact for Shachtman, capitalist society is that juridical detail, ownership. This is our old friend the slave-owner again, who believes that slave production rests on his ownership of the slave. Marx worked for forty years to prove not that but the opposite. “The level of wages is not fixed by legislation but by economic factors. The phenomenon of capitalist exploitation does not rest on a legal disposition but on the purely economic fact that labor-power plays in this exploitation the role of a merchandise possessing among other characteristics, the agreeable quality of producing value – more than it the value it consumes in the form of the laborer’s means of subsistence.”¹³ That is German society and Russia, both capitalist. This is no incidental mistake. Shachtman’s whole article is built on it. But note that it is Trotsky’s methodology on Russia applied to capitalism. Russia was a worker’s state because the is state owned. So now, according to Shachtman, Germany is a capitalist state because the capitalists own. Social relations? The workers? The movement of production? All subordinated to the metaphysical and juristic fic-

¹³ Rosa Luxemburg, *Reform and Revolution*. Those who think that this and similar definitions apply not only to capitalism but to slavery and some other “new” societies should be given plenty of rope.

from being outside Marx's analysis, Stalinist Russia is the greatest affirmation of his analysis of capital hitherto seen.

Is Russian economy "progressive"? What is an economy abstracted from the class relations? As Stalinist chaos revealed itself, Trotsky could maintain the doubtful contention of a progressive economy only by the uncontested fiction of the proletariat as ruling class. By 1939 all he could say was: "Wait at least until after the war and then, if there is no revolution, we shall have to admit that nationalized economy can support an exploiting class." In plain words, Trotsky's theory came to a complete impasse. In reality, the economy was progressive, not because of state-ownership in general and planned economy in general, but because the state which owned was a working-class state and the economy was therefore directed in the interests of society as a whole. When, by 1936, all power was definitely lost, then the economy might grow absolutely – there is nothing to prevent world capitalism doing that – but the total social relations increasingly became such as to destroy even such planning as was possible, and keep the economy and the whole of society in a state of permanent crisis.

Stalinist Russia, like American capitalism, is transitional to crisis and collapse and transitional to nothing else. How can that be progressive? Shachtman, by making the bureaucracy into a class and yet half-employing Trotsky's method, has pushed Trotsky's initial error, excusable when it was originally made, to an impossible extreme. In Germany and Russia the ruling class possesses, uses as its own, and for its own interests the means of production? Yes, says Shachtman. The German bourgeoisie and the Stalinist bureaucracy are both fetters on the productive forces? Yes, again. Both in Germany and Russia these rulers monopolize all advantages of the socialization of labor and increased productivity while among the workers grow the mass of misery, oppression, slavery, degradation, exploitation. Yes. In each country the state plans the economy to increase class power, prestige and revenues. Yes. In each country only a proletarian, social revolution can change

again go back to subsistence production. Therefore the future in its broad outline was plain. The mass of humanity would increasingly be wage-laborers and for this reason the means of production would continue to be monopolized by a few. The result of this would be increasing misery⁸ and degradation of the wage-laborers. To prevent themselves from perishing the laborers would be compelled to seize the means of production and thereby abolish wage-labor and the capital relationship. Otherwise, barbarism.

That is all he said and it is plenty. In that sense there is no possible economic structure of society, i.e., combination of means of production and laborers, which Marx's analysis did not embrace. A fascist "class" may arise, in the narrow sense that Bukharin speaks of rentiers in the Economic Theory of the Leisure Class. The fascists may even supersede the bourgeoisie entirely (though I see no sign of it). How would that affect the economic structure of society? They would produce for all, (as they said they would)? But this could be done only by abolition of the system of wage-labor and monopoly of the means of production. To a Marxist the idea that a minority ruling class would continue to monopolize the means of production but distribute the product equally, is an intolerable stupidity. Or the fascists would bluff, mediate and maneuver, Bonapartist fashion, leaving the mass of producers as wage-laborers (which is what they have actually done). State ownership, private property, bureaucratic collectivism, managerial society, all these have to be seen within the frame work of the fundamental relationship of capital and wage-labor and the inevitable consequences. That knowledge is the greatest strength of our movement. With it we have a basis for all our analysis, whatever problems we face. Without it? Look at the mass of confusion and groping, patch-work and adventurism now proliferating in the movement. If we want to

⁸ Not necessarily increasing poverty. A worker on relief today may have more at his disposal than his grandfather did when working. Yet the modern worker is more miserable, more frustrated and more resentful. For wages too are a social relation.

break with Marx's foundation we must do so consciously and deliberately.

The belief that Marx did not "analyze" Stalinist Russia springs from a complete imperviousness to Marx's finest work – his abstract definitions. Let me give one example. Surplus value, we know, is generated not by the constant capital, the capital invested in means of production, but by the variable capital, the capital invested in wages. Now observe the elasticity of Marx's method: "It does not alter this essential fact that the capitalist may pay the laborer either in money or in means of subsistence. This alters merely the mode of existence of the value advanced by the capitalist, seeing that in one case it has the form of money for which the laborer himself buys his means of subsistence on the market, in the other case that of means of subsistence which he consumes directly." Marx is now trimming his definition to the bone. "A developed capitalist production rests indeed on the assumption that the laborer is paid in money and more generally on the assumption that the process of production is promoted by the process of circulation, in other words, by the monetary system." The monetary system promotes but it is not absolutely necessary, so Marx throws it out. "But the production of surplus value – and consequently the capitalization of the advanced sum of values – has its source neither in the money form, nor in the natural form of wages, or of the capital invested in the purchase of labor power. It arises out of the exchange of value for a power treating value, the conversion of a constant into a variable magnitude." Yet you can quote Marx on money interminably and drug yourself into the belief that a society which does not use money in the process of production is not capitalist. But it is precisely in the superb simplicity of these definitions, that we can grasp the insight which led him to say: "I have discovered the economic law of motion of modern society." Trotsky on the other hand says that the bureaucracy is not a capitalist class because it has neither stocks nor bonds! The far-reaching character of this error shows how deeply Trotsky was entangled

property an "independent relation," Trotsky is compelled to explain all by super-theft, by declaring that Stalin's state is organized nine-tenths for stealing and Stalin's supporters are thieves.¹² That is useful as agitation. It is not analysis. The only explanation is that the predominance of wage-labor compels inevitable results.

Was there wage-labor in Leninist Russia? In form only; or yes and no, as is inevitable in a transitional state, but much more no than yes. The rule of the proletariat created a new economy. Whereas in a capitalist society the basic relationship is on the one hand wage-labor and on the other hand means of production in the hands of the capitalist class, in Leninist Russia the relationship was: the form of wage-labor only on the one hand because on the other were the means of production in the hands of the laborer who owned the property through the -state. This made the class relations so different from those of capitalism as to alter the whole character and movement of wages and make Russia socialist "in principle." To lump this together with wage-labor in the Marxian sense is to believe that the way from New York to Montreal is the same as the way from New York to Miami. It is to miss completely the role of the Russian proletarian state in the transition period. The aim was to increase well-being instead of misery. Without world revolution workers' ownership was doomed. During the first Five Year Plan Stalin tried to abolish transition. It cost the lives of some ten million men. It is impossible here to trace the complicated economic development. But first the workers lost direct control; then the Stalinist constitution marked the end of even the pretense that the workers owned anything, and wage-labor therefore takes its unchecked course of increasing the misery of the Russian workers except for Stakhanovites and others whom Stalin bribes to support his regime. This is exactly what Marx "foresaw". Before this discussion is ended, it will be seen that far

¹² (missing)

Trotsky foundered. All who follow his path will suffer a similar fate with greater speed and less excuse.

Trotsky's Dilemma

In one of his last articles Trotsky exposed his dilemma. "The October revolution pursued two intimately related tasks: first the socialization of the means of production, and the raising through planned economy, of the country's economic level; second, the building on this foundation of ... a socialist society administered by its members as a whole. The first task in its basic outlines has been realized; despite the influence of bureaucratism, the superiority of planned economy has revealed itself with indisputable force." Now for what he says is intimately related. "It is otherwise with the social regime. In place of approaching socialism it moves further away." So that, though intimately related, they grow further apart. Why? "Owing to historical causes, which cannot properly be dealt with here, there has developed on the foundation of the October revolution a new privileged caste which concentrates in its hands all power and which devours an ever greater portion of the national income". Why? That is the question of questions. Trotsky could never give a satisfactory answer. And yet the solution is simple. What economics hath joined together not even history can put asunder. Make the verbally intimate relation really intimate by changing two words in the last sentence: "... a new privileged caste which concentrates in its hands all power and therefore devours an ever greater portion of the national income." Trotsky says that there isn't enough to go round. But why do the workers get the short end? Why does it grow worse every year? Will it ever stop? The growing misery of the Russian workers is not due to preparations for the war. It is between 1935 and 1941 that the income of the bureaucracy in relation to the workers has reached the most fantastic heights. Like Brissot and Proudhon who made

in the most superficial aspects of property relations. Marx almost always makes jokes at stocks and bonds. They are merely titles to surplus-value. They do not determine capitalist production. We shall soon see this misconception coming up again. If Hitler wiped away stocks and bonds tomorrow, and paid wages in subsistence, how the typewriters would tick with new societies.

Wage-Labor in Russia

In Russia the proletariat is a class of wage-laborers. The peasantry, despite all the fictions of the property forms, are wage-laborers, some of them receiving part of their wages in subsistence and all receiving a strictly controlled bonus on the year's work. This predominance of wage-labor makes the means of production capital. The means of production, monopolized by a section of society, in their role of capital, have an independent life and movement of their own. The bureaucracy then becomes what Marx always insisted the capitalist class is, merely the representative, the agent, the personification, the incarnation of capital. The agents or representatives of the means of production as capital can call it state property or common property or private property or Peruvian property or bureaucratic state socialist property if they have good enough reason for doing so. They may have monopolized the means of production for five generations or for five years. They may organize and appropriate in open competition with each other or through their state. They may plan the economy and lead it to chaos or they may have simple old-fashioned chaos without plan. But from the juridical and metaphysical fiction of the abstract property relations to Stalin's new 15 year plan, all are to be analyzed and appraised only in the light of the primary social relation, the class struggle. Here you have two alternatives. You can say with the Cannonites that the proletariat is still the ruling class and Russia transitional to socialism by way of chaotic economy, the

G.P.U., prisons as factories, factories as prisons, corruption of the international proletariat. That is criminal nonsense but it is logical and consistent crime. But you cannot like Shachtman call the bureaucracy a class whose state control “guarantees economic and political supremacy”⁹ and at the same time call Russia “a transitional and therefore unstable social order.”¹⁰ American capitalism is an unstable but not a transitional social order. You can have a social order transitional to socialism or back to capitalism, with the proletariat as ruling class or struggling to maintain its position as ruling class. Or you can have another type of society with defined social relations. But both together? No. If you say with Shachtman that the bureaucracy is a class and “owns the state and therewith the state property”¹¹ you are saying that the ruling class in Russia “owns” the means of production. What you are saying in reality is that the ruling class is in such a productive relation to the working class that the means of production thereby become capital. That is what Marx meant by saying that capital was conditioned on wage-labor. If you don’t want that, then back to the old degenerated workers’ state conception.

The relationship of capital and wage-labor has certain consequences. It constantly increases the misery, oppression and degradation of the workers. I can show, not only from the testimony of Victor Serge and Yvon, but from independent investigation of Stalinist sources, that the average income of the Russian workers which in 1936 was already less than it was in 1913, is today somewhere between 50 and 75 percent of the 1913 level, despite the manifold increase in production. The workers’ oppressions, slavery and degradation are the worse in the world. Never before has there been a regime in which the gap has been so wide between what is preached and what is practised. The degradation of hu-

⁹ New International, Dec. 1940.

¹⁰ Bulletin W.P., No. 7.

¹¹ (missing)

man personality has reached unbelievable depths. Socialism will be built by free men, not by driven slaves. Stalinist society can build only capitalist barbarism. And it is and will become more barbarous not in spite of but because of the immense centralisation of capital, this time in the hands of the state. That is precisely Marx’s theory of increasing misery.

In 1936, Trotsky admitted that 15% of the population in Russia received roughly as much of the national income as the remaining 85. Today that disproportion is infinitely wider, and approaches the distribution in capitalist states. Here we have, exemplified, Marx’s theory of capitalist distribution. Distribution is merely the reverse or reflex of the social relations of production. Accumulation of wealth at one end of society and misery at the other is a law of all societies. But this process in slave society is entirely different to the process in capitalist society. In capitalist society, misery and wealth accumulate directly because of the increasing productivity of labor. Hence the dynamism of capitalist development and the long centuries of ancient and medieval stagnation. For historical reasons this movement has been tremendously accelerated in Russia. But the movement itself is strictly economic. It is illusory to hope that if given a chance, Stalin will change and raise the standard of living of the masses. That is Christianity, not Marxism. “The level of wages is not fixed by legislation but by economic factors.” Stalin remains where he is because he knows better than to attempt any fundamental change in distribution without a fundamental change in class relations. Only when production is ruled by the producers themselves and, without too much delay, on an international scale, can the permanent crisis be resolved. When the crisis is suppressed economically it breaks out politically. It is suppressed politically by a gigantic apparatus of repression and wholesale massacre. Planned terror cements the planned economy. (Strange that the professional dialecticians cannot recognize the unity of these opposites!) Accumulation combined with misery are intertwined aspects of a unity – the process of capitalist production. On this rock