The Becoming of "Real Socialism" (2011…)

In the Preface to *Contradictions of 'Real Socialism: the Conductor and the Conducted (2*012), I wrote:

Originally, my plan was to analyze Real Socialism as a system that consolidated in the period after 1950 and then to follow that with a section on its historical development. My model in this respect was Marx's treatment of capitalism in Capital, which revealed the nature of capitalism as a going system (its "being") and then used that analysis as a guideline for examining the original emergence of the system (its "becoming"). So, Part I would explore the nature of a system dominated by what I have called "vanguard relations of production," whereas Part II would consider the original emergence (or original accumulation) of those relations.

Accordingly, the chapters drafted for Part II took up topics like the emergence of the vanguard party in the USSR, NEP (the New Economic Policy), social relations within the countryside, and the theory of "primitive socialist accumulation." Only the discussion of the 1930s remained to be done. But these questions, too, have been set aside for another work for now.

As it happened, I never returned to these historical questions but instead proceeded to explore contemporary issues in *The Socialist Imperative* (2015) and *Between Capitalism and Community* (2021). Nevertheless, these historical reflections may have some value.

App-Note A. A Past Lying Behind The System

As discussed in Chapter 3, there is an essential difference between the 'being' of an economic system (e.g., real socialism as an organic system) and its 'becoming'. There is also an essential difference between the study of each. When discussing the process of becoming, our method is *not* one of deduction--- i.e., of demonstrating the logical links between coexisting elements and categories in a particular structure. That is the work of the study of an organic system, the consideration of a society as a 'connected whole'--- an entirely different object from the examination of how the system *actually* came into existence.

However, the two questions are intrinsically related, as Marx stressed. Understanding capitalism as an organic system with the essential elements of capital and wage-labour guided Marx's examination of the original development of capitalist relations of production. 'Our method' Marx (1973:460) declared, 'indicates the points where historical investigation must enter in.' When we have correctly grasped the nature of an economy, it 'always leads to primary equations... which point towards a past lying behind the system.' In the same way, our consideration of RS as characterised by vanguard relations of production points us to important questions for historical investigation.

Knowing that the system is characterised by the combination of a specific vanguard party and a quiescent working class with particular benefits reveals not only how the organic system is itself reproduced but also the elements whose historical development must be traced. *Where did those elements come from*? How did they expand? The question to which we are directed, in short, is the 'becoming' of the system--- i.e., the original formation of vanguard relations of production.

Think about the template we set out in considering the becoming of capitalism. Beginning with (a) the development of a particular social relation, we then introduced (b) the rupture in property rights, (c) the emergence of a particular relation of production, and, finally, (d) the development of a specific mode of production. Does the becoming of RS fit in this structure?

Begin with the vanguard party as the particular social relation. Nationalisation of the means of production is the rupture in property rights, but that pattern of property rights is itself insufficient to determine a new set of productive relations. This critical step occurs when the vanguard itself seizes possession of production and, thus, we see the introduction of vanguard relations of production. For the completion of the system, though, a specifically vanguard mode of production is necessary; until then, the vanguard requires a particular mode of regulation to ensure the reproduction of those relations of production. Once that vanguard mode of production is created, the system will produce its own premises spontaneously--- i.e., its presuppositions are the result of the system itself.

Of course, the template that we developed from Marx's discussion in *Capital* describes only one of many potential paths to the consolidation of capitalist relations of production. There were alternative paths to capitalism; and in the same way, we should recognise that there are alternative paths to vanguard relations of production. For example, particular countries may have adopted *in toto* vanguard relations (and, indeed, the directive central planning characteristic of the vanguard mode of production) as they had been fully developed in the Soviet Union; clearly, then, they would not follow the same precise historical order.

Similarly, the process of becoming may have started in some cases with the rupture in property rights (e.g., nationalisation of the means of production) followed by the *subsequent* creation of a vanguard party because of the perceived need to bring discipline into the revolution. Given that our central concern is not with the historical order of becoming but with the particular combination characteristic of RS as an organic system, different paths should be noted but not seen as the essence of the system.

Of course, after the Soviet Revolution the choice of vanguard relations inevitably was made in the context of knowledge of this model; thus, there is a definite logic to exploring in detail the process of becoming in that classic case. Even for the Soviet Union, though, the template vastly simplifies the actual historical process. For example, there was not *one* set of means of production to be nationalised; i.e., there was not one single rupture in property rights but several. And, that points to the possibility that in considering the historical process a central theme may be the problem of contested reproduction -- differing sets of productive relations interacting.

The emergence of vanguard relations and the struggle over contested reproduction is, of course, the subject of extended political debate and passion. Our concern here, though, is not to assign blame, to identify the point at which 'betrayal' occurs, etc. Rather, our method focuses upon the question of *how* the elements emerged. Inevitably, one may identify the existence of alternatives at particular points, and we do that. However, there is here no attempt to explore the *feasibility* of any alternatives (in other words, whether there were truly options that could be successful) and no effort to explore whether what did happen was contingent as opposed to necessary. That is the subject for a different work -- a concrete examination of historical options in the particular conjuncture.

The Notes that follow were developed as an attempt to understand the general process by which RS emerged in the USSR. With the exception of the theoretical discussion of

Preobrazhensky and Bukharin, I rely here upon secondary sources for the historical discussion and the account depends upon their accuracy.

App-NoteB. The Becoming of Vanguard Relations of Production

By the 1930s, with the combination of centralized directives, five-year plans, and collectivization, the basic elements of vanguard relations were in place in the Soviet Union. While a specifically vanguard mode of production was not yet sufficiently developed to ensure the spontaneous reproduction of this particular combination of vanguard party/state and quiescent working class, nevertheless a mode of regulation based upon repression maintained the system. How, though, did these elements develop in the first place (or, in other words, what was the course of the original accumulation of vanguard relations)?

Consider the social relation which is the vanguard party. As we have seen, the party involves both a particular relationship between party members and those outside the party and also a particular relationship internally between those at the top and those at the bottom--- one characterised by a common commitment to a particular ideology and politics which is reinforced by the pattern of recruitment. But this is the vanguard party as it has developed in the organic system. The vanguard party as it initially *emerged* may be quite different -- in other words, the nature of the party may have changed in the course of the process of becoming.

Accordingly, it is appropriate to begin by looking at the vanguard party as initially proposed by Lenin in 1902. In *What is to be Done*, Lenin criticised economism and spontaneity, and he argued that the revolutionary party should take the form of a vanguard party-- a party of skilled revolutionaries which leads the working class as a whole. All workers should not be part of this party; rather, the party should be disciplined and able to adapt itself immediately to changing conditions of struggle. Further, such a party should be centralized and organized from the top down; hierarchy, he stressed, was essential for the success of the revolutionary party, and the ‘elective principle’ (focusing upon decisions from below) was misplaced.

That such a conception of a party was viewed as inappropriate by many Marxists can be seen by the reaction of contemporary critics. Martov, Lenin’s main Menshevik adversary within the Russian Social-Democratic Party, wrote in *Iskra* that Lenin's super-centralism inevitably leads to formation of ‘a 'bureaucratic, putschist organization' run by a leader and divorced from the masses’(Liebman, ?: 40). Similarly, Trotsky commented in 1904 that, ‘Lenin's methods lead to this: the party organization at first substitutes itself for the party as a whole, then the Central Committee substitutes itself for the organization; and finally a single 'dictator' substitutes himself for the Central Committee.’ (Liebman, ?: 41). Rosa Luxemburg, further, attacked in this model what she saw as the ‘absolute and blind submission of the party sections to the will of the Center’ and the subordination of all ‘to the party center, which alone thinks, guides, and decides for all.’ (Luxemburg, ?: 87-88). It would appear that the seeds of the fully developed vanguard party were already present at its inception.

It is essential, though, to recognize that Lenin explicitly was describing the *tasks of a party functioning in a police state*. ‘In an autocratic state,’ he argued, the more the organization is confined to professional revolutionaries, ‘the more difficult it will be to unearth the organization’. In short, his focus upon centralization and hierarchy related specifically to ‘revolutionary work carried out under an autocracy’ -- it was all about the ‘art of running a secret organization’. In contrast, by 1905 when workers were in motion, Lenin's position was quite

different: he stressed the independent initiative of the workers and called upon the party to considerably increase its membership in order to draw upon 'the stream of popular revolutionary energy which has been a hundredfold strengthened'. (Liebman, ?: 46).

With this altered focus, Lenin differed considerably from others in his Bolshevik faction who were wedded to the original concept of the vanguard party and sceptical of the emergence of the soviet. Liebman (?: 87) comments about this group: 'Already certain that no revolution could have any chance of success unless it were firmly led by a party, the Bolsheviks looked without any sympathy whatsoever upon this new institution, which obeyed no instruction and carried out no directive, and which corresponded so imperfectly to their conception of how the masses should be organized.' In contrast, Lenin, who described 1905 as a time when 'the proletariat sensed sooner than its leaders the change in the objective conditions of the struggle', argued against being 'pedants and philistines' and called for new forms of organization. Rather than seeing the Soviet as a competitor, he argued that *both* the Soviet and the Party were needed.

Indeed, Lenin stressed in 1907 that 'the basic mistake' made by people who polemicise with *What Is to Be Done* is that they were tearing its argument completely out of its specific historical context. Nevertheless, with the intensification of repression and police infiltration from 1908 on, the party reverted to the 'features of centralization and clandestinity that had characterized it before the revolution of 1905;' it was a period in which differences between Bolsheviks and Menshiviks became more intense (leading to the ultimate split in 1912) and in which there were attacks upon differing tendencies within the Bolsheviks (e.g., the expulsion of Bogdanov on the Left in 1909) and upon 'conciliators' (like Trotsky) who tried to bring Bolsheviks and Mensheviks together (Liebman, ?: 55-7). Directing clandestine operations, moving members to where they could be most effective, exposing police spies in their midst--- these were the particular conditions which shaped the leadership of the vanguard party and solidified their view of the nature of the political instrument needed to lead the struggle for socialism.

Once again, though, when the masses were in motion in 1917, Lenin's response was to move away from that prescribed model. Internally, the party was characterized by extensive private and public debate, the presence of factions and absolutely no focus upon strict political homogeneity. From the perspective of Trotsky (and many other political veterans who now joined this party), the party had in fact 'deBolshevized' itself as the result of the revolutionary movement of masses (Liebman, ?: 149, 160). Party membership grew substantially -- as the party responded to the revolutionary sentiments of the masses; and its themes and program of nationalization, power to the Soviets and workers control based upon the factory committees reflected initiatives and movement from below.

It is no accident that the themes of power from below and the creative energy of the masses dominated Lenin's thoughts at this time when he wrote *State and Revolution*, his theoretical exploration of the state--- one in which the party played little role. 'Socialism,' Lenin declared shortly after the October Revolution, 'cannot be decreed from above. Its spirit rejects the mechanical bureaucratic approach; living, creative socialism is the product of the masses themselves' (Liebman, ?: 219).

There was, thus, more than one seed, more than one genetic program in the party that Lenin led. There was the party that learns from the masses, that draws upon their enthusiasm, determination and creative energy and proceeds to channel that energy so that it does not dissipate ineffectively -- the party that respects institutions created from below like Soviets and factory committees. And, on the other hand, there is the party that possesses the answers, that

looks upon initiatives from below as mistakes and substitutes its wisdom for the spontaneity of the masses. Favouring the former genetic program, Rosa Luxemburg had dramatically set out the alternatives in 1904: 'The working class demands the right to make its mistakes and learn in the dialectic of history. Let us speak plainly. Historically, the errors committed by a truly revolutionary movement are infinitely more fruitful than the infallibility of the cleverest Central Committee' (Luxemburg, ?: ?).

Which alternative would prevail? In large part, the seed that flourished depended upon the particular conjuncture -- the environment in which the party had to function (and to which Lenin responded much more flexibly than his comrades). Yet, the party was not simply a passive object--- through its actions it could also affect the consciousness and militancy of the masses and, thus, the nature of the conjuncture itself. That was, indeed, the point of the revolutionary party. But, the party had to help make history not under conditions of its own choosing. Ultimately, the critical conjuncture which would shape the character of the party which built 'real socialism' in the Soviet Union was initiated by the Civil War.

Everything to the Front!

'Everything to the front!' was the slogan by which the immediate defense of the revolution was mobilized. But some important parts of this revolution were left behind: the soviets as representatives of the working class itself, the power of factory committees and reliance upon the creative energy and self-activity of the working class. The Civil War and economic chaos in its aftermath brought with it soviets which were organs of the Bolshevik party (and subordinated to the Cheka), the solidification of the power of managers within the workplace ('one-man management'), growing use of 'appointism' in place of decisions from below, declining internal democracy within the party and, at the 10th party Congress in March 1921, the banning of factions within the party.

What had happened? In the aftermath of military defeat (with its effects upon the organisation of the economy), the successful revolution already had placed a premium upon restoring productive forces. The Civil War which followed, though, drove the economy to its knees and demanded quick solutions. At the level of the economy as a whole, military methods--- direct requisition of supplies, rationing, commands from above (i.e., so-called 'War Communism')--- were required. And, in individual workplaces, the measures which promised the quickest solutions were the familiar ones -- increased discipline within the workplace directed from above, the use of the old ('bourgeois') specialists and individual ('one man') management rather than collective or corporate management from below.

Yet, these last were justified as more than emergency measures. Lenin stressed, for example, that one-man management was required because of *technical* reasons: 'large-scale machine industry--- which is precisely the material source, the productive source, the foundation of socialism--- calls for absolute and strict unity of will…. The technical, economic and historical necessity of this is obvious, and all those who have thought about socialism have always regarded it as one of the conditions of socialism. But how can strict unity of will be ensured? By thousands subordinating their will to the will of one.' ('The immediate tasks').

For his part, Bukharin directly addressed the question of whether the shift from worker management to one-man management meant a change in the relations of production. On the contrary, he argued, workers' control was not abandoned; rather, this was an attempt 'to find the form of management which will secure maximum efficiency.' The replacement of the principle of election from below by 'the principle of careful *selection* in the light of the technical and

administrative length of service, competence and steadfastness of the candidates' is simply a 'contracted, condensed *form* of workers' control of industry' (Bukharin, ?: 143). True, this particular form suggested coercion and dictatorship within the workplace, but neither Lenin nor Bukharin rejected such coercion. For Bukharin, 'coercion is a method of organization, established by the working class itself, i.e. a method of compulsory, accelerated *self organization*' (Bukharin, ?: 165); and Lenin noted in 1920 that the Central executive committee of the party had long ago decided that 'Soviet socialist democracy and individual management and dictatorship are in no way contradictory' (ninth Congress).

Was there a real alternative to this perspective? Certainly, a series of oppositions from within the party (e.g., Left Communists, Democratic Centralists, Workers Opposition, Workers Group, etc.) challenged this general direction. The Left Communist Osinsky, for example, argued in 1918 that the state capitalist organization of industry advanced by Lenin would mean that all power would be from above and that the working class would become a passive element. The result would be 'bureaucratic centralization, the rule of various commissars, the deprivation of the independence of the local Soviets, and in practice the rejection of the type of 'State commune' administered from below' (Sirianni, ?: 149). Similarly, the Workers Opposition argued in its Theses of December 1920 that in the last two years the role of workers organizations in production had been 'reduced to the role of an office of inquiry and recommendation' and that a 'radical change of the existing system… now resting on an enormous bureaucratic machine' was needed (Workers Opposition, ?: ?).

'Is it to be bureaucracy or the self-activity of the masses?' asked Alexandra Kollontai, a leader of the Workers Opposition. 'Marxists,' she stressed, 'have always attempted to put workers in such conditions as would give them the opportunity to temper their revolutionary will and to develop their creative abilities.' Yet, bureaucracy was curbing the initiative of workers and generating apathy. At the core of all the debates about the role of trade unions and the introduction of 'one-man management', she argued, was whether the communist economy would be built through the creative energy of the working class through its class organs 'or--- over their heads--- by bureaucratic means, through canonized functionaries of the State'.

Nor, Kollontai insisted, was this problem of direction and tutelage from above limited to the organization of the economy. Even within the Party, every initiative from below was seen as 'an attempt to infringe on the prerogatives of the centre, which must 'foresee' everything and 'decree' everything and anything.' Within the Party, democracy and 'the elective principle' had to be restored. The regular reliance upon appointments from above was producing a 'very unhealthy atmosphere in the Party' because those who are appointed are not responsible to the masses. 'As a rule every appointee is surrounded by an atmosphere of officialdom: servility and blind subordination, which infects all subordinates and discredits the Party.' The answer to this problem, she argued, was 'decisive steps that can put an end to the prevailing system of bureaucracy', steps such as 'wide publicity, freedom of opinion and discussion, the right to criticize within the Party and among members of the trade unions' (Kollontai, ?:?).

The forthcoming answer, though, was the 10th Party Congress decision to ban the Workers Opposition and all other factions within the Party. Timing was one factor: the Kronstadt revolt had just been crushed; and the previous month had been marked by major strikes among workers--- especially over significant disparities in the rations received (or not received at all) and producing widespread demands for 'equality of rations' in all the large factories and at Kronstadt (Pirani, ?:?). In this situation, it would have been rather surprising if there were *not* a

great emphasis upon the need for unity within the Party--- especially when embarking upon the New Economic Policy.

In addition to those strikes, though, elections to factory committees and soviets revealed a growing loss of political support for the Bolsheviks by workers--- significant numbers of which were second-generation workers drawn increasingly to Mensheviks, Socialist Revolutionaries and non-party movements (Pirani; Perrie and Davies, 1991: 41).

What conclusion could the Bolsheviks draw from this? Given their belief that truly class-conscious workers would understand the need for discipline and unity in this critical period, the Bolshevik response was simple -- this is not the *real* proletariat. The factories, Lenin would announce at the 11th party Congress, are filled with people who are not real proletarians but, rather, 'casual elements of every description' (Lenin, ?:?). All the more reason, accordingly, for the party to act resolutely on behalf of the real proletariat rather than the petty bourgeois elements standing in its place.

But the Party decisions reflected far more than an attempt to consolidate forces in the midst of a crisis. The criticism aimed at the Workers Opposition (which had strong support among trade union leaders if not at the Congress itself) demonstrated the dramatic difference in practice between the productive relations desired by the Workers Opposition and by the Party Congress majority. The idea that workers committees should manage individual economic units and that the economy as a whole should be organized through a central body elected by trade unions was declared to be a 'syndicalist and anarchist deviation.' It was, the Congress concluded, 'a complete break with Marxism and communism' which teaches that 'only the political party of the working class, i.e., the Communist Party' can withstand the inevitable vacillations of the petty-bourgeois and semi-proletarian masses; only the Party was capable of withstanding 'the inevitable traditions and relapses of narrow craft unionism or craft prejudices among the proletariat.'

Here was the essential division--- the Party or the really existing working class. For Kollontai, those who rejected worker management in favor of the power of individual managers were characterized by 'distrust towards the creative abilities of the workers' and distrust towards the working class 'in the sphere of economic creative abilities'; from their perspective, it was necessary to ''bring up' the workers, 'teach them', and only when they have grown up,' shall we entrust workers with running the industries. In contrast, the Party Congress concluded that by advocating elimination of 'the leading, educational and organising role of the Party in relation to the trade unions of the proletariat', the Workers' Opposition was engaged in 'petty-bourgeois-anarchist disruption' of the 'practical work of building new forms of economy already begun by the Soviet state.' In this respect, that opposition was not only wrong in theory but also was helping 'the class enemies of the proletarian revolution'; propagation of its views, for this reason, was declared incompatible with membership in the Party.

And, that 'practical work of building new forms of economy' that had been begun by the Soviet state? A start had been made with the development of a preliminary plan for the electrification of the country. As Lenin commented months before in December 1920 at the eighth Congress of Soviets, this long-term projection of requirements in different sectors was necessary not only to develop a firm economic basis for building socialism but also to encourage the masses to look beyond this period of privation to see the link between their current work and important achievements for the future of the country. But, this was still all on paper.

The *real* practical work that had begun was recovery on the basis of that set of relations involving one-man management, piece-work wages, Taylorism, discipline and authority from

above--- the relations that Lenin called 'state capitalism', a state capitalism under the control of the proletariat. And, he stressed at the 11th Party Congress in March 1922, 'when we say 'state' we mean ourselves, the proletariat, the vanguard of the working class… This state capitalism is connected with the state, and the state is the workers, the advanced section of the workers, the vanguard. We are the state' (Lenin, ?:?).

In short, well before the death of Lenin, the vanguard party had 'seized possession' of industrial production; the resulting relation of production definitely differed from one in which factory committees and soviets elected from below controlled production. Further, the particular characteristics of that vanguard party were those we identified in Chapter 6: the commitment to building socialism, the conviction that the party must lead, the focus upon hierarchy and discipline within the party, the stress upon development of productive forces (rather than relations of production), the emphasis upon state ownership and the party-state nexus.

The essential nature of the Bolshevik Party and the premises upon which it functioned, thus, were apparent well before 1923, when the Left Opposition associated with Trotsky began to take shape. And, it is important to be clear that (while strongly challenging the Party's increasing lack of internal democracy) this opposition current *accepted* those particular premises of the party. It supported the relation of production which had emerged in state industry--- despite the fact that by the mid-1920s the political strength of the industrial working class had greatly diminished since the Revolution: 'party authorities had circumscribed and destroyed any political opposition which sought to base itself on the working-class interest. The workers had effectively lost their hard-won right to strike; the penalties against strikers were already more severe than before the revolution' (Perrie and Davies, 41).

When those long-standing party leaders who formed the Left Opposition, however, issued their challenge on the 10th anniversary of the Revolution, focusing upon the interests of workers and the need for rapid industrialisation, why did they attract so little support among workers? Perhaps the answer is the other side of the situation of industrial workers: economic recovery had begun and standards of living of workers were rising. In the months after the Party Congress which marked the banning of the Workers Opposition, factories had re-opened, production had grown and would continue to grow. Further, the status of industrial workers had greatly increased, and they were protected by party cells and trade unions within the work-place and against arbitrary dismissals (Perrie and Davies, 41-2). As Simon Pirani indicated about developments in this period, 'a social contract evolved, under which workers would maintain discipline and improve labour productivity, and cede real decision-making power to the party--- which in return would ensure a consistent improvement in living standards' (Pirani, ch. 4).

App-noteC. NEP and the Proletarian Vanguard

The particular social contract which brought together the two sides of the vanguard relation of production, however, pertained at this time only to a tiny portion of the economy. At the end of 1926, out of a gainfully employed population of 86 million, there were less than 3 million wage-labourers in large-scale industry and less than 1.5 million in construction and transport; in contrast, over 71 million people worked in the agricultural sector (Davies, 1991: 251). Production in the Soviet Union was overwhelmingly the activity of small peasant households. How could these peasants be incorporated within vanguard relations?

The Civil War, of course, did not create economic chaos only in industry. Its effects upon agriculture (and thus upon the mass of the population, the peasants) were profound. 'Everything to the Front!' meant that everything possible was taken from the countryside to supply the armies and industrial workers in order to save the revolution. Thus, forced requisition ('prodrazverstka') of food was instituted. All surpluses of grain (over and above a minimum necessary for the peasant family) were purchased (with worthless money); and when peasants tried to hide their grain or dispose of it through a black market, workers' detachments and bands of poor peasants were sent to seize it. Their mandate was the 'removal of surplus grain from the kulaks' but (not for the last time) this campaign would affect the mass of peasants. And, the results of this particular link established between the proletarian state and the peasantry included riots, reduced sowing of grain—and, ultimately, famine in which millions died (Nove, 1992:52-56, 81).

That policy of compulsory deliveries of food surpluses, simply, could not be maintained without producing more and more economic decay--- a point that Trotsky made to the Central Committee in February 1920 (Trotsky, 1956: 60-1). However, it was retained until replaced a year later as part of the New Economic Policy, through the substitution of a 'tax in kind' which encouraged peasants to produce more. Although there were many aspects of NEP, the central focus of this new course was to set up a *new* link with the peasantry. 'The vanguard of the revolution,' Lenin explained in 1922, 'was in danger of becoming isolated from the masses of the people, from the masses of the peasants, whom it must skilfully lead forward.'

By the spring of 1921, the immediate problem facing the vanguard was the need to resuscitate peasant farming quickly and to create the conditions in which the mass of peasants would support the policies of the proletarian state. The point of NEP, then, was to create a 'link between the peasant economy and the economy that was being built up in the nationalised, socialised factories and on state farms', between the new economy being created 'and the peasant economy, by which millions and millions of peasants obtain their livelihood.' And that link could not be imposed from the top, compelling peasants to deliver their grain. As Lenin had explained a year earlier, 'the only kind of food policy that corresponds to the tasks of the proletariat, and can strengthen the foundations of socialism' is one in which the proletariat can 'obtain grain in exchange for the manufactured goods the peasant needs' ('Tax in Kind').

Peasants had to be convinced that the proletarian state supported them, that they *really* were being helped. It was essential, Lenin argued, 'to prove to the peasant by deeds that we are beginning with what is intelligible, familiar and immediately accessible to *him*, in spite of his poverty, and not with some thing remote and fantastic from the peasant's point of view.' This new policy required the state to link up with the peasant masses 'and subsequently march forward with them a hundred times more slowly, but firmly and unswervingly, in a way that will always make it apparent to them that we are really marching forward.' Link up with the peasant masses, Lenin advocated, and 'begin to move forward immeasurably, infinitely more slowly than we expected, but in such a way that the entire mass will actually move forward with us'. Concluding the 1922 party congress, he predicted that 'if voices are raised in our Party against this extremely slow and extremely cautious progress, these voices will be isolated ones.'

After Lenin's death, Bukharin assumed the role as main spokesperson for this policy. Maintain the worker-peasant alliance, he argued, by ensuring the existence of a healthy agriculture. Peasants must be able to accumulate, must be allowed to prosper, because 'accumulation in socialist industry, when peasant farms have great weight, is a function of accumulation in the peasant economy' (Bukharin, 1982: 118, 169, 198). In short, a balanced economy, one balanced between industry and agriculture, between light industry and heavy

industry, was needed. A prospering agriculture would mean 'a growing demand for the products of our industry. In turn, this demand will evoke a powerful growth in industry, which will likewise have a healthy influence on agriculture' (Bukharin, 1982: 198).

Bukharin returned to this theme several years later in 1928 in his 'Notes of an Economist', where he argued that 'the most advantageous possible relation of class forces within the country for the proletariat' required a balance of the basic elements of the national economy. Indeed, the highest rate of industrial development which could be sustained, he argued, was one which 'allows industry to develop on the basis of a rapidly developing agriculture.' And that pattern, he insisted, 'presupposes the possibility of rapid and real accumulation in agriculture' (Bukharin, 1982: 309-10). From Bukharin's perspective, saying to the peasants, 'to all the peasants: *get rich*, develop your farms' was a policy clearly in the interests of the proletariat (Bettelheim, 1978: 155).

At the same time, though, the proletariat needed to *transform* the peasantry; a 'slow *remaking*' both of the individual farm and of the individualistic social type was necessary (Bukharin, 1982: 169, 114). In this, Bukharin followed Lenin's stress (in 'On Cooperation') on the importance for building socialism of organizing the whole peasantry into cooperatives. 'Economic, financial and banking privileges,' Lenin had argued, 'must be granted to the cooperatives--- this is the way our socialist state must promote the new principle on which the population must be organized.' He viewed it as absolutely essential to proceed in this direction: 'from the standpoint of transition to the new system', it was the 'means that are the *simplest, easiest and most acceptable to the peasant.*' A social system, Lenin argued, 'emerges only if it has the financial backing of a definite class', and the proletariat had to give definite assistance of a material nature to the cooperative system: 'we must find what form of 'bonus' to give for joining the cooperatives (and the terms on which we should give it), the form of bonus by which we shall assist the cooperative sufficiently, the form of bonus that will produce the civilized cooperator' ('On Cooperation').

This became as well Bukharin's emphasis--- the need to offer material privileges as an incentive to join cooperatives. 'By using the peasantry's own economic *interest*,' he argued, the state could attract peasants to cooperatives because of the existence of immediate advantages -- in the sphere of circulation by cheap credit and price advantages (compared to individual activity); cooperation in the sphere of circulation, Bukharin also believed, would inevitably lead to cooperation in production (especially processing activity). Indeed, he argued, 'cooperative societies are beginning now, and will continue, to acquire factories for the production of canned foods, for drying vegetables, for pickling, etc.' (Bukharin, 1982: 204-5). Further, 'the supply of electrical energy to a large number of peasant farms will in turn give an even greater impetus to the transition to collective methods of working the land itself' (Bukharin, 1982: 239).

But, *more* was necessary--- cooperatives themselves had to change in order that peasants had confidence in them. Defects, inherited from the period of War Communism, had to be overcome: 'above all, we must have cooperatives that are completely *voluntary*, with *internal democracy*, i.e. the *election* of management of all responsible officials' (Bukharin, 1982: 287). All this was part of the revolution in the countryside that he saw as essential--- one which would involve peasants more in the affairs of the state. The methods of organisation had to change. 'It is now necessary to outgrow the *methods of issuing commands or orders. What we need is a decisive, total and unconditional switch to methods of persuasion*' (Bukharin, 1982: 273)

For Bukharin, in short, NEP continued to be what the revolution required--- a slow but certain march forward linking the proletariat and peasantry. In his 1925 article, 'The Road to

Socialism and the Worker-Peasant Alliance,' he stressed that the party's basic tasks in the villages in order to advance along that road involved '*a revitalization of the soviets and an expansion of the cooperative movement*' (Bukharin, 1982: 288).

So, what *threatened* NEP and the link? The title of an earlier 1925 article reveals Bukharin's view clearly: 'A New Revelation Concerning the Soviet Economy or How to Destroy the Worker-Peasant Bloc (on the Question of the Economic Basis of Trotskyism)'. In particular, this was his critique of Preobrazhensky's advocacy of rapid industrialisation based upon significant extractions from the peasants. But, was the threat the argument of Preobrazhensky or was it real patterns emerging in the NEP period?

'The revolt of NEP against the proletarian dictatorship'

In both his 1921 book, *From the New Economic Policy to Socialism*, (which took the form of 1970 lectures by a history professor/railway worker) and an article the following year ('The Economic Policy of the Proletariat in a Peasant Country'), Preobrazhensky had explored the initial incorporation of the peasant economy into the orbit of the state economy. In the short run, he proposed, it was possible for the proletarian state to proceed gradually both by creating a state monopoly which controlled the bulk of marketed agricultural products and also by using long-term credit for the purchase of agricultural machinery, improved seed grains, artificial fertilizers, etc. Preobrazhensky's lecturer recounted that when the state had wanted to expand production of certain items, it did so by indicating which ones would be accepted for payment of loans. Credit was provided to those who had produced the items that the state wanted. Thus, rather than through moral appeals to peasants, economic incentives were used. The results, the professor explained, were achieved through 'shrewd manipulation of the price lever': 'Market prices, formerly the spontaneous regulator of the economy, were now transformed in the hands of the mighty state, into an exhilarating tool of planned economy.' (Preobrazhensky, 1973: 83-84).

Indeed, 'long term agricultural credit,' Preobrazhensky proposed in his 1922 article, 'is the easiest way for the proletariat to subordinate agriculture to the dictatorship of large-scale industry' (Preobrazhensky, 1979: 29). Initially guaranteeing the state a 'a considerable share of all surpluses of agricultural production' (via State Bank tied loans), increasingly it would direct the use of resources in the peasant economy: 'Later this state will easily be able to switch from its role as chief buyer and sole creditor of the peasantry to the *role of order-placer and inspector of peasant production.*' Add to this the state's ability to tax, and we see that 'the combination of all these methods provide Soviet power with the means to divert the flow from the channels of primitive (or, more accurately, secondary) NEP accumulation to the mill of primitive socialist accumulation' (Preobrazhensky, 1979: 30). So, the state had the tools it needed to link the peasant economy to the state economy.

Preobrazhensky, though, worried right from the outset about NEP and the forces that it would unleash. In his 1921 essay, 'The Outlook for the New Economic Policy', he stressed that the new policy 'means freedom to enrich oneself, to accumulate, and to employ wage labor in both urban and rural petty production'. Thus, the 'evolution of a capitalist farmer class -- a process that had been interrupted by the revolution -- will begin anew' (Preobrazhensky, 1979: 6). The kulaks would come into conflict with the dictatorship of the proletariat (as would merchant capital and petty urban production), and this would be a base for a counterrevolution.

'The main forces of the counterrevolution,' he warned in the very year that NEP was introduced, 'are taking shape in the countryside' (Preobrazhensky, 1979: 19). Indeed, he

predicted in *From the New Economic Policy to Socialism* (1921) that NEP had strengthened capitalist forces more rapidly than socialist construction in the first half of the NEP decade. The subsequent bourgeois-kulak counterrevolution had begun in the towns but the defeat of 'the revolt of NEP against the proletarian dictatorship' had made possible greater moves towards socialism (Preobrazhensky, 1973**: ?**).

Within a few years, Preobrazhensky had affirmed his theoretical fears. Merchant capital, he argued, was taking advantage of its intermediary role in the context of shortages of manufactures (the 'goods famine'), capturing through increased retail prices what should have been state surpluses. Further, the 'agrarian half of the capitalist sector, represented by the kulak and the well-to-do peasant,' could postpone sales in the months 'when the poor and middle peasant strata are marketing grain at the prices fixed by the state' in order to drive up grain prices in the spring. In addition, he argued that 'the kulak experiments with replacing certain crops with other, more profitable ones. He tries to avoid the market and accumulate in kind by raising more livestock and poultry from his own production, by constructing new farm buildings, and so on.' But, these actions wouldn't be enough for the kulaks--- 'in the end the kulak is forced into a confrontation with the entire Soviet system' (Preobrazhensky, 1979: 178-9)

The kulak as the enemy in the countryside, the merchant as the enemy in the town -- according to the Left Opposition within which Preobrazhensky played a major role, these hostile capitalist forces (along with the bureaucrat) were growing within NEP. In the last two years, the Left Opposition argued in 1927, 'the Kulak levels in the country have increased their reserves with enormous rapidity, and the accumulations of the private capitalist, the merchant, the speculator have grown by leaps and bounds' (5). There had been an 'immoderate growth of those forces which desire to turn the development of our country into capitalistic channels' (Left Opposition, 1963: 17). As Preobrazhensky (1979: 178-9) described it, there was an uninterrupted economic war of the state economy with the 'tendencies of capitalist development, with the tendencies of capitalist restoration'.

In this process of contested reproduction (expanded reproduction of the capitalist economy vs. expanded reproduction of the state economy), Preobrazhensky and his allies argued that dramatic steps were needed to expand heavy industry quickly. And, the theoretical core of their position was Preobrazhensky's concept of 'Primitive Socialist Accumulation'. Did this mean, however, an abandonment of the concept of NEP?

App-noteD. The concept of primitive socialist accumulation

Although the term, 'primitive socialist accumulation,' had been employed earlier by Smirnov and then by Bukharin in his 1920 book, *The Economics of the Transition*, this proposed analogy to Marx's exploration of the primitive accumulation of capital (i.e., the 'historical genesis' of capitalist relations of production) is associated primarily with Preobrazhensky's argument for rapid expansion of heavy industry in the USSR in the 1920s (Bukharin, *The Politics and Economics of the Transition Period*,1979: 129).

Not only does his theoretical argument provide significant insight into the logic by which the peasant economy was subordinated to the state economy (and, thus, into the process of the 'becoming' of RS in the Soviet Union) but the application of Preobrazhensky's 'law of primitive socialist accumulation' (PSA) in the concrete circumstances of the USSR in the 1920s demonstrates the inappropriateness of both the explicit analogy and its name.

As noted in the preceding chapter, Preobrazhensky stressed in the mid-1920s that the rate of accumulation in Soviet industry was too slow. The situation was simple: agriculture was recovering and peasant demand was increasing but output was lagging for the things peasants wanted--- thus, the emergence of shortages (the 'goods famine'). Clearly, if this disequilibrium was to be dealt with internally (i.e., by not turning to the world market to import consumer goods), it was obvious that the projected expansion of industry, the budget allocations for industry and the financial plan for renewing fixed capital (and especially for new plant construction) were all insufficient (Preobrazhensky, 1979: 40).

How, though, was this disequilibrium to be resolved? *Not* through a market. Rather, he argued that the proletarian state had the responsibility to develop 'a new way of achieving equilibrium in the economic system, secured by the very great role of conscious foresight and practical calculation of economic necessity' (Preobrazhensky, 1965: 172). In place of the old political economy which focuses upon the law of value, where adjustments are delivered through the market, the new science, he argued, is the 'science of foreseeing economic necessity in an organized economy' (Preobrazhensky, 1965: 55).

And, what was that economic necessity? The 'constantly expanded reproduction of socialist relations', which means 'struggling to increase the means of production belonging to the proletarian state, means uniting around these means of production ever greater numbers of workers, means raising the productivity of labour throughout the system'(Preobrazhensky, 1965: 58). Thus, significant accumulation in the state economy was called for, with 'a proportionately faster accumulation in the sphere of heavy industry at the expense of the economy as a whole' because of the need for mechanisation and rapid industrialisation (Preobrazhensky, 1979: 68).

How *much* accumulation was needed? Preobrazhensky argued that 'the volume of accumulation in the state economy in any given year is not an arbitrary magnitude, but that a certain minimum of accumulation is harshly dictated to us by the overall proportions of the distribution of the productive forces between the state and private sectors, as well as by the extent of our ties with the world economy' (Preobrazhensky, 1965: 195). *Necessity* dictates the levels of accumulation, the distribution of productive forces and proportions within the state economy; starting from the understanding of present and future needs, planners can calculate what is required to ensure the expanded reproduction of the state economy. Deepening the work of planning, thus, was 'an urgent necessity which is dictated to the collective economy directly, as an externally compelling law' (Preobrazhensky, 1965: 66-7).

But, where were the funds for this accumulation in the state economy to come from? A *portion* of the surplus could come from within: the quantitative expansion of socialist relations, he argued, 'requires alienation of a certain amount of surplus product from the state economy, and subordinates the growth of wages to the function of accumulation' (Preobrazhensky, 1965: 72-73). Indeed, the prevalence of piece wages, the form of wages most in harmony with the capitalist mode of production (and Taylorism), had to be seen in the context of the need for accumulation: 'piece-work and wage-scales are linked with the working of the law of primitive socialist *accumulation*, accumulation with an *obligatory* rate of growth' (Preobrazhensky, 1965: 193n, 195).

Despite the presence, though, of 'the law of the restriction of wages in the interests of socialist accumulation', Preobrazhensky was absolutely clear: at the existing stage of development of the Soviet economy, the funds needed for the expansion of state industry *could not come from within the state economy*. (Preobrazhensky, 1965: 195, 73). Firstly, the low level of productivity in state industry reduced the potential surplus; and, secondly, because

industrialization 'requires raising the level of culture and professional skills of the working class--- which means a systematic growth of wages' (Preobrazhensky, 1979: 68). In short, there were definite limits to 'socialist accumulation' as such--- i.e., definite limits to 'the addition to the functioning means of production of a surplus product which has been created within the constituted socialist economy.'

Accordingly, the surplus for that 'harshly dictated' minimum of accumulation had to come largely from *outside* the state economy. 'Primitive socialist accumulation' had to be the basic source for accumulation at this stage; 'accumulation in the hands of the state of material resources mainly or partly from sources lying outside the complex of state economy,' he stressed, must play 'an extremely important part in a backward peasant country' (Preobrazhensky, 1965: 84). Thus, the necessity imposed upon the state economy was the necessity to extract from the peasantry: 'after deducting what is accumulated on the state economy's own base, the remaining part, which is accumulated at the expense of peasant production, cannot drop below a certain minimum, a minimum that is dictated to the Soviet state with rigorous economic necessity' (Preobrazhensky, 1979: 68).

Here, then, was Preobrazhensky's 'fundamental law of primitive socialist accumulation':

> The more backward economically, petty-bourgeois, peasant, a particular country is which has gone over to the socialist organization of production, and the smaller the inheritance received by the socialist accumulation fund of the proletariat of this country when the social revolution takes place, by so much the more, in proportion, will socialist accumulation be obliged to rely on alienating part of the surplus product of pre--socialist forms of economy and the smaller will be the relative weight of accumulation on its own production basis, that is, the less will it be nourished by the surplus product of the workers in socialist industry (Preobrazhensky, 1965: 124).

Few could disagree that increased production in state industry required additional means of production and that, under the given circumstances in the Soviet Union, this meant the acquisition of resources which could only be obtained from the peasantry. That, however, was *never* the basis of the intense theoretical and political conflicts over economic strategy in the 1920s. Rather, there were some significant begged questions.

Firstly, what was the time frame? I.e., how high was the desired *rate of growth* in state industry and, thus, the extraction at any given point 'dictated to the Soviet state with rigorous economic necessity'? Secondly, *how* were these resources to be extracted from the peasantry? The answer to this question could not be independent of the first. The lower the projected rate of growth of state industry, the lower the surplus required for transfer from agriculture *at any given point*. For a relatively low desired growth rate, the mechanisms for resource transfer could be somewhat painless. By contrast, very high requirements for investment in the means of production would mean significant annual extractions from the peasantry, and the mechanisms necessary to achieve this could be affected.

Preobrazhensky's answer to the first question was that, given 'the growth of capitalist relations within and capitalist encirclement without,' it was necessary to struggle for 'the maximum primitive socialist accumulation' (Preobrazhensky, 1965: 58). You had to go beyond considering 'the statics of the present-day relation of class forces within one country' to focus upon 'the dynamics of the class struggle in the whole epoch of struggle between communism and capitalism on the world scale'; indeed, the development of the soviet system of economy was

possible only if the state sector develops more rapidly inside the country than the private economy and also 'that from outside we are not stifled by world imperialism' (Preobrazhensky, 1965: 304-5). Accordingly, Preobrazhensky stressed the need 'to act with increasing speed and energy' (Preobrazhensky, 1965: 59): 'to reach as quickly as possible the moment when the socialist system will develop all its natural advantages over capitalism, is a question of life and death for the socialist state' (Preobrazhensky, 1965: 89).

Preobrazhensky's answer to the second question, the means of extracting the portion of 'the surplus product of pre-socialist forms of economy' that the state economy required was very clear: taxation of peasants and capitalist profits, state charges such as railway duties and, most of all, unequal exchange--- i.e., high prices of state industrial output and low purchase prices for inputs. (Preobrazhensky, 1965: 88-111) But, could the peasants *meet* those demands? Preobrazhensky had no doubt that they could.

Look at the current shortages, he wrote in a 1925 article on the 'goods famine'. There is excess demand--- production is not keeping up with demand because of the insufficient accumulation in state industry. But, why was this happening? Preobrazhensky proposed that we look at the pre-revolutionary period: '*why... did we not see a goods famine in Tsarist Russia?*' And, he pointed to how much output peasants had to sell without getting an equivalent return. They marketed this output because they had to cover three requirements: central and local taxes, rental payments and usurious interest charges to kulaks, landowners, etc. (Preobrazhensky, 1979: 34). *Now*, however, taxes had been reduced substantially; thus, 'a considerable portion of rural commodity output has been released from forced sales' (Preobrazhensky, 1979: 35). Further, the elimination of rental payments on landowners' lands removed a second major component of forced sales by peasants.

So, what was the result now? Peasants had more economic freedom to decide when they would sell their surpluses, and this included 'the broad rural masses': 'the peasantry is in no hurry to sell grain.' Further, the change permitted 'increased rural consumption of foodstuffs'. Finally, and most importantly, there was an 'increase in the peasantry's effective demand for industrial commodities and products within peasant exchange' (Preobrazhensky, 1979: 36). Very simply, Preobrazhensky explained, 'our current goods famine is the result of the positive changes in the structure of the peasant budget that have been affected by our October Revolution' (Preobrazhensky, 1979: 37).

Clearly, Preobrazhensky concluded, the peasants (especially the rich ones, the kulaks) were in the position to provide the surpluses required by the state economy. They could pay. For one, they had money: the undersupply of industrial commodities meant that 'the peasants received more money than they could spend' (Preobrazhensky, 1979: 43-4, 69). 'When there is a goods famine--- that is, in our particular situation, when there is insufficient socialist accumulation in industry...; when they have unused money surpluses and their unsold grain is being eaten by mice, the appropriation of a couple of hundred million from the reserves of peasant accumulation for the development of industry will of course give rise to certain discontent.' Yes, there would be discontent; however, that appropriation, he stressed, would create the material conditions for ending that discontent (Preobrazhensky, 1979: 61).

But, wouldn't this extraction violate the meaning of NEP, a policy explicitly based upon ensuring the alliance of proletariat and peasantry? Could you have 'the maximum primitive socialist accumulation' and preserve that alliance?

Bukharin's rejection of 'super-industrializers'

Here is the context in which to understand Bukharin's 1925 article, 'A New Revelation Concerning the Soviet Economy or How to Destroy the Worker-Peasant Bloc (on the Question of the Economic Basis of Trotskyism)'. Bukharin argued that Preobrazhenky did not look at the economy as an interdependent whole. Rather, his whole approach was one-sided: he focused upon industry in isolation and considered only the requirements of the state sector. Indeed, for Preobrazhensky, the sole link to the peasant economy with which he concerned himself was the *deductions* from it (Bukharin, 1982: 169). 'Comrade Preobrazhensky,' Bukharin charged, 'sees the workers' state as possessing colonies' (Preobrazhensky, 1965: 227).

And, he was not unique in this respect. That same one-sided focus upon rapid and planned expansion of state industry was characteristic, Bukharin argued, of Preobrazhensky's allies in these debates. How could you talk about a plan limited to the state sector? To arguments by Trotsky and Pyatakov, Bukharin had responded earlier, 'can an economic plan be constructed without taking taxes into consideration? No. Can taxes be considered without calculating the probable harvest (at least roughly)? No. Can a plan be constructed in industry without considering the capacity of a peasant market? No. Can the question of market capacity be posed apart from prices? No. And so it goes, on and on' (Bukharin, 1982: 124).

However, Bukharin's opposition to Preobrazhensky was not opposition to extracting from peasants. 'Does socialist industry,' he asked, 'receive surplus value in its accumulation fund from the petty producers? Yes, there can be no doubt of this' (Preobrazhensky, 1965: 230n). That was a *given* (although Bukharin rejected calling it 'exploitation'--- as Preobrazhensky had done indiscreetly). Rather, for him, the problem was attempting to extract *too much* without considering the effect upon the health of agriculture.

The 'super-industrializers', Bukharin argued, did not understand the importance of agricultural development for the pace of industrial development; they, further, were the enemies who would destroy the worker-peasant bloc because they see 'the problem as one of pumping out the maximum flow of resources' from the countryside. 'In their naïveté the ideologists of Trotskyism suggest that a maximum yearly transfusion from the peasant economy into industry will generally ensure a maximum rate of industrial development' (Bukharin, 1982: 309).

The irony behind these last comments from Bukharin's 'Notes of an Economist', though, is that they were no longer directed in reality against the Left Opposition. By 1928, when this was written, that Opposition had been decisively defeated politically. Now, Bukharin was arguing against his old ally Stalin, who had adopted as his own the Left Opposition focus upon rapid industrialization. In these comments, Bukharin remained consistent in his emphasis upon the need to look at the economy as a whole and to find the best possible combination and balance both for the economy and the class struggle. But *that*, Preobrazhensky insisted, had been Bukharin's consistent error. This was a *war*, not a search for balance.

The war between two systems and two regulating principles

The question of contested reproduction was at the core of Preobrazhensky's theoretical concerns. Mirroring Marx's comments in the *Grundrisse* about how a new organic system emerges (Marx, 1973: 278), Prebrazhensky pointed out that 'not a single economic formation can develop in a pure form, on the basis merely of the immanent laws which are inherent to the particular formation. This would be in contradiction to the very idea of development. The development of any economic form means its ousting of other economic forms, the

subordination of these forms to the new form, and their gradual elimination' (Preobrazhensky, 1965: 77).

In the case of the USSR, he argued, two systems were at war, and the outcome was not predetermined. 'The enormous preponderance of petty commodity production combined with the relative weakness of the state sector,' Preobrazhensky noted in 1927, 'forces the state economy into an uninterrupted economic war with the tendencies of capitalist development, with the tendencies of capitalist restoration' (Preobrazhensky, 1979: 173). And, the battleground involved not only a 'struggle for the surplus product of private economy'; there was also 'the struggle between two mutually hostile systems for the surplus product of the state economy'--- i.e., 'the struggle against the plundering by private capital of the surplus product of the state economy itself' (Preobrazhensky, 1965: 102-3).

This struggle of two systems was a war between two regulating principles--- (a) what Preobrazhensky called 'the law of primitive socialist accumulation' and (b) 'the law of value'. By the law of value, he meant 'the law of the spontaneous equilibrium of commodity-capitalist society'--- i.e, the process by which individual rational actors functioning in their self-interest generate an *ex post* reproduction of the system as if directed by an invisible hand (Preobrazhensky, 1965: 147- 8). In contrast, the law of primitive socialist accumulation involved the conscious achievement of equilibrium through planning, where 'the method of organizing and guiding the economy' was through 'the conscious decisions of the regulatory organs of the state' -- i.e., the visible hand of the vanguard (Preobrazhensky, 1965: 62-65).

Preobrazhensky explored this struggle of two systems, this contested reproduction, by asking first what patterns would we expect to see if each system existed by itself. Consider the case if the regulating principle of primitive socialist accumulation existed by itself. As we have seen, the pattern in the Soviet economy would be rapid accumulation in the sphere of heavy industry (Department I) because of the need for mechanisation and rapid industrialisation (Preobrazhensky, 1979: 68). And, given the level of productivity and the need for rising wages in state industry, the resources for this would have to come from pre-socialist sectors (capitalist and petty production).

In contrast, if only the regulating principle of the law of value were present in its pure form, then the free movement of prices and of capital between different branches of production would direct production in accordance with the demand for particular commodities (Preobrazhensky, 1965: 53). What would be the effect? Simply, that 'the distribution of productive forces between heavy and light industry, between town and country,' would be substantially different in the two cases. For example, Bukharin's emphasis upon state industry linked to a prosperous agriculture implies the expansion of consumer goods industries (Department II)--- in contrast to a focus upon heavy industry (Preobrazhensky, 1965: 67-8).

Preobrazhensky stressed, though, that the Soviet economy was regulated by *neither the law of value nor that of primitive socialist accumulation*; rather, each had a real basis for existence because each regulating principle reflected particular relations of production within the economy. 'If each principle is fighting for supremacy in the whole system,' he noted, 'it is thereby fighting for the type of regulation which is organically characteristic of the particular system of production-relations, taken in its pure form' (Preobrazhensky, 1965: 64). Preobrahenky's essential insight was that there was not a simple combination or addition of the productive relations and their associated regulating principles; rather, they *interpenetrated*--- coexisting, limiting and (significantly) deforming each other.

For example, the law of value by itself means that a healthy agriculture will generate rising demand for consumer goods, rising prices, rising profits for their producers and thus a movement of labour and means of production to these sectors (thereby permitting an increase in the goods available for the peasants). However, rising demand for Department II products in no way *compels* the proletarian vanguard to direct state industry to function in the same way as capitalist firms (whether state-owned or privately owned); on the contrary, rather than expanding productive capacity in Department II, the focus of the vanguard upon growth points to the expansion of heavy industry (i.e., Department I).

But, what is the implication of this particular combination of the two principles? A decision within the state sector to expand Department I rather than Department II would have, under these conditions, definite consequences--- the emergence of a 'goods famine', a 'disproportion between industrial production and the country's effective demand'. A predictable effect of this particular combination of the two regulating principles, in short, would be (as in 1925) 'an acute increase in retail prices in the branches in which the goods famine is being strongly felt.' The operation of the law of value in this case would be 'quite deformed and distorted' because it would not produce the desired redistribution of the country's productive forces (Preobrazhensky, 1965: 176-7).

Why was this happening? Because the old is dying but the new can not yet be born; it is the consequence of a 'situation when the working of one fundamental law, in this case the law of value, is paralysed or, to speak more precisely, is half-abolished, but the working of the other law, which historically succeeds the law of value, cannot develop for one reason or another proportionately to the stage and rate of abolition of the law of value' (Preobrazhensky, 1965: 178).

In the same way, the law of primitive socialist accumulation (the immediate necessary form for expanded reproduction of the planned economy) is limited in its operation by the law of value, the regulating principle for commodity production. How can the state economy expand? Through primitive socialist accumulation which extracts resources from the peasant economy both by taxes and by unequal exchange. However, while it is possible (and indeed essential) to attempt to plan and coordinate the state economy, 'the united fist of the state economy' faces an 'unorganized sea of simple commodity production'; and the result is that it is subject to 'continual blows struck by market spontaneity against the entire state economy as a unified whole' (Preobrazhensky, 1965: 161-2).

Consider the process of unequal exchange when it takes the form of high prices for state products sold to the private sector. Insofar as the state is the monopolistic producer of agricultural implements and consumer goods, it can set prices guided by its own economic plan. However, there are 'definite limits to planning here' -- the effective demand for the products in question. As occurred in 1923 (the 'scissors crisis'), 'a consumers' strike is the limit which arises to state planning whenever the state's prices exceed the level acceptable to the private market. In this case, not only the process of expanded reproduction but also that of simple reproduction may be checked in the relevant branches of the state sector' (Preobrazhensky, 1965: 167).

Where the state as purchaser, on the other hand, attempts to extract resources by paying low prices for purchases from the peasant economy (e.g., for grain or industrial crops like cotton, flax, sugar beets, wool, etc), there are again limits to planning given by the spontaneous actions of private commodity producers. For example, 'if the state fixes such low prices for flax that it is more profitable for the peasants in the flax-growing regions to replace flax by grain crops,' then the response of peasants has immediate implications for planned production of linen

(Preobrazhensky, 1965: 171). And, such shifts could occur relatively easily: 'the peasant economy can increase its production of industrial crops at the expense of cereal grains without having to change its working livestock or, in most cases, its implements. It simply changes the seed and increases expenditures on fertilizer, in addition to using more animal feed for intensifying livestock production' (Preobrazhensky, 1979: 117-8).

Further, as Preobrazhensky noted, 'the internal grain market is under our influence to a very limited degree.' Not only was there an internal exchange of grain within the peasant economy 'bypassing the state procurement agencies' but also peasants faced with low grain prices now had the opportunity, with their reduced requirements for forced sales, to 'accumulate big grain reserves, to increase their consumption of grain, and, what is most important, to *feed more grain* to their cattle and poultry' (Preobrazhensky, 1965: 180). Precisely because of the dependence of the state sector upon independent commodity-producers for inputs, the law of value (i.e., the spontaneous coordination associated with the market) was a constant barrier to the operation of the law of primitive socialist accumulation (i.e., the planned growth of the state economy

From this perspective, it was a serious error to search for balance. The combination of plan and market was not a simple addition which could take the best from both worlds. Rather, combining these two hostile and warring principles generated in the process unintended consequences (like shortages); in short, incoherence and the *worst* of both worlds could be the result. And, this particular problem wasn't a question of private ownership vs. state ownership but, rather, the incompatible principles of *ex post* or *ex ante* coordination--- i.e., 'spontaneous equilibrium' or equilibrium through planning. Rather than the search for balance, Preobrazhensky argued that it was essential that primitive socialist accumulation replace the law of value, that the latter be subordinated and gradually eliminated.

And, if there were insufficient primitive socialist accumulation? Inadequate extraction from the peasant sector? A goods famine; and capitalist forces would be strengthened--- precisely the charge of the Left Opposition: 'the Kulak levels in the country have increased their reserves with enormous rapidity, and the accumulations of the private capitalist, the merchant, the speculator have grown by leaps and bounds' (5).

It was not an enormous leap from the position of Preobrazhensky and the Left Opposition to Stalin's decision to liquidate kulaks as a class in December 1929. The shortage of marketed grain in 1927, the Left Opposition's unsuccessful demand for the seizure of grain from kulaks and prosperous middle peasants, the subsequent adoption of those very ('extraordinary') measures by Stalin at the end of 1927, the grain shortages which followed, the push for rapid collectivization of agriculture -- all this was the trajectory which generated a final solution to the problem of the enemy in the countryside (Medvedev, 1973: 77-82; Nove, 1992: 149-152).

App-noteE. Defeating the enemy in the countryside

Who was the enemy in the countryside? Not the kulak. If there is anything indisputable from historical studies and, indeed, contemporary work by those who understood the Soviet countryside (which, for the most part excluded Party and State leadership), it is that the presence, weight and threat of the kulak within NEP in the 1920s was vastly exaggerated. Of course, there were rich and poor peasants in the villages. Some peasants had no work animals (especially after the famines in 1921-2) while at the other extreme a small portion (perhaps 3%), had substantially

more means of production (Lewin, 1968: 41-78; Merl, 1991: 1991: 55-7). Nevertheless, within this latter group--- those who were classified as kulaks, 'only a minority of them owned three to four cows and two to three horses' (Lewin, 1968: 75).

Further, given the strong correlation between family size and the quantity of means of production per family both before the war and in the 1920s, economic differentiation within the peasantry was significantly smaller on a per capita basis than per household. In fact, Chayanov's study of changes in sampled villages revealed that the majority of households resurveyed with large sown areas had *reduced* their sown areas, while others with small sown areas had increased their activity--- a pattern that reflected the partition of farms among family members, the age of family members, etc. (Chayanov, 1966; Merl, 1991: 1991: 47-8). In short, there were two tendencies: (a) the large peasant households tended to be the rich peasant households, and (b) the continual dividing up of large holdings among sons (about 3% of the total households per year) tended to produce a pattern of growing equalisation (Merl, 1991: 1991: 59).

So, what about that capitalist threat from within? There is very little to support Trotsky's subsequent comment (in his *Revolution Betrayed*) that in this period 'the peasantry was becoming polarized between the small capitalist on the one side and the hired hand on the other' (Trotsky**,** *The Revolution Betrayed* (New York: Merit Publishers, 1965: 26). Firstly, to designate someone as a kulak based upon the extent of their ownership of work animals, tools or land should not be confused with a Marxian concept of a capitalist (which presumes dependence upon the exploitation of wage labourers). According to the contemporary study by Kritsman, though, only 1% of farms employed more than one paid worker (Lewin, 1968: 75). Obviously, there were wage-labourers in the countryside: in 1927, there were 1.6 million who were hired for at least a month by individual peasants. However, these wage-labourers need to be put in perspective: 'almost 29 per cent were children up to 15 years old, working as nursery maids or herdsmen'; only 51 per cent were adults (Merl, 1991: 1991: 58).

Who hired them? Almost 50% of those classified as kulaks hired labour for more than one month in 1927 (Merl, 1991: 56). However, those who hired a *permanent* worker did not fit the usual profile of capitalist farmers. Given that their family size was only slightly over half that of the average household, Merl points out that it is 'most likely that the lack of family labour led these households to employ a permanent worker; otherwise it is hard to explain why 25 per cent of these households were headed by women (mostly widows) and why the share of the old in these households was significantly above the average' (Merl, 1991: 58). In fact, the share of households relying predominately on hired labour was 'statistically insignificant' in 1927: 'there is virtually no evidence of a trend towards a 'capitalist' differentiation of the peasantry, defined in terms of the employment of labour' (Merl, 1991: 50-57, 64).

The most significant point to grasp about the Soviet countryside is that the overwhelming proportion of peasant households relied exclusively upon family labour for their production and reproduction. Very simply, the peasant family household was a production and consumption unit; as Daniel Thorner described the phenomenon in his essay on 'the peasant economy as a category in economic history': 'the productive unit is the household, and the consumption unit is the same peasant family household' (Thorner, 1971: 207). Thus, the dominant productive relation within these families was oriented toward the need to reproduce the conditions of existence of those within the household (including young children and the aged).

Households (often extended families dominated by the patriarch) reproduced themselves by increasing the intensity of their work in accordance with their consumer/worker ratio, shifting on the basis of relative prices to production and marketing of items (including craft-products)

which more easily could satisfy family needs, and exporting family members to urban industry when agricultural income was low. According to Chayanov's analysis, since labour (i.e, family members) was an overhead cost for these households, they tended to respond to deteriorating terms of trade by intensifying their work (in order to market more) and by searching for alternative sources of income in order to meet their target consumption levels (Chayanov, 1966).

To situate peasants (including the richest ones, the kulaks) in this period, it is important to understand that they tended to produce their own subsistence directly from agriculture and to secure money income from sales of agricultural products and/or by off-farm activities. Not surprisingly, a very substantial portion of the money income of rural households with smaller farms came from off-farm activity, and this significantly affected their relative standards of living because of the higher incomes available in non-farm activity. In 1925/26, the average annual per capita money income of a rural household was 114 rubles compared with 291 rubles for an industrial worker--- higher, indeed, than the average per capita money income of 246 rubles received by the rich farmer, the kulak (Merl, 1991: 62-3). Indeed, Harrison estimated that 'in 1928 the farm population was very much dependent for maintenance of its living standards upon non-agricultural incomes' (Harrison, 1991: 120).

The other main relation of production of these families was that their production took place in villages characterised in large part by strip farming (which meant the intermingling of their holdings). These were villages where the dominant institution was the village commune (the mir) and where there was periodic redistribution of the land among households (i.e., where property rights to land resided in the village commune). In this respect, their situation had not significantly changed from the 'inner dualism' of the Russian commune described by Marx in the 1880s: that combination of 'common land ownership' and individual productive activity where 'each peasant cultivates and works... his plot, reaps the fruits of his field...on his own account' (Shanin, 1983: 104).

Within this particular combination, Marx had noted that the latter element, 'fragmented labour as the source of private appropriation', could 'become a source of disintegration' to the extent that it gave rise to accumulation of moveable goods such as livestock which were 'not subject to communal control'; thus, it could be the 'dissolver of primitive economic and social equality', the basis for the introduction of 'heterogeneous elements into the commune, provoking conflicts of interest and passion liable to erode communal ownership first of the cultivable land, and then of the forests, pastures, waste ground, etc' (Shanin, 1983: 120).

In short, Marx stressed that the commune 'bore within its own breast the elements which were poisoning its life.' Yet, Marx did not view the disintegration of the commune as inevitable; on the contrary, 'its innate dualism,' he argued, 'admits of an alternative: either its property element will gain the upper hand over its collective element; or else the reverse will take place. Everything depends on the historical context in which it is located' (Shanin, 1983: 120, 109-10). In fact, Marx concluded at the time that 'what threatens the life of the Russian commune is neither a historical inevitability nor a theory; it is state oppression, and exploitation by capitalist intruders whom the state has made powerful at the peasants' expense' (Shanin, 1983: 62, 104-5).

The historical context in which the mir existed, clearly, was one of contested reproduction. In the period in which Marx wrote, the reproduction of the mir was under attack by the combination of the exactions of the state and the encroachments of capitalist relations. But what about the *1920s*? Certainly, the most significant aspect of the *new* historical context for the mir was the Soviet Revolution. In the course of the two generations following Marx's observations, the mir had proved quite hardy. Despite Stolypin's 1907 attempt to establish

‘strong peasant farms with privately owned land in place of the commune’ (a political effort which in itself demonstrated the slow progress of any spontaneous process of disintegration), ‘relatively few peasants wanted to separate.’ In other words, the actions of the Tsarist state had not succeeded in vanquishing the mir. And, then came the revolution which ‘ended all forms of private ownership, whether by landlords or by peasants…. Perhaps the most important impact was the revival of the commune and the periodical redistribution of land’ (Merl, 1991: 54).

The existing enemies of the mir had been defeated. Indeed, the village communes had been the key actors in the revolutionary confiscation and redistribution of land of the gentry. In the process, the commune spread into regions such as the Ukraine where it previously had been unknown, and by 1927 an estimated 95.5% of peasant holdings fell within communal ownership (Merl, 1991: 54; Lewin, 1968: 26, 85). The result, in short, was a considerable *strengthening* of the mir: ‘in the course of appropriation of the landlord estates and reabsorption of Stolypin farmsteads into the old open-field system, the repartitional village commune revived and became more active and more widespread amongst the peasantry than at any time since 1861.’ Indeed, with the ‘destruction of the old, centralised political bureaucracy’, the ‘political self-determination of the village’ predominated (Harrison, 1991: 107-8). The mir, rather than any institutions of the Soviet state (like rural soviets), was acknowledged to be ‘the sole organization in charge of the economic life of the village’ (Lewin, 1968: 29, 85-86).

That strengthened mir is the context in which to consider the tendency toward socio-economic differentiation under NEP. Village land was subject to reallocation among households--- both in total and in the specific strips assigned (which might be as many as 100 separate strips at a considerable distance from each other), and the mir had the authority to make these decisions at the village assemblies. In addition to its property rights in relation to the land, its ownership of means of production such as processing enterprises (mills, etc) reinforced its position as the dominant organisation in the rural economy. Thus, there was a strong force in the countryside in this period which tended to *check* the development of inequality.

Not only the partitioning of households among children but also redistribution of land within the commune meant a general levelling of land holdings. The number of households increased from 21 million in 1916 to 22.8 million in 1923 to 25 million in 1927; average family size was stable in the 1920s (i.e., rural population was increasing), and equality in the villages increased. Indeed, the level of differentiation among households on the basis of the size of farms was less in 1927 than in 1913 (Merl, 1991: 64, 261). By its very nature, the mir tended to maintain the status quo within the village--- i.e., to reproduce the conditions of existence of peasant households which were units of production and consumption.

Was the capitalist farmer the enemy in the countryside? Did the kulak, through his ‘grain strike’, create the crisis which threatened the revolution? In fact, few things are simpler to explain than the shortage of grain available to the state. Certainly, the lack of forced sales which Preobrazhensky had stressed was an important factor in reducing the marketing of grain. So, too, was the leveling that had occurred in the countryside in the 1920s and the increased rural population (which consumed an estimated additional 1.5 million tons of grain compared to pre-war levels). A very important additional factor, though, was the price of grain paid by state procurement agencies--- reduced 20-25% in 1926-7 (Wheatcroft,1991: 99; Nove, 1992: 139).

Very simply, as Wheatcroft noted, ‘there is no mystery about the reasons for the grain shortage. The attempts of the government to control and hold down grain prices naturally increased the attractiveness of converting grain surpluses to livestock, whose value could be realized on the less restricted private market’ (Wheatcroft, 1991: 99). As Bukharin commented in

his 1928 *Notes of an Economist*, the result of the 'enormous discrepancy between the price of grain and other agricultural products' was a 'reallocation of the productive forces *away from* the grain economy' (Bukharin, 1982: 315). Thus, while net grain production was 35% below 1913 levels in 1928 (and marketed grain production 58% below!), net production of industrial crops was up 41% and net livestock production up 25% over the 1913 level--- although, here too, marketed output was below 1913 levels (Davies, 1991: 279).

What was occurring, according to Mark Harrison, was 'a growing diversification of both production and consumption of the rural population. The peasant household of the mid-1920s produced less grain than before the revolution, in part because it was producing more of other things. It sold less grains in proportion to output, partly because of the increased pressure of rural population relative to the harvest, partly because it allocated more grains to livestock feed (resulting in more animals of higher quality). Of the increased livestock produce, a part was eaten by the peasant household as milk and meat and a part was sold.' Compared to the pre-war period, 'the agricultural sector was being converted away from an extensive, grain-dependent economy towards more land-and labor-intensive, high-yielding branches' (Harrison, 1991: 111)

This pattern of modernization, though, had 'obvious and serious implications for the Soviet government's industrialization program.' It meant that resources available for industrial expansion (in particular, grain for consumption and for export) in the pre-war period now were being 'preempted for agricultural production and consumption of the rural population.' There was a definite conflict between this pattern based upon peasant households using family labour and rooted in the villages and the drive for expanded reproduction of state industry. As long as the latter drive dominated, there was no way of avoiding a confrontation with the peasantry (Harrison. 1991: 124). Who was the enemy in the countryside? The peasantry in its existing relations.

Contested reproduction in the 1920s

There was, indeed, a struggle between two sets of productive relations in the Soviet economy of the 1920s. To describe it, however, as a war between the law of value and primitive socialist accumulation obscures each aspect and the conflict itself. To understand the struggle in this period, it is important to see the essential conflict as *the struggle between the simple reproduction of the mir and the expanded reproduction of vanguard relations of production*.

Firstly, to stress the law of value is to think of these peasant households as capitalist firms--- spontaneously following market signals wherever they led. But these were *not* capitalist firms. For one thing, the overwhelming majority did not exploit non-family workers. Further, as enterprises, they did not follow the market to leave agriculture if the relative returns from agriculture were below those in industry. The law of value functions purely in the case of the capitalist firm which moves relatively freely (at least in its money form) from sector to sector in search of the highest profits. However, these peasant households produced a substantial part of their own subsistence and *removed* themselves from the market in whole or in part when that appeared rational. They were not dependent upon the market (and, thus, the law of value) for their existence. Production for exchange was a *means* for reproduction, not the basis of their existence as it is for capitalist firms.

By themselves, there was a certain rhythm in the life cycle of these peasant households: families grew (especially in periods of good harvests) and, if possible, they subdivided their holdings among the sons. Further, they existed in another relation that was more significant for

them than the market--- the mir; peasants were not an atomistic collection of commodity producers who related to each other on the basis of prices. Their daily life was life in the village and they were protected by the mir, the institution which tended to ensure the reproduction of these households which depended upon family labor. The mir was not the incubator of capitalist relations of production. Rather, as Stolypin recognized, it was the *enemy* of capitalist relations of production.

Standing opposite the mir and contesting its reproduction was not (as in Marx's day) the Tsarist state and capitalist relations fostered by that state but the vanguard state and state industry (and state marketing agencies) subordinated by vanguard relations. And, these could hardly be viewed as socialist relations if we think of the latter as involving a cooperative society based upon common ownership of the means of production--- a cooperative society in which producers simultaneously change circumstances and develop their full capabilities through their own practice.

Rather, contesting the reproduction of the mir was the expanded reproduction of a state under vanguard party control and the expanded reproduction of state industry organized on the basis of one-man management with wage-labourers receiving piece-wages and subject to Taylorism. That quantitative growth of industry under vanguard relations also had a 'joint product'--- an increase in the quantity of workers who respond to commands and directions from above and accept their subordinate position within industry in return for protection in their jobs and rising wages. This, after all, was the nature of the specific social contract.

So, what did Preobrazhensky's theory of primitive socialist accumulation mean for peasants? It did not involve a comparable social contract incorporating peasants into vanguard relations. Nor did it mean the creation of cooperatives among peasants. In this respect, it certainly could not be viewed as a theoretical argument from the perspective of peasants---or, indeed, from the perspective of a proletariat anxious to demonstrate to the peasant majority that it supported them (which was the conception of NEP).

What it said to peasants was that they must *wait*. Consistent with the theory that development of productive forces must precede the introduction of new relations of production, cooperative production would have to wait until the distant future, until the completion of primitive socialist accumulation. For now, there was the 'urgent necessity', the 'externally compelling law' which required the rapid expansion of heavy industry and thus the extent of the extraction from the peasantry that was 'dictated with rigorous economic necessity'. For now, in a supposed analogy to Marx's account of primitive capitalist accumulation, the expanded reproduction of state industry required that the maximum possible resources be extracted from the countryside.

Except that Preobrazhenky's concept of 'primitive socialist accumulation' was a complete distortion of Marx's concept of primitive capitalist accumulation. The original accumulation of capitalist relations of production that Marx wrote about did *not* centre upon extraction of resources from agriculture in order to build up industry--- not at least in the classic case of England. Rather, primitive capitalist accumulation was initiated in the countryside: it involved the creation of new relations of production in *agriculture* -- the replacement of individual peasant producers and renters with wage-laborers working for capitalist farmers.

Was it possible to begin to build new socialist relations in agriculture? After all, collective property was already present in the villages through the mir--- i.e., no rupture of property rights was required. Given the common property element in the village commune and traditions of cooperation in work on adjoining strips of land, in this new historical context,

couldn't the proletarian state foster the collective property side of the 'innate dualism' of the mir (that Marx had discussed) and encourage the creation of cooperative relations in agriculture at the expense of 'fragmented labour as the source of private appropriation'?

Certainly, by the beginning of 1923, Lenin had concluded that a concerted effort to build co-operatives in agriculture was essential. 'We lost sight of the cooperatives' when NEP was introduced and now we had to acknowledge their importance in the new environment when the proletariat controlled the state. With political power in the hands of the working class and ownership of the means of production, he argued, 'the only task, indeed, that remains for us is to organize the population in cooperative societies.' Demonstrating how important he now viewed the development of cooperatives, Lenin asserted that 'if the whole of the peasantry had been organized in cooperatives, we would by now have been standing with both feet on the soil of socialism.'

Thus, the task was to 'learn to build socialism in practice in such a way that *every* small peasant could take part in it.' And, an important part of that was for the proletarian state to take the initiative to encourage peasants to join cooperatives: 'we must find what form of 'bonus' to give for joining the cooperatives (and the terms on which we should give it), the form of bonus by which we shall assist the cooperative sufficiently, the form of bonus that will produce the civilized cooperator.' But where could the funds for that bonus come from? There was only one answer, the same answer to the question that Preobrazhensky had asked --- *from the peasantry*. However, in this case, taxes and the price mechanism would be used not to extract resources for industry (although that, too, was necessary) but, rather, to make a serious effort to *recycle the funds obtained from individual peasant families to cooperative forms of activity in agriculture*. That would be their 'bonus'.

This conclusion that the growth of cooperation under these new circumstances was 'identical with the growth of socialism' was part of a significant shift in Lenin's position: 'we have to admit that there has been a radical modification in our whole outlook on socialism.' Educational and organizational work among peasants was key--- which meant organizing peasants in cooperatives. The *other* side of that shift was his rejection in the same month (January 1923) of 'pedantic' Marxism and its 'incontrovertible proposition' (learned by rote repetition from West-European Social Democracy) that 'the objective economic premises for socialism do not exist in our country'. Where is it proven, he asked, that the combined efforts of the workers and peasants, 'with the aid of the workers' and peasants' government and Soviet system' cannot proceed to overtake other nations! Why can't we expel the landlords and capitalists 'and then start moving toward socialism? Where, in what books, have you read that such variations of the customary historical sequence of events are impermissible or impossible (Lenin, 1923: 'Our Revolution')?

Of course, encouraging peasants to join cooperatives could only be the beginning of a process that would take a whole historical epoch. Changing the mode of production in agriculture would depend upon the subsequent advance of electrification and the production of agricultural machinery like tractors. Yet, given the existence of strip farming and as many as 5.5 million peasant households still relying upon wooden ploughs, significant gains in agricultural productivity were possible that did not require major advances in industrialization (Lewin).

Here, then, was a definite path involving the conscious creation of new relations of production in agriculture--- i.e., the 'historic genesis' of socialist relations in agriculture. That was Lenin's path. Contrast that to Preobrazhensky's insistence upon 'the maximum primitive socialist accumulation', his theoretical argument that the 'part, which is accumulated at the

expense of peasant production, cannot drop below a certain minimum, a minimum that is dictated to the Soviet state with rigorous economic necessity’. In this conception, there was no place for using the state to build new productive relations within agriculture. To Bukharin's call for support of the development of cooperatives, Preobrazhensky asked, ‘where is the proletarian state to get these resources from?’ There were *greater* priorities--- ‘the restoration of the fixed capital of industry and expansion of the circulating capital’.

Only when ‘the period of primitive socialist accumulation is completed,’ only when ‘industry stands on a new technical foundation’, can we provide ‘that aid to co-operation of which Lenin spoke.’ Until then, Preobrazhensky declared, the little aid that could be provided ‘is more likely to irritate the peasants by the contrast between its scantiness and the inevitably large expenditure on the state machine than to call forth a feeling of gratitude to the class which is granting the credit’ (Preobrazhensky, 1965: 237). In contrast to a perspective which emphasized the importance of convincing peasants (the vast majority of the population) to support the vanguard state, this was a perspective not far from the War Communism logic of promissory notes for peasants (prodrazverstka now, tractors later).

In short, *two distinct paths*--- one in which the state was used to develop socialist productive relations in agriculture at the expense of individual peasant production; and the other, emphasizing the maximum extraction from existing peasant producers in order to build up heavy industry. Was the choice of the 2nd path inevitable?

Our concern here has been to understand the process by which vanguard relations of production *became* rather than to evaluate the feasibility of counterfactual paths. However, one thing should be clear: in the contested reproduction of this period, the more that the vanguard party and the vanguard state was determined to expand state industry as rapidly as possible, the more that conflict between peasant households within the mir and the expanded reproduction of vanguard relations was inevitable. As we have seen, rather than producing and marketing grain, peasants oriented toward maintenance and improvement of their households responded in a predictable way--- by shifting to the production of other products and by marketing less grain. And, the response of the vanguard state was ‘to collect’--- collectivization.

The response, in short, was to destroy existing productive relations in the villages and that ‘political self-determination of the village’ that had flourished with the ‘destruction of the old, centralised political bureaucracy’ of the Tsarist state (Harrison, 1991: 107-8). Existing property rights were ruptured, and possession of production was seized by the vanguard state which proceeded to direct production; peasants now were required to produce according to directions from above on the ‘collective’ land and supported their subsistence from their small private plots--- not the social contract characteristic of the situation of workers in industry but a distinct echo of an earlier productive relation. The vanguard state had achieved what the Tsarist state had failed to do--- destruction of the mir.

App-noteF. Understanding the context

How *much* accumulation was needed? Preobrazhensky argued that "the volume of accumulation in the state economy in any given year is not an arbitrary magnitude, but that a certain minimum of accumulation is harshly dictated to us by the overall proportions of the distribution of the productive forces between the state and private sectors, as well as by the extent of our ties with the world economy" (Preobrazhensky, 1965: 195). *Necessity* dictates the levels of accumulation,

the distribution of productive forces and proportions within the state economy; starting from the understanding of present and future needs, planners can calculate what is required to ensure the expanded reproduction of the state economy. Deepening the work of planning, thus, was "an urgent necessity which is dictated to the collective economy directly, as an externally compelling law" (Preobrazhensky, 1965: 66-7).

Preobrazhensky's answer to the first question was that, given "the growth of capitalist relations within and capitalist encirclement without," it was necessary to struggle for "the maximum primitive socialist accumulation" (Preobrazhensky, 1965: 58). You had to go beyond considering "the statics of the present-day relation of class forces within one country" to focus upon "the dynamics of the class struggle in the whole epoch of struggle between communism and capitalism on the world scale"; indeed, the development of the soviet system of economy was possible only if the state sector develops more rapidly inside the country than the private economy and also "that from outside we are not stifled by world imperialism" (Preobrazhensky, 1965: 304-5). Accordingly, Preobrazhensky stressed the need "to act with increasing speed and energy" (Preobrazhensky, 1965: 59): "to reach as quickly as possible the moment when the socialist system will develop all its natural advantages over capitalism, is a question of life and death for the socialist state" (Preobrazhensky, 1965: 89).

What, ultimately, was behind the choice of the second path? Clearly, it was not the advance of capitalist relations in industry or agriculture which threatened the revolution. Nor, I suggest, is there any reason to conclude that the building of socialism within the USSR was precluded theoretically because of the low level of development of productive forces; the latter, though, meant that such a process could only involve what Lenin had called "this extremely slow and extremely cautious progress", the work of a historic epoch.

There was, however, a separate factor behind the "urgent necessity" that Preobrazhensky stressed, one which *did* provide a basis for the assertion that rapid accumulation was "a question of life and death for the socialist state". The development of the soviet system of economy, as he noted, was only possible if "from the outside we are not stifled by world imperialism". This was a threat about which the Left Opposition warned: "A war of the imperialists against the Soviet Union is not only probable, but inevitable" (Left Opposition, 1963: 77). That real threat could not help but affect the subjective judgement of the vanguard which ultimately chose the 2nd path. That reality cannot be ignored--- although it should not be seen in any way as a justification for the arbitrary and precipitous actions from above that led to the widespread destruction of livestock, the demoralisation of the peasantry and the waste of human and material resources (e.g., unfinished factories) produced by the substitution of capricious commands for planning. Nor, certainly, can this be a rationalization for the arrests and persecutions beginning in 1928 with phoney charges and trials (e.g., the "Shahkty affair", followed by the "Toiling Peasant Party", "the Industrial Party", the "Union Bureau", etc) and continuing throughout the 30s with the devouring of almost all of the living original vanguard party leadership as well as countless innocents unfortunate enough to be chosen as scapegoats for the latest inevitable failures (Medvedev, 1973: 111-239).

And yet, however much actions beginning in 1928 may have reduced the real pace of industrialization compared to alternatives, imperialism must be recognised explicitly as the context in which decisions were made. The link between that perceived threat and the chosen pace for targets was never clearer than in Stalin's prescient 1931 speech to Soviet business executives:

It is sometimes asked whether it is not possible to slow down the tempo somewhat, to put a check on the movement. No, comrades, it is not possible! The tempo must not be reduced! ...To slacken the tempo would mean falling behind. And those who fall behind get beaten. One feature of the history of old Russia was the continual beatings she suffered because of her backwardness…. If you do not want this, you must put an end to its [our socialist fatherland's] backwardness in the shortest possible time and develop a genuine Bolshevik tempo in building up its socialist economy… We are fifty or a hundred years behind the advanced countries. We must make good this distance in ten years. Either we do it, or we shall go under…. In ten years at most we must make good the distance that separates us from the advanced capitalist countries (Stalin, 1931: 18-20, 22).

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